

The Basics Q&A: 3 Smart Tips for Young Investors

With Michael Liersch, Head of Behavioral Finance
Merrill Lynch Wealth Management
And Stacy Allred, Wealth Strategist
Merrill Lynch Wealth Management

Please see important information at the end of this program

Recorded on June 4, 2014

MR. LIERSCH: Stacy, in all our research with ... young people in their twenties and thirties ... they express or tend to express this idea of conservatism when it comes to investing.

Do you have any thoughts on how these young people can overcome this notion of conservatism, and since they have time on their side, really invest and take advantage of things, like compounding, which we know can really be valuable when it comes to financial outcomes.

MS. ALLRED: I think that we really need to do something to offset this kind of Millennial approach of “YOLO,” you only live once, with investing in their future, to balance enjoying some of their money now, while saving the right amount for retirement and some of these other goals ...

[LOWER 3RD]

Step #1: Define your short, medium and long-term goals and build a budget for them.

... that are short, medium and long term goals, which might be paying off your car, paying off college debt, saving for a house.

So I do think it's important to put more intentionality behind what are your goals; in particular, those early savings years where the power of compounding are really important.

MR. LIERSCH: That's great ... So getting concrete about budgeting and making those tradeoffs. What would be your priorities, in a sense, for these twenties and thirties something's?

MS. ALLRED: This is really simple, but this is a case where simple is smart.

[GRAPHIC]

Step #2: Start “paying yourself” first

- Sign up for your company's 401(k) with your first paycheck.
- Determine the amount to save each week.
- Build the habit of paying yourself first.

The idea here is pay yourself first, so having that mindset. As you get your first paycheck, sign up immediately for the 401K, determine the amount that you would like to save, and really build that habit early on of paying yourself first.

MR. LIERSCH: So things like, investing in a retirement plan, right. Investing in an IRA.

MS. ALLRED: The other thing with investing with Millennials is really to get that experiential learning around investing.

[LOWER 3RD]

Step #3: Find companies that interest you and attend an annual shareholders meeting.

Doing the research and finding companies you're excited about. You might, even as you make an investment and buy some stock, buy one in a location that you can go and attend their annual shareholder's meeting. Start to get that first hand learning to step into the world of investing and learn that terminology and start to experience it.

[END]

IMPORTANT INFORMATION

This material does not take into account your particular investment objectives, financial situations or needs and is not intended as a recommendation, offer or solicitation for the purchase or sale of any security, financial instrument, or strategy. Before acting on any information in this material, you should consider whether it is suitable for your particular circumstances and, if necessary, seek professional advice.

Investing involves risk, including the possible loss of principal. Equity securities (stocks) are subject to stock market fluctuations that occur in response to economic and business developments. **Past performance is no guarantee of future results.**

Merrill Edge is available through Merrill Lynch, Pierce, Fenner & Smith Incorporated (MLPF&S), and consists of the Merrill Edge Advisory Center (investment guidance) and self-directed online investing.

Merrill Lynch Wealth Management makes available products and services offered by Merrill Lynch, Pierce, Fenner & Smith Incorporated ("MLPF&S") and other subsidiaries of Bank of America Corporation ("BofA Corp.")

Investment products:

Are Not FDIC Insured	Are Not Bank Guaranteed	May Lose Value
-----------------------------	--------------------------------	-----------------------

MLPF&S is a registered broker-dealer, member SIPC and a wholly owned subsidiary of BofA Corp.

© 2015 Bank of America Corporation. All rights reserved.