




THE MILLENNIAL CONUNDRUM

Financial services companies know they need to hire the next generation of talent to be a sustainable, viable business in the future, but many are struggling with attracting and retaining this group as employees. Is it a generational disconnect, work expectations issue or the financial sector altogether?

by Paul Conley



FROM LEFT TO RIGHT:
*BISA members
Lana Dauterive, Amanda
Vogel and Esteban Zuno
are all part of the BISA
Diversity Committee's
Rising Star group and spoke
on a millennial-centric
panel at the 2018 BISA
Annual Convention.*



Millennials. Few subjects have caused as much consternation in the finance industry as the nature of today's young adults. Odds are you've spent a lot of time wondering about them, what drives them and particularly about how to hire them.

According to Cherrie Wilkerson, a professor of the practice of management at Vanderbilt University, who specializes in research on millennials in the workforce, the key is to understand the effects that growing up in this era has had on young people and to see just how graciously that generation has weathered the storm.

Companies that want the members of Gen Y to adopt the attitudes and mores of baby boomers have things backward. The tactics that worked when recruiting people who came of age between the 1960s and 1980s, such as the potential for high earnings plus a clear and easily understood system for gradually moving up over the years, don't hold much interest for millennials.

"It's time for the industry to recast," Wilkerson said. Or to put it another way:

It's not the recruits that have to change; it's the recruiters.

The Ghosts of 2008

Many in the financial industry today like to point to the 2008 financial crisis as the primary cause for their issues with hiring a younger generation of financial advisors. It's often seen as a PR problem as there's the perception that the financial crisis left millennials with a bad taste for the banking business. "Look, 2008 did not help," Wilkerson said. "Greed, overzealousness and bad actors tarnished the entire industry."

However, it seems as though that perception may not be entirely accurate today. For those who have found their way to the financial industry, the stigma has been lifted. "There is not a negative connotation with the younger group," Amanda Vogel, an annuity national account specialist for Protective Life Insurance Co., told attendees of a session on "Hiring and Retaining Next-Gen Talent" at BISA's 2018 Annual Convention in early March. "But I think parents and grandparents have that connotation."

Esteban Zuno, region manager at U.S. Bancorp Investments Inc. and another millennial on the "Next-Gen" panel, agrees. "I don't think the stigma is at the forefront for millennials," he said. The panel remarked how the financial crisis happened when they were in high school or college and didn't really consider the impact outside of their family's personal finances. They weren't really looking to attribute it to a larger group or understand the situation; they just knew that it happened and then dealt with the aftermath.

For older generations in the industry, the financial crisis was a seminal event in their careers and lives, but for millennials, they weren't even sure what they're careers would look like when it happened and have been able to overcome some of those more negative feelings around it.



Something to Fear

Popular culture tends to portray millennials as fragile, entitled youths now turned young adults that need participation trophies for everything they've ever done. As with any stereotype, there is both truth and falsehood in the idea of the faint-hearted millennial.

Baby boomers and Gen X (the smaller generation in between boomers and Gen Y) came of age in times of relative prosperity and safety. Of course, there was the Vietnam War, but it was far away for most Americans. Then there was the Cold War, which hardly deserved to be called a “war.” There was an energy crisis and some nasty bouts with inflation, but American life from the 1950s through 2000 did, in hindsight, have fewer society-altering disruptions.

Millennials have lived in a very different time; one marked by terrorism, school shootings and, more broadly, very protective parents. With the proximity and intensity of tragedies like 9/11 and the Columbine High School Massacre — among many others — millennials were deeply and personally affected at a young age. The larger events in the world, as well as the mentality at home, conditioned them as children to feel that no place is truly safe.

You can hear this generational difference more easily than you can see it. The word that defined baby boomers’ attitude toward the world was “cool” — a perfect summation of the place where casualness and sophistication overlap. Even today, older people pepper their conversation with the word. By contrast, the word that defines millennials, the word that drifts in and out of their conversations,



CHERRIE WILKERSON

A former Bain consultant and executive educator, Cherrie Wilkerson guides the Master of Science in Finance program and teaches several courses within Executive Education at Vanderbilt University in Nashville, Tenn. Wilkerson leads courses on intergenerational workforce training, specializing in working with millennials.



The BISA Diversity Committee's Rising Star group includes 14 promising members of the financial community. Eleven of the Rising Stars were able to meet BISA 2018 Annual Convention keynote speaker, Dale Earnhardt, Jr. (middle), along with Tina Ambrozny (far right) of Nationwide.

As with any stereotype, there is both truth and falsehood behind the idea of the faint-hearted millennial.

punctuating their belief that anything can happen to anyone, is “random.”

“The world they grew up in was far less secure than ours was,” Wilkerson said. Their families’ financial security was wiped out in 2008. The attacks of 9/11 triggered unending wars in Afghanistan and Iraq. Schools became killing zones.

Wilkerson points out how this sense of menace continues to play out among millennials. At Vanderbilt, where she teaches, there are about 300 MBA students. Those students have lost three of their fellows to terrorism — one killed in Israel, two killed in the airport in Belgium. “That’s personal,” Wilkerson said. “That’s close to home.”

Complicating matters is that news of today’s dangers is ever-present. A smartphone

is nothing more and nothing less than a screen that tells us endlessly of random violence happening at home and abroad.

The Smartphone Problem

Those ubiquitous phones are at the center of another negative stereotype — the easily distracted millennial. However, the generational divide over phones is largely the result of misunderstanding. Phones reflect how millennials work as much as they reflect how they live.

The millennials you see on the phone all the time — on the train, waiting in line for coffee or sitting at a restaurant with friends — aren’t necessarily always on social media or fluff sites; it’s far more likely they’re doing work. “It may look like I’m lazily texting, but I’m actually working,” Vogel said. “I’m texting my account managers because that is what is easy for them. The fact that we have laptops and cell phones, I’m always plugged in and always thinking about work.”

The data supports Vogel’s position. According to a 2016 report by Manpower, 73



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percent of millennials surveyed said they work over 40 hours a week, and almost a quarter of them said they work over 50 hours. And that's a key point in understanding how millennials function. There are no

schedule start to feel like a lack of trust. Additionally, that same audience is very likely to answer their work emails after-hours or on the weekend. Being tethered to specific hours in the office is seen as a relic of another

era and not relevant to today's working needs.

Traditionally, the unspoken agreement in financial services has been that high levels of compensation are the price you pay for putting up with an

inflexible culture. But millennials aren't buying into that deal.

At least part of the reason for that is, simply, that a buck doesn't go as far as it used to. A 2017 report from the Federal Reserve showed that although wages have risen dramatically in recent decades, the buying power of a dollar has not. As a result, millennials are earning 20 percent less than their boomer parents did at the same age.

Wilkerson tells the story of how she met recently with an executive from an insurance company who had been tasked with creating a recruiting pitch. The major selling point of that pitch was how much money can be made in financial services.

"That's the pitch you make to clients — safety and securing your financial future," she said, noting that millennials aren't content just to chase a bigger paycheck. "They want their work to be meaningful."

The panel of millennials agreed; although money is a perk, it isn't necessarily the primary motivator for any of their positions. "We're not showing up every day for work to position mutual funds; we're working every day to help clients and serve the community," Zuno said. "If you can show, this is the impact we're having on our clients' lives

"It's understandable that our work time will impact our personal time, but also that our personal time will impact our work time."

» Lana Dauterive, Iberia Financial Services

clear lines between work and leisure, between home and the office, and oftentimes, current working environments are not set up to accommodate how millennials would like to work.

"It's understandable that our work time will impact our personal time, but also that our personal time will impact our work time," said Lana Dauterive, an operations specialist at Iberia Financial Services LLC and another member of the "Next-Gen" panel.

Workplace Changes

This desire for flexibility is central to millennials. That can be a big problem in an industry that often still gauges performance based on metrics from the 1960s. "Instead of measuring [young employees] based on accomplishing targets and goals, they're measured on how many hours they're actually in the office, which is a huge problem," Dauterive said.

Flexible working schedules are often seen as something to be gained through seniority, but that argument doesn't really make sense for millennials today, who can access all of their work needs as long as they have a connection to the internet, making a rigid

and the impact we're having on the community, that will change their perception of who we are and what we stand for."

If meaningfulness is millennials' top criteria for a job, then development opportunities are a close second, but "opportunity" means different things to boomers than to Gen Y. The long, slow trek to the

WORKING WITH MILLENNIALS

As the chair of the BISA Diversity Committee, Jacinda Norvell, SVP, national sales manager, SunTrust Private Wealth Management, helped form the Rising Star program in an effort to highlight the next generation of talent in the BISA community. Below, she shares her thoughts on the issues the industry faces with hiring millennials and how hard working this group really is:

Biggest struggle in hiring millennials?

Norvell: Millennials have a lot of questions about our business. What do financial services companies do? What are the entry-level job opportunities and career paths that are available? We need to do a better job of getting the word out to high school and college students about all the opportunities that are available in financial services.

Biggest millennial misconception?

Norvell: Sadly, some of the broad-brush stereotypes of this group are that they are entitled or lazy. What I have observed is that they are confident, and they like to work in different ways. They are well educated and want to be successful. They are heavy users of technology, which can help them work faster while not being constrained to the traditional work setting. They do like flexibility in their work — who doesn't? — but that doesn't mean they aren't hardworking. Overall, after spending time with our Rising Stars, I could not be more excited about working with bright, energetic new talent.

Biggest piece of millennial hiring advice?

Norvell: Think structure and flexibility. Many millennials like to know specifically what is expected and what are the milestones needed to move ahead. They want flexibility so they can have work-life integration. These aren't unreasonable requests. The better we can become at creating this environment for our workforce, the greater chance we have to develop and retain this great talent.



top — marked by formal reviews by your immediate supervisor on an annual basis — seems absurd to millennials.

Companies that want to find and keep millennial workers need to offer constant assessments — whether positive or negative. Social media, with its “likes,” retweets and shares, has taught millennials to expect measurements in real-time. “The feedback loop has narrowed,” Wilkerson said. “[Millennial workers] don’t want to wait for a year down the road to know how they’re doing.”

Such a desire for near-constant feedback can be misinterpreted as neediness and entitlement, but that’s a dangerous mistake to make. Young workers want honest feedback, not endlessly positive hand-holding, according to Dauterive.

“We are the most educated generation thus far, but there should be scheduled feedback and guidance,” she said during the panel. “[Millennials] have been on a grading scale for so long that they don’t know where they stand with employers. They may see success in six months and think they’re ready, but they need more training and development. Be direct and honest with your employees and keep reminding them of that.”

that feel ageist. Boomers may see neckties and sensible heels as symbols of respect for the company, but Gen Y sees gender-based uniforms as oppressive and unnecessary in a work environment where they don’t see clients every day. Boomers may believe that common decency requires showing deference based on age and title, but Gen Y sees an office culture where people reflexively defer to older white males as sexist.

“The power dynamic has changed,” said Wilkerson, who is herself a baby boomer. “When I started my career, my boss knew more about everything than I did.” But that’s not true for today’s young adults who often find themselves working for people who struggle with technology and diversity. “Millennials think we are neanderthals,” joked Wilkerson.

The key to navigating the generational divide, according to Wilkerson, is for young and old alike to see each other as equals, albeit with different skill sets. She describes the ideal worker-supervisor dynamic today as something akin to a “co-coaching relationship where the older person has a lot to offer, but everyone understands that the younger person has a lot to teach too.”

Millennials see educational opportunities as a two-way street; of course, they understand there is still a lot to learn, but they also have a lot to offer in a conversation. “One thing that I love about my

position is that I’m afforded creativity,” Vogel said. “I can throw crazy ideas out there — they may get shot down, which is fine — but maybe 10 percent of them stick. It shows that my ideas matter, and I’m affecting how the company grows.”

“We all need to consider the value of age diversity. Millennials can bring new ideas, fresh eyes and technology expertise; these are all valued qualities.”

» Jacinda Norvell, SunTrust Private Wealth Management

Another point to remember when recruiting or supervising millennials is that young adults tend not to be fans of the hierarchical systems that permeate American life. Boomers may feel that seniority should be rewarded, but Gen Y is suspicious of cultural norms

And employers should prize these conversations and ideas. A more diverse, well-rounded workforce with people of all different ages, genders and experience (both personal and professional) is what will produce lively discussions and brainstorm. “We all need to consider the value of age diversity,” said Jacinda Norvell, senior vice president, national sales manager at SunTrust Private Wealth Management and chair of the BISA Diversity Committee. “Millennials can bring new ideas, fresh eyes and technology expertise; these are all valued qualities.”

In short, millennials want to learn from their superiors, but they want their ideas and solutions included in the conversation.

Recruiting

Millennials are different, and there is no changing them. They are growing in power and influence and will change the working world.

The question is: How can a financial services company find the new talent, bring them on board and then keep them? This is a top question among financial institutions today. “There is a lack of visibility and knowledge about the different roles in the financial services industry, and there is no single college degree program that directly prepares students for a career in our field,” Norvell said.

A large part of that communication initiative should be focused on community — both in terms of what community the recruit is walking into at the company and what the company is doing for the larger community outside of the office walls.

“Community involvement is super important to our age group,” said Vogel. “We always want to feel like we’re making a change and a real difference.”

One way this plays out is that millennials are more likely to join and stay with a company that is committed as much to place as it is to profit. “Millennials are looking for thriving job markets,” Daute-rive said. “Take a look at your communities. Are they revitalizing the



downtown? What is attractive about where your business is?”

Zuno agrees. “Being able to showcase that space where these individuals are going to live and work in is crucial.” That, in the end, is the secret to understanding millennials. They are a generation that has come to believe the world is broken, so they’re looking for small places they can fix.

And there too is the secret to bringing them into the finance industry. “To make anything good happen in the world, you have to have some leverage and some money,” Wilkerson said. “It’s a good sell for the finance industry to say, ‘Come here and understand the levers of the world.’” **P**



Paul Conley decided to enter journalism at the age of six. Too young to be hired as a paperboy, he convinced a neighborhood teenager to subcontract his route. Since then, Conley has continued to rewrite the rules of the communications world as a reporter,

editor, bureau chief, producer, consultant and executive at companies such as CNN, Primedia Business, Bloomberg, CFO Publishing and Knight-Ridder Financial.