WEALTH MANAGEMENT

Busted: 5 Myths about Millennials & Investing

Millennials are making some surprising and unconventional decisions about retirement, investing and financial advice. A new national survey from Broadridge and The Center for Generational Kinetics (CGK) explodes the myths and exposes the realities of America's next-gen investors.

MYTH #1

Millennials lag baby boomers in workplace retirement plan participation

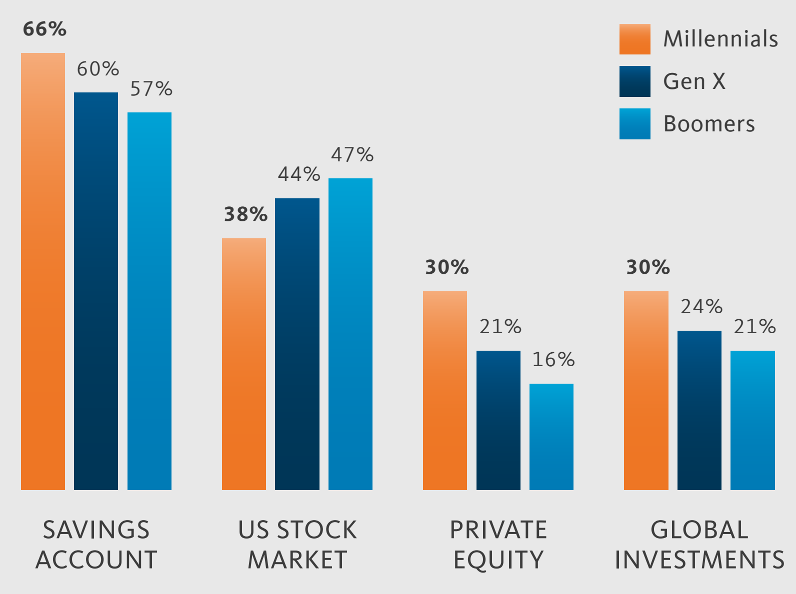
FACT: For every three baby boomers, four millennials participate in workplace savings

Don't overlook millennials: With an average age of 30, oldest millennials are already past 40 – and entering their prime earning years. Many already have substantial assets or are likely to in the near future. Be a millennial retirement consultant. With only 49% plan participation, however, millennial retirement opportunities still abound.

MYTH #2

As the "most-educated generation,"[1] millennials must understand the basics of investing

FACT: Their views of risk and reward are unconventional – and potentially harmful to long-term portfolio growth

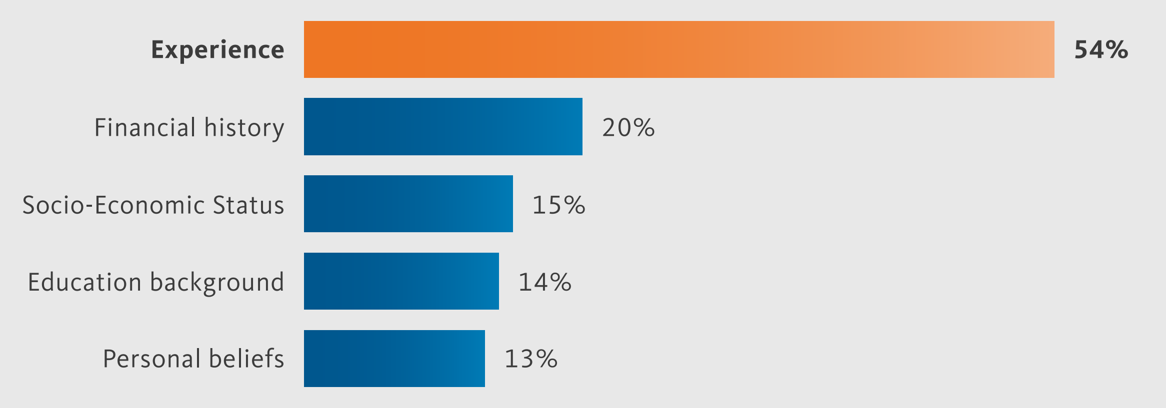


Out-of-sync risk and reward strategies subtract from benefits of compounding: 66% of millennials have more confidence in savings accounts than other choices. Like other investors, millennials need professional advice. Share compliant educational content with them while also introducing savings ideas like tax-advantaged Health Savings Accounts (HSAs).

MYTH #3

Preferring the insights of friends and family, millennials don't value professional expertise

FACT: When asked specifically about advisors, 54% said they value investment experience above all other advisor attributes

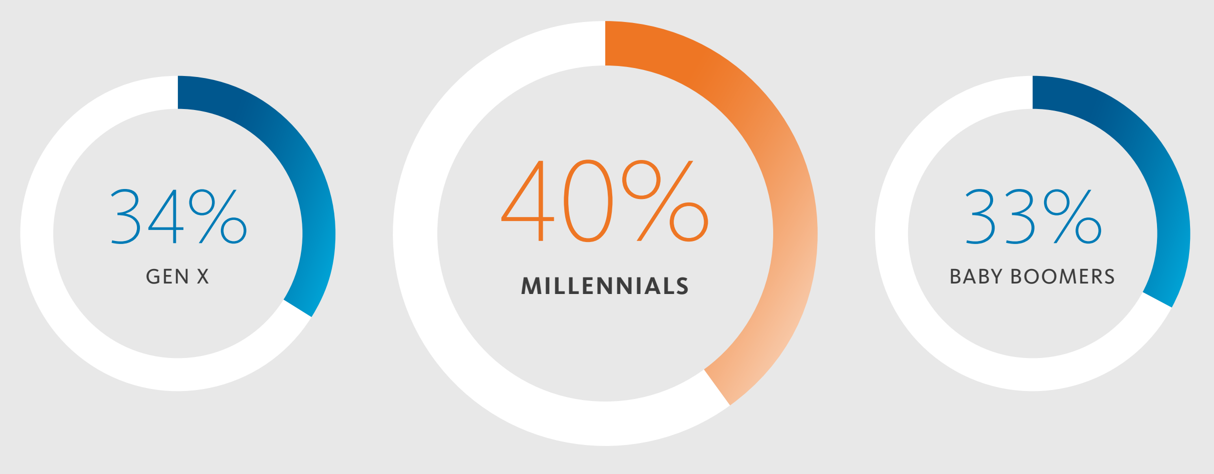


Ask clients for a referral – to their millennial children: As millennials prepare to inherit some $30 trillion, only 31% use an advisor. Also, 55% said they would consider using their parents' advisors – but only 20% have met them. Consider hosting an Estate Planning event – and encourage clients to bring their adult children.

MYTH #4

Typical of younger generations throughout time, millennials focus on "living for today"

FACT: 40% percent said that a recommendation from an advisor would inspire them to invest and save more – compared to only 34% and 33% of Gen X and boomers respectively

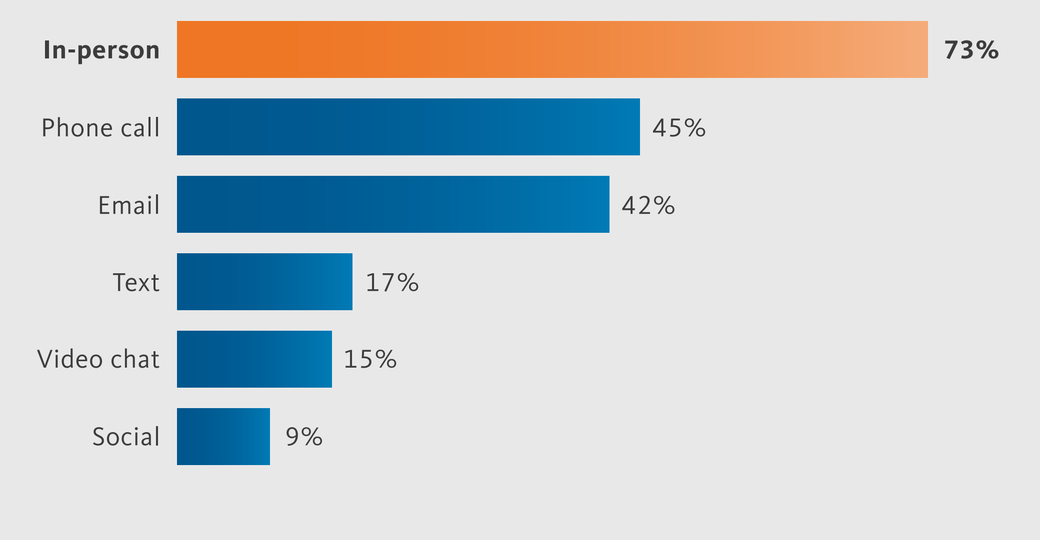


Millennials are trusting, curious and hungry for advice: They want their avocado toast and a healthy investment portfolio. Be their investment educator by explaining the basics of investing as you build relationships with this powerful peer group.

MYTH #5

Tech-dependent millennials avoid in-person business discussions

FACT: From personal meetings to digital updates, millennials favor regular – and frequent – advisor communications



Ask how often they want to hear from you: Then be prepared for frequent communications. 73% prefer personal meetings with a new advisor, while 69% want advisor updates monthly or more often. In fact, 25% prefer weekly or daily alerts – more than Gen X or boomers. Consider using automated and personalized marketing to deliver cost-effective, targeted communications.

Want more?

Download Decoding the Millennial Mindset for more unexpected insights about the millennial financial powerhouse that financial firms can no longer afford to ignore.

Modernize your practice. See how AI, digital analytics and cognitive marketing can help you win new business with speed and precision.

[1] Pew Research http://www.pewresearch.org/fact-tank/2018/03/16/how-millennials-compare-with-their-grandparents/ft_millennials-education_031715/