



# Reaching the Millennial Market

Why Millennials Are Important to Your Business



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Financial guidance is important at every age. But how do you convey that importance to the millennial generation who are in college or starting to advance in their careers?



# Understanding Millennials

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*65% of millennials view their parents as positive financial role models.*

*Forbes, October 13, 2016*

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Millennials, those born between 1981 and 1997, have surpassed baby boomers as the largest living generation, according to the U.S. Census Bureau. Millennials are tech-savvy; they grew up with gaming systems, computers, and mobile phones. They broadcast their own lives over social media more than any other generation and value experiences over material things.

There are 75.4 million millennials in the United States today. Many of them were in high school or college during the Great Recession and watched their parents struggle, losing retirement savings and even their homes, during the financial crisis. Older millennials began repaying student loans while searching for jobs during a period of high unemployment and wage stagnation.

This generation is at a wealth disadvantage. They are earning less money than previous generations at the same age and are heavily burdened by student loan debt and credit-card debt. These challenges have molded the millennial generation into one that believes in hard work and in saving and living frugally to achieve success (UBS, 2016). Even so, millennials are upbeat about their financial future: Almost 65% have a positive outlook about the direction of their finances (*USA Today*, April 26, 2017).



# Millennials and Their Finances

Financial stress is high among millennials. Whether it's a concern about having enough money set aside for covering unexpected expenses (60%), not being able to meet monthly expenses (35%) or pay debts (21%), or being laid off from work (20%), these stressors affect how millennials work and live their lives (PwC, April 2016).

Many millennials are just starting their careers and may be earning low wages, yet they see the importance of saving for the future. While 41% said they'd like to balance saving for the future and enjoying opportunities today, 36% said they live for today and don't want to think about tomorrow (Legg Mason, June 2017).

Many millennials are risk-averse and have yet to embrace investing in the stock market. In a Bankrate.com survey, only one in three millennials reported that they invest in stocks (*USA Today*, May 9, 2017). Whereas 60% of baby boomers consider themselves to be long-term investors, only 44% of millennials have the same mindset and understand that market fluctuations are normal occurrences (Forbes.com, October 13, 2016).

Yet overall, 72% of millennials are finding a way to save for retirement and set aside about 7% of their paychecks, on average. They began saving early in their careers, at age 22, perhaps due to the auto-enrollment features in workplace 401(k) plans. The median amount saved by millennials for retirement is \$31,000. And while the majority of millennials say they have a retirement savings strategy, just 20% have a plan for achieving their goals (Transamerica Center for Retirement Studies, 2016).



# How Can You Target Millennials?

Your current client base should be the foundation for reaching the millennial market. Millennials are willing to take advice and guidance from their family and friends, so a good strategy would be to reach out to millennials through their parents, who are your clients. You have earned the trust of your current client base; you can earn the trust of skeptical millennials through education and sound data.

Establish rapport with millennials by initiating a meeting that includes their parents. Encourage parents to use this meeting as a bridge to discussing their long-term financial strategies and resources they have in place, such as wills, powers of attorney, and health-care directives. It doesn't have to be a meeting that talks about specific dollar amounts or potential inheritances, but one that serves as an introduction and offers an extended hand for long-term financial planning for the children.

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*It's estimated that millennials will receive \$344 billion in inheritances by 2040, becoming the primary consumers of financial advisory and investment services.*

Think Advisor, February 27, 2017

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## Ask for the Introduction

One way to break the ice is by hosting an appreciation event or casual happy hour, inviting clients and their millennial children. Consider offering a-la-carte financial services as an entry point for millennials to your practice, and provide solutions for their pressing needs on matters such as:

- Financial literacy
- Budgeting
- Debt reduction
- Savings accumulation
- Goal setting
- Investment management
- Understanding 401(k)s

# Open Your Door to Millennials

*Millennials are 1.3 times more likely to turn to a financial advisor for advice than Gen Xers or baby boomers.*

FacebookIQ, January 2016

## How Can You Open Your Door to Millennials?

### 1. Be Online.

- Have a website: This is a “must” to establish credibility with clients and prospects, especially millennials
- Make your practice easy to find and bolster your search ranking using search engine marketing
- Be active on social media

### 2. Offer Insight.

- Provide educational content on topics that matter most to this generation
- Share informative videos, insightful articles, and interactive calculators

### 3. Innovate.

- Be creative: Schedule a meeting at a local coffee shop; offer an invitation to an exclusive client event, perhaps at a brewery
- Communicate using technologies they prefer: Email and texting are the preferred method of contact, but face-to-face meetings are also reassuring

### 4. Be Relevant.

- Add young advisors to your team to help build business with younger age groups
- Listen intently to what's important to millennials and develop workable solutions

## Tech Tools: Don't fear technology. Use it to your advantage!



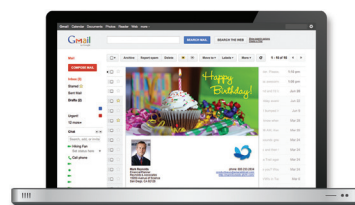
### Website

- The hub of your marketing
- Brands your practice
- Mobile-friendly designs are attractive to millennials
- The 21st-century Yellow Pages



### Search Engine Marketing

- Premium placement on search engines and local business directories
- Rely on Google, not business cards, to find you



### Email Marketing

- The best ROI in marketing: \$38 per dollar invested (DMA National Client Email Report, 2015)
- Preferred method of contact for millennials

# Keys to Connecting with Millennials

Eight things you can do:

1. Understand the needs of this generation.
2. Be flexible with millennials' desires.
3. Become an expert tablet and smartphone user.
4. Have an active social media presence.
5. Offer targeted advice.
6. Don't come across as "salesy." Be authentic.
7. Help them plan for today and tomorrow. *Help them walk before they can run.*
8. Provide personalized communication, materials, and resources so they can research, review, and interact with you on their own terms.

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*16% of millennials don't have a financial plan, and among those, 52% don't know how they would go about developing one.*

Facebook IQ, January 2016

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## About Broadridge

Broadridge Financial Solutions, Inc. (NYSE:BR) is the leading provider of investor communications and technology-driven solutions for broker-dealers, banks, mutual funds, and corporate issuers globally. Broadridge's investor communications, securities processing, and business process outsourcing solutions help clients reduce their capital investments in operations infrastructure, allowing them to increase their focus on core business activities. With over 50 years of experience, Broadridge's infrastructure underpins proxy voting services for over 90% of public companies and mutual funds in North America, and processes more than \$5 trillion in fixed-income and equity trades per day. Broadridge employs approximately 6,700 full-time associates in 14 countries.



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