4 Ways Financial Advisors Can Win Millennial Clients

by Kelly Coyne, Vice President, Global Women's Strategies at Impax Asset Management LLC and Pax Ellevate Management LLC

Millennials are expected to receive a record-breaking intergenerational wealth transfer of over $30 trillion yet only 30 percent of advisors are looking for clients under the age of 40.[1] Why? Because reaching my generation can be difficult and keeping us happy is even harder.

You're familiar with the stereotypes: we're entitled, demanding, saddled with student debt and more interested in funding our SoulCycle habit than our 401k.

So, why bother trying to reach us?

In the next decade, the majority of financial planning consumers will be Millennials.[2]

Think you'll simply acquire the children of your current clients? Think again. Sixty-six percent of Millennials will fire their parent's financial adviser after they receive their inheritance.[3]

Engaging the next generation of investors is **crucial** to the success of your business. And the sooner you start building a bridge to this new cohort of clients, the better.

Here are a few tips from my Millennial perspective that can help you lock in this new client base.

1. Reimagine Your Role as an Advisor

Traditionally, you've been a service provider. Your clients have outsourced their wealth

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KEY TAKEAWAYS

- Engaging the next generation of investors is crucial to the success of your business.
- Reimagine your role as an advisor—become a co-creator, a resource and an educator.
- Millennials are a mission-driven generation—they want to invest with purpose and are interested in sustainable investing solutions.

[1] Bloomberg, "Financial Advisers Don't Care About Millennials, and the Feeling Is Mutual," May 11, 2015.

[2] Deloitte, "Millennials and wealth management: Trends and challenges of the new clientele," 2015.

[3] InvestmentNews, "The great wealth transfer is coming, putting advisers at risk," July 13, 2015.

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management to you and they're content with the occasional review. They trust you to do what you do best.

In contrast, Millennials are inherently *un*trustworthy of Wall Street, the stock market and financial professionals (read: you). We experienced the crash of 2008. We watched our parents get laid off and our friends struggle to find jobs out of college. We don't trust advisors in nice suits in fancy offices. So, you have an uphill battle ahead of you.

Luckily, we recognize that we need help managing money—it's not something many of us learned in school. And, contrary to what you may think, we still place *a lot* of value on personal relationships—especially when it comes to money. In fact, 82 percent[2] of Millennials would even appreciate more personal meetings with their investment adviser. Bottom line: we know we need you.

So what can you do? Become a co-creator, a resource and an educator. Work *with* us rather than *for* us. Make us feel like we're on the same team.

2. Reimagine Portfolios

The standard asset-allocation mutual fund portfolio isn't going to get a Millennial excited. We are a mission-driven generation. We place value on having purpose and meaning and firmly believe that we can make a difference.

This permeates into our investing as well. We want to invest with purpose—84 percent of Millennials are interested in sustainable investing and we are twice as likely as other generations to invest in companies or funds that target specific social/environmental outcomes.[4]

So, ask us a new set of questions and make it personal. Find out what drives us, what issues we're passionate about. Be prepared to discuss unique, purpose-driven investment products and companies that take a stand. Talk to us about investing in clean energy, gender equality, renewable resources, and climate change solutions.

Of course, performance is still important. Remember we are a demanding generation, we want strong returns **and** we want to feel good about where our money is going. (FYI - research has proven that sustainable investing does not require sacrificing returns.)[5]

3. Reimagine Communication

This may be your biggest challenge. We are notoriously impatient. Right off the bat, you need to ask us, "How do you want to be contacted and how often?" Likely what you will hear is email or text. If compliance allows, texting is preferred and gives you the best chance of getting a fast response.

Take a long, hard look at the communications you're sending to clients. Multi-page printed newsletters? Gone. Lengthy quarterly letters? Goodbye. Your content needs to be bite-sized.

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[4] Morgan Stanley, "Morgan Stanley Survey Finds Sustainable Investing Poised for Growth," February 27, 2015.

[5] Morgan Stanley Institute for Sustainable Investing, "Study Shines Light on Sustainable Investing," April 2, 2015.

Review your marketing materials and ask yourself: Are they visual? Easily digestible? Available electronically? Become familiar with who is doing it right (TheSkimm, BuzzFeed) and adopt some of their best practices.

4. Reimagine Your Online Presence

I'll be blunt: Be online or risk being irrelevant. Updating your online presence is a MUST. The first thing we will do is Google you.

LinkedIn is the easiest place to start. Refresh everything—update your picture, write a concise and clear summary, share interesting articles, and join relevant groups. What do you want to convey? Tell your story - why did you become an advisor? Be personable. This will soften the "Wall Street" vibe and make you seem more approachable. If compliance doesn't allow you to use LinkedIn, apply the same ideas to your website.

Reaching the next generation can seem daunting, but the payoff of a pipeline of new clients is worth it. If you want to take a deeper dive into the minds of Millennials check out the Millennials & Money curriculum available at www.paxworld.com.

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