



## Millennials: Here Are 3 Reasons Why You Will Stay Broke in 2020

### Description

According to a report published by the *Wall Street Journal*, millennials are the poorest age group among all the living generations. From mounting debts, with student loans being the monster, to having a lifestyle that doesn't match up to the income, there are various reasons why millennials are broke and will continue to be.

Here I am going to throw light on three of the pressing reasons why you, as a millennial, will stay broke this year.

### Splurging on useless things

Millennials are not doing financially well. However, their shopping habits don't reflect that. Young folks might not be buying expensive homes and cars, but most of their money goes into buying things that they may not necessarily need. Without stereotyping anyone, I would suggest you revise your buying habits.

If you are always sipping expensive branded coffee or buying a gadget or apparel just due to the fear of missing out, you need to clean up your act. Similarly, "binge" subscribing [online services](#) is also overkill. You will only increase your monthly overheads without making the most of those subscriptions.

Also, changing your cell phone, despite being tight on money, just because a new model of your favourite brand has come out, is not a wise move. Online impulse buying is another thing that will continue to bleed your wallet dry.

### Not saving

Sometimes, it seems like the concept of [saving](#) doesn't exist anymore. We don't see many millennials using the good old 50/30/20 rule on their monthly income. No one can predict the future, particularly when it comes to finances. Therefore, having a financial safety net is essential to steer through emergencies. If saving is not your habit, the chances of you staying or going broke this year will remain

high.

## Not investing

Adding to your existing money via investing is as important as saving it. The unwarranted detestation of many millennials for capitalism keeps them away from becoming good investors. Having investing temperament is the key to get around being broke, even when you are not making too much.

Stock investment is an option that millennials should consider for growing a part of their savings. I would like to present one stock example here to make you understand how investment can help you in dealing with financial woes.

**Royal Bank of Canada** is the largest Canadian bank in terms of market capitalization. It is a Dividend Aristocrat and one of the best that the stock market has to offer. It is offering a 4.03% dividend yield, with the stock price north of \$100. If you invested, say, \$10,000 in the Royal Bank 10 years ago, you would have your investment turned \$25,800, even without reinvesting the dividends that you would have earned every year.

## Conclusion

If you don't want to stay broke, you need to change your habits revolving around finances. You also need to change your mindset with respect to investing. Stock investment is the gravy train that you can hop on to grow your money for a better future.

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