Why NOW is the perfect time to attract the Millennial Investor

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WHO ARE MILLENNIALS?

BIGGEST GENERATION

90 million

Millennials

INFLUENCERS

93%

have purchased a product after a friend or family member recommended it

MOST RACIALLY DIVERSE GENERATION

ADULTHOOD

40%

of Millennials are already parents

DEBT

42%

of Millennials between 18-29 years old have student loan debt

ALWAYS CONNECTED

Check their phones on average

150 times a day

SHAPED BY THE 2008 FINANCIAL CRISIS

MILLIONAIRES

Millennials represent

23%

of the world's millionaires

SOCIAL IMPACT

94%

of Millennials say they are contributing their creative skills to companies they feel are making a difference in the world

Sources: U.S. Census Bureau; Wesley Noble, "The Millennial Generation Becomes Parents," Barkley, October 3, 2013; Millennial Central; "Student Debt Viewed as Major Problem," Harvard IOP; "Millennials Check Their Phones More Than 157 Times Per Day," Social Media Week, May 31, 2016; Robert Frank, "Millennial millionaires just want to get rich," CNBC, March 28, 2014; Jason Haber, "Why Millennials May Just Be the Best Entrepreneurial Generation Ever," Entrepreneur, June 16, 2016.

Millennial investors are VERY different from their parents

- As the oldest millennials turn 41 this year, many members of this generation are pursuing life milestones different from their parents'.
- The top three goals for those with a financial plan*:
  - Debt repayment – 57%
  - Travel – 48%
  - Increasing the amount they save for retirement – 45%
- These priorities outpace milestones such as homeownership, cited by 40%, and starting or expanding a family, cited by 30%.

* 2019 Truist survey

Working with the Millennial Investor

REIMAGINE YOUR CLIENT BASE

PROSPECTING MILLENNIALS… It’s easier than you think.

Reach out to your clients’ children & grandchildren

Align yourself with local young professional networks

Partner with a university or college as a guest lecturer on personal finance

MILLENNIAL TIP

SMALL ACT, BIG IMPACT

01

Start building relationships early by sending a Starbucks gift card to your clients' children on their birthdays.

02

Celebrate major life events, such as graduating from college, by offering to connect on LinkedIn and make introductions as they look for job opportunities.

03

Offer an hour of your time to help plan for budgeting in the "real world", such as paying off student loans or selecting investments off 401(k) menu.

04

Create a recommended list of other professionals you can connect Millennials to when they find themselves in need of a lawyer, accountant, realtor, venture capital, etc.

ONCE YOU HAVE MILLENNIAL CONNECTIONS,
START A FOCUS GROUP TO PICK THEIR BRAINS… HOW ELSE CAN YOU BE OF USE?

MILLENNIAL TIP

"REAL TALK" FINANCIAL ADVICE

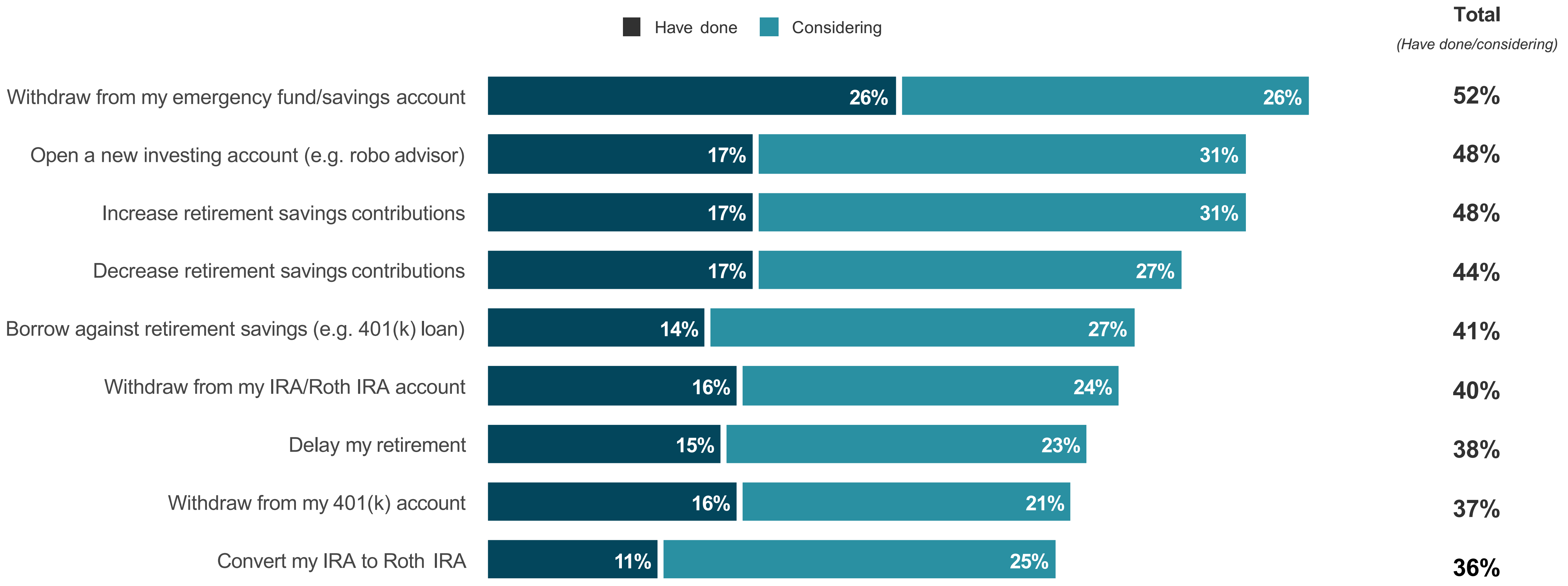
HOST EDUCATIONAL EVENTS ON TOPICS THAT MEAN SOMETHING TO MILLENNIALS NOW

- LOANS & GROANS: GET A BETTER GRIP ON YOUR DEBT
- COUPLES & MONEY: BEFORE YOU SAY "I DO"
- ALL MY FRIENDS ARE GETTING MARRIED: BUDGETING FOR WEDDINGS
- HOW TO CHOOSE THE BEST 529 PLAN
- NAVIGATING CREDIT CARDS
- WINE TASTING: HOW TO START A WINE COLLECTION ON A BUDGET
- NEW PARENTS? NEW PLAN.
- PICKING STOCKS: HOW TO BLOCK OUT MARKET NOISE
- SWIM WITH THE SHARKS: INVESTING IN STARTUPS
- 5 WAYS TO MAXIMIZE YOUR INHERITANCE

Retirement and Covid-19

While more than half of Millennials have/considered withdrawing from their emergency fund/savings, many want to weather the crisis by opening a new investing account and increasing their retirement contributions

Have you done any of the following as a result of the coronavirus pandemic?



Source: The Harris Poll on behalf of TD Ameritrade; n=292 (Millennials)

Americans pledge to prioritize saving for retirement once the pandemic ends

Three-quarters say that withdrawing from retirement savings is their last resort, agree that another stimulus check would be helpful with staying on track with their retirement savings

72% Americans

72% Millennials
76% Gen X
69% Boomers

"I will prioritize saving for retirement once the Covid-19 pandemic is over."

(Top 2)

75%

68% Millennials
74% Gen X
83% Boomers

Of Americans say that **withdrawing** from their retirement savings is their last resort. *(Top 2)*

76%

74% Millennials
81% Gen X
74% Boomers

Of Americans agree that receiving another **stimulus check** would be helpful in staying on track with their retirement savings. *(Top 2)*

53%

66% Millennials
59% Gen X
38% Boomers

Of Americans say that their **investing habits** post-Covid-19 will not be the same. *(Top 2)*

46%

Of **retirees** anticipate a financial impact on their retirement due to the Covid-19 pandemic.

Source: The Harris Poll on behalf of TD Ameritrade; n=1,008; (Top 2) = "Strongly agree" and "somew hat agree"

+

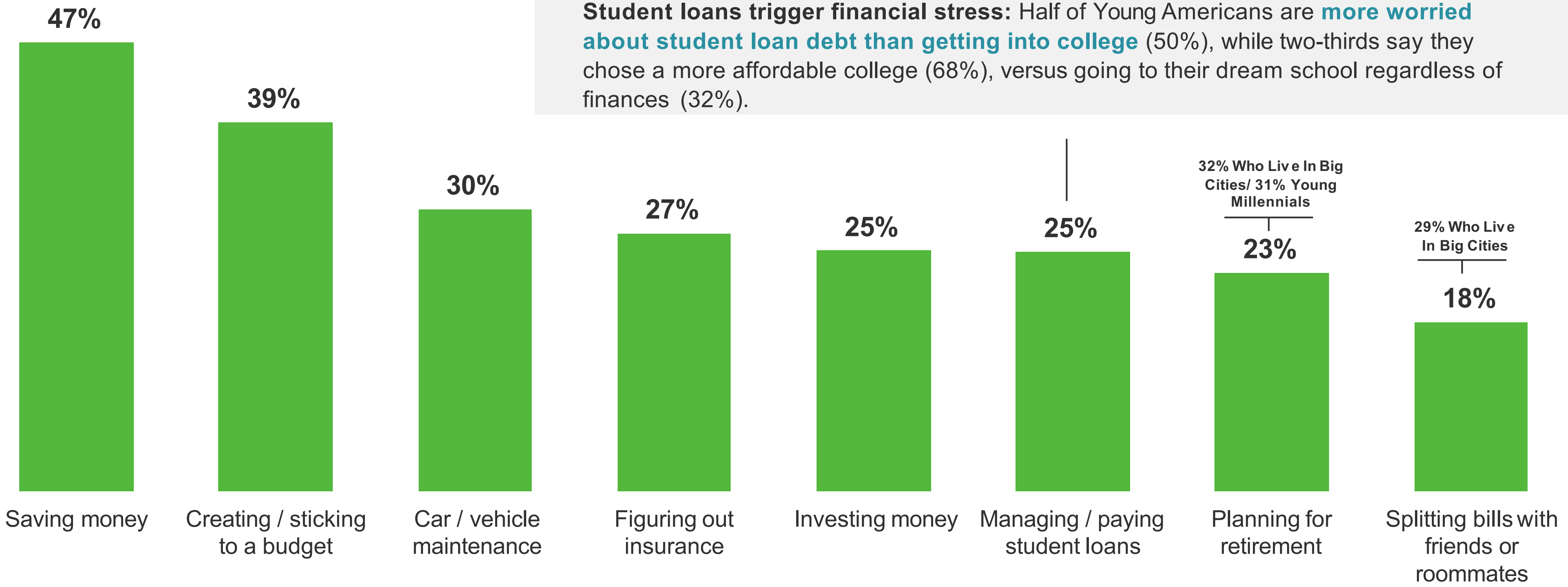
Burnout & Finances

Saving and budgeting create the most burnout, likely due to limited cash flow

1 in 4 Young Americans also feel burned out by long-term financial habits, such as investing and retirement planning

Have you ever felt burned out doing the following?

Student loans trigger financial stress: Half of Young Americans are **more worried about student loan debt than getting into college** (50%), while two-thirds say they chose a more affordable college (68%), versus going to their dream school regardless of finances (32%).



Source: The Harris Poll on behalf of TD Ameritrade (February-March); All respondents (n=2,002)

Young Millennials are particularly stressed about retirement

More than half of Young Americans say, "just thinking about planning for retirement makes me feel burned out" (54%). This is especially true for Young Millennial women (67%).

"I want to prepare for retirement more than my parents have, but I don't know where to start."

67% Young Millennials

57% Gen Zs

"I want to be saving for retirement, I just cannot afford to be saving for it right now due to all the money I owe."

65% Young Millennials

51% Gen Zs

"My parents tell me putting money towards retirement is important, but I can barely keep up with today's bills."

59% Young Millennials

49% Gen Zs

Source: The Harris Poll on behalf of TD Ameritrade (February-March); All respondents (n=2,002)

Young Americans are craving automation and advice to combat burnout

The ability to outsource the mental load of recurring financial management is most appealing, with Young Americans most craving “set-it-and-forget-it” strategies

Would any of the following help manage financial burnout?

Set-it and forget-it investment strategies	23%	**30% Young Millennials**
Money coaches	22%	
AI-powered financial apps that help you save more based on your habits	21%	
Automated investing	18%	
Loan optimizer apps	18%	
One-time financial guidance sessions	18%	
Investor education resources	17%	
Hiring an investment advisor	17%	
Anonymous financial forums	15%	
Digital financial bootcamps	14%	
None of these	33%	

Source: The Harris Poll on behalf of TD Ameritrade (February-March); All respondents (n=2,002)

Investing and Millennials

MILLENNIAL TIP RETHINK PORTFOLIOS

84% of Millennials are interested in sustainable investing AND are twice as likely to invest in companies or funds that target specific social/environmental outcomes.

Portfolios with Purpose

- Climate Change Solutions
- Gender Equality
- Impact Investments
- Microfinance Loans
- Angel Investing
- ESG Mutual Funds

Source: Morgan Stanley, "Morgan Stanley Survey Finds Sustainable Investing Poised for Growth," February 2015.

MILLENNIAL TIP

DON'T BE AFRAID TO MAKE IT PERSONAL

CREATE A NEW INVESTMENT POLICY STATEMENT FOR A GENERATION DRIVEN BY VALUES

ARE YOU READY TO RESPOND?

"I want to invest in my friend's new start-up."

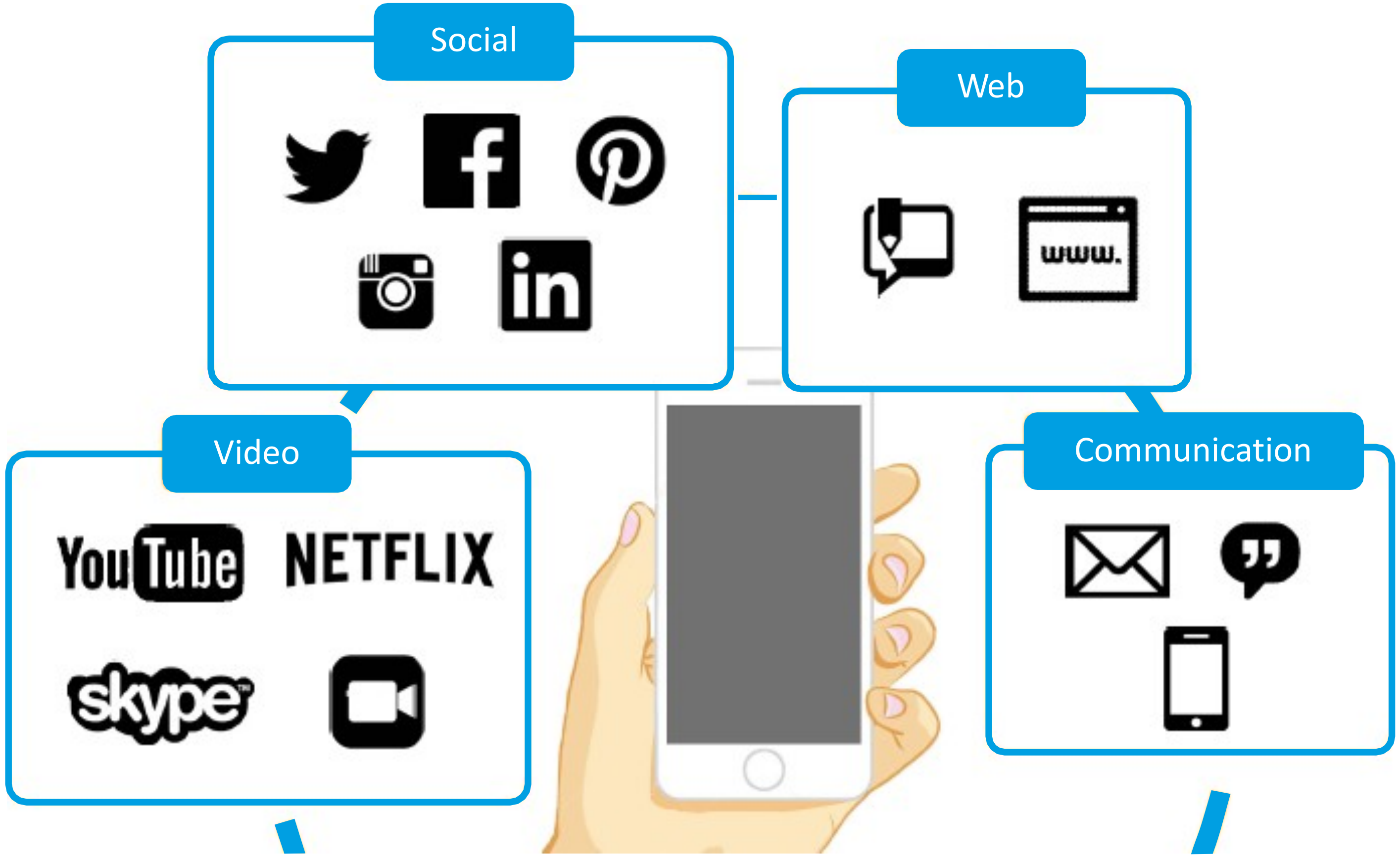
"How do I create an impact portfolio?"

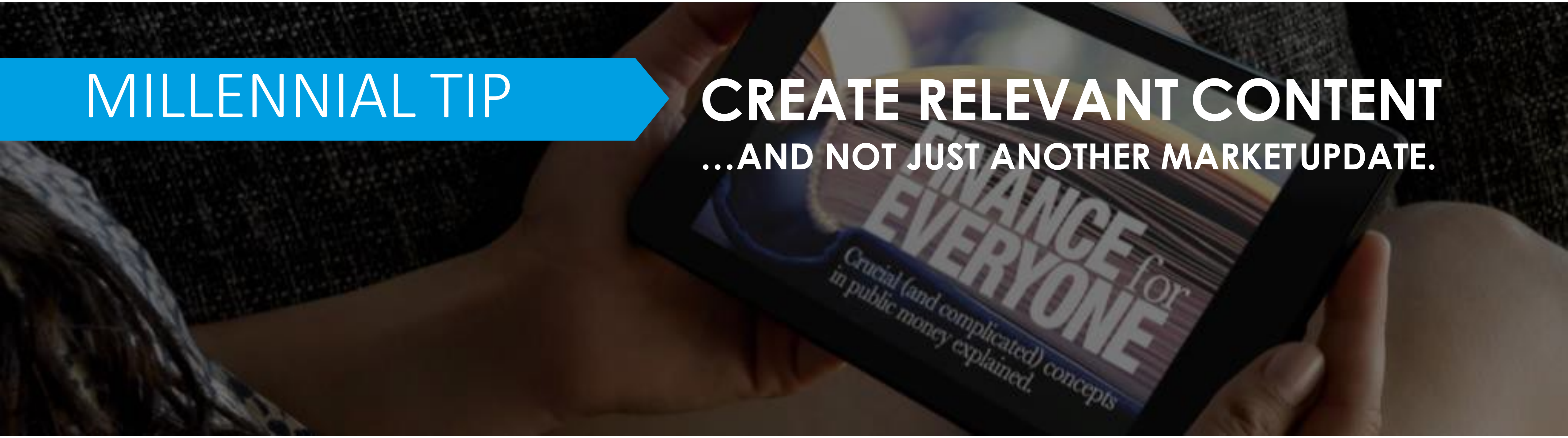
"I want to allocate a portion of my money to crowd funding."

"I want to divest from fossil fuels."

Digital Marketing Ideas

REIMAGINE COMMUNICATIONS





MILLENNIAL TIP

CREATE RELEVANT CONTENT

…AND NOT JUST ANOTHER MARKETUPDATE.

CREATE A BLOG OR NEWSLETTER GEARED TOWARDS MILLENNIALS SHARING BITE-SIZED, RELEVANT CONTENT. DEMONSTRATE YOUR VALUE, SHOW YOUR PERSONALITY AND SHARE YOUR POINT OF VIEW AS ANADVISOR.

WHO'S DOING IT RIGHT…

The Skimm | Market Snacks | Buzzfeed

IMPAX Asset Management
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MILLENNIAL TIP

BE ONLINE OR RISK BEING IRRELEVANT

✓ UPDATE YOUR ONLINE PRESENCE

- Give your website a makeover
- Incorporate search engine optimization (SEO)
- Update your social media profiles

✓ START A BLOG OR BECOME A REGULAR CONTRIBUTOR TO AN EXISTING BLOG

✓ FOR THE DARING: CREATE A TWITTER ACCOUNT

- *Make sure you review the latest guidance from FINRA on this topic*

5 QUICK TIPS TO GET THE MOST OUT OF LINKEDIN

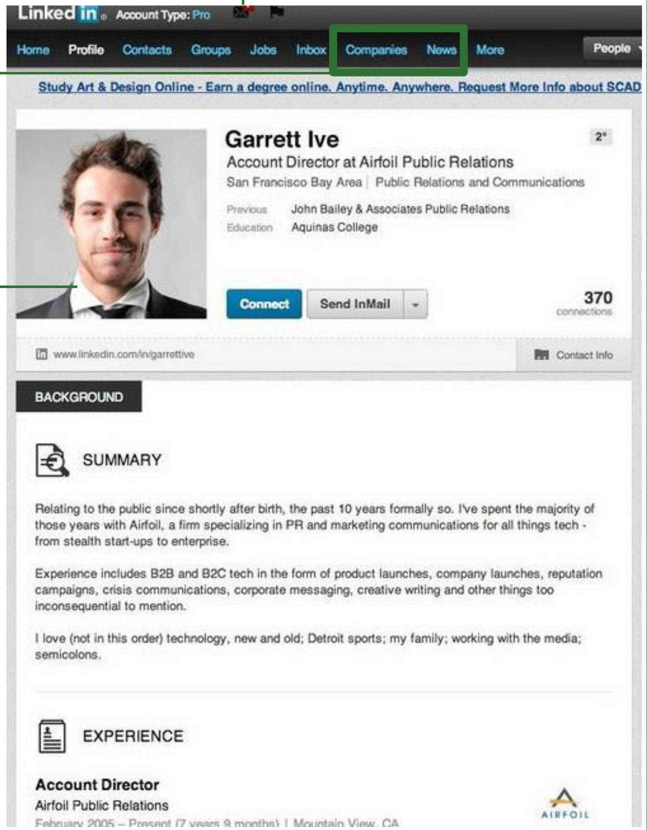
01 **E-MAIL**
Send customized introductory emails, so connections can recall how you've met.

02 **SUMMARY**
Write a summary of the value you add and what differentiates you when working with clients. Be personal, relatable and likeable.

03 **NEWS**
Search for content to share with your network and follow influencers to share up to date news.

04 **HEAD SHOT**
Pick a professional looking head shot that is recent and not from 20 years ago.

05 **EXPERIENCE**
Put your full resume on your profile so viewers can understand your wealth of experience.



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FOUR THINGS YOU CAN DO NOW

01

EVALUATE YOUR READINESS

02

FAMILIARIZE YOURSELF WITH THE MILLENNIAL CONTENT LANDSCAPE

03

REFRESH YOUR COMMUNICATIONS

04

UPDATE YOUR ONLINE PRESENCE

Jenifer Cannon is a registered representative of ALPS Distributors, Inc.
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Top Tips for working with Millennials

TIP #1: Engage with your client's Millennial children

- Millennials will inherit substantial assets from their baby boomer parents
- Advisors need to have a PLAN in place to engage with the current client's children as to retain those assets for generations to come

TIP #2
Lead with an educational focus and MAKE IT EASY

- Millennials, on average, may have limited understanding of what advisors do.
- Growing up during the Great Recession has made them skeptical of Wall Street and investments
- Millennial's most frequently cited motivators to inspire learning about saving and investing include making it easier to understand and by meeting with a financial advisor to be better educated

TIP #3
Fee Transparency and Flexible Pricing Matter

- For advisors to engage best with Millennial investors, fee structure and transparency from the beginning is critical
- They are more likely to ask how you get paid than other generations.
- Consider flexible pricing options such as fee for service or monthly subscription models for early career clients

TIP #4 Socially Responsible Investment Options are IMPORTANT

- While experience matters most, socially responsible investing ranked the second main consideration when choosing an advisor, according to a 2019 Nationwide Insurance study.

- 95% of Millennial investors indicated that they were interested in SRI, according to a Morgan Stanley survey.

TIP #5
Change up HOW you Communicate

- Speak their language and focus on education vs sales
- They are online so digital communication strategies are key
- Use social media to grab their attention
- Your website is your business card!

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