

HIRING AND KEEPING MILLENIAL WORKERS

by [Steve Brown](#)

According to Generation Opportunity, an advocacy group for millennials, the youth unemployment rate in Jan. for those ages 18 to 29 was 13.1%. In addition, 1.7mm young adults were not counted as unemployed by the Department of Labor because they had given up looking for work. Including everything, the actual unemployment rate for Gen Y'ers would be a whopping 16.2% according to the group's calculations. Unemployment for all people stands at 7.9% by comparison. If you're a Gen-Y'er, you're likely to find this comparison troubling. However, from a bank's perspective, it means more opportunity to hire young talent and there is a laundry list of reasons why you want millennials on your team. They are well- educated, tech-savvy, care about making a difference and are champion multi-taskers. They bring energy to the bank and are eager for career-enhancing opportunities. What's more, this group can give you a leg up when it comes to marketing products and services that appeal to this sought-after but hard-to-reach group. Consider that a survey conducted last year by financial services consultancy MRM. It found a mere 17% of people aged 20 to 29 recommended their bank to someone else in the past year. In short, banks have a bad rap with Gen Y, they don't use branches much and bringing them into your bank can help transform things when structured properly. Of course, hiring and retaining Gen Y'ers also requires a bit of an about-face for some bankers. For starters, be prepared to ditch the recruiters and go online to find candidates using social media. Next, give some thought on how to refine the notion of traditional bankers' hours. Younger workers want flexibility, both in their hours and their ability to telecommute. Indeed, 39% of millennials say workplace flexibility is a top driver of employer attractiveness, according to the 2012 "Multiple Generations @ Work" survey by the Future Workplace. Another game-changer: Most millennials are job-hoppers; 91% of them are likely to leave their job in less than 3Ys, so be prepared. To them, the grass is greener and part of how they plan to move up in their career so manage them accordingly. That sort of movement translates into 15 to 20 jobs during their working lives if you do the math. Given these statistics and others, it's clear that finding and keeping millennials at your bank can be a challenge, but it's not insurmountable. Finding a way to connect with younger workers is a good first step. A whopping 80% said they would prefer real- time feedback vs. traditional performance reviews, according to a study by UNC Kenan-Flagler Business School and the Young Entrepreneurs Council. So if you're the kind of manager who holds everything in for the once-a-year-sit down, you're not likely to win points with the younger generation. Another no-no is trying to rule over younger workers with a proverbial stick. Instead, try pizza luncheons and ice cream sundae parties as a carrot to get more traction. There is no shortage of young workers on the market, but knowing what they are seeking and how to leverage them best is important in this ever-changing world. To benefit from this abundant opportunity, rethink how you recruit, hire and cultivate these future leaders and you are well on your way.

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BANK NEWS

Virtual Wallet

Mastercard has launched a service called MasterPass that allows customers to use smartphones to buy goods and services without having to go to a cashier. People use their phone to scan barcodes of

products, get a digital receipt and then show it to store employees when they exit.

Housing Sector

The amount banks make from originating, packaging and selling off single family residential loans has declined 40% in the past quarter, as low rates and high competition negatively impact gains on sale.

Consumer Spending

Analysts say the expiration of the payroll tax cuts have reduced employee pay by 2%, causing about 46% of consumers to cut back on spending (according to a survey by the National Retail Federation). The survey also found 33% of consumers have cut back on eating at restaurants, 25% are delaying big ticket purchases and 20% are spending less on groceries.

Savings Rate

The Department of Commerce reports the savings rate for the average household was 3.9% in 2012 vs. 0.9% in 2001 and a 2009 high of 6.2%.

Jail Time

A former loan officer that stole \$1mm from the bank accounts of a rescue mission has been sentenced to 4Ys in prison and ordered to pay it back. The loan officer, Jeffery Goodell, took money from accounts, falsified records and lent money to friends and associates.

World Currency

The US dollar has fallen as a percentage of the world's currency supply from about 90% in 1952 to 15% today. It still represents 62% of all currency allocated in foreign exchange holdings by central banks around the world, but the Japanese yen, Swiss franc and Chinese yuan are gaining on it.

European Mess

GDP in the Eurozone came in (0.9%) YOY, as Italy surprised with a 0.9% contraction and both Portugal and Greece were worse than expected. Europe is our top trading partner so weakness and contraction do not bode well for our own future economic growth.

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