



## Baby Boomers vs. Millennials: Who Is the Better Investor?

### Description

When it comes to investing, there is a wide generational gap between millennials and their baby boomer parents. The main problem is that these generations have gone through wildly different economic circumstances.

### Baby Boomers

Let's look at baby boomers. This [generation](#) pretty much had it made. After decades of war and poverty, their parents were able to scrape together as much as they could to give to their children. Then, those children had the advantage of also growing up during a period of relative peace. The Western World was no longer at war. Though there was a threat of nuclear catastrophe, it never actually happened. So despite some downturns, there was nothing like the economic crisis faced by their parents.

So boomers had money, had jobs, had a house, and could get credit easily. While other generations get blamed for entitlement, baby boomers were the original entitled kids. They wanted a good life, and wanted it now. Instead of savings, as their parents had, they racked on debt for travel, a better car, and more stuff.

### Millennials

And of course, they had children. These children were born during a recession, graduated during another recession, and are now having their own children and starting careers during another economic downturn. Yet these children were raised by baby boomer parents who believed they should have it all. And after years of economic uncertainty, millennials now have to pay for their parents good fortune.

Millennials have 2.7 times more debt than their baby boomer parents. Their average annual salary has come up a measly \$100 in the last *four decades*. They have a debt-to-income ratio of 216%! And yet millennials need to pay for university level education to receive even an entry-level job, something their

parents didn't need to do.

So with all this in mind, who emerged as the better investor?

## Trick question

Both generations are terrible when it comes to investing. On the one hand, baby boomers always had cash on hand. Cash came in, and rates were great. Banks tried to bring them in with GICs and bonds that performed well. So why invest in anything else?

Then there are millennials who are [excellent savers](#), but terrible at investing. While most millennials have savings of around \$20,000, only half invest it. When they do invest, it's usually in a trust. Though many still look to their parents for guidance, investing in GICs and bonds that are simply poor performers.

The solution is simple: meet with your financial advisor, and come up with a plan. Many investors think they have to come up with a financial solution on their own. I don't know about you, but I never learned about how to invest in school. So whatever makes people think they can simply figure it out is beyond me.

## Some options

Whether you're a baby boomer investing to retire, or a millennial investing to create a nest egg, you need a plan. Your financial advisor can help you come up with a goal, and what to invest in to reach that goal. But here are two for you to consider.

**Pembina Pipeline Corp.** ([TSX:PPL](#))([NYSE:PBA](#)) is perfect for baby boomers to receive monthly income in the form of dividends. The company is down now during the crisis, but has pipelines set to bring in serious cash over the next few decades. Meanwhile, it has several long-term contracts to keep cash coming in.

But millennials may want to think differently. Oil and gas could be done by the time you retire, so looking into a company like **Algonquin Power & Utilities Corp.** ([TSX:AQN](#))([NYSE:AQN](#)) could be a great option. The company has utilities across North America, and no matter what people need to keep the lights on.

Meanwhile, investing in clean energy projects could take over oil and gas in the future. So you can look forward to decades of growth from this strong stock.

## CATEGORY

1. Coronavirus
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## TICKERS GLOBAL

1. NYSE:AQN (Algonquin Power & Utilities Corp.)

2. NYSE:PBA (Pembina Pipeline Corporation)
3. TSX:AQN (Algonquin Power & Utilities Corp.)
4. TSX:PPL (Pembina Pipeline Corporation)

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