Think, Plan, Save

iOme Challenge

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EXECUTIVE SUMMARY

Millennials are accustomed to a world in flux: technology is improving at astonishing speeds and the current economic and financial markets are very volatile. The savings rate is not at a desirable point and loans-student loans-are at an all-time high. How can the government counteract this two part problem of low savings and high debt?

Outlined in this paper are reasons why the savings rate is low. The main reasons that people-specifically Millennials-are not saving would be: the Great Recession, Student Loan Debt, and Pop Culture/Instant Gratification. There is a brief historical outlook at the beginning of the paper which compares today's savings rates and savings rates 50 years ago. Millennials no longer trust our financial markets. When Millennials consider their future as a whole, they often do not specifically focus on the financial aspect. They are thinking more along the lines of "what can we buy right now?" instead of "what can we do with the money we have saved 40 years from now?" As mentioned, student loan debt is at an all-time high of $900 billion to $1 trillion. This is a major factor as to why Millennials are not saving. Once Millennials have paid their student loan debt for the month as well as other necessities such as food, rent, and utilities, they simply do not have money left the disposable income necessary to save.

We have developed a three step marketing strategy to inspire Millennials to save more. The title of this initiative is Think, Plan, Save. The think section will have celebrity endorsers merely present the idea of saving for your financial future. The plan section involves two aspects: an investment into education, both at the high school level and collegiate level, and the creation of a new government website, www.save.gov. The last aspect of the initiative, save, is Millennials to actually save, which will be done through both education and the website.

INTRODUCTION

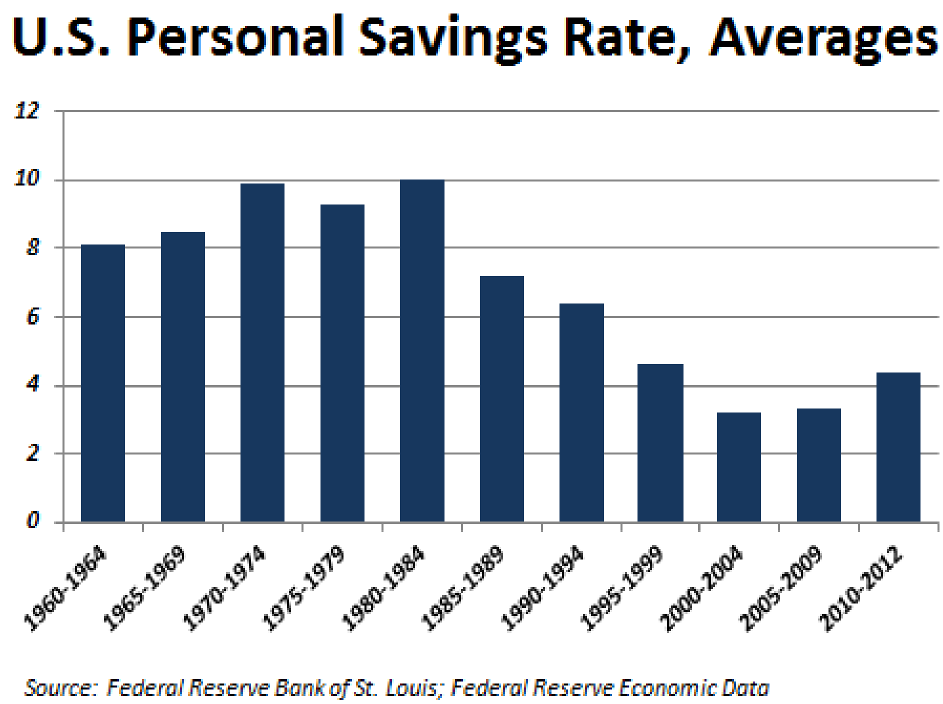
Although we are very early into the 21st century, it has already played host to numerous significant economic and financial events: the bursting of the technology bubble, September 11th and massive corporate fraud. As if that were not enough, the last few years have witnessed the greatest financial collapse and economic downturn since the Great Depression; a downturn that has shaken the trust that individuals have in their governments and in their business communities around the world. Additionally, this century has seen the rise of a new generation that is starkly different from those before it. This generation, referred to as "The Millennials" or "Generation Y," is made up of individuals roughly between the ages of 10 and 30 years old. Millennials have integrated technology into life seamlessly, they are more highly educated than previous generations, and are quickly entering the work force and assuming the responsibilities of adults. As these Millennials are entering adult life they seem to be looking more at the "here and now" as opposed to the future, financially speaking. The savings rate for Millennials is very low and one purpose of this paper is to explore why this is so. Factors such as the Great Recession, pop culture, and student loan debt will be identified as major issues affecting the Millennial generation specifically. Once the problem and its causes have been laid out, a proposed solution will be explained and promoted so as to advise the current administration on how to improve the national saving rate. You may ask "why worry about the Millennials?" but the fact of the matter is that in the next few decades, the positions of national and global leadership will be taken by members of this up and coming group. It is important to understand and educate them now so that they can be leaders, guiding themselves, the nation and the world into a better tomorrow.

HISTORY

In 2002, 70% of U.S. workers ages 25 – 34[1] reported that they save for retirement, and 26% believed they will have enough money to live comfortably throughout their retirement years. Ten years later, by 2012 only 55% of workers ages 25 – 34 reported saving for retirement, and 13% believed they will have enough saved for a comfortable retirement (EBRI, 2012). Why do workers 25-34 today feel differently than workers 25-34 just ten years ago? Why are so few younger workers today even saving for retirement? We feel that a few of the biggest causes are learned behaviors, soaring college debt and a Great Recession that has left many Millennials mistrustful of the U.S. financial system.

In September of 2012, the U.S. personal savings rate, as a percentage of disposable income, stood at 3.3%. From 1960 through 1980, this rate was relatively stable and averaged a healthy 9.0%. However, beginning around the early to mid-1980's, this rate has significantly and steadily fallen. It reached its lowest yearly average of 1.6 during the height of the housing boom in 2005. Currently, the rate on the surface appears to be slightly improving, but in actuality this is because the savings rate increased significantly, but briefly, during the Great Recession. It has since receded to its new average of around 3%, placing the U.S. among the lowest of the Organization for Economic Cooperation and Development (OECD) countries (Futrell, 2010).

[1] Millennials are considered ages 10-30. However, the majority of government date and surveys use age brackets of 25-34 year olds. Therefore, we rely on this data for much of the paper.



These declining rates during the 1980's through today are important, because it is this very behavior that the millennial generation has observed in their parents and grandparents. They were born and grew up during the "Me Generation" of the 1980's, when the country began a noticeable shift towards ostentatious consumerism, which only escalated during the 1990's. As such, it should come as no surprise that Millennials do not prepare, plan, or practice healthy saving habits themselves.

The lack in savings can also partially be explained by younger individuals entering the workforce under crushing amounts of student debt (EBRI 2012). Individuals ages 30 and under accounted for $292 billion of student loan debt as of Q1 2012. Only seven years ago, in Q1 2005, the amount was less than half of that at $144 billion (New York Federal Reserve).

Along with this debt, there is a lack of available jobs to repay it. Many members of the millennial generation are staying unemployed or underemployed for years after they graduate, which is taking away from valuable years of savings and delaying retirement. Currently, the unemployment rate for workers ages 25-34 stands at 8.3%, which is higher than the national average of 7.9% (Bureau of Labor Statistics).

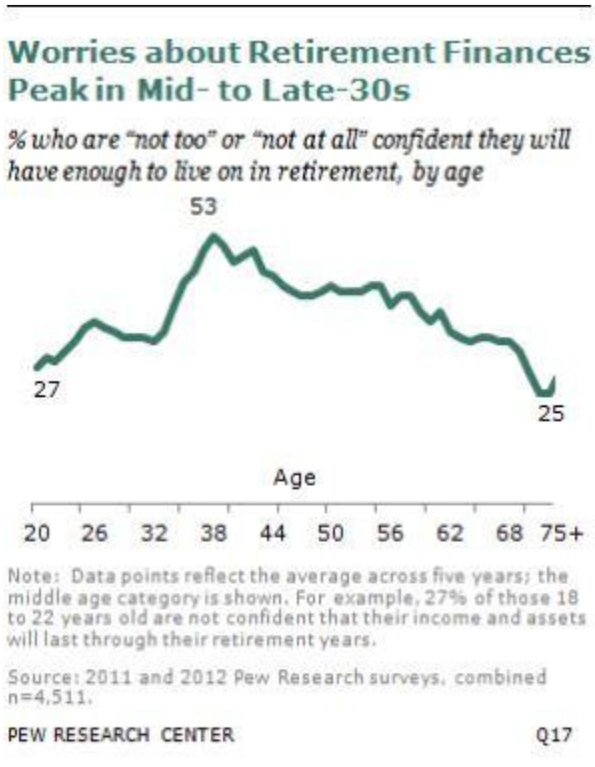
With all of these challenges, the millennial generation does not have very much faith in their ability to save. In 2012 the percentage of workers ages 25-34 that believe they are doing a good job at preparing financially for retirement is 22% (EBRI 2012). When that is compared to the 74% in 1998, it is easy to see how quickly times have changed and how different the economy and the millennial generation's outlook for the future has become (EBRI 1998).

CAUSES

THE GREAT RECESSION

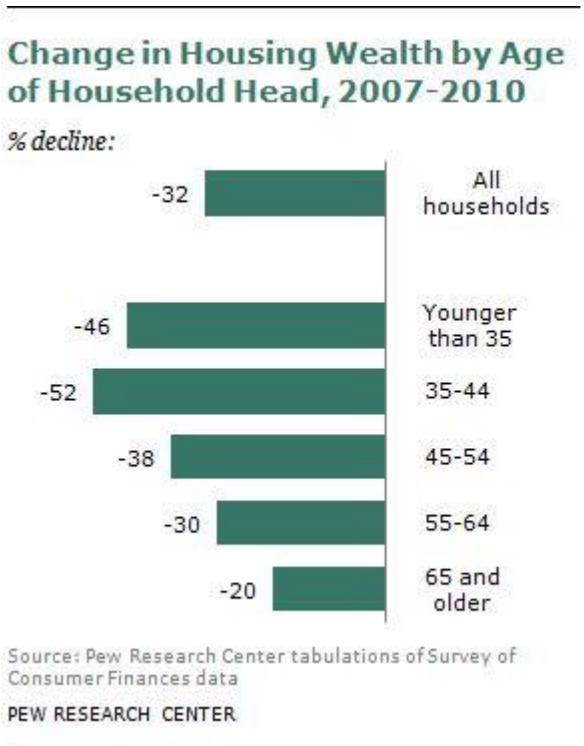
An obvious difference between the economic environment that the Millennials live in today compared to previous generations is the Great Recession, the worst financial and economic collapse since the Great Depression. Confidence in the economy to produce long term employment as well as in the financial market to produce a safe and normal rate of return has been shaken to the core.

More Americans are concerned with their retirement finances now than they were in the final months of the Great Recession. In the spring of 2009, 25% adults in a PEW Research survey said they were "not too" or "not at all" confident that they will have enough income and assets to retire. By the fall of 2012, that number had increased to almost 40%. In addition, the portion of people that feel that they will out live their retirement fund has more than doubled since 2009 (Morin, and Fry). Retirement concerns are not as prevalent in those close to retirement age as they are in younger and middle-aged adults.



Do in large part to the Great Recession, a large percentage of Millennials are delaying saving for retirement. As reported earlier, only slightly over 50% of workers ages 25 – 34 admitted saving at all for retirement. Those not saving are missing out on perhaps the most important force of retirement saving: compounding growth over time. We can view a simple example to demonstrate. If a person age 25 saves $100 per month, at an estimated simple interest rate of 6%, they would have approximately $200,000 by age 65. By comparison, someone who waits to save until age 40 at that same rate would have approximately $70,000by age 65. In order to have $200,000 by age 64, the 40 year old would have to save $280 per month, almost three times as much. This simple example illustrates how the absence of saving for just 15 years substantially reduces one's potential retirement fund.

One of the leading causes of the Great Recession was the burst of the housing bubble. One of the hardest hit age groups of the burst was people younger than 35 as can be seen in the graph below.



Why were younger homeowners hit so much harder? Authors Morin and Fry suggest that a possible reason is their ratio of home equity to more liquid assets:

> Adults 35 to 44 years old have a much greater share of their wealth represented by their home equity; this generation *[Millennials]* has not yet had the time to accumulate financial wealth. Moreover, these younger adults have had less time to build equity, so the market collapse cut into a greater share of a smaller base than for a longtime owner. (Morin, and Fry)

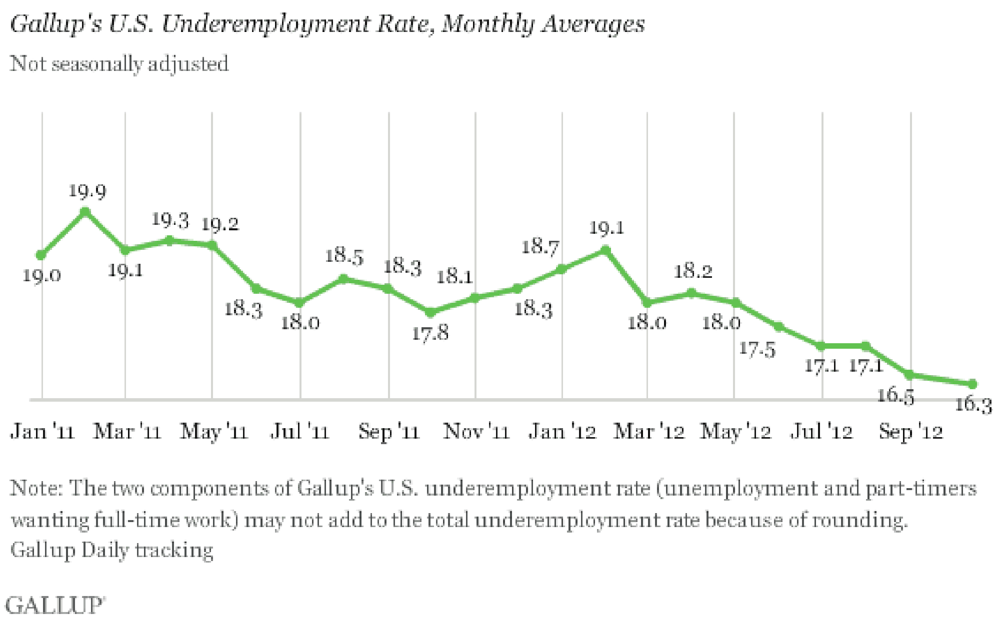
While the Great Recession has negatively affected everyone, 25-34 year olds may have been hit the hardest. As shown above, the collapse of the housing bubble has lowered their equity, making it even harder to save. As if this weren't bad enough, this particular generation is simultanuosly struggling to repay student loan debts that have hit historical highs.

Student Loan Debt

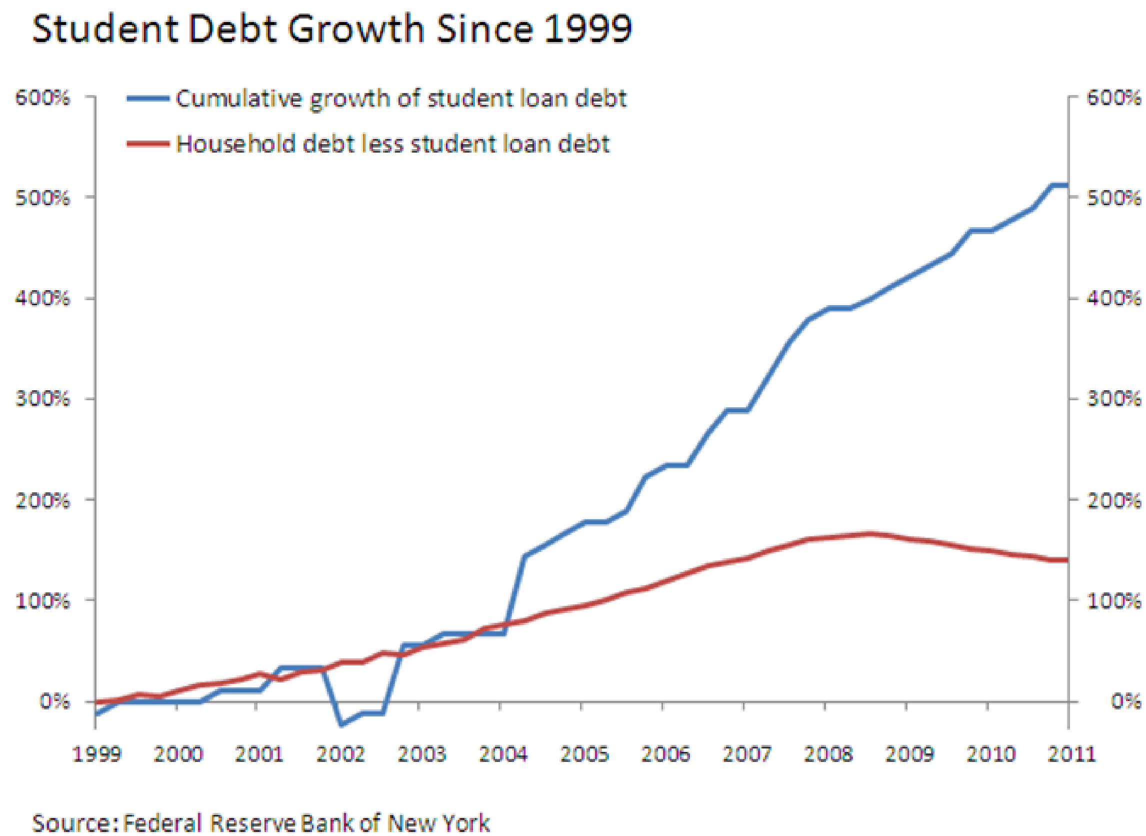
Why do Millennials struggle with saving? One of the main answers to this question is blaringly obvious: student loans. With the increased pressure to attend college and receive a degree, Millennials often feel that taking out loans to finance higher education is the only path to ensure a successful and high-earning career. Studies have shown that graduating college with a bachelor's degree can help you earn 114% more than young adults who have not completed high school, 50% more than young adults with only a high school diploma, and 22% more than young adults with an associate's degree (NCES). These numbers are shown in high school to increase college participation. However, students may fail to realize the full cost of pursuing higher education, which includes both foregone earnings from not working and the cost of tuition which is often financed through student loans.

Student loan debt is currently between $900 billion and $1 trillion in the United States alone. The Institute for College Access and Success has released some astounding numbers for average student debt right after graduation from college. Two-thirds of college seniors have student loan debt with the average at a staggering $26,600.

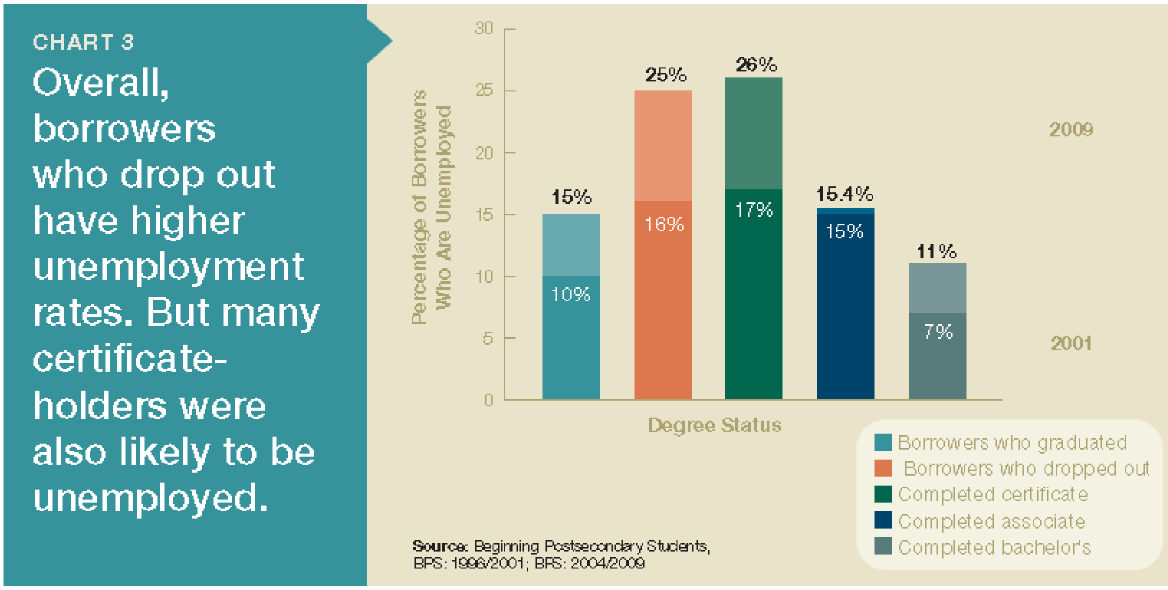
Graduating from college is no longer a guarantee for a job with an unemployment rate for 2011 graduates at 8.8%. This strain is further increased by the 19.1% of 2011 graduates who wanted to work full-time, but either gave up looking for work or was working part time. This is shown as an aspect of underemployment: 37.8% of recent college graduates were working at a job where a college degree was not a job requirement (ICAS). As seen in the graph below, a recent Gallup poll shows total underemployment, while decreasing, remains uncharacteristically high, at a rate above 16% for the last 2 consecutive years (Gallup).



Underemployment coupled with tremendous growth in student debt makes for a student loan bubble that may eventually have to burst. Sources agree that there is a "student loan bubble" comparable to the housing bubble that popped at the beginning of the recession. At the time of writing, the student loan debt clock was above one trillion dollars (FinAid). Private student loans are remarkably similar to the pre-crisis housing loans in that they act more like credit cards with 18 to 20% interest. Additionally, students are taking loans without knowing terms of repayment, options for refinancing, or the total amount owed on the loan. These practices have led to loan default or delinquency on more than 850,000 loans worth over $150 billion in debt (Daytona Times). As you can see by the graph below, household debt has doubled from 1999-2011 while student loan debt has quintupled.



Students who drop out of college before earning a degree often struggle the most with student loans. Borrowers who dropped out of college were more likely to be unemployed compared to borrowers who graduated. Approximately 29% of student borrowers who dropped out of a for-profit institution were the most likely to default on their loans.



There are a few ways to get "student loan forgiveness" including, but not limited to: performing volunteer work, military service, teaching or practicing medicine in certain types of communities (FinAid). These all seem like viable options to minimize student debt, but how can Millennials actually cure the debt problem that continues to worsen?

Generation Y is significantly less likely to be working full time than Generation X or Baby Boomers. Millennials also have a different view on staying at a career for life. They are far more likely to switch careers or change employers than Baby Boomers or Generation X (PEW). According to PEW, approximately 40% of Millennials predict that they will be at their current job for the rest of their working life while 84% of Baby Boomers predicted that they would not switch careers. Over half of the Millennial population expects to change careers more than once in their lifetime. Therefore, volatility between jobs will hopefully help fix the underemployment problem.

With increased borrowing, especially in private loans, students are graduating with more debt than ever before. While underemployment is improving, unfortunately, Millennials are still working part time and struggling to repay student loans.

Pop Culture/Instant Gratification

Another major cause of the lack of savings in Millennials is the influence of pop culture and its celebrities. This influence combined with a need for instant gratification and a sense of entitlement in early life has become a characteristic of the Millennial generation.

In the 20th century there was, and still is, an idiom that was a sort of social benchmark for success. The phrase "Keeping up with the Joneses" became a colloquial term for comparing oneself to one's neighbors in regard to wealth and possessions. The new Mercedes that sits gleaming across a neighbor's perfectly manicured yard inspires a good deal of envy among the nearby residents. This sense of envy isn't a bad thing. It is rooted in a desire for success and well-being that has defined the culture of the United States since its inception. However, in the 21st century, especially among Millennials, the race is not to "Keep up with the Joneses," but instead to "Keep up with the Kardashians." With the rise of reality TV and celebrities who are "famous for being famous," the social benchmark for success has seemingly moved from one's neighbors to celebrities whose lives we see ubiquitously played out in front of us on the television. The benchmark has changed from a comparison to a living, breathing neighbor that you can see and touch and talk to, to a persona on a television screen that lives in extreme wealth and in the spotlight, being paid to simply "live" their lives. In an article for Social Media Daily, Kate White writes, "Kim [Kardashian] only needs to mention a brand innocently, or not, in a Tweet and demand increases for the product or service tenfold." The fact of the matter is that Millennials want what the rich and famous have, but are not yet (in most cases) financially sound enough to do so. However they often still find ways to get it—whether they give up saving for spending or get mommy and daddy to buy it for them. Regardless, saving for the future or the idea of delayed gratification takes a hit.

In addition to television programs that display a pseudo reality of the lives of the rich and famous, Millennials also have social media alerting them to what their friends are buying and what different celebrities are endorsing, etc. In a recent Forbes article, Larissa Faw explained,

> Social media and pop culture also influence Millennial lifestyle decisions. In the past, individuals just had to keep with up the neighbors, but now Facebook has taken this competition to a global level. A non-stop feed of updates tells Facebook users what their friends are buying and doing. Plus, the influx of 'just like us' reality TV personalities conveys to Millennials that these lifestyles are achievable. It took one year for the Jersey Shore's Mike 'The Situation' Sorrentino to go from living in his mom's basement to owning a Lamborghini.

Millennials have a hard time understanding why they can't have "the Lamborghini" at an early point in their adult lives, especially if their parents would buy it for them or if they could *just* put it on a credit card. With this kind of "competition" it doesn't take much for one to see why Millennials feel the need to spend the majority of their income on themselves. They *must* enhance their individuality. They *must* be successful and famous. They *have* to have the best of everything, right here, right now.

The most interesting part of the concept of "buying" into the lives of celebrities is that never before has it been so quick and easy for consumers to do so. With the creation of credit cards, debit cards, the Square payment technology, Google Wallet, PayPal, etc., it has never been easier to spend money and Millennials know this. When one grows up used to quick transactions, quick package shipments, and parents who will pay for it all, it is no wonder that instant gratification has become such a characteristic of the millennial generation. In an article for the Notre Dame Magazine, Ronald Alsop paints a picture of why 21st century culture is obsessed with instant gratification. He writes,

> Everything from on-demand movies to scratch-off lottery tickets to instant messages has heightened people's sense of urgency. At Walt Disney World, FastPass tickets cut your wait time for the most popular rides. Cosmetics marketers promise a facelift in a flash with products like Maybelline Instant Age Rewind. Online, instantly downloaded music purchases have put record stores out of business. And there's no need for high school seniors to worry for long about college admission decisions: Apply 'early decision' and learn your fate within a month or so.

All this just goes to show that Millennials simply do not understand the concept of waiting. Yet, why should they? Millennials have grown up with technology and have come to use it constantly. Every college student has a smart phone from which they can check the weather, monitor their bank accounts, or purchase a new outfit, all while writing an email, sending texts, and listening to music—and when they run out of music to listen to, they can just buy more through their smart phone. This ease of access has affected every facet of a Millennial's life. They expect their smart phone to quickly give them information and they expect their career and life progression to be equally speedy.

With this nest of instant gratification and pop culture icon worship, it is not surprising that the millennial generation's savings rate is so low. While there is some evidence that Millennials are becoming more financially savvy, the vast majority are still dismissing *delayed* gratification and focusing on its more *instant* cousin. Saving is low because Millennials are so positive about the future. This can be illustrated by young people's unrealistic expectations for the future. As explained in the President's Advisory Council on Financial Literacy's 2008 Annual Report, "Teenagers are very optimistic about their chances for financial success… Nearly 73% believe that they will be earning 'plenty of money' when they are out on their own. Boys expect to earn about $173,000, while girls expect to earn more than $114,000, on average." Perhaps this is a foresight that is supernatural, but more likely, it is the ignorance derived from growing up in a bubble of hyper involvement, hyper connectivity, and a financial freedom provided (and many times reinforced) by their parents. This mindset has led them to believe that they should spend on themselves now instead of saving for the future because—it seems—that the future will take care of itself.

Solutions

Our solution is to launch a government-aided "Think, Plan, Save" campaign. Changing financial habits is not going to be a fast or easy process. Therefore, we propose a three-stage campaign which entails creating a need/value, inspiring a call to action, and giving individuals an outlet to complete this action.

Individuals first have to recognize the need and value of saving before any progress can be made, so the first part of our campaign is THINK. To achieve this, multiple forms of media would be used, such as billboards and commercials. To reach the celebrity-minded interests of the millennial generation, we would use relevant celebrities in advertising for various sectors of the age group. The difference in total savings depending on the age savings is begun (25 versus 40 for example) should be highlighted, to emphasize need and create a sense of urgency.

The second section, PLAN, is a call to action for the American people. It encourages individuals to visualize what they need to do, and how they need to do it, in order to be successful and comfortable in their future. This would two-fold. First, we propose an investment into the education system, at both the high school level and the college level, in courses that outline the basics of personal finance, savings, and the time value of money. Second, it would entail a new website that gets individuals to start preparing budgets and realizing how much they will have during retirement versus how much they would like to have in retirement based on their budget. This would need to explain, in simple terms, the different types of saving plans available and the benefits of each. It should not be very complicated as we do not want people to lose the motivation to begin saving that was derived from the THINK campaign.

Thirdly, there is a state of action; SAVE. One outlet for this would be the website, which would house a person's entire savings balances (both public and private). This would be connected to a mobile phone application, to keep up with the mobility of the generation. This also could include possible tax breaks to employers who offer retirement options even to part-time employees.

Think. It is something that we do every day, every second. It is how we decide what to do and when to do it. It is also the first part of how the lack of saving may be corrected. It is very important that Millennials *think* about saving and *think* that they need to save, because they do. Yet how does one go about changing the way a group thinks? A better question is to ask is what changes the way the group thinks currently? As explained above in the pop-culture section, Millennials are heavily impacted by what celebrities say, do, and consume. In an effort to use this fact as a catalyst for the savings rate, we propose a massive advertising campaign with extremely popular stars explaining the importance of planning and saving for the future. To garner the widest possible audience, the celebrities would come from a wide variety of backgrounds (musicians, performers, actors, reality stars, athletes from every major sport, etc.) In addition, all forms of media would be targeted – TV, radio, billboards and print. The goal for this campaign is to get people thinking about the importance of saving and we want their role models to lead them on this path. We hope to emulate the “Got Milk?” campaign that has come to be recognized as one the most successful ad campaigns of all time, and it is hoped that the simple idea of saving could be as thoroughly and well communicated.

We suggest that the federal government pursue this campaign as a method of educating the citizens of the United States on the importance of saving. A budget for airtime on television, print advertising, endorsement fees, and other costs would be needed to fund this campaign. The campaign will aggressively promote how individuals can go about learning how to save and seek to make the concept itself “in vogue.” We feel that this positive message from role models and celebrities will position Millennials and non-Millennials into a better spot to jump-start a saving trend.

Plan. It is crucial to any organization. A corporation with a plan is on the path to success. A family with a plan keeps all of its members in sync with one another. The plan aspect of the “Think, Plan, Save” campaign is focused on educating and preparing Millennials and future generations about the process of saving and financial security. The target area of change would be the curriculum of publicly funded high schools and universities. The change we suggest would be the addition of a class to the “required classes” category. These new required classes would be specifically garnered toward saving and financial planning. The years of education affected would be the senior years of both high school and university, as each of these years takes place before a major change in lifestyle.

As a senior in high school, one is on the verge of either entering a university or the workforce. Regardless of which path one takes, knowledge of basic banking, saving, student loans, and credit cards combined with an emphasis on a long term financial perspective is necessary to encourage sound financial decisions. A 2009 study of undergraduate students showed that "64% of students would have liked to receive information about financial management in high school" (Lusardi). The addition of a "financial preparedness" class to all public high school curriculums would only better prepare students to make better decisions as they generally begin to independently manage their lives. This basic knowledge is all we suggest at this point because it is the rare high school senior who is already preparing to make a down payment on a house, start a 401(k), or invest in the stock market.

In addition to an enhanced curriculum, high schools should make use of instructors who have a financial background. They will be better equipped to demonstrate a deeper understanding of the material being taught and to properly and accurately answer questions that students have. We conducted a very informal survey of over 550 college students (568 students). Of this group, 13% did not take an economics course in high school. Another 37% reported taking an economics course from a teacher **not** affiliated as also a sports coach of some type. Finally, 50% of those surveyed said they took a course in economics in high school taught by someone who also served some role as a sports coach (tennis, soccer, basketball, football, etc). While 'Coach Johnson' may be a great tennis coach, and might possibly also know economics, we find it unacceptable that 50% of high school students are taught economics in this way. Political science classes are not taught by coaches. Math, English and science classes are not taught by coaches. Why is economics? Instructors with financial experiences will not only provide the right answers to cases in which students have inquiries that expand beyond the planned material, but also will personally serve to further inspire students.

The importance of financial education does not end with the completion of high school, and so our nation's responsibility to ensure financial capability should not cease once an individual becomes a "legal" adult. Considering the increasing amounts of student loans being taken out and lack of understanding of credit, it is incredibly important that sufficient education be provided at the post-high school level. A study on undergraduate credit card use conducted in 2009 showed that "84% of students needed more education on financial management topics" (Lusardi). As seniors in college, students are on the verge of starting a career and are much closer to a time when they will purchase a house, start a family, and make major life decisions than they were as high school seniors. Thus, a greater depth of financial knowledge is necessary. Things like mortgages, bonds, mutual funds, stocks, 401(k)s, etc. are now much more important as they will be directly impacting the lives of college graduates. In the 2010 Journal for Consumer Affairs, writers concluded that "While young workers face or will soon face decisions about mortgages, college funds, and retirement savings, their financial knowledge seems dangerously low and potentially inadequate to deal with the complexity of current financial markets and products" (Lusardi). Saving and investing strategies have changed over the years and will continue to change. Many argue that it has become a more difficult task for workers, as they are simply not educated well enough anymore. In an observation from the article noted above, the authors stated that "financial literacy was severely lacking among young adults; only 27% knew about inflation and risk diversification and could do simple interest rate calculations" (Lusardi).

The idea behind this two-tiered education system is an effort to determine what is "appropriate" to teach students at their respective lifestyle phases. The goal is to equip young people for the most immediate financial obstacles and challenges they will face. By giving students the knowledge they need to plan for their futures financially, we expect the number of people saving to increase. Although some students may not be able to save immediately due to exogenous circumstances (i.e. massive students loans), at least they will have the knowledge and skill set necessary to think and plan in anticipation of saving for the future. President Obama has repeatedly mentioned investing in education as one of his top priorities, to help "…prepare Americans for the jobs of the future and help restore middle-class security…" (www.whitehouse.gov/issues/education). We believe an investment into better *financial* education easily fits into this initiative.

Finally, still under the **Plan** section of our proposed solution, we advise the government to design, build, advertise and maintain a web site, www.save.gov. Several years ago, the government created the web site www.export.gov. The purpose of this web site is to both stress the importance of exports for the American economy as well as help U.S. firms navigate the extremely complex process of exporting. Both President George Bush and President Obama have pushed exports as one critical method of creating jobs in the U.S. In much the same way, we hope to emulate the export web site with the save web site that also stresses both the importance of saving for the American economy, as well as helps individuals navigate the often complex and confusing world of retirement and various savings vehicles.

Save. Perhaps more so than any other part of the Think, Plan, Save campaign, the "Save" section is the both the most comprehensive and important. This is the part of the campaign where all of the "Thinking and Planning" start to bear fruit. The overall goal of this proposal is to increase the number of people (young and old) saving. We think the best way to accomplish saving goals is to provide an accessible website with an accompanying mobile application. Our vision for the website is to make it a place to begin. A place where an individual can have access to a plethora of financial information provided to help him or her begin making educated decisions about saving for the future.

At the proposed website—www.save.gov—individuals will be able to create their own unique online account holding all of their information privately. Other websites, such as www.mint.com already partially do this. Mint.com, for example, allows a person to access all personal savings and retirement accounts into one place. In addition, one can access their estimated social security retirement benefits from www.ssa.gov. We advise the combination of the two. At www.save.gov, one would have access to both their private retirement accounts and their public (social security) accounts. In this way, one can have a complete projection of their total monthly savings balances at retirement.

After creating an account, users will be asked five questions to help determine their current financial status. The questions would be: (1) What is your current age? Age range will determine what short-term goals individuals need to pursue to ensure long-term financial success. For example, a single individual who just entered the workforce will require a different saving strategy than a middle-aged man or woman who controls the finances for a household. (2) What is your current salary and monthly expenses? This would be asked to find disposable income. This will help people realistically determine how much each individual can potentially save. (3) What debt do you currently have? (4) How much do you currently have saved? (5) When do you want to retire? Answering these five basic questions will lead one to designing a portfolio and giving the user a clearer outlook on their financial future. Once the financial profile has been created and this basic information collected, users will have a variety of interactive tools depicting a multitude of scenarios that will enable them to get an idea of how their current decisions will affect their future. For example, a user could enter a desired retirement fund goal and, given his answers to the questions mentioned above, a hypothetical savings plan would be generated for him. The aim of this website is to be an easy to use tool with heavy user interaction so that an individual can find a realistic savings plan that best fits his or her lifestyle.

In addition to creating a profile and the personal savings plan, there would be a glossary of useful financial terms, a frequently asked questions page, audio and video resources, personal success stories, and a live chat for additional help and unique questions. There would also be an interactive learning portion on the website to encourage learning in a fun environment. This would include a pre-test to identify strengths and weaknesses in financial planning, fun and interactive games, and many more useful learning tools. The goal for this portion of the website is to provide an easy to use resource for those who simply want to better understand financial information to improve the way they are making decisions. This would be accessible whether a user has an account on the website or not.

The Save section of the campaign is in two parts. The first is simply individuals choosing to save because they have been made aware of the importance of saving and have been given the tools to do so. The second is the creation of a website and mobile application to support individuals who want to save. The goal is to make the website and application easy to use and access. Millennials use technology more than any other generation and being able to access the materials provided by the save.gov website is paramount to success with this digital generation. In a recent Forbes article, T. Scott Gross states that

Millennials "…expect to use technology to make work and life more interesting and productive, surfing the web wirelessly via smart phone or iPad. In fact, to a Millennial, failing to use technology to its fullest is almost as bad as not using it at all." Clearly, to make the website successful with Millennials easy access is key. Having an up to date, user-friendly tool to plan for the future will be attractive to young and old alike, making the rather difficult and daunting task of financial planning more feasible.

Conclusion

A perfect solution is impossible to achieve, but this paper strives to provide a solution that is as close to perfect as possible. When boiled down to its core components, the issue of saving money is rooted in mindsets about consumption, and mindsets are hard to change. Americans are more willing to consume than most cultures. A history of strong consumption has been passed down to the current generation. We have shown that Americans have never been great savers. The savings rate has plummeted over the last 30 years as Americans have become more and more accustomed to the ease of living experienced in the United States. Necessity, as a motivation behind saving or to delay gratification has greatly diminished.

The problems of pop-culture, instant gratification, the Great Recession, and massive student loan debt have created a generation of Americans who may know that they should save, but do not want to. In addition to a lack of desire to save, students are facing a more precarious saving and financial environment. The national average starting salary for a new graduate is $44,259 (National Association of Colleges and Employers). However, the national average amount of student loan debt is $26,600 (Project on Student Debt.), roughly half of the average starting salary. Between paying loan payments plus interest and the expenses of everyday life, it is very hard for new graduates to have a regular, reliable saving plan. In addition to this, the Recession has made it hard for Millennials to get jobs. The unemployment rate for this generation is higher than the national average at 10% (Pew Research Center). Firms want to hire young people who have a lot of potential which has made the job market extremely competitive. Between student loan debt and a tougher job market than the majority of previous generations have faced, Millennials are facing a very challenging environment in which to lay down their financial foundations. For this reason changes have to be made for future generations that will educate and encourage well thought out financial decisions.

The Think, Plan, Save campaign is set up to holistically prepare future generations to make sound financial decisions. The first step is to increase awareness about saving. The Think section of this campaign gets people thinking about saving through celebrity endorsement. By using society's role models as vessels to encourage saving, we firmly believe that our message will take root in the minds of young and old people throughout the United States. In the Plan stage of the campaign we suggest upgrading the financial education in public schools and universities to a more specific and applicable model. This change would affect the curriculum of high school and college seniors. Each group would be taught financial skills that are specifically geared towards preparing them for the phase of life they are about to enter. We also suggest using educators who have a financial background to teach these courses so the students will have a more accurate and thorough education. The final stage of this campaign, the Save stage, will encompass young people of the future using the education they have received through the new financial classes and a website and mobile application that complement and enhance the public's ability to save. The website will contain resources for educating all individuals and tools for people to project and create saving plans for themselves. Finally, it will combine a person's private retirement accounts together with their public retirement accounts to create an easy to see projected monthly retirement budget. By making the website accessible on the Internet and on smart phones, we feel strongly that it will be thoroughly used by the virtue of pure simplicity.

This paper has described the causes of and proposed solutions related to improving the national savings rate, specifically for the Millennial generation. As mentioned earlier, the way to actually improve the savings rate is to change the general population's mindset about making financial decisions. Through the Think, Plan, Save campaign we feel that this problem has been approached thoroughly and thoughtfully so as to effect true and lasting positive change to the way Americans make financial decisions.

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