



Millennials vs. Baby Boomers: Who Has the Better Investing Strategy?

Description

Compared to baby boomers, millennials and other fresh investors are more likely to gamble on extremely high-risk securities like Bitcoin and the like. It's good that young people are willing to take risks (they'll have to, after all, as this generation will need considerably more to retire at the same age as previous generations), but there's a fine line between investing and speculation. With cryptocurrencies, the mania of our generation, many millennials may be speculating and not investing, whereas baby boomers are sticking boring, old-fashioned stalwarts.

Are millennials more prone to speculating?

When it comes to cryptocurrencies or cannabis stocks, many investors may not be taking calculated long-term bets. They're chasing returns, and they're giving into the FOMO (fear of missing out) mentality. That's not investing; that's speculating! This is alarming, and sadly, many younger investors aren't just putting their capital at risk; they could be scaring themselves out the market forever, which means their future retirements could be in jeopardy, since such young investors may associate investing with gambling, when they were speculating, and not investing, to begin with.

Maximizing your gains is compelling, but you want to keep yourself in the game and not ruin it for your future self by making false neuro-associations early in your investment career. Unfortunately for millennials, they've been dealt a tough hand, graduating into one of the nastiest recessions in recent memory during the Financial Crisis. A lot of millennials were just getting into the market back then, and for many, it was a stomach-churning experience that caused many beginners to associate stock investing with gambling.

So, what's the best alternative? Bitcoin?

According to a recent survey conducted by Blockchain Capital, ~30% of millennials would rather invest an extra \$1,000 in Bitcoin versus stocks or bonds! Why? They don't trust the stock market. Sadly, many millennials are putting their trust in the wrong hands thanks to many false neuro-associations that they may have made during previous market plunges.

About 42% of millennials are aware of Bitcoin versus just 15% of baby boomers. Perhaps the lack of

awareness of baby boomers is saving them from one of the biggest bubbles in recent memory. Even if more boomers were aware, I don't think crypto is an instrument they'd be interested in simply because stocks are a proven asset class that have outperformed many other instruments over the long term. Sure, they're old fashioned, but they're the best option out there if you're looking to accumulate wealth in a safe manner over the long haul.

A regulated and centralized system may be seen as the enemy to those who don't trust the financial markets, but I believe Bitcoin, other cryptos, and [miners](#) like **HIVE Blockchain Technologies Ltd. (TSXV:HIVE)** are a trap that won't end well for those who choose to buy on the recent dip. There are many reasons why the cryptocurrencies of today won't be the go-to cryptocurrencies of choice several years down the road. It's all smoke in mirrors at this point.

And the winner is...

Baby boomers have the better investment strategy at this point in time; however, it's important to remember that these folks were dealt a far better hand right from the get-go. Millennials have an extremely challenging environment ahead of them versus previous generations, and unfortunately, this may lead to an increased appetite for speculation.

I believe the higher risk tolerance is an attractive trait, but not when placed in the wrong asset classes. As millennials bet on higher-risk growth stocks (and not [Bitcoin](#)), they certainly have the ability to crush the returns of their baby boomer counterparts in this day and age, because many of these baby boomers simply aren't keeping informed about the latest trends in tech. In addition, many of these baby boomers just want to cruise with low-volatility dividend stocks as they head into their golden years.

I believe baby boomers, on average, have a better strategy now, but this could change should millennials decide to leverage their higher-risk appetite to their advantage by investing in stocks and not speculating on new and questionable investment instruments.

If you're a millennial who's in the 70% camp who'd rather invest the extra \$1,000 in stocks rather than Bitcoin, then you've likely got a better strategy than your typical baby boomer and a profoundly better strategy than the 30% of millennials in the crypto crowd.

Take risks, but let's be smart about it!

Stay hungry. Stay Foolish.

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