

What Financial Planners Need to Know About Millennial Clients



Many American Millennials — those born between 1981 and 1996 — are at the point of advancing in their careers, building businesses, starting families, and planning for both their own future and their children's. These are exciting life stages, but the happy events are set against the backdrop of rising housing costs, high student loan debt, and other financial barriers.

Interestingly, according to our recent Mind and the Market Investor Sentiment Survey, compared to their parents and grandparents who are pessimistic about the country's economic outlook, 82% of Millennials are more confident about their financial futures.

Their positive outlook is based on more than just wishful thinking. The survey shows that much of the reason Millennials are generally more optimistic about the U.S. economy and the U.S. financial markets than other groups is due to their access to financial advisors.

But if you want to work with Millennial investors, you'll have to be more than just a younger version of their father's financial planner.

Why Attract Millennials to your Financial Planning Practice?

Millennials became the largest generation in the U.S. workforce in 2016, and they're projected to make up 75% of the workforce by 2025. So, if you haven't already, you need to familiarize yourself with this client pool and understand how they differ from Boomers and Gen X.

One of the differences that characterize this group is that Millennials are more financially literate at a younger age than the generations before them, thanks to

easy access to scores of information. This could leave you wondering if Millennials would even be interested in paying someone for financial planning and investing strategies?

A 2022 Investopedia Financial Literacy Survey found that although they're financially confident, three out of four Millennials are stressed about managing their finances.

Some common personal financial obstacles Millennials face include:

- Establishing a budget
- Building retirement and emergency savings
- Advice on managing debt

While the generation is knowledgeable and recognizes the importance of financial planning, they know their investment apps and online resources don't understand the stock market like a financial advisor does. Plus, under no circumstances can investment apps account for personal situations and goals the way an advisor can.

Attracting and Serving Millennial Clients

Young investors want trustworthy advice on their financial goals and aspirations. They want to separate the experts from the amateurs, or worse — the social media scammers. Online influencers capture younger generations' attention by capitalizing on popular financial priorities and engaging with the Millennial audience.

Financial planners who want to connect with younger generations can do so by using some of the same strategies.

“Look for ways to reach out to, connect with, and educate potential Millennial clients in a low-pressure engagement,” said Dr. Daniel Crosby, Ph.D, Orion's Chief Behavioral Officer. “Millennials are in need of education and empowerment that comes from a place of genuine care, understanding that business and relationships will be an eventual byproduct.”

Use Digital Channels

Millennials may not be the digital generation that Gen Z is, but many of them are

constantly online. It's crucial that you engage with them where they are and maintain a digital presence. Doing the following allows for more exposure to your brand and deliberate interaction, which will ultimately encourage young investors to contact you and initiate a relationship:

- Establish a social media presence
- Leverage online reviews
- Create and share content regularly online
- Expand your reach outside of your local area

Offer Value

Once contacted, focus on building a relationship and trust. You can do this by providing value that is specific to this generation, such as educating them on different types of planning, including:

- **Life-stage planning:** Preparing college funds, buying a house, or growing a family
- **Value-based planning:** Basing financial priorities on individual belief systems
- **Total well-being planning:** Producing a wealth management strategy for long-term success

Once you've made a genuine connection, you'll have a better idea of what the client needs and can offer personalized support, which Millennials value.

Support Clients with FinTech

This generation has come to expect a seamless digital experience in most areas of their lives, and financial planning is no different. It is still crucial that you remain a hands-on financial advisor, but the latest technology is the only way to fully provide the personalized, holistic relationship that Millennials want. Consider implementing digital tech that meets a wide range of both client needs and your own, including:

- 24/7/365 access to information
- Financial planning tools
- Customized products and investment services
- Automated trading and rebalancing tools

Although Millennials value the benefits of financial technology, they also expect highly personalized advice. By using advisor tech during the planning process, you can take your planning services to the next level.

Financial professionals have an incredible opportunity to work with a generation that desires a deeper relationship with their advisors. Investing in technology to meet high expectations for advice, provide an exceptional digital experience, and offer more frequent touchpoints is not only key to attracting Millennial clients, it is essential to a financial advisor's success.

Want to learn more about how to bring more value to Millennials by implementing a successful financial planning process? Watch our demo to see how Orion Planning enables you to more seamlessly deliver personalized financial planning services.

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