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TD Ameritrade Survey Uncovers the Next Generation of Investors – Gen Z

*Gen Z's top financial worries: paying for college and large student loan balance
Parents of Gen Z struggle to pay own college debt and save for their kids' college*

(OMAHA, Neb.) June 20, 2012 – Meet Generation Z. They are patient, collaborative and, contrary to popular belief, do not necessarily prefer electronic communication to personal connections, according to a new “Gen Z” [survey](#) conducted by TD Ameritrade Holding Corporation (NYSE:AMTD).

Ranging from age 13 to 22, Gen Z may seem too young to be thinking about their financial futures, but these up-and-coming investors are well aware of the importance of money, and not surprisingly, among their top financial concerns are affording college (39%) and having a large student loan balance (39%).

Gen Z may have a good reason to have a few financial worries. This generation has seen their parents struggle to pay back their own student loans – 58 percent of Gen Z parents who were surveyed said they took out their own student loans, and of these, 43 percent are still paying them back. More than half (51%) of those parents who are still paying back their own college loans also have a 529 College Savings Plan to support their Gen Z child's education.

When it comes to concerns about the economy, Gen Z and Parents said they are worried about the same things: their #1 concern is jobs and unemployment, mentioned spontaneously by 1 out of every 4 survey respondents.

“Increased tuition costs and a bleak job outlook may be a cause for concern to some Gen Z teenagers, young adults and their parents, but being proactive and coming up with a savings strategy early on can help ease some of these financial anxieties,” said Carrie Braxdale, managing director, investor services, TD Ameritrade, Inc., a broker dealer subsidiary of TD Ameritrade Holding Corporation.

Gen Z has good intentions – 76 percent said saving money is important, and 41 percent said they have a budget and follow it closely. And, when asked what they would do with an extra \$500, 55 percent of Gen Z respondents spontaneously replied that they would save it, with another 11 percent saving it specifically for college.

However, Gen Z is also showing signs of developing early bad financial habits. Among those Gen Z respondents who have a credit card, more than half (56%) have carried a balance for six months or longer (only 23% pay it off each month). Additionally, 23 percent of 19-to-22 year olds and 41 percent for 16-to-18 year olds claim they do not have either a checking or savings account. These accounts can be important first tools in learning basic money management skills.

Those members of Gen Z who had experience with more financial products were found to be better budgeters, and on average those good budgeters had \$850 more socked away in savings than those who didn't budget as well (\$950 vs. \$100 saved). Furthermore, one of the most common denominators for good budgeters was having had extensive discussions with their parents about saving money (67%) compared to those that aren't good budgeters (34%).

"We found that parents are still the most influential variable when it comes to educating children on basic financial skills," Braxdale continued. "Parents who work with their children early to develop a financial plan and clearly set financial expectations can help better prepare them for financial success later in life."

Parents and kids together can visit www.tdameritrade.com to access tools like [WealthRuler™](#) to help them review their plan for their future retirement or [College Planner](#), a calculator that can help them examine if they are on track for saving for college.

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Survey Methodology

2,001 U.S residents participated in an online survey from April 27-May 1, 2012.. The 2,001 survey respondents sample was drawn from major regions in proportion to the U.S. Census – New England (5%); Mid-Atlantic (16%), South (25%), Midwest (22%), Southwest (12%) and West (20%). In each region, approximately half of the respondents were male and half were female. The two primary groups included were: Gen Z = 1,001 (born 1990 to 1999) and Parents of Gen Z = 1,000 (has a child in their household aged 13 to 22). The statistical margin of error in this survey is ±3.1%. This means that in 19 cases out of 20, overall survey results for primary groups in the study (i.e., Parents of Gen Z vs. Gen Z) will differ by no more than 3.1% in either direction from what would have been obtained by measuring the opinions of all target group members born in the U.S. Head Research conducted this survey on behalf of TD Ameritrade Holding Corporation.

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