

advisor **GEN-X** wealth **GEN-Z**
investing management values **BOOMER** financial
trust **MILLENNIAL** **TRADITIONALIST** **BOOMER**
BOOMER long-term wealth
alternative investments **VALUES**

GEN-Z wealth
short-term
financial **GEN-X**
goals wealth
socially conscious

conscious
financial goals
wealth **BOOMER**
values-based financial

goals **TRADITIONALIST** wealth
wealth **GEN-Z**

investing GOALS wealth investing GOALS
wealth **GEN-Z** cash wealth
BOOMER socially
risk portfolio

GEN-X

financial GOALS **GEN-Z** bonds GOALS **MILLENNIAL**
risk-tolerance

MILLENNIAL financial **GEN-Z** short-term
socially wealth growth strategy **BOOMER**
BOOMER

trust conscious long-term stocks
investments **GEN-X** wealth

wealth **MILLENNIAL**

GOALS financial

IMPLICATIONS of FIVE GENERATIONS on TRUST & WEALTH



ALULA

UPLIFTING BUSINESS PERFORMANCE

A CLG COMPANY

Today's Discussion

- Review of the generational cohorts:
5 generations of employees and clients
- Shifts in workforce and client demographics
- Implications for trust and wealth management
- What companies are doing to address multi-generational teams and clients
- Strategies you can immediately use

Who Are the Generations

Traditionalists	1910–1945	74+ years old
Baby Boomers	1946–1964	55–73 years old
Gen X	1965–1980	39–54 years old
Millennials	1981–1996	23–38 years old
Gen Z	1997 +	22 years old and below

Quick Trip Down Memory Lane

Write down 3-5 things that you feel
shaped your generation.

Share with the person next to you.

Things That Shaped the Generations

Traditionalists	Baby Boomers	Gen X	Millennials	Gen Z
<p>WWII</p> <p>Stock Market Crash</p> <p>Great Depression</p> <p>FDR</p>	<p>Vietnam</p> <p>Assassinations</p> <p>Civil Rights Movement</p> <p>Woodstock</p> <p>Large Families</p>	<p>Gulf War</p> <p>Watergate</p> <p>Challenger</p> <p>Layoffs</p> <p>Divorce</p>	<p>Desert Storm</p> <p>9/11</p> <p>Terrorism</p> <p>Technology/Internet</p> <p>Diverse Family Unit</p>	<p>Social Media</p> <p>Education</p> <p>Smart Technology</p> <p>Multi-Generational Households</p>

Family Life

Traditionalists

Pre-depression



Average household population 1930¹



Marriages occurred at younger ages and at greater numbers



Husband, wife, biological children, and extended family

Divorce was rare

Wife's role – assist husbands in the home and raising children

Depression/Post-depression

Men left to find work

Many wives and children worked to supplement family income

Women ran households, worked, and raised children alone

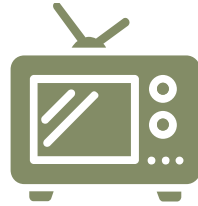
Family Life

Baby Boomers

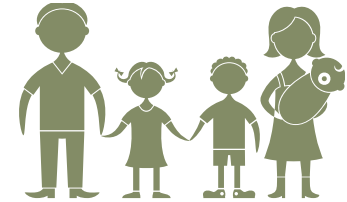


3.33

Average household population 1955²



Television dictated family schedules and furniture arrangements



“Traditional family”
father as breadwinner,
mother as homemaker,
and three+

Social issues shaped
parent/child
relationships



Impacted
consumerism



First generation of children
and teenagers with
significant spending power

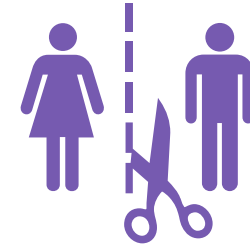
Family Life Gen Xers



Average household population 1980⁴



First American generation to do worse financially than their parents



Increase in divorce

Increase in one parent households

Increase Mothers start working

Both parents working

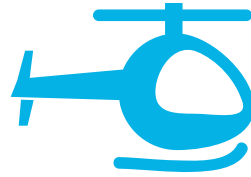


Daycare in early childhood and “latchkey kid” in pre/early teen

Family Life Millennials



Average household population 1990⁵



“Helicopter” parenting

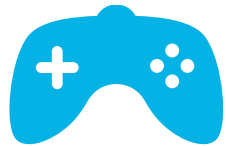


Single parent households

< half of children lived in a family with two married parents

Decisions made as a family unit

Delaying marriage and children until later in life



Technology part of family life

started with gaming and advanced to world-wide web



Boomerang

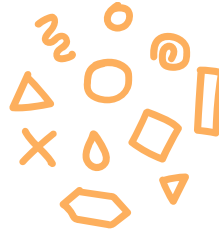
One-fifth of Millennials aged 25-34 lived in their parent’s or grandparent’s home in 2015

Family Life

Gen Zers



Average household population 2018⁶



Families are more ethnically, racially, religiously, and stylistically diverse than half a generation ago



One-in-four U.S. parents are unmarried; 35% of all unmarried parents cohabitate⁽⁶⁾; blended families



Born to tech savvy Gen X parents or tech dependent Millennials



Projected to be most well-educated of any generation

Roughly three-in-ten, ages 6 to 17, live with a single parent⁽⁷⁾

Nearly half (48%) are racial or ethnic minorities⁽⁶⁾

(5) Source: U.S. Census Bureau. Web: www.census.gov

(6) Source: Pew Research Center analysis of Current Population Survey March Supplement (IPUMS)

(7) Source: <https://www.pewsocialtrends.org/2018/11/15/early-benchmarks-show-post-millennials-on-track-to-be-most-diverse-best-educated-generation-yet/>

Core Values and Key Attributes

Traditionalists	Baby Boomers	Gen X	Millennials	Gen Z
<p>Sacrifice</p> <p>Hard Work</p> <p>Respect for Authority</p> <p>Loyalty</p> <p>Duty Before Pleasure</p>	<p>Team-Orientation</p> <p>Relationship Focus</p> <p>Personal Growth</p> <p>Work Ethic</p> <p>Dedication</p>	<p>Self-Reliance</p> <p>Balance</p> <p>Informality</p> <p>Creativity</p> <p>Fun</p>	<p>Achievement</p> <p>Technology</p> <p>Global Orientation</p> <p>Innovation</p> <p>Meaning/impact</p>	<p>Privacy</p> <p>Pragmatic</p> <p>Planners</p> <p>Entrepreneurial</p> <p>Financially focused</p>

It's Not All About the Differences

All generations want

- To be respected
- To add value and contribute
- To learn and grow
- To progress in their career
- To have work/life integration

What's Happening

Significant Demographic Shifts



US Population Is Aging: Median Age

38

In 2019

28

In 1970

By 2025, 75% of workforce will be
MILLENNIALS

Millennials

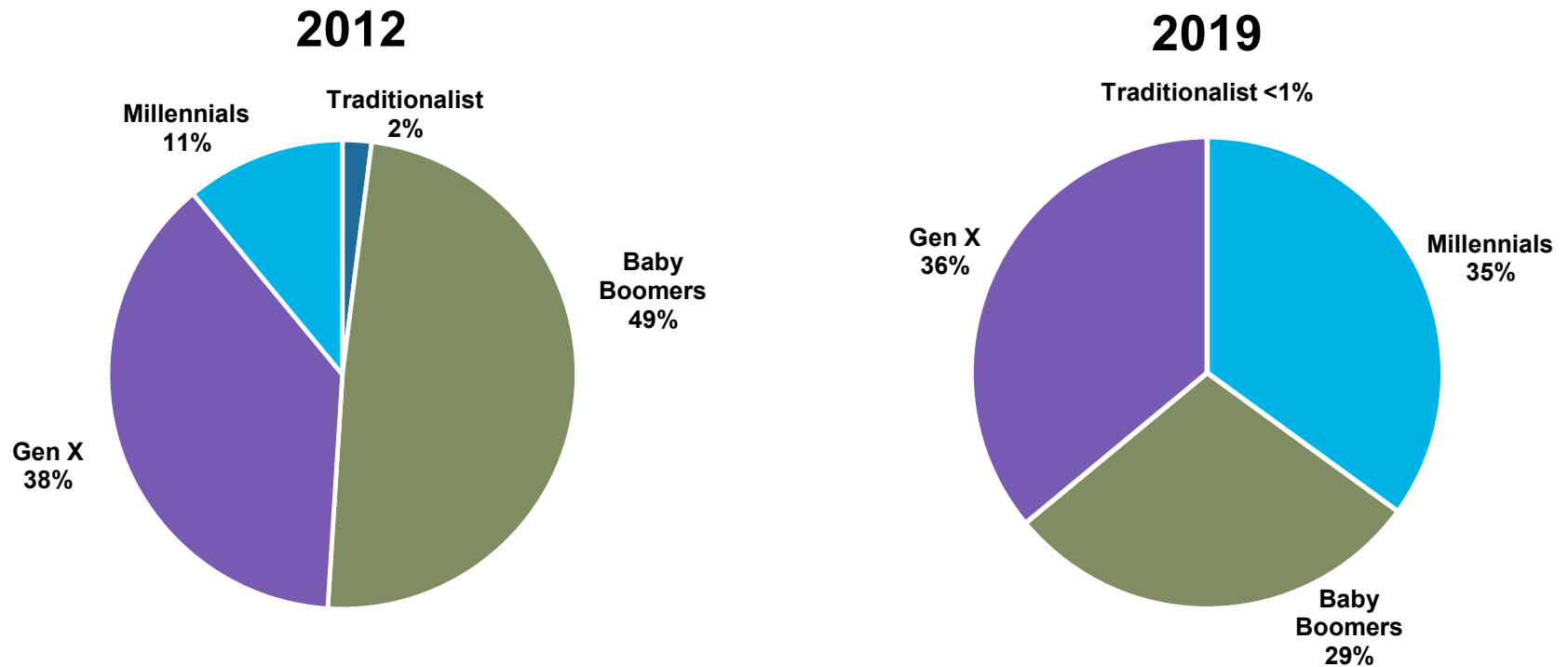
by the Numbers

- Millennial retention: one of the biggest pain points for organizations
- 21% of Millennials have changed jobs in past year
- 60% of Millennials say they are open to a different job opportunity

Sources: Pew Research Center, Gallup and PricewaterhouseCoopers

Example Demographic Data—

Financial services company that is seeing the shift

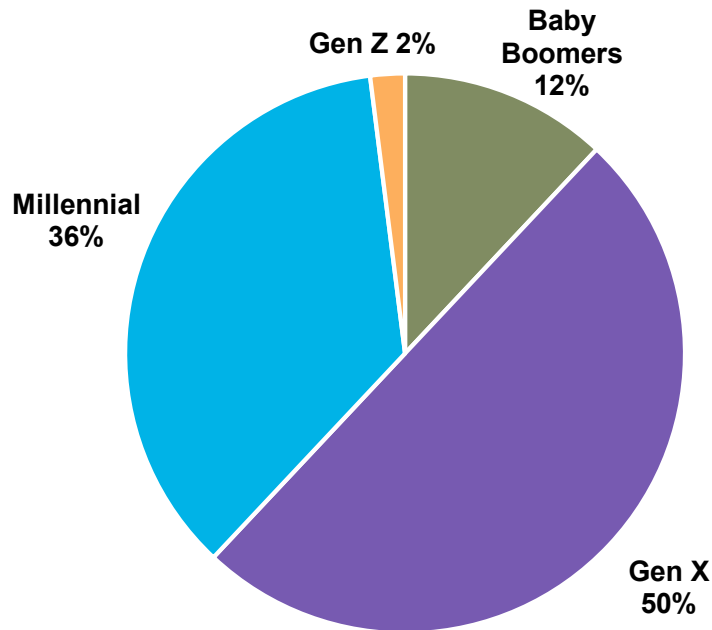


- In 6 years, Millennial population has gone from 11% to 35%
- Baby Boomer population from 49% to 29%

Example Demographic Data—

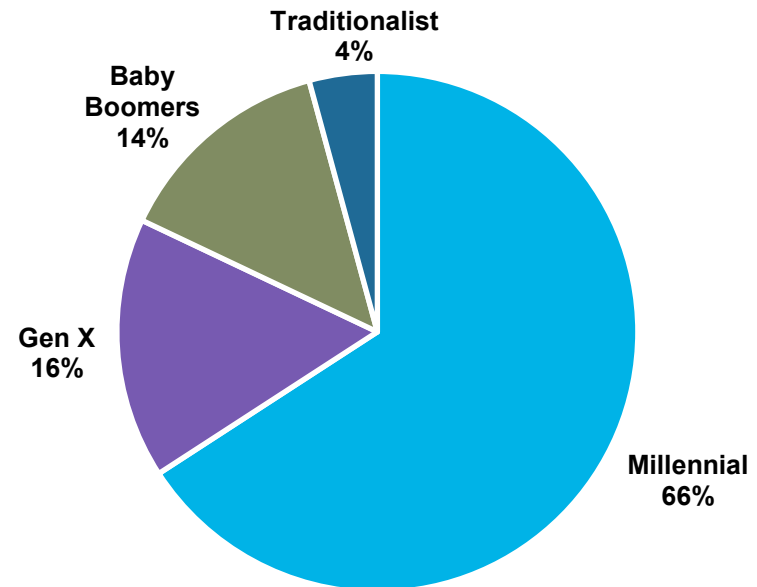
2 Pharma companies that are seeing the shift

Company A



- 50% Gen X workforce
- 36% Millennial workforce

Company B



- 66% Millennial workforce
- 90% of the workforce has less than 4 years of experience

Business impact of multi-generational **WORKFORCE**

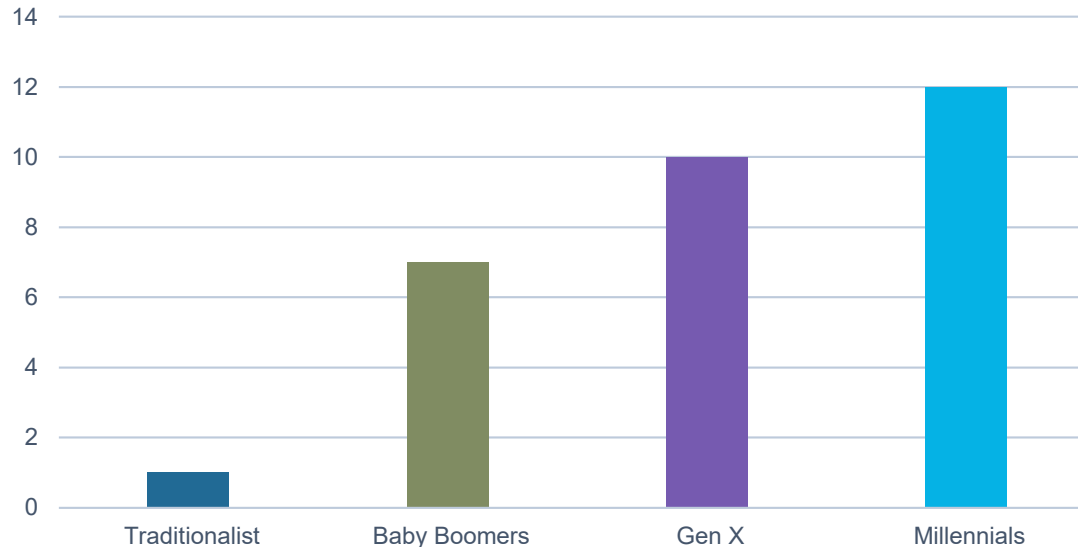


Client Examples:

Turnover Costs

Financial Services Company

Generational Termination Data



Turnover rate = 16%

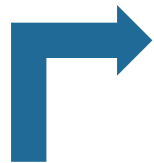
Estimated Yearly Cost: \$600,000

How Companies are Addressing Generational Shifts:

Education	Knowledge Transfer	Culture	Recruiting and Retention
Cross-generational dialogue forums	Structuring plan/process for transfer of knowledge	Using technology to gain efficiencies and work differently	Leveraging internship programs
Comprehensive communication plans using various channels	Introducing clients to younger employees early on	Engagement survey results by generation	Increasing transparency around compensation process
Creating and communicating decision-making matrix	Engaging millennials to build customer relationships	LT roundtable discussions	Engaging employees in defining career paths & development opportunities
	Reverse mentoring on new technology	Creating opportunities for upward feedback	

3 Simple Strategies

to Use Immediately



Communicate

- Leverage various channels and mechanisms
- Know what's important to your team & clients

C³

Connect

- Get to know people on a personal level
- Understand individual differences and preferences



Change

- Flex your style and approach
- Be open to new ideas and approaches
- Embrace diversity and practice inclusion

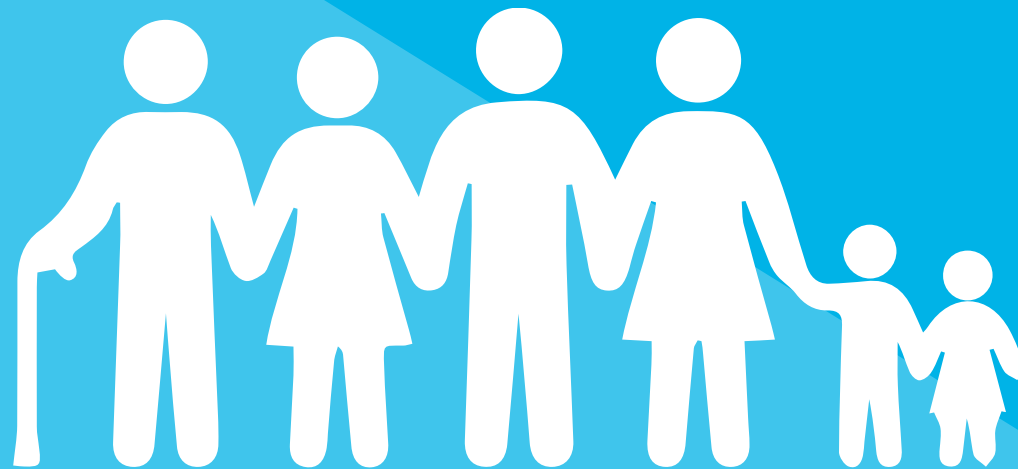


Client Implications

70-80%

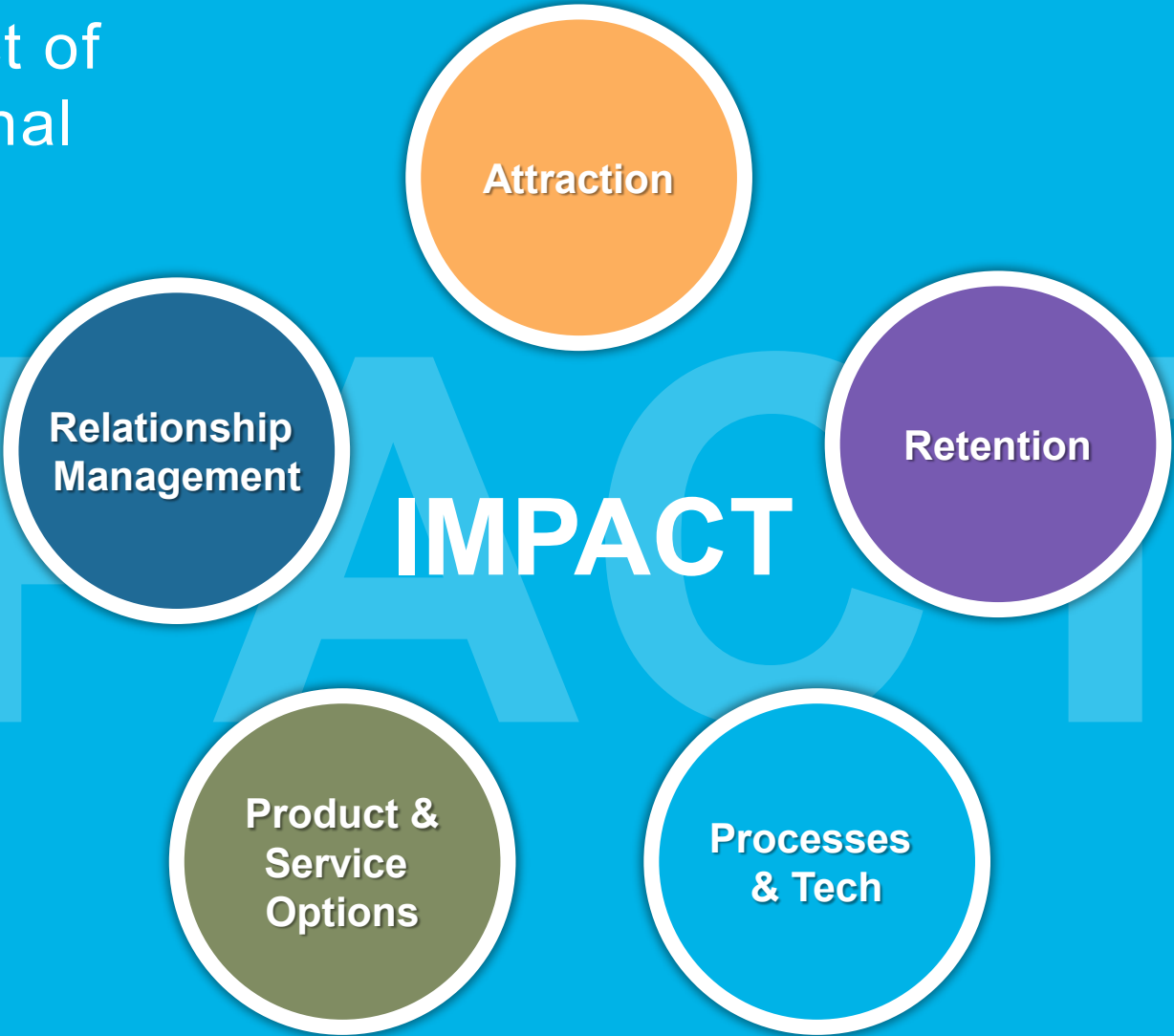
of value of assets lost by firms when those assets change generations.

SOURCE: EY Study



Business impact of
multi-generational

CLIENTS



What's Important to Each Generation

Traditionalists

- Formality and respect
- Experience and competence
- Understanding data and how to use in making decisions
- Quality of products and services
- Relying on what worked in the past
- Company/function reputation and brand
- Rules and consistency

Baby Boomers

- Respect for their experience
- Personal connection and courtesy
- Individualized and customized attention
- Recognition of their accomplishments
- Time to ask questions and voice opinions

What's Important to Each Generation

Generation X

- Respect for their time
- Competence
- Honest and direct communication
- Information and data to back it up
- Openness to new ideas/
approaches
- Use of technology

Millennials

- Respect for their knowledge
- Influence on decisions
- Understanding and following trends
- Leveraging technology
- Time spent on innovation
- Options that are fast, easy,
convenient

What's Important to Each Generation

Gen Z

- Money and job security
- Accumulating rewarding experiences versus “things”
- Independent – make own financial decisions early on
- Multiple vehicles to communicate

Things You Can Do

to Address Clients Generational Shifts and Preferences

- Review and understand your client demographic data
- Create a client retention strategy
 - Conduct client “stay” interviews
 - Make it part of your strategic messaging
- Educate client teams on generation differences and preferences
- Equip client teams with tools and technology to help them manage across all generations
- Conduct regular reviews of client relationships and ownership
- Refresh product portfolios as Boomers transition from investing to spending
- Assess pricing models and unbundling portfolios for value-conscious Millennials

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GOALS wealth investing **GOALS**

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GEN-Z bonds

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risk-tolerance

MILLENNIAL financial

GEN-Z short-term

socially wealth
BOOMER

growth strategy **BOOMER**

trust

conscious long-term stocks

investments **GEN-X** wealth

wealth

MILLENNIAL

GOALS financial



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