

# Younger Workers Face Financial Gaps

If you're starting out in your career, you have many of the same financial needs as older workers — but you might be lacking some of their resources. How big of a concern is this?

It could be significant. While you have the advantage of time, you'll want to avoid falling into one or more of the “gaps” faced by people in your age group. Consider some of the findings of a study of 18-to-34-year-olds from Edward Jones and research groups NEXT360 Partners and MarketCast:

- Only 31% currently have a retirement account.
- Just 57% have health insurance.
- Less than a third have life insurance.
- Just 12% go to a financial advisor to discuss their finances.

These issues could cause problems in building the financial foundation you'll need to achieve your goals and enjoy the lifestyle you've envisioned. Let's look at each of these issues to see how they might affect you and what you can do to fill in the gaps.

- *Retirement account* – Depending on where you work, you may have access to a 401(k) or similar tax-advantaged retirement account. Early in your working life, you may only be able to contribute small amounts to your 401(k) or other plan, but gradually, as your salary rises, you can contribute more. In any case, try to contribute enough to earn your employer's matching contribution, if one is offered. If your employer offers a Roth 401(k), you may want to discuss this option with a financial professional. Even if you don't have a 401(k) available, you can still contribute to an IRA.

- *Health insurance* – It only takes a protracted illness or a hospital stay for medical bills to become overwhelming. If you're fortunate, you can get health insurance from your employer, but if it's not offered, you may need to find your

own. It can be expensive, but you might be able to get some help in choosing an affordable plan by visiting the [healthcare.gov](https://www.healthcare.gov) website. If your employer provides a high deductible health insurance plan, you might have access to a Health Savings Account (HSA), which can be used during your working years and into retirement.

- *Life insurance* – If you're single with no dependents and no one in your family depends on your income — for example, you're not helping support older relatives — you may not need life insurance. But that changes the minute you get married or otherwise maintain a long-term, stable relationship, and especially once you have children. If you have anyone depending on your income, you need life insurance. You might get some coverage from your employer, but if it's insufficient, you may need to purchase private coverage.

- *Financial advice* – You're still in the early stages of your working years, so you'll have many financial goals ahead of you, both short term (down payment on a house, travel, etc.) and longer term (college for your children), not to mention retirement. It can be challenging, but, when possible, it's a good idea to fund short- and long-term goals simultaneously. To achieve these goals, you'll need to follow the appropriate financial and investment strategies — and you'll find it easier to do just that with the help of a qualified financial professional.

By filling in any gaps, from retirement savings to insurance to financial advice, you can help yourself feel more secure about where you are today — and where you'll be tomorrow.

*This article was written by Edward Jones for use by your local Edward Jones Financial Advisor.*

*Edward Jones, Member SIPC*