INVESTMENT EXECUTIVE

*Financial Planning*

# Helping millennials start saving



### Young clients may be too busy having a good time to worry about saving for retirement, but you can plant the seed

By Jennifer Cheng | April 11, 2017 11:15

For millennials who face a tough job market and rising student debt, saving may not be top of mind.

But Noel D'Souza, a financial planner with Money Coaches Canada in Toronto, encourages young clients to plan for the future. He advises them to envision what they want their life to look like.

"Millennials need to think about where they are spending money but not getting any value," D'Souza says. "If they like to party, for instance, what do they enjoy about it: the food and drinks or simply the time spent with friends?"

These questions can lead to ways to cut down on the cost of a night out — such as transportation and food — while still having the same amount of fun.

Here are four tips you can offer millennial clients to get them in the habit of saving:

**1. Create a bucket list**
Get your millennial clients to write down some short-term goals they would like to pursue in the near future. This exercise can lead to a lifelong habit of saving — and reaping the rewards for doing so.

"They have to get specific with the details," D'Souza says, "so they feel it becoming real, as opposed to just a fantasy or a wish."

For example, if your young clients want to travel, help them map out where they would go and where they would stay, whether in hostels or hotels. Calculate how much they would need to set aside to make that trip happen.

**2. Set goals with friends**
Whether it's paying down student debt, moving out of their parents' house or putting a down payment on a home, setting goals with friends can be motivating for millennials, D'Souza says. They'll improve their chances of success if they have the moral support of friends checking on their progress and encouraging them to stay on track.

**3. Pick up a side hustle**
Millennials often face doubts about their future, especially when it comes to finding steady, long-term employment. Your young clients will need a financial cushion to help them get through periods of unemployment or under-employment, according to D'Souza.

Limor Markman, a personal finance specialist in Toronto, is a big proponent of having multiple streams of income. Nowadays, Markman says, there are many avenues through which young people can turn a hobby into a source of income: a shop on a peer-to-peer e-commerce website such as Etsy; a YouTube channel; or a traditional part-time job as a server or a barista. Markman recently attended a wedding at which both the photographer and the popcorn maker had other jobs.

"[Millennials] want to travel, eat in great restaurants and experience life," she says. They need to generate more income instead of going into debt to pay off yesterday's expenses.

**4. Save — and invest**
Once your young clients are gainfully employed, instil in them the importance of saving and investing for long-term growth. Many financial planners cite $1.5 million as the amount the average Canadian needs for retirement. For most people, saving that amount is next to impossible without investment growth, Markman says.

Rather than focus on that overwhelming figure, educate your clients on the importance of making regular contributions to a long-term investment plan and working with an advisor to help them reach their goals.

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