How Banks Can Woo Gen Z Employees

by Steve Brown Topics: employees, Gen Z, strategic planning

Summary: If your bank is courting Gen Z college grads, we have some tips about their preferences that may help you.

We saw a weird story about research that found even identical twins process the food they eat differently. There are huge differences it seems between people of all types as to how they respond to sugar or fat for instance and even more so when you consider the time of day. That is really strange when you consider identical twin DNA testing results have 99.99% similarity.

It seems the more people are compared to one another, the more room there is for differences to appear. Consider Gen Z (born 1997 to 2012), also known as post millennials. These are the kids, teens and young adults of typically Gen X parents. At this writing, they are age 7 to 22Ys old, so those at the top end are just leaving college now and starting their careers.

As they do so, community banks should know the data shows this group approaches their career differently than previous generations, and there are some significant differences in the way they look at potential jobs and employers. As a result, financial institutions looking to court the best and brightest potential employees from this group should review and adjust their approach to hiring perhaps.

To get started, we look at a recent survey from LaSalle Network entitled, "What the Class of 2019 Wants." It identifies the most important areas to Gen Z, which has 61mm people now. While companies that tout fun, laid-back atmospheres and perks are still able to catch graduates' attention, the number one item on the wish list of current graduates is a job that provides the opportunity for near-term growth.

One major reason for this is the fact that people within this age group grew up during the 2008 credit crisis and the resulting financial uncertainty. Because of this, they are seeking the financial stability that many of their parents didn't have. For 76% of Generation Z graduates, being promoted within a year or two of beginning their first job is a major priority. Comparatively, only 40% of millennials expect to be promoted within the same time.

If you happen to be courting this generation, you will want to highlight the types of development and training programs, promotions and career advancement that are possible within your bank.

This generation is looking for examples of younger employees who have been rewarded for joining banks like yours. Since members of Gen Z, like their millennial peers, are 59% more likely to have their impression of a company's brand influenced by social media, you should also not be shy about touting the achievements and promotions of existing employees through social media.

Following career growth, the second most important thing is a position that will provide them with a good work-life balance, followed by compensation and then company culture.

When it comes to compensation, this group is also thinking long-term about things like retirement. While members of Gen Z rank affordable health insurance as the most important benefit an employer can provide, they are also looking for 401(k) plans.

While Gen Zers are active online participants, 84% say they prefer face-to-face communication, so keep that in mind too. A blend of online and face-to-face engagement seems to be the right way to attract and retain this up and coming generation.

BANK NEWS

Stimulus Push

The Wall Street Journal reports central banks worldwide are preparing to launch one of the largest waves of monetary stimulus in 10Ys, as they seek to lengthen the economic expansion and boost inflation.

New Competition

Betterment LLC, a digital investing services company known as a roboadvisor, is now offering savings accounts at a 2.69% promotional annual rate. The firm hopes to entice new customers while retaining current clients with more services. While Betterment LLC is not a bank itself, it will distribute customers' deposits among several partner banks that together will offer up to $1 million in FDIC protection. Those banks will pay Betterment interest higher than the Fed's overnight rate, and Betterment will pass most of that to clients.

Mortgage Sector

S&P Global reports one-to-four family loan mortgages decreased 0.3% in Q1 over year end 2018 yet increased 0.7% YoY. Nonaccrual status mortgages fell 4.3% QoQ which translates to a 17.5% decrease YoY.

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