



Creating More Connections With Millennials

business customers millennials

Summary: There have been several studies on millennials. We bring you some highlights so you can create more connections with these customers.

We found out that the term "millennial" can be credited to the historians, Neil Howe and William Strauss, who used it in their book, "Generations." Yet, there are actually 30 other names for this generation, such as Generation Me and Echo Boomers.

For the last 10Ys, appealing to this generation has been a goal of many organizations and countless studies have been conducted on how to engage them and win their business. After 10Ys, it's hard to pin down traits that apply to everyone in this diverse group. Yet, we are going to try to highlight a few themes that community financial institutions (CFIs) should know, as millennials enter new stages in their financial life cycle.

In support of their communities. A UBS Investor Watch study finds millennials have been the most affected financially by the pandemic. However, with the money they do have, they want to create a societal impact. Deloitte sees similar sentiments, with a particular focus on local efforts. Almost three-fourths said, "*they intend to take actions to have a positive impact on their communities.*" Knowing this, make sure you don't assume all of your customers, especially millennials, know how involved you are in your community.

Risk aversion. A few years ago, the SBA reported that millennials had lower rates of full-time self-employment than previous generations. Despite high levels of interest in entrepreneurship, a 2018 UBS study found 77% of millennials also believed owning a business was too risky. Whether it's younger SBOs with modest revenues or hobbyists making a little money on the side, there's a good chance your community is filled with aspiring entrepreneurial millennials that need direction in mitigating risk. Consider putting together roundtables, webinars, or community events where millennials can learn how to mitigate risk from you and established business owners in your network.

Desire for stability. In 2017, a Qualtrics/Accel survey revealed 77% of millennials would take a pay-cut to ensure long-term job stability. The Deloitte Millennial Survey 2020 found an "unprecedented" number of millennials prefer to remain with their current employer for at least 5Ys. This is good to know as you develop your millennial employees and recruit them in the future.

Wealth management opportunities. \$68T is the amount of assets Cerulli Associates estimates will transfer to younger generations and charities over the next 25Ys. Even with the recent dip in this number due to the pandemic, the transfer of wealth will likely still be fairly large. Due to high levels of debt and little disposable income, millennial clients have been a low-value proposition for many investment advisors, but that will change. CNBC recently referred to studies suggesting 80% of those that will inherit their parent's wealth will shop for a new financial advisor. If you have a wealth management department or partnership, you might want to look at millennials as a long-term strategy and begin building deeper relationships with the children of your current clients now.

When it comes to the topics of communities, stability, risk management, and long-term financial planning, millennials have a lot of questions. We know you have the answers.

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