A Generational Discussion For Bankers

by Steve Brown

If you are a boomer or Gen Xer, you have certainly heard of the mythical creature known as a millennial. They're supposed to be more confident, more socially liberal and more relaxed than you are. They can send a text to a group not sitting at the same table that is texting, while they interact socially online, watch a show on Netflix and a video on YouTube. You only wish you had such skills as you try to call them on a phone so you can sit down for a face-to-face conversation.

Critics suggest millennials (16 to 34Ys old) want it all, are impatient, have the attention span of a 5Y old, are immature and cannot let go of technology to see what is really going on around them. Meanwhile, the rap on boomers (50 to 69Ys old) is that they are slow to use new technology, constantly worried about retirement and stuck in their ways around a very structured and hierarchical business approach. Finally, Gen Xers (35 to 49Ys old) are intensely independent, are not team players, are not loyal to their company and they dislike authority. Now that we have heard from the critics, let's all agree to toss this crap into the garbage can where it belongs, as we ignore such massive generalizations and seek ways to work together instead.

To do that, let's first explore the reason why researchers are talking so much about millennials. Simply put, it is because as of Q1 of this year, millennials became the largest generation in the workplace. In fact, millennials represent about 35% of the workforce vs. 32% for Gen X, 31% for boomers and 2% for the silent generation (70Ys old or more).

Another reason millennials are so analyzed is because they are the first generation to embrace smartphones, social media and all things Internet. This has shifted all industries, including banking, as technology enables speed, simplicity and advancement more than we have ever seen before in our lives. This group grew up with the digital world, so it makes sense they embrace it, stay connected through it and share information using it. If you want to communicate effectively with millennials, you need to be technology-focused in your approach.

Given the shift in the workplace to millennials, it is important for community banks to reestablish relationships with this generation of customers. Create strong social media strategies, communicate digitally, seek to enhance technology and keep the clutter down to a minimum to attract potential customers.

Further, given the amount of information available on the Internet, your bank has to stand out as much as possible. This is a never-ending quest to remain relevant, provide solutions and fully engage both on and offline. Just as in the past, you must go where people are "gathering," so focus online (Google, social media, etc.) and offline (Starbucks, etc.) to stay involved in the conversations and to elevate your value.

Constantly evaluate the themes you are pushing within your marketing, as you ramp up education, flexibility and an entrepreneurial spirit to attract this generation. Offering online and offline support and training for startups is maybe one way to engage early, as is developing strategies to help clients deal with the estate planning opportunity of the "great transfer" of trillions of dollars of assets that will shift from boomers to their kids in the coming years.

Different generations may never truly understand where other generations are coming from, so it takes continual effort to stay on top of things. Constantly challenge your teams to work together, mentor each other back and forth and push to update outdated approaches when selling services or seeking to capture clients.

BANK NEWS

Part Time

Deloitte research finds about 40% of millennials will be freelancers, temps, independent contractors or solopreneurs in the next 5Ys.

Constant Connection

Bank of America research finds 90% of younger millennials (18 to 24Ys old) say they check their phones at least 1x per hour or constantly.

Fined

The CFPB has fined employee background screening companies General Information Services and e-Background-checks.com a combined $13mm in fines and penalties to settle charges that the companies harmed consumers. The CFPB said the companies must clean up background reports, ensure accuracy, improve auditing processes and enhance policies, among other actions.

Online Lending

After collecting information from online lending marketplaces recently, a senior Treasury Department official is now expressing concern such lenders do not provide adequate protections to small business owners and may require government regulation.

Preferred Payment

TD Bank research finds people say the top ways they prefer to make day-to-day purchases are: debit card (40%), credit card (39%) and cash (20%).

Less Space

Deloitte research projects the average office space per employee will fall from 250 square feet in 2000 to 150 in the next 2Ys. The most efficient workplaces will only use 90 to 100 square feet.

Lending Club

Bankers may be interested to note that online marketplace lending company Lending Club indicates that it has issued a total of $13.4B in loans through Q3 2015 and that 67.7% of borrowers say they used proceeds to pay off existing loans or credit cards.

Small Biz Sales

The latest data from BizBuySell on business transaction activity finds: the number that changed hands in Q3 fell 9% YOY; the median revenue of listed businesses reached $450,000 vs. $432,556 last year; and the retail sector saw the biggest decline with 17% fewer businesses changing hands during the quarter vs. last year.