

S JOHNSON WEALTH MANAGEMENT LLP

INVESTMENT SPECIALISTS

Risk & Return - Balanced Investing

Investment News

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Introduction

Childs Play



In this edition we look at the future drivers of the World's economy - Millennials.

Market Commentary

Apple first tech company with market capitalisation of more than \$1 trillion dollars, closely followed by Amazon. China moves towards home based consumption. Markets become used to Brexit rumbles.

Millennials

Millennials vs Baby Boomers

By 2020 Millennials (those born between 1981-1996) will make up over one third of global workforces – and one quarter of the world's population. They will be the main consumers of products and services and will drive the world's economy. How are they different from previous generations?

- Urban living – particularly in China where Millennials are three times more likely to live in cities and mostly the same worldwide.
- Marriage and children: both of these are happening less and having kids later is more common now.
- Inheritance – not something many older people take for granted but Millennials are likely to inherit more.

So – if Millennials want to live in cities and put off expensive stuff (marriage and kids), where will they spend their money? Moving this discussion to a narrower focus on the UK my general observations are as follows:

- Want it now: The idea of saving to be able to afford something is much less practised than once it was.
- Leisure: My dad did not exercise (he probably felt Arnhem in WW2 provided enough exercise) – I do and whilst some younger people do sports and are gym members, lots more have interest in online gaming.
- Communication & Information: Observe what happens if someone under 25 is separated from their mobile...
- Expectations: Illustrated by those who feel that having to wait a full 24 hours for Amazon to deliver is unreasonable.

- Longevity: going up which means increasing levels of medical and elderly care will be needed.
- Comfort zone: People in this country are generally not left to starve on the street and often can look forward to inheriting or being supported by the Bank of Mom and Dad (Bomad) – does this make them more or less likely to take risks in their work and spending habits?

SUMMARY

Those who have a medium term (5 year) plus timescale over which to invest should firstly get their risk balance right, but thereafter they should consider the above points and take account of changing trends amongst the young.

'Financial Medical'

Our offer of a free review of your existing investments or a strategy report for recipients of this newsletter is still open; call us if you would like a chat.

Help us, please -

Firstly: Many of you will remember my views on investing in FANGS (Facebook, Amazon, etc). On the basis that if you can't beat them... We would be very grateful if those of you who have Google accounts could give us a (hopefully nice) Google review since we are seeking to expand - just go onto Google and find our business and review it please.

Secondly: We have set up a 'VouchedFor' account to promote our investment services whereby you can leave a review. The good news is if you leave a review you will be automatically entered into VouchedFor's monthly draw to win a £50 Amazon voucher. Reviews can be completed by clicking the link [here](#).

Many thanks to those of you who have already left reviews for us.

And finally...

Please continue the feedback – telephone us or send an email. In the next edition I look at the psychology of investing.

p.s.

Congratulations Martyn. Martyn has now passed the last of his exams and is a qualified financial advisor; in this respect his accountancy background gave him a running start. We can now use him to investigate the type of factors mentioned above – I can use him as our own market research project. I will need to do this over the next couple of years – before he turns completely into a financial advisor and loses normality.

p.p.s.

Our readers will appreciate that these newsletters are written (with) tongue in cheek. We need to also look beyond Millennials, BB, Gen-Z since age differences are only part of what makes each individual different. As a starting point when looking at trends and investment the first question is "what do people want?" – only after determining the answer to this we can use the fine tuning based on observations above.



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