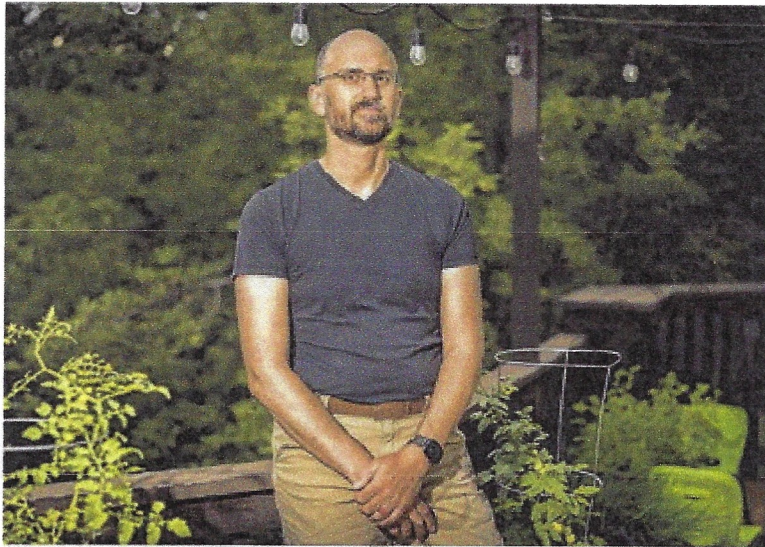


~~8-7-25~~
8-7-25



CHET STRANGE FOR WSJ Mike Tonkinson owns a home and has ample retirement savings —but he still worries about his finances.

Financial Worries Hit Millennials

Despite rising home values and stock prices, many still fret after living through past downturns

BY JOE PINSKER

Millennials are entering midlife wealthier than they or anyone else expected. Many of them fear it won't last.

Mike Tonkinson finished law school near the end of the 2007-09 recession and spent several anxious months without a paycheck after his new job's start date was pushed back. The unemployment and foreclosures he saw in those years have haunted him since.

"You only have to watch 'The Big Short' once and go, 'Oh, my God,'" said Tonkinson, referring to the movie about the era's financial crisis. "It just makes you jumpy."

The 45-year-old lawyer in Boulder, Colo., today is a homeowner with ample retirement savings, but he worries his wealth could suddenly disappear. He keeps an emergency fund that could cover his expenses for years.

After persevering through recessions in the late 2000s and during the Covid-19 pandemic, millennials now have net worths that are higher than those of pre-vious generations at similar ages, adjusting for inflation. Many think it is time to retire the narrative that their generation got a raw deal, but they remain apprehensive about their futures.

In 2016, the median net worth of older millennials, those born in the 1980s, was more than one-third lower than expected based on past generations' wealth trajectories, according to the Federal Reserve Bank of St. Louis. By 2022,

when that cohort was in their early 30s to early 40s, their median net worth was more than one-third higher than expected.

Rising home values and stock prices helped boost millennials' wealth, with both hitting record highs in recent years. But the generation saw both nosedive early in their adult lives.

"I would say we're in the fifth inning. They fell behind and they've caught up," said William Gale, an economist at the Brookings Institution. "But the game is not over."

Andrew Miller III wanted a job in finance when he graduated from college in 2006, but he ended up selling photocopiers door-to-door. Two graduate degrees and almost 20 years later, he is an executive at a shipping company and can afford to send his five children to private school.

Miller, a 41-year-old in Burleson, Texas, thinks the complaint that millennials are financially doomed is outdated.

He said early difficulties "helped me in my career because they made me have to grind, to work harder and smarter to catch up."

In early 2025, the average net worth of millennials and older members of Gen Z was 31% higher than baby boomers' and 20% higher than Gen Xers' at similar ages, according to Ana Hernández Kent, a researcher formerly at the St. Louis Fed.

Not everyone is enjoying such success. Among the millennials still struggling to build wealth are those who have large student-debt payments and those who can't afford to buy a house. The gap between the 20th and 80th percentiles of net worth for millennials was almost \$350,000 in 2022, larger than the roughly \$285,000 inflation-adjusted gap among boomers in 1989, according to the St. Louis Fed.

Age is another dividing line among millennials, with even just a few years making a difference in fortunes. Stevan Molinar has an older sister who bought a house in the 2010s, but by the time he was prepared to do the same in the 2020s, mortgage rates and home prices were shooting up.

Molinar, 35, said he and his peers have adjusted their vision of the good life accordingly.

"It's no longer a home, spouse, two cars and three kids in the suburbs," said Molinar, a management consultant in Bellevue, Wash. He said he measures his success by his ability to travel often and to rent a nice apartment. Nearly seven in 10 millennials say that financial success is much harder for them to achieve than it is for other generations, according to a 2024 survey from Empower, a financial-services company. Millennials' frustration with the cost of houses, healthcare and college degrees is understandable, said Jean Twenge, a psychology professor at San Diego State University. She also thinks some of their midlife angst has to do with their upbringing.

"The millennial childhood and adolescence was so optimistic and so positive," said Twenge, author of "Generations," a book about generational differences. "Their expectations were so high, they might have been impossible to fulfill."

For Avantika Argolo, a 36-year-old product manager in Dallas, millennials' ability to weather setback after setback is reason for optimism.

"We look at boomers today as having all the expensive houses and all this wealth saved up," Argolo said. "I think that's going to be us in 20 years, 30 years."

Still, many millennials say that living through historic recessions primed them to be extra vigilant.

Lisa Peteet, 44, launched her own design firm in Asheville, N.C., during the 2007-09 downturn as her then-employer struggled. She still runs the company, but she fears what artificial intelligence might do to her livelihood.

"When you start in 2008, you have a mindset of scarcity a little bit," she said.

