



Millennials and Beyond

Laura Steinbeck, Director of Business Development
Sallie Mae

DEFINING THE GENERATIONS



Who's Who Over the Years

Baby Boomer (1945-1964)	Gen X (1964-1980)	Millennial or Gen Y (1980-2000)	Gen Z or iGen (2000-Present)
Face-to-Face or Call	Phone, E-mail or IM	Just Text Me	@me (Instagram, Snapchat, Twitter)
Live to work	Work to Live	Play then Work	Work? What's work?
Touch-tone phones	Give them the latest technology	I'll Google it myself, connected	Apps vs. Internet
Respect My Title "Me Generation"	Respect My Ideas Independent	Respect & Challenge them, Helicopter Parents Prefers Teams	Creative Helicopter parents
Relationship focused at work	Output focused	Focus on involvement and Digital Natives – Wi-Fi	Digital Natives – 5 Screens – Touch Screen
Work Comes First (Career, Title, Money)	Family comes first	Friends comes first	TBD – still coming of age

Source: Information gathered on 8/5/16 from <http://opi.mt.gov/pub/rti/EssentialComponents/Leadership/Present/Understanding%20Generational%20Differences.pdf> and <http://www.wmfc.org/uploads/GenerationalDifferencesChart.pdf>

Millennial Impact – Why do we care?

- Born after 1980 - Roughly 77 million people – roughly 25% of US population
- Age of adults in 2016 now - 16 to 36
- America's largest and most diverse population
 - 15% were born in a foreign country
- In 2012: 75% of Higher Education Enrollment are millennials = 15.8M students
- As the Baby Boomers thought us, the larger the generation the greater the influence over societal norms, expectations and behavior
- By 2018, Millennials will have the most spending power of any generation
 - Bigger than Baby Boomers

Sources: Information gathered 8/2016 from Pew Research Center survey conducted Feb. 14-23, 2014 among 1,821 adults nationwide, including 617 Millennial adults, and analysis of other Pew Research Center surveys conducted between 1990 and 2014 <http://www.pewsocialtrends.org/2014/03/07/millennials-in-adulthood/> , Ryan-Jenkins <http://www.ryan-jenkins.com/2013/09/16/22-shocking-stats-about-millennials-to-help-you-chart-tomorrows-change/> and Nielsen <http://www.nielsen.com/us/en/insights/reports/2014/millennials-breaking-the-myths.html>



Millennial Generation: Basic Facts

- Diverse
- Pressured to Perform
- Ambitious/Achievers
- Team Oriented
- Connected
- Service Oriented
- Excellent Time Managers
- Structured
- Protected
- Half consider themselves “lower class” socioeconomically



Source: Alicia Moore, Director of Admissions/Registrar; Central Oregon CC, “They’ve Never Taken A Swim and Thought About Jaws: Understanding the Millennial Generation”



MILLENNIALS IN THE MARKETPLACE



Spending Behavior of Millennials

- By 2018, Millennials will have the most spending power of any generation
- Almost 50% of Millennials say they want to be the very first to try new technology
- Millennials are much more likely to be influenced by:
 - Smartphone applications (+262% more likely)
 - Mobile advertising (+294%)
 - Recommendations from social media sites (+247%)
- They want to engage with brands on social networks
- Brands that serve Millennial's needs have a customer for life



Source: Information gathered 8/2016 from <http://resources.bazaarvoice.com/rs/bazaarvoice/images/MillennialsInTheAisles.201208.pdf>



What are the top 7 things Millennials buy more than anyone else?

- Hot Sauce
- Organic Food
- Bulk Warehouse Foods
- Craft Brews
- Same Day Delivery
- Newspapers & Magazines
- Diet Soda
- Gas Station Food
- Tattoos & Piercings
- Postage Stamps
- Mass Market Beer
- Energy Drinks

Source: Information gathered 8/2016 from <http://time.com/money/3979425/millennials-consumers-boomers-gen-x/>



The top 7 things Millennials buy more than anyone else.....

- Hot Sauce
- Organic Food
- Bulk Warehouse Foods
- Craft Brews
- Same Day Delivery
- Newspapers & Magazines
- Diet Soda
- Gas Station Food
- Tattoos & Piercings
- Postage Stamps
- Mass Market Beer
- Energy Drinks

Source: Information gathered 8/2016 from <http://time.com/money/3979425/millennials-consumers-boomers-gen-x/>



Marketing Trends

- Forbes released a study about Millennial consumer tendencies
- Millennials want to:
 - engage with a brand on social network
 - help companies develop future products
 - strive for a healthier lifestyle
 - value authenticity more than content
 - utilize multiple tech devices (87% use between 2-3 devices at least once daily)
 - expect companies to give back to society
- Some big brands are already adapting to these trends
- Newest brands to the market place have learned this early



Marketing Trends

❑ Trend #1- Tech Immersion

- Wearable tech did not stick with millennials at first
- As the price point drops we will see young adults sporting more tech innovations on their wrists
 - Jawbone and Fitbit have already experienced the highest rates of success – AppleWatch

❑ Trend #2- Mobile Payment Will Become the Norm

- Millennials are constantly seeking out ways to streamline their busy lives
- Venmo (PayPal), Apple Pay and Snapcash (SnapChat)
 - transfer money while shopping and to one another
 - more efficient and NO fees of other mobile or online payment options
- Mobile payments will reach close to \$90 billion by 2017

Source: information gathered 8/2016 from Forbes Jeff Fromm “Five Millennial Trend”s That Will Pave The Way for Marketers in 2015



Marketing Trends

❑ Trend#3 – Value Experiences

- Rather have a great experience than buy an expensive pair of shoes or a car

❑ Trend #4 – Re-imagination of Social Marketing

- Facebook has dominated Social Marketing since its origination
- 30% of Facebookers say they have “un-liked” a brand within the last 30 days
- The faster brands are able to respond in real-time to consumers, the faster they will convert them into loyal brand partners
- Other brands have begun finding ways to engage younger demographics

❑ Trend #5 – Fast Casual

- Fast food restaurants are now creating in-store atmospheres that are more fast casual
- Brands that create this higher quality (fast) food with a sit down and enjoy atmosphere will set themselves apart
 - Chipotle, Fusion, Cuccinova, Panera

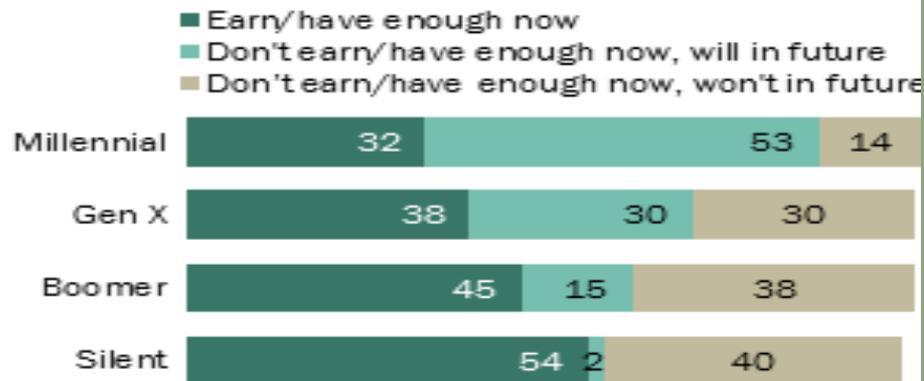
Source: Information gathered 8/2016 Forbes Jeff Fromm “Five Millennial Trends” That Will Pave The Way for Marketers in 2015



Millennials Financial Future

Millennials Upbeat about Their Financial Future

% saying they ... to lead the kind of life they want



Note: Based on all adults regardless of employment status, N=1,821. Those who are employed were asked if they currently or will "earn enough money" and those who are not employed were asked if they currently or will "have enough income." "Don't know/Refused" responses not shown.

Source: Pew Research survey, Feb. 14-23, 2014

PEW RESEARCH CENTER

Source: Information gathered 8/2016 from
<http://www.pewsocialtrends.org/2014/03/07/millennials-in-adulthood/>



MAJORING IN MONEY

HOW AMERICAN COLLEGE
STUDENTS (MILLENNIALS)
ARE MANAGING THEIR FINANCES



Background & Methodology for Majoring in Money:

Study Objective

- Learn how American college students are managing their finances and using credit.
- Identify behaviors and knowledge related to credit, and students' perceptions of their money management skills.

Methodology

- Online survey of 793 college students, ages 18-24 (millennial age)
- Interviews conducted December 2015
- Sample includes a cross-section of key demographic variables including:
 - Gender
 - Household income
 - Region of the country
 - Race/ethnicity
 - Enrollment status



Source: Majoring in Money: How American College Students Manage Their Finances March 2016, Sallie Mae and Ipsos



Insights

- Today's college students have a careful approach to managing money, and have a cautious attitude toward debt.
- Students have a general awareness of the importance of good credit and take positive credit actions.
- Study shows a knowledge gap about the details of how credit and money actually work.
- 4 out of 5 students are eager to learn more to improve their credit management.
- Financial management educational opportunities are needed for college students.
 - The topics of most interest are:
 - 37% Strategies for saving
 - 32% Paying for college options
 - 32% Budgeting

Source: Majoring in Money: How American College Students Manage Their Finances March 2016, Sallie Mae and Ipsos



Considerations When Using Credit

- Having a credit card doesn't necessarily mean students are overspending
 - 59% said reason for getting a credit card was to build a credit history
- College students are savvy shoppers picking cards that offer points or cash back.
- If they have a credit card they typically use it regularly.
- When it comes to learning about money management, most college students have been home-schooled
 - 68% said their parents influenced their decision on 1st credit card
 - 21% said their parents selected their first credit card for them
 - 71% said they learned how to manage money from their parents
 - 23% learned about money management from online research



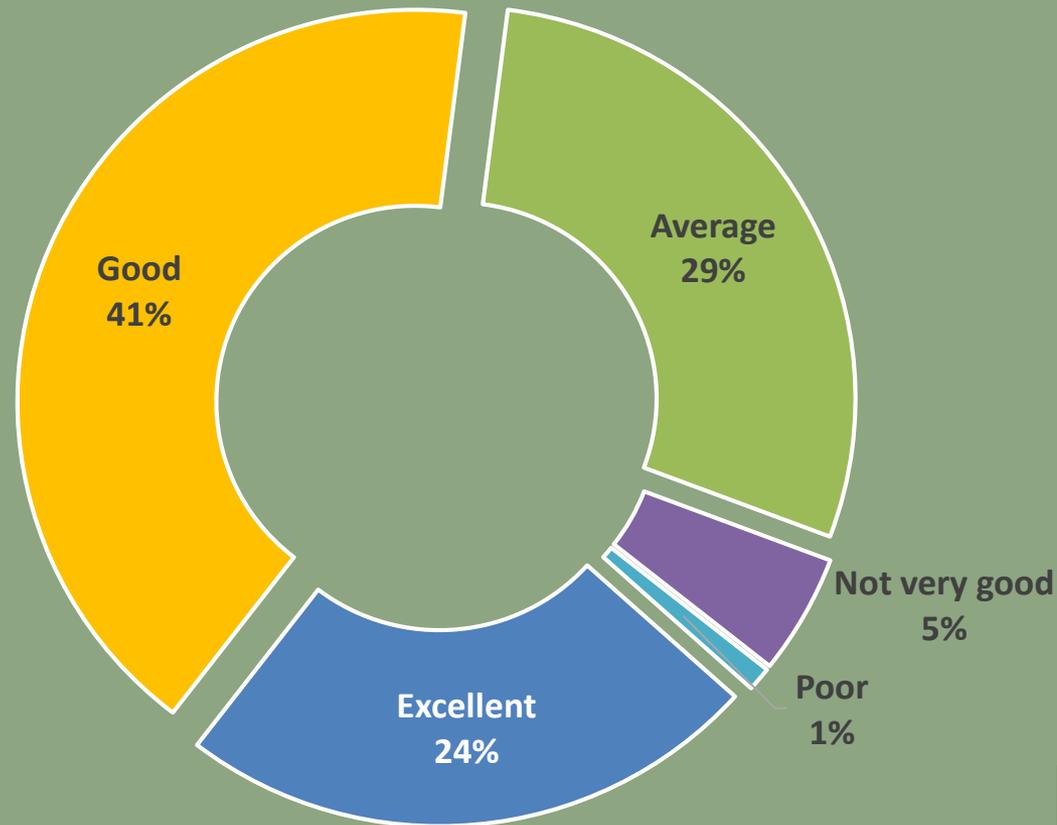
Attention to Credit Health

- Today's college students are very focused on effectively managing their finances
 - 77% pay their bills on time
 - 65% have a paying job
 - 60% never spend more than they have
 - 55% save some money each month
 - Only 4% report no practices to effectively manage their finances
- Students are effectively managing their payments
 - 73% are paying their credit card bills themselves
- The reality is those who are carrying a credit card are using it responsibly
 - 63% pay their credit card balance due in full each month
 - 8% pay the minimum amount due each month



Overall College Students are Confident in Their Money Management Skills

Self-Rated Money Management Skills



Source: Majoring in Money: How American College Students Manage Their Finances March 2016, Sallie Mae and Ipsos



LET'S TAKE A QUIZ ON CREDIT BASICS



Question #1: Interest Accumulation

Q: Suppose you had \$100 in a savings account and the interest rate was 2% per year. After 5 years, how much do you think you would have in the account?

- a. More than \$102 (75% answered this question correctly)
- b. Exactly \$102
- c. Less than \$102
- d. Not sure.

Lack of knowledge about credit basics was evident - 25% answered this question incorrectly.

Source: Majoring in Money: How American College Students Manage Their Finances March 2016, Sallie Mae and Ipsos



Question #2: Payment Behavior on Credit Cost

Q: Assuming the following individuals have the same credit card with the same interest rate, which will pay the **most** in interest?

- a. Joe, who makes the minimum payment on his credit card bill every month.
- b. Jane, who pays the balance on her credit card in full every month.
- c. Joyce, who sometimes pays the minimum, sometimes pays less than the minimum, and missed one payment on her credit card bill. (48%)
- d. All of them will pay the same amount in interest over time.

Less than half linked poor payment behavior to increased cost.



Source: Majoring in Money: How American College Students Manage Their Finances March 2016, Sallie Mae and Ipsos



Question #3: Repayment term on Cost of Credit

Q: Which option would you select to minimize your total costs over the life of the loan?

- a. Take 10 years to pay back the loan. (60%)
- b. Take 20 years to pay back the loan.
- c. Both options have the same out-of-pocket cost over the life of the loan.
- d. Not sure.

**Only 60% understand that the length of
repayment affects total loan costs**

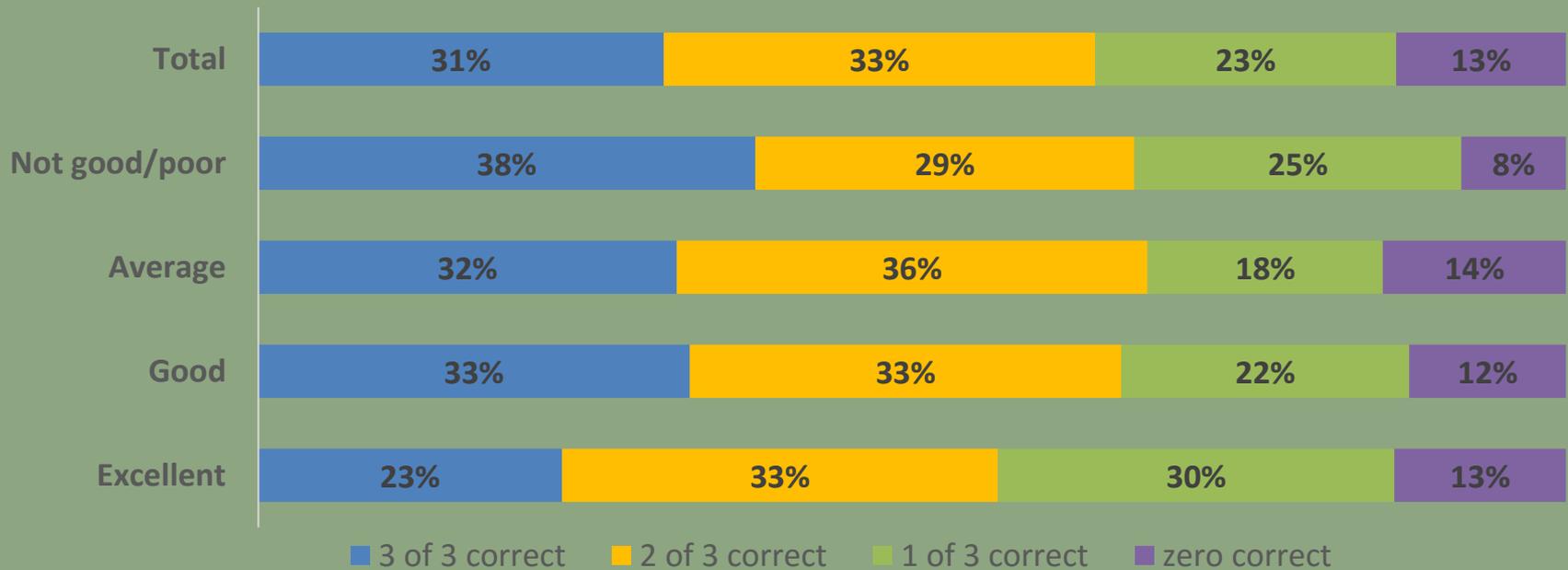


Source: Majoring in Money: How American College Students Manage Their Finances March 2016, Sallie Mae and Ipsos



Fewer than One-third of Students Answered Three of Three Questions Correctly

Credit Knowledge, by Perceived Money Management Skills



Source: Majoring in Money: How American College Students Manage Their Finances March 2016, Sallie Mae and Ipsos



HOW TO REACH OUT TO MILLENNIALS ON YOUR CAMPUS



How to Engage the Generation

- In 2014 Pluralthinking released a cultural intelligence report. According to the report:
 - Millennials like the easy, transparent, data-driven, automated processes of online banking vs. tradition banks
 - Millennials check their phones as many as 43 times daily
 - More than 30% stated they are more loyal to brands that are up-to-date in regards to technology
 - Nearly half of social media users get their investment and savings information from their Facebook friends
 - Reviews from family and friends are more trusted than traditional media

Source: Information gathered on 7/23/16 from 2014 Plural Thinking Study, Forbes Generation Z:Rebels with a Cause, and Investopedia.com/articles/investing/022715/how-millennials-use-tech-social-media-invest.asp, and www.adweek.com/socialtimes/nearly-half-of-social-media-users-trust-facebook-friends-for-financial-advice-inforgraphic/633624



Communications Matter

- Communicate with student's where they feel most comfortable
 - Millennials want personalized solutions for how, when and where they want it
 - Content that provides solutions and relevant advice
 - Self-serve is big
 - Video narratives embedded within e-mail messages
 - Reduce text-laden letter content in all direct-mail, e-mail and social media communications
 - Mobile devices, Text, Snapchat are preferred
- Consider using alternate ways to connect – peer to peer, chat, social media
- Offer “non-workday” hours of operation
 - Nights, weekends
 - On-Line Chat



Success with The Millennial Generation on Campus

Admissions and Marketing:

- Support from parent(s)/family about decision around higher education. Colleges are recruiting families too.
- Photos and Videos of campus must appeal to parents. Families need to understand the student's new environment. Safety on campus is important.
- Decisions around Higher Ed are made based on parent's perspective and what peers are doing. Recruitment of one well known student causes a ripple effect on others from same high school.
- Millennials are team and traditional-oriented. Videos and photos must appeal to these traits engaged in campus wide activities not of a student sitting alone studying in a library.
- Stay in front of prospective students as much as you can. If you aren't they will go elsewhere.
- Be tech-savvy

Source: Alicia Moore, Director of Admissions/Registrar; Central Oregon CC, "They've Never Taken A Swim and Thought About 12's-14's: Understanding the Millennial Generation"



Success with The Millennial Generation on Campus

- Service Oriented Generation: Do you have an active AmeriCorps Program or groups that work with underserved, impoverished communities?
- Generation that has largest amount of discretionary time – keep them occupied.
- Traditional hallway-styled residence halls are being rethought.
 - Residential Communities
 - Supportive Environments
- Not interested in the traditional food service program. “Grab & Go” generation; 24/7 service
- Burnout for this generation is strong. Expand personal counseling services on campus
- Move as many services as you can on-line.
- Remember to provide services for parents; stay connected to them.

Source: Alicia Moore, Director of Admissions/Registrar; Central Oregon CC, “They’ve Never Taken A Swim and Thought About Jaws: Understanding the Millennial Generation”





Here comes Gen Z?



Generation Z

- Born 2000 - today
- Post 9/11 reality: early loss of innocence
- Most tech savvy generation; touchscreens
- Prefers incognito and anonymous social networks (Whisper, Snapchat, and Secret as opposed to Facebook)
- 8-second attention spans
- PSA - Phone Separation Anxiety
- Politically liberal, social equality biggest concern



Source: Information gathered 8/2016 from Gettinggenz.com "Getting to Know Generation Z"
<http://growingleaders.com/blog/generation-z-differs-generation-y/>



Generation Z

- Trends in Education:
 - Less reliance on physical classroom
 - Realistic vs. optimistic
 - Debt avoiders, less impulsive
 - Want training vs. general education

Source: Information gathered 8/2016 from forbes.com Generation Z: Rebels With A Cause:
<http://www.forbes.com/sites/onmarketing/2013/05/28/generation-z-rebels-with-a-cause/#3b18d84a6aa1>



Conclusion

- Habits and trends vary from generation to generation
- We will need to adapt our messages and approaches to be effective
- That may mean changing our processes and cycles to be in line with their expectations
- Know your consumer/customer/student



Questions?

