While much has been written about Millennials by researchers, the workplace is still playing catch-up when it comes to understanding this intriguing generation and their impact on employee benefits strategy. In this article, we explore the implications of working with Millennials and present considerations for plan sponsors as they look to engage this generation.

By 2025 it is estimated that millennials will make up as much as 75% of the workforce. As this generation enters young adulthood, their growing influence on the workplace is beginning to be felt. So when it comes to your millennials, are you listening?

The Broad Look

In general, millennials are individuals under age 34 and born in the early 1980s to the early 2000s. The significance of this generation is far more than their numbers: this is the first generation to spend their formative years in the Internet, smartphone and social media era. Millennials have come of age during a challenging time in the economy, weathering the Great Recession and post 9/11 years, with these seminal events shaping their attitudes.

Perhaps it is not surprising that millennials are more open to change than previous generations, having witnessed so much in their young lives. But while this generation may be hard for employers to pin down, using blanket terms or generalizations when describing them can lead to disconnect. Research conducted by Fidelity and others are helping to break down stereotypes about millennials, such as:

- **“Knowing it all”** – In focus groups sponsored by Fidelity, millennials have willingly admitted they don’t know it all and would be happy to learn from someone. Whether that includes Mom and Dad (and often it does), a trusted co-worker, their employer or a provider, millennials say they are looking for directional help.

- **“All about me? Not really.”** – Dr. Fred Bonner at Rutgers University cautions to avoid stereotyping all individuals in this generation as “Generation Me” or “Helicopter/Trophy Kids.” In his book *Diverse Millennial Students in College*, Bonner says that some of the traits commonly ascribed to white, affluent teenagers and college graduates may not apply to individuals in different socio-economic groups. And with millennials now the most racially diverse generation in U.S. history (43% are nonwhite), his advice may prove sound.
When it comes to understanding and appreciating millennial differences in the workplace, our research presents interesting implications for your benefits and financial education programs:

- **They know retirement is important, but** – Millennials are in the “foundation building” stage of their lives. While they know saving for retirement is important and are optimistic, they are focused on today … paying rent and paying off debt. They need help with the basics. Health care costs in retirement are a big “aha,” but difficult for them to grasp at this point. What’s more, some in this generation may be freelancers who don’t have access to workplace plans. **Implication:** Help them prioritize.

- **They are on jargon and push alert** – Millennials lack confidence when it comes to making the right choices, especially with their health insurance. High deductible health plans and health savings accounts (HSAs) are a mystery, still feel complex and full of unfamiliar terms. Some millennials say HSAs are being “pushed.” Many say they can’t open an HSA because they feel they don’t have enough money. **Implication:** Use plain English, and stress the affordability of lower premiums.

- **They value incentives, especially if linked to a cause** – Millennials tell us they value incentives, such as funds deposited into an HSA or things that help them stay healthy like group fitness classes. Another strong interest is having incentives align with a cause or charity. Millennials value employers who contribute to social or ethical causes they feel are important and tend to believe that a company that cares about causes will care about treating them well, too. **Implication:** Think more broadly when it comes to incentives.

- **Yes, they use apps, but value advice from people** – Because they understand the importance of financial decisions, Millennials value talking to someone they can trust and who can guide them, such as parents, peers, employers, and providers. Social media are not always the trusted, preferred sources, and for some benefits and financial information, they can be a turnoff. Millennials are likely to ask: What are others doing? **Implication:** Keep it human.

- **Employer influence** – While some research opines that millennials distrust employers or only regard them as a “pit stop,” in contrast, Fidelity’s research reveals that employers are a key source of information and validation for financial decision-making. **Implication:** While it may sound obvious, reach out and talk to your millennial employees.

What does this all mean? A healthy re-examination of your processes and approach with this audience is in order.
Checkpoint for Engagement

✓ Onboarding – Is your onboarding process a strategic opportunity or an afterthought? With millennials willingly looking for direction, don’t miss the opportunity to engage them right from the start. But don’t drown them in traditional paper or content-heavy slides; instead, provide them with small roundtable sessions where they can ask questions and you can provide guidance.

✓ Targeting – Research shows that surprisingly few companies are targeting communications to millennials, preferring to focus their time and energy on baby boomers. This is a big miss. While the boomer generation is often thought of as the country’s largest generation, millennials now outnumber boomers in the workforce by 9 million. Only 7% of employers in a study admitted to targeting this group for financial wellness campaigns.

✓ Create “Communities” – Millennials have grown up with chat rooms and blogs. They yearn to feel connected, value open dialogue and learning together. Consider creating communities to allow them to share and learn about financial planning.

✓ Modeling/“People Like Me” – Our research shows millennials value modeling scenarios, seeing what others do, and having personalized choices. Give them a few good choices that they can try on for size.

Listen to Them. And Talk to Us.

Each generation has its unique characteristics. In stark contrast to their grandparents and great grandparents in the “Silent Generation,” this generation needs and wants to be seen and heard. Even focus groups are a form of employer communication … and they want to talk. It’s time for employers to listen.

Listening to your millennials will speak loudly. And talk to us. We can share our research findings and observations about millennials to help you better target your efforts and shape your strategy.
Millennials in Workforce


In millions


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3Fidelity Design Thinking Research, July 2015
4Bonner, F., Marbley, A., Hamilton, M., (2011) Diverse Millennial Students in College: Implications for Faculty and Student Affairs. Stylus Publishing LLC
5Raphelson, Samantha, “Amid the Stereotypes, Some Facts about Millennials,” NPR, November 18, 2014
6Fidelity Participant Loyalty study of 1335 health care decision makers; May 2015
92015 Workplace Benefits Report, Bank of America Merrill Lynch

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