JUSTFA

'Talkin bout their generation'

The Ultimate Guide to Millennial, Generation X & Boomer Advice

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The Ultimate Guide to Millennial, Gen-X and Boomer Advice...

In today's ever-evolving world, it's essential for financial advisers to understand the changing needs and preferences of their clients. The imminent deadline for implementing Consumer Duty regulations makes this more pressing than ever.

Your clients of the future might not be the same as those of the past or present, either.

True, your wealthiest clients over the next decade will continue to be "Baby Boomers". The richest people in their 50s and 60s today are twice as wealthy as the richest of the "Silent Generation" that preceded them. Boomers will continue to compound their wealth in due course.

Despite this, Generation X and Millennials are on course to inherit huge sums of money from the older cohort of Boomers in the "Great Wealth Transfer", and adapting your advice for them will become imperative to the success of your firm over the next 2 - 10 years. Millennials are predicted to become the wealthiest generation in history as a result of this incoming inheritance dump.

Add this to the ever growing expectation that your firm should provide advice for a client's entire family, and not just an individual, establishing a proposition suitable for every concerned generation is absolutely essential to firms who want to increase satisfaction.

So where do you start? How do you ensure a proposition that can service every generation effectively? We believe that it all starts with technology and communication.

How you use digital tools to communicate with your clients should all vary with each generation, but what does this actually look like in practice?

This guide answers that exact question.

We highlight the data that evidences client preferences, and tell you how to use your technological tools for every relevant age of client.

Following our guidelines will put you in the ideal place to successfully advise entire families, and make each and every piece of communication with your client, regardless of age, effective in increasing satisfaction and boosting the likelihood of referrals.

The right digital tools and communicational approach will help your firm build long-lasting relationships with your clients and improve their financial well-being.

Of course, this is not a one-size-fits-all situation. A deep understanding of each client's nuanced preference, demands and needs is still paramount to successful financial planning and advice. For example, how much face-to-face time your clients want and need will depend on the individual.

Regardless, establishing a technologically enabled communication blueprint that you can apply to every age of client will give you the headstart necessary to boost satisfaction, increase referrals and add value to your firm.

Why every firm should provide intergenerational advice

Increasingly, advisory businesses are promoting the amount of families they are servicing, rather than individuals, and this represents a quiet revolution in financial advice.

It reflects a growing demand from clients: no longer is financial wellbeing an individual goal, it's something that clients want to attain for their children, irrelevant of age and gender.

1/3 of UK families share financial advicers

35% of baby boomers reported gifting wealth to adult children for a house purchase

37% of clients in the UK see helping younger family members as a key benefit to receiving financial advice

What does this mean in practice?

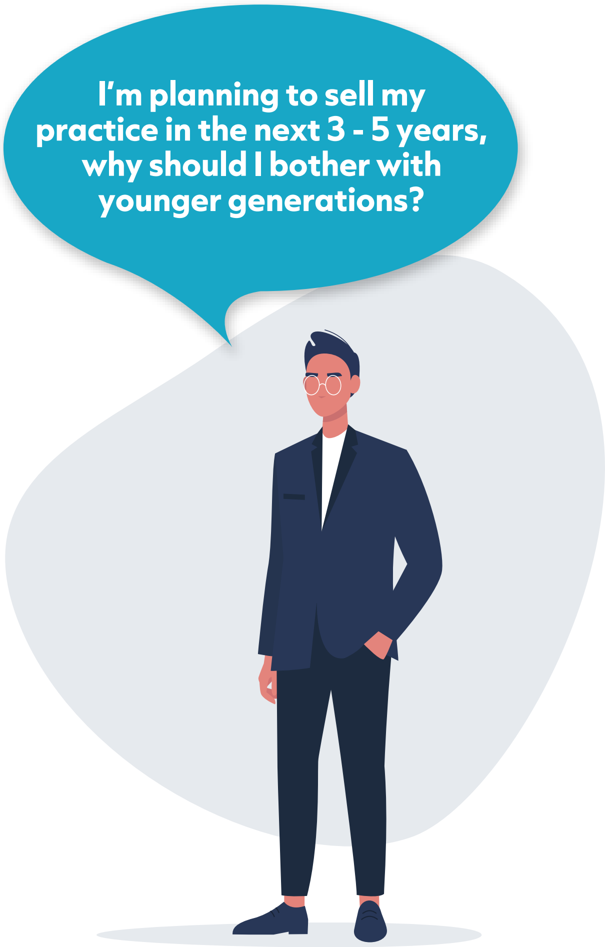
Of course, it increases the importance of mortgage and insurance help, or advice on intelligent ways to gift. But it also means there is a growing importance for firms to ensure the right approach to A) communication and B) technology, depending on who they are consulting with.

Owing to the aforementioned changes in family advice, it's not just face-to-face meetings with retirees anymore.

Shifts in social attitudes towards cross-family financial security and increases in financial gifting from benefactors still alive means your firm must be adept at communicating with a range of different generations if you want to deliver a modern and fulfilling service.

Does this really concern me?

If you're one of the over 6,300 financial advisers who plan on retiring in the next 1-5 years in the UK, you might be less keen to embrace a culture of change to accommodate the modern generational shifts in financial advice.



This would be a mistake.

Sure, you might not have longevity or expansion in your sights, but accommodating your most profitable clients, who expect their younger family members to be taken care of from an advice stand-point, is the perfect way to build trust and strengthen the existing relationships that matter to your firm today.

Despite the potentially detailed and complex nature of work with varying generations, it can be incredibly rewarding and interesting for advisers and clients alike. Building trust and strengthening relationships across generations, with your clients' children and grandchildren for example, helps cement the firm's status as the most trusted adviser in the eyes of your clients.

Ensuring advice for varying generations will keep dialogue open with younger people who may pass on referrals to peers or sign up themselves, increasing your firm's value when it's time to sell by keeping a number of long-term clients on your books. Further, offering a service that is more dynamic and attracts a wider varia-tion of client could also make your firm a more inviting prospect for talent, who value work with a varied client base.

Millennials, Gen-x & Baby Boomers: Getting to know your clients

So when it comes to advising the different generations that will become increasingly important to your firm, what do you need to know?

How should you communicate with them, what technology should be used and what type of service can you expect to give?

Millennials:

Born between: 1981 - 1998

Most advisers, particularly investment advisers, won't actively target millennial clients. But for reasons we've already discussed, it is well within your firm's interest to ensure that your service can account for this generation.

When advising this younger cohort, ensure that your investment services can tailor to the demanding moral consciences of Millennials, which often fall around ESG issues or the environment.

As a major beneficiary of gifting, be prepared to advise your millennial clients on large sums passed on by parents or grandparents still living. Make sure you're offering financial planning services that cater to millennial needs, these include debt management, investment planning, and career development.

Millennials will inherit **£1.2 Trillion** over the next **30 years**

59% of millennials wants more advice than they currently receive

5.1 million millennials in the UK expect to inherit **£50,000** from grandparents

Technology

As a result of being time poor and digitally adept, this generation rarely seek face-to-face contact, and prefer to take their communication via digital and text channels, or via video conferencing on financial advice platforms.

As digital natives, they have come to expect seamless technological assimilation in every area of their lives and considering their proclivity to robo-advice, things are certainly no different when it comes to their finances.

They are used to information on demand, so will expect to see up-to-date information when it suits them, not periodically when issued by you or a provider.

Communication

These clients might be a referral, but may still contact you via your website and check out your online presence, including social media. Millennials want efficient, concise, jargon-free communications that will help them to concentrate on their work and family life.

As already mentioned, they are busy; only needing to know the essentials - so save the fluff and keep things direct. Away from meetings, communication and marketing should again be concise. Utilising video communication in your newsletter is a great way to keep this generation's attention, considering almost 60% of Millennials find video to be the most engaging format for communication.

Millennials define community more broadly than previous generations. Their definitions do include the usual categories, for example, schools and cities, but it extends more broadly to include "people like me" (24%), "other people my own age" (24%), "people I interact with online" (11%), and more.

Finding creative ways to align yourself with Millennials, whether through a shared interest in a sport or entertainment genre, can be a quick win to build trust and cement engagement when moving on to the more perceived dry conversations. Keep in mind however that Millennials are a diverse group and are more sensitive than most to being stereotyped or generalised. Acknowledge that they have their own unique experiences, perspectives, and priorities. Don't impose any pre-conceptions on them.

Finally, people in their 30s may be dealing with a lot of stress, whether it be related to their career, family, or personal life. You'll be adept at empathy but it's easy to stray into 'when I was your age' advice with someone younger than yourself. This can be off-putting, and mistaken as lecturing.

Keep to your professional boundaries until personal advice is sought first.

1 in 5 of the total population

The most 'save orientated' generating, putting away nearly 3x that of the average Brit

55% expect to be able to retire, in the "near future"

Gen-X

Born between: 1965 – 1980

Your Gen X clients will, generally, fall into one of two categories.

A. They are busy managing and growing their own business or in the swing of a fast-paced career.
B. They cut a great career or have grown an exciting business, but are now approaching retirement age.

They will have a strong network of professional connections and successful wealthy peers who will make recommendations on which advisers to speak to. Having gone through a recent business sale, they will be very close to accountants, corporate finance advisers and corporate lawyers, who are all ideal sources of referrals.

They are very hardworking, driven individuals. For our clients in category 'A' this means that they are keen to hand over some personal financial responsibilities, whilst they concentrate on what matters most.

Those in our category 'B' often find it hard to let someone else take over, and won't tolerate fools, but once they know all the details and can see the work you've put into it, they'll feel more comfortable and be more trusting with what happens next.

They can be very demanding and want to be impressed with your answers, work ethic and output, so you can expect a grilling in the early stages

Technology

Your Gen X clients have a far more variable relationship when it comes to technology than Millennials, so be careful in assuming what your client wants when it comes to using advice technology: there isn't really a one-size-fits-all approach here.

Despite this, a survey by Fidelity found that 72% of Gen Xers believe that technology is an important tool for managing their finances, so expect a certain level of expectancy with regards to digital tools and platforming.

Those that still have a high pressure job or business to run will appreciate a more digital, financial advice experience that works in the background. Others will want more contact time. Generally though, your Gen X clients value a balanced approach to financial advice, utilising technology to create a more efficient experience.

Communication

Approximately 67% of Gen Xers prefer to work with financial advisers who communicate in simple, easy-to-understand language. Like with every other generation, advisers should avoid using complex jargon or industry terms that may be unfamiliar to their clients.

While Gen X may be comfortable with technology and prefer email as a primary mode of communication with their financial adviser, they also value personal interaction and may appreciate occasional phone calls, text messages, or face-to-face meetings.

According to a survey by Hartford Funds, 66% of Gen Xers prefer to communicate with their adviser via email, while 40% prefer to communicate via phone. However, the same survey found that 77% of Gen Xers believe that their adviser should be available for in-person meetings when needed.

When it comes to communicating with your Gen X clients outside of meetings, email newsletters, a technique generally engaged with by this cohort, are a great way to get your message across.

Approximately 68% of Gen Xers use social media for personal and professional purposes, making it a potentially valuable channel for advisers to connect with clients and prospects. Social media platforms that are popular with this cohort include LinkedIn, Twitter, and Facebook. These can be used to share insights, news, and updates about the financial markets, as well as to promote educational content and engage with clients and prospects.

Baby boomers

Born between: 1946 - 1964

The majority of your Baby Boomer clientele will be navigating retirement, with the remaining cohort fast approaching the national pension age.

They don't want to run out of money whilst living to the same standard they've always enjoyed. They may have been prompted to look for an adviser due to concerns about their health or what might happen to their estate after death.

Some find it difficult to discuss these issues with family as it concerns them, so they may do their own research to find an adviser, which is further complicated by a decision as to which type of professional to use. Someone who can bring all the elements - investment, tax, legal - together in one place is perfect for them.

These individuals are often cautious and sometimes protective over their money, which they increasingly view as their family's, not just their own.

Control Nearly **80%** of the UKs private wealth

63.4 The average age of boomer retirement

1 in 5 baby boomers are millionaires

Technology

The most sceptical out of the three generations in terms of technological attitudes, the younger cohort of Baby Boomers will appreciate the utilisation of technology to supplement in-person advice and provide convenience.

Despite this, advisers can expect pushback from many when attempting to assimilate them into a digital approach with just 67% regularly using the internet.

Communication

Ensuring that careful explanation and reassurance is salient throughout conversation is important when advising and communicating with Baby Boomers. Advisers should take the time to explain concepts and strategies in simple terms, and provide visual aids such as charts and graphs to illustrate key points.

Developing and demonstrating a good background understanding of the whole family is important in developing empathy and rapport. Demonstrating that your values align with theirs is also important for satisfaction and referrals.

According to a study by PwC, 59% of Gen Z and 73% of Millennials prefer to communicate digitally rather than in person, while only 20% of Baby Boomers think the same.

Despite this fact, email is still a popular communication platform for Baby Boomers. Phone calls, texts and possibly even video conferencing can suffice for some clients, but many will expect personable face-to-face communication with their adviser, and this should be ensured

Conclusion

The financial advisory industry is evolving, and advisers must adapt to the changing needs and preferences of their clients. While Baby Boomers will continue to be a significant client base, the increasing wealth transfer to Generation X and Millennials means that advisers must establish a proposition suitable for every concerned generation to ensure client satisfaction and quality referrals.

Embracing the right approach to technology and communication for each generational preference is crucial, but it's important to also have a deep understanding of each generation's preferences and demands outside of technology.

By providing a comprehensive and personalised approach to financial advice, technology and communication, advisers can build long-lasting relationships with their clients and improve their financial well-being, ultimately contributing to the success of their own practice.

So, is it time to embrace technology, boost client capacity and increase your client profitability?

Book a demo here and add value to your IFA business today.