



TRANSITIONS

THE MILLENNIAL MINDSET

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NEPC'S 24th ANNUAL INVESTMENT CONFERENCE

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Career & Money

WHAT GENERATION ARE YOU?

- **A) Baby Boomer**
- **B) Gen Xer**
- **C) Millennial**

Please answer using the app.

Are you one of those **MILLENNIALS** who are ruining everything?



WHO ARE THEY?

- **Born in 1980s and early 1990s**
- **Adoption of technology at an early age (before adulthood)**
- **Driver of change (by default)**
- **Today's youth**
- **They're us**
- **Quick-hit information (memes)**

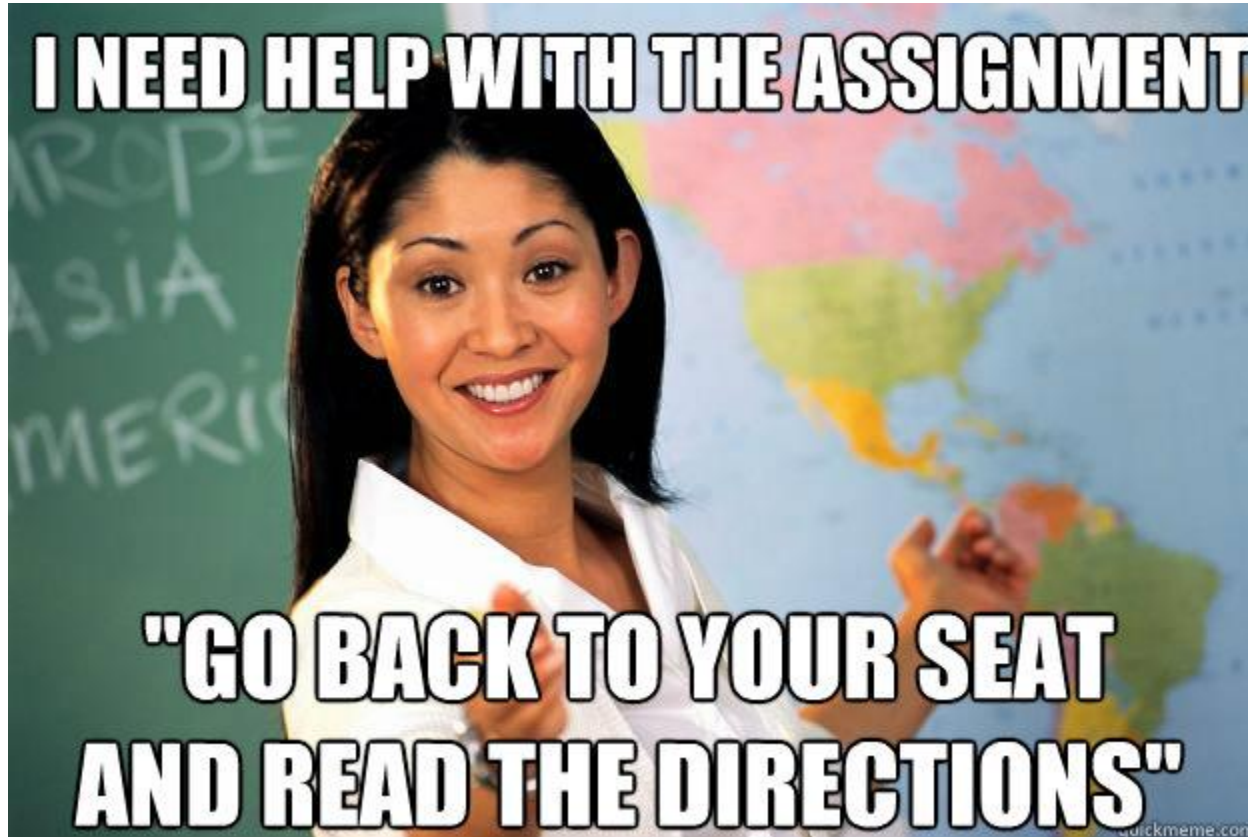
CAREER

NEPC, LLC

"MILLENNIALS ARE LAZY"



"MILLENNIALS CAN'T SELF-SERVE"



HOW DID WE GET HERE?

Execution

Expertise

Empathy

1800-1920 EXECUTION



Frederick Winslow Taylor

- Industrial revolution
- Hours = productivity
- Measurable output
- Top-down management
- Clear hierarchy

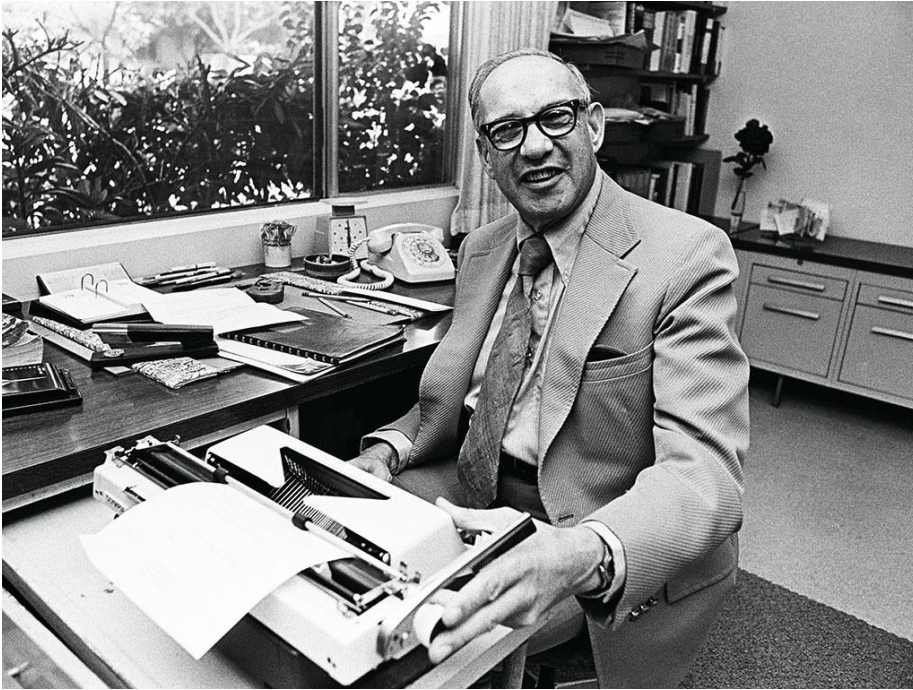
“In the past man was first. In the future the system will be first”

– Frederick Winslow Taylor

CHALLENGE THE 9-TO-5 MENTALITY



1920-2000 EXPERTISE



Peter Drucker

- Intellectual capital
- “knowledge work”
- Behavioral factors
- Opposite to Taylorism
- Leadership and management
- Still a hierarchy
- Information = power

CHALLENGE ROLE OF MANAGEMENT



TODAY - EMPATHY

- Work/life balance
- Diversity, inclusiveness and equality
- Value and purpose
- Managers as leaders or mentors



- **Flexible work**
- **Casual dress code**
 - **Benefits**
 - **Culture**
 - **ESG**
- **Diversity, Equality and Inclusion**



MILLENNIALS & MONEY KEY FINDINGS



MILLENNIALS AND THE WEALTH DILEMMA

- Millennials are now the largest generation in the U.S. **labor force**.
- They are better educated than prior generations.
- Millennials are expected to inherit \$68 trillion over the next 25 years from their Baby Boomer parents and grandparents.
- Millennials are earning more any other generation in the past 50 years, according to data from **Pew Research**. This is partly driven by the fact that more women have joined the workforce and are being paid more than prior cohorts.
- However, a recent **Fed study** found they have fewer assets and less wealth than generations before.

39% VS **23%**
Millennials Boomers/Gen Xers
with bachelor's degrees

\$68 trillion
over the next **25** years

By **2020** the aggregated net worth of global Millennials will top **24** trillion

MILLENNIALS IN THE MEDIA



MONEYBOX

Further Proof That Millennials Are, in Fact, The Brokest Generation


By JORDAN WEISSMANN DEC 07, 2018 • 12:04 PM



It's an empty wallet.
Photo illustration by Slate. Photo by winyoo08/Stock/Getty Images Plus.

Millennials have been called the 'brokest' and the 'richest' generation, and experts say both of those are true

Hitary Hofferer Jan. 29, 2019, 11:42 AM



Are millennials rich or poor? Rich Fury/Getty Images

Millionaire to millennials: Lay off the avocado toast if you want a house

By Julia Horowitz @JuliaHorowitz
May 25, 2017, 8:27 PM ET



Money guide for Millennials

HEADLINES & HYPERBOLE



TIME 
@TIME 

Millionaire to millennials: Stop buying avocado toast if you want to buy a home ti.me/2r9pZdV
1:10 PM - 15 May 2017



New York Magazine 
@NYMag 

Why are so many millennials having zero sex? nym.ag/2aFWwia
11:33 AM - 2 Aug 2016



Eater 
@Eater 

Millennials have killed the McDonald's McWrap
eater.com/2016/4/14/1143...
7:12 PM - 14 Apr 2016



The Atlantic 
@TheAtlantic 

Why are millennials so obsessed with food? theatlntc/1ErK8ls
9:51 AM - 14 Aug 2015



The Atlantic 
@TheAtlantic 

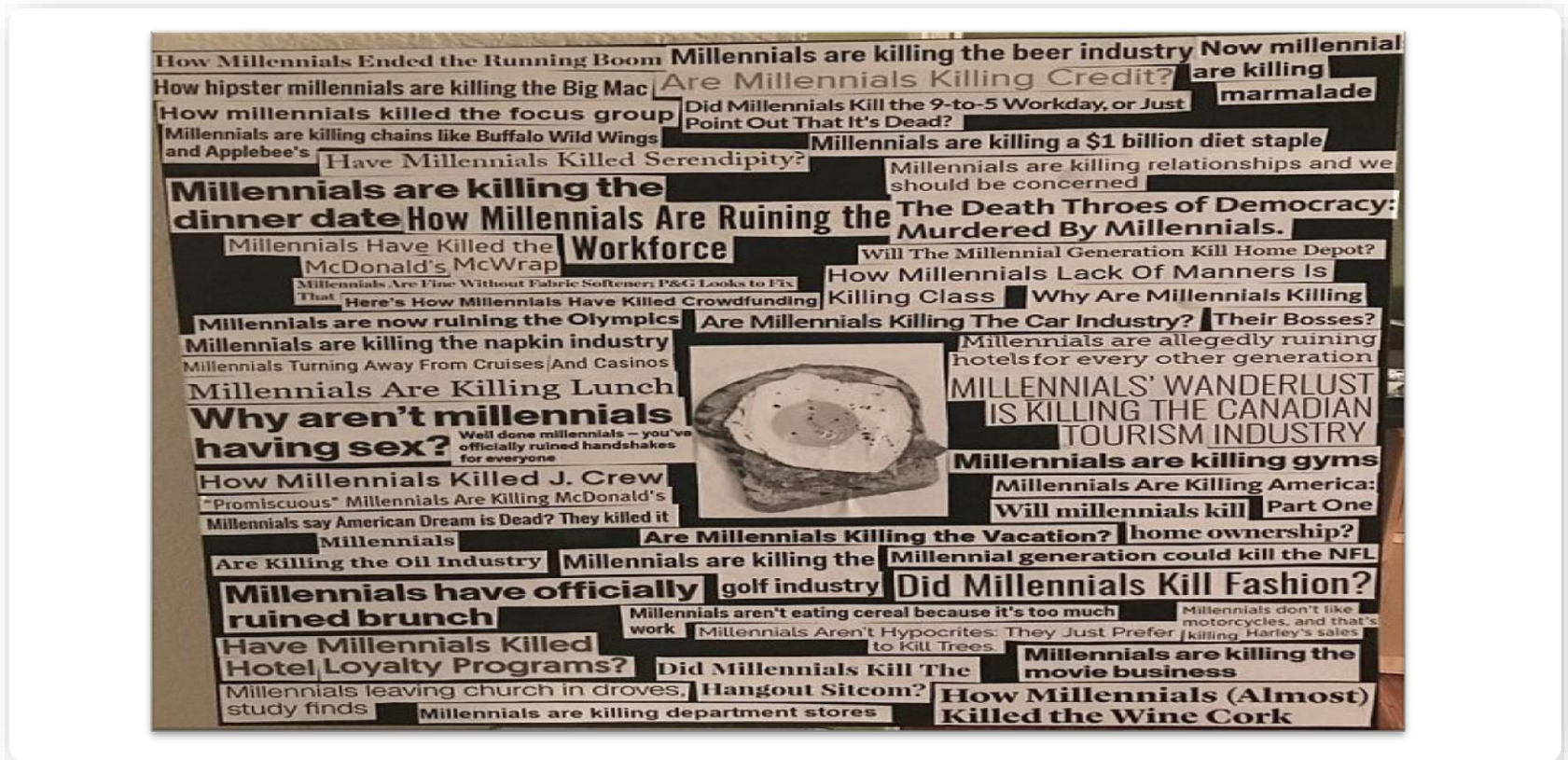
Why do Millennials hate groceries? theatlntc/2ez6556
4:23 PM - 5 Nov 2016



The Economist 
@TheEconomist 

Why aren't millennials buying diamonds?
econ.st/294G6yf

MILLENNIALS: CEREAL KILLERS



MILLENNIAL MONEY SURVEY

- With confusion around Millennial trends, Vested conducted a study on the financial habits of the largest generational cohort in history.
- We surveyed and interviewed over 400 participants across:



Age



Gender



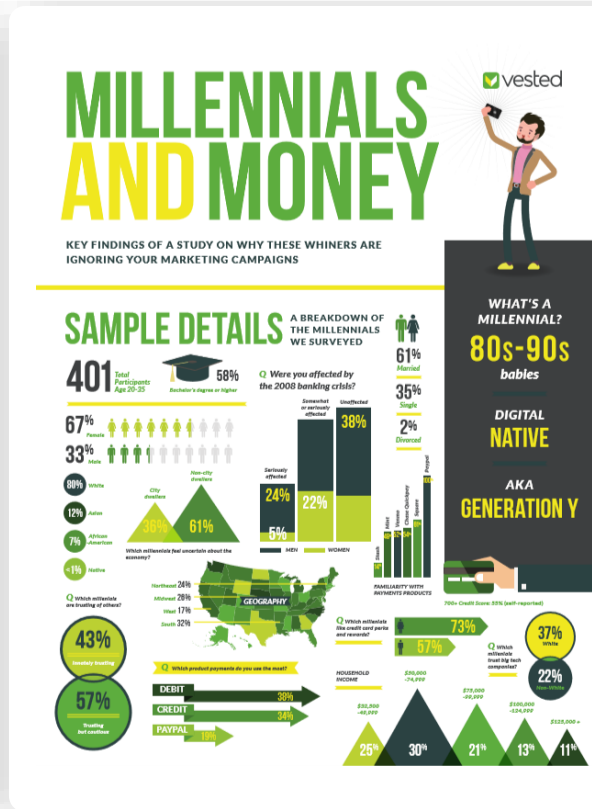
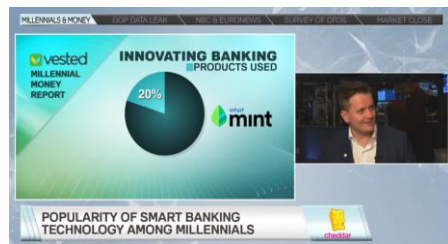
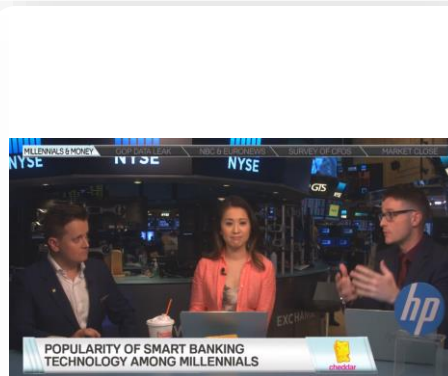
Ethnicity



Region

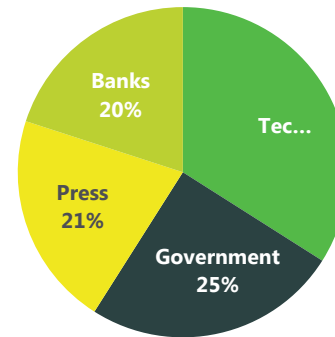


Income Level

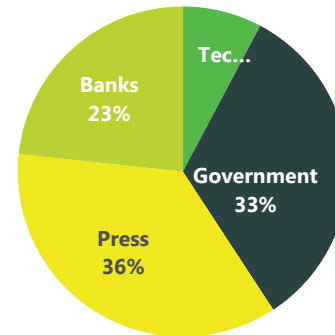


KEY FINDINGS: TRUST

- **80%** of Millennials ranked Finance as least trusted institution behind Big Tech, Media & Government.
- Conversely, **92%** of Millennials place significant trust in big technology firms.
- In fact, **three-quarters** of US internet users ages 18 to 34 polled in August 2017 were willing to buy a financial product from a tech company.
- Millennials differentiate between data safety and data privacy. They care deeply about the former and very little about the latter.



WHICH INSTITUTION DO YOU TRUST THE MOST?



WHICH INSTITUTION DO YOU TRUST THE LEAST?

KEY FINDINGS: MEN VS. WOMEN



Our study found that **female Millennials** are significantly **less likely to take a credit card** than their male counterparts but are **twice as likely** to use and enjoy **perks and rewards**.



Data from Visa found that **Millennial women** experience more **negative feelings** about their relationship with money than do Millennial men.



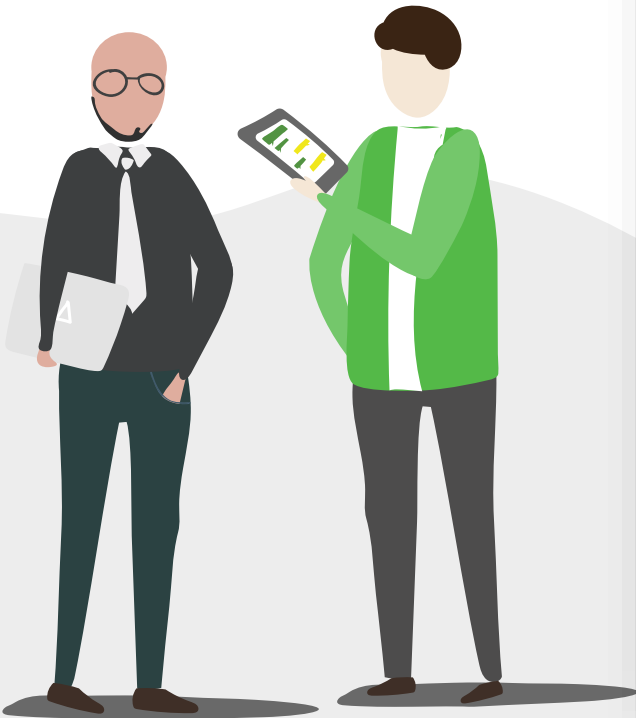
75% of women **vs. 61%** of men are worried that they **don't make enough money**.



Male Millennials are more likely to feel bullish about the economy and place a higher emphasis on making money as a priority (56% vs. 49%)



KEY FINDINGS: CONFIDENCE



- **28%** of millennials think they're **worse off financially** than they thought they'd be a decade ago.
- Millennials ages **19-24** say the Great Recession **did not impact** them vs. those **32+** who say it **greatly impacted them** and they continue to feel it negatively impacts them.
- The Great Recession creates a **dividing line** with two different groups of Millennials and financial habits on either side of it according to Millennial expert Jason Dorsey.
- Older Millennials who felt the impact of the recession dealt with a tougher job market and wage stagnation, making it harder for them to save.
- Younger Millennials experienced the recovery period and rejuvenation in the job market.

MILLENNIALS & MISLEADING DATA



“Millennial” studies are misleading.



Largest generational cohort in history.



Wild variations under one heading .



Age, Gender, Ethnicity all drive heterogeneity.



Ex: “71% of Millennials are unaffected by financial crisis” is completely dependent upon how old demographic was in 2008 .



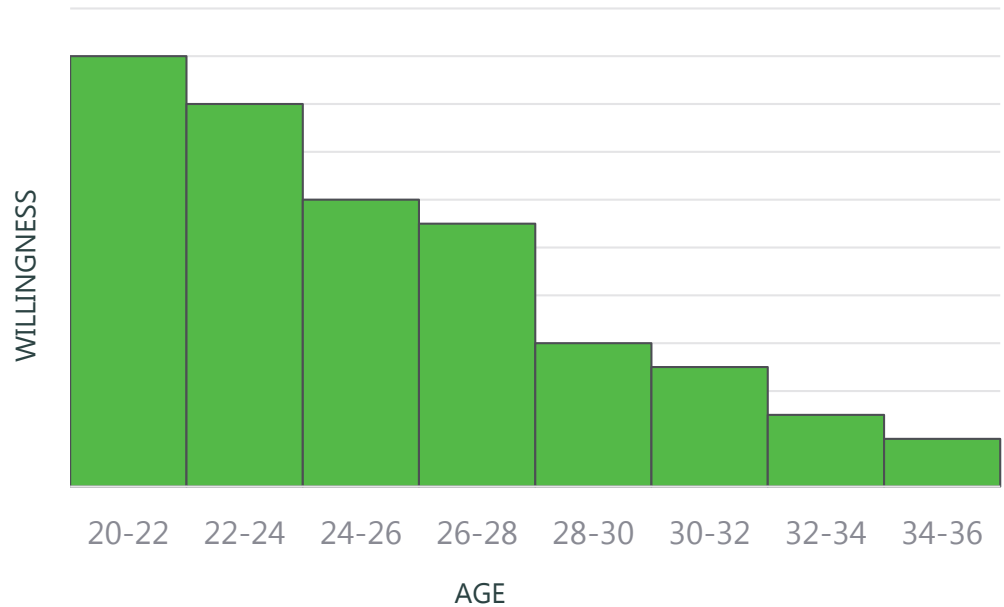
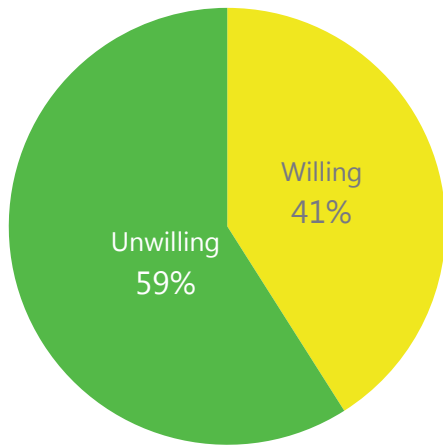
There are three kinds of lies – lies, damned lies and statistics”

-Mark Twain

MILLENNIALS & MISLEADING DATA



"59% of Millennials are unwilling to move away from physical branches"



MILLENNIALS & MISLEADING DATA



Millennials lack a separate cultural moniker eg 'Hippie' for 'Boomers' & Yuppies for Gen X.



Brexit/Trump spotlight growing Urban vs Rural Divides.



Income disparity is at a 100-year high, driving further heterogeneousness inside the 'Millennial' cohort. Boomers by contrast had less distance between bottom and top 10%.



Marketing and advertising industries today use more sophisticated measures of cohorts such as behavior. Generational grouping is a blunt tool.

WHAT'S NEXT: GENERATION Z



Some behaviors being attributed to Millennials are actually being confused with Gen Z (sub 20).



This cohort already comprises 25% of the U.S. population, has been shaped by the Great Recession and comes with a new set of attitudes and habits when it comes to money.



Research shows that 68% of Gen Z already have a bank account at a financial institution.



Millennials have been the opening act but it's time to shift our focus to Gen Z and see how they reshape wealth.

Bloomberg

Checkout

Investors' Guide to Gen Z: Weed, Social Justice and Kylie Jenner

It may be time to diversify your portfolio beyond millennials.

By Crain Giarratona, Carolina Wilson, and Sarah Ponczek
April 5, 2019, 6:00 AM EDT



Gen Z started building wealth earlier than millennials, and an expert says 9/11 is the main event that divided the 2 generations and their views on money



Millennials love their brands, Gen Zs are terrified of college debt, and 6 other ways Gen Zs and millennials are totally different



Millennials loved their brands when they were teens. Gen Zs don't really care. Sarah Jacobs/Business Insider

—
QUESTIONS?
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—



POLL RESULTS

- [Results](#)

TAKEAWAYS

- **Generalizing a generation is difficult**
- **Adapt for the future, not the millennials**

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