

Top Producers Path to Gold

FOR MORE INFORMATION:

If you want to learn more about how to implement the strategy discussed, you can contact one of the following from our Program Management Resource Center: Tom Ostrand, Olivia Millrad, Cynthia Pollard.

FINANCIAL EXPECTATIONS OF MILLENNIALS

By Simplicity Life

Baby Boomers have started entering retirement and their sway in the work force is waning. Generation X is still active, though they accounted for only a third of the labor force in 2017. This leaves the Millennials, who have become the largest generation in the labor force. With their predilection for the digital age they grew up in and the subsequent “instant gratification” attitude that can breed, Millennials are bringing a new perspective to workplace benefits and financial planning in general.

A recent report from Capital Group found that Millennials view retirement savings option as a basic expectation of any job offer. This report compares the views of Millennials to those of the Generation Xers and the Baby Boomers, and of the three groups the Millennials rate the highest with this kind of expectation. Over 80% of the Millennials surveyed for the Capital Group report held this expectation, while only 71% of Boomers did.

However, Millennials are also reported to change jobs more often than their predecessors in the workforce. Two thirds of the Millennials participating in the survey had held at least two jobs and over a quarter of them had three (or more) just within the last five years. Since the results reflect a high engagement rate with their retirement savings, it's

Continued on page 2

Top Producer Success Corner –

Dan Cass, Bellco Credit Union

Dan Cass and his team are consistently placing Dan in the Top Producer category.

Dan credit's his success to continually developing his team and their relationship with his branches. The team also utilizes an annual marketing plan which is reviewed quarterly to ensure they are on track and meeting production goals. Dan utilizes several sources for referrals to keep the investment practice growing.

- Branch referrals are developed by staying in touch with credit union staff and keeping their awareness of the investment services as well as ongoing promotions to keep them motivated.
- Dan makes it a point to consistently ask his new clients and existing clients for referrals.
- He also utilizes outside sources of referrals such as centers of influence. He stays in contact with other industry leaders to keep his knowledge up to date.
- Dan works with corporations to do transitional planning for employees

.Dan's advice is to have a daily sense of urgency to set appointments and develop referrals.

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Story continued from front

no surprise that a transferable savings plan is favored by this generation. Millennials enjoy freedom and flexibility as they grow and change in life and they want financial resources that can come along for that ride with them.

According to a survey conducted by Personal Capital, nine in ten Millennials parents believe their child/children will expect them to pay for big ticket items, like college, weddings and/or property. This is much higher compared to other generations combined, where we find only 69% of parents in those generations sharing these kinds of expectations.

It's not unusual for parents to have the desire to contribute to a college education, nor is it unusual for them to actually take the steps needed to save. However, Millennial parents have higher expectations for their children, with 90% of them believing their child will go to graduate school and that they will continue to contribute financially to education through a graduate program. Well aware of the high cost of extended education, over half say they will expect to pay \$100,000 or more for this part of their child's life.

Millennial parents also expect to contribute to some or all of their children's housing costs and weddings, two more large milestones and financial commitments. While less than 20% of parents overall plan on contributing heavily to their children's housing costs, almost 50% of Millennial parents are likely to cover the entire cost of renting or even buying a house for their offspring. And wedding planning doesn't come cheap for the average American anymore. The average wedding cost is over \$35k and over 90% of Millennial parents are planning to contribute to that cost, with almost half of them willing to pay \$50,000 or more.

While it's not wrong for parents to strive for this type of financial support for their children's future, it is important to make sure they aren't sacrificing their own financial security in the process. Parents should be smart about achieving these goals for their family, while also making sure they won't be stranded when it's time to retire. Since Millennials value workplace retirement plans, a savings plan is likely in place throughout their working years. However, a defined contribution plan such as a 401(k) may not be enough.

Looking outside of traditional employer-based retirement options, an Indexed Universal Life (IUL) policy may be a valuable solution to this generations lofty financial goals. The IUL can still help Millennials to save for the future independent from a workplace. With a financial professional prepared to work with this generation on its specific view points and goals, they can be educated on the tools available to them which match their lifestyle choices, while also allowing them to make responsible decisions for their future.

Sources: Here's How Financially Naive Millennial Parents Are and Think Advisor Millennials See New Social Compact for Retirement Savings: Capital Group, Think Advisor

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