Multigenerational Messages: Gen Y & Z

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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 – Digital Natives	Apps vs. Internet
Respect My Title "Me Generation"	Respect My Ideas Independent	Respect them, Challenge them, Creativity 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 8/2017 from http://opi.mt.gov/pub/rti/EssentialComponents/Leadership/Present/Understanding%20Generational%20Differences.pdf
and http://www.wmfc.org/uploads/GenerationalDifferencesChart.pdf

Millennials vs Baby Boomers

➢ Millennials are a generation of debit card users; more than ½ prefer to use a card

    ➢ Baby Boomers - 77% would prefer to use cash

➢ Millennials are 10X more likely to use peer-to-peer lending (P2P) compared to the Boomers generation

➢ According to MarketWatch, Millennials held the lowest amount of overall debt on average, compared to the other generations.

    ➢ Millennials had average debt of $52k compared to Gen Xers with average debt of $125k

➢ The average Millennial credit score is 625, and 28 percent of them are ranked below 579, says NerdWallet.

    ➢ In the world of credit scores, anything above 660 (out of 850) is considered good.

    ➢ Based on Millennial credit habits, those scores may not improve.

➢ Less than half of Millennials have a credit card

➢ While Millennials have the lowest overall debt they have the highest credit utilization rates, though credit limits should increase as they age.

Sources: 8/2017 http://www.phillyvoice.com/what-is-wrong-with-millennial-credit-scores/ and FICO Survey http://www.fico.com/en/01-27-2015-fico-survey-american-millennials-will-step-up-use-of-non-traditional-banking-services-this-year and Experian: http://www.experian.com/live-credit-smart/state-of-credit-2013.html?WT.srch=PR_CIS_StateofCredit2013_11192013_4thannual; https://thefinancialbrand.com/35309/millennials-struggle-managing-finances-credit/; http://www.marketwatch.com/story/this-generation-of-americans-has-the-lowest-credit-score-2015-08-04

Millennial Impact

➢ Born after 1980: Roughly 77 million people, 24% of US population

➢ Age of adults in 2016: 20 to 35

➢ America's largest and most diverse population

  ➢ 15% were born in a foreign country

➢ In 2012: 15.8 million students making up **75% of Higher Ed**. Enrollment are millennials

➢ As the Baby Boomer generation taught us, the larger the generation the greater the influence over norms, expectations and behavior.

➢ By 2018, Millennials will have the most spending power of any generation as they will eclipse Boomers.

➢ Also known as Gen Y

Sources: Information gathered 8/2017. 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
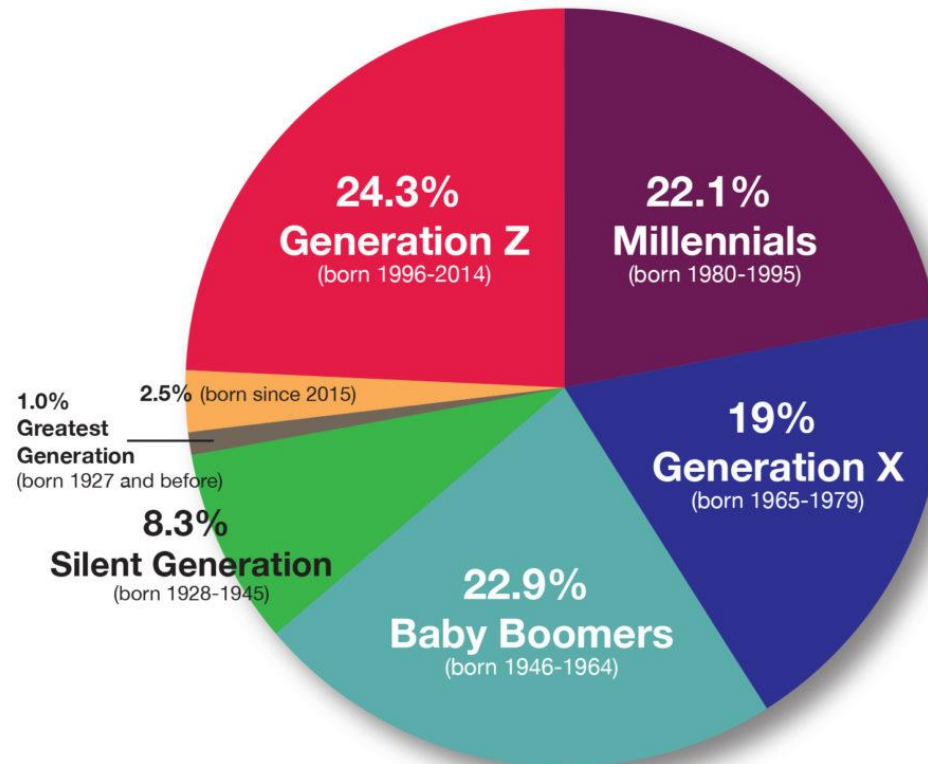
Meet Generation Z

➢ Forget everything you learned about Millennials

➢ Americans born after Millennials who are currently 18 and under

➢ Marketers have been focused on Millennials for more than a decade

➢ Millennials = Most researched generation in history

➢ **Gen Z** is different from Millennials – They are almost the *OPPOSITE* or extreme versions of Millennials.

➢ Marketers will need to adjust to **Gen Z**

➢ **We are just beginning to understand Gen Z and their impact on the future**

But here is what we know and foresee....

Gen Z is Growing Rapidly

➤ 361,000 is the number of babies born in the world each day!

U.S. population by generation

24.3%
Generation Z
(born 1996-2014)

22.1%
Millennials
(born 1980-1995)

2.5% (born since 2015)

1.0%
Greatest Generation
(born 1927 and before)

19%
Generation X
(born 1965-1979)

8.3%
Silent Generation
(born 1928-1945)

22.9%
Baby Boomers
(born 1946-1964)

Source: U.S. Census estimates for 2016

Don't Treat Them Like Millennials

GEN Z

Tech Innate: 5 Screens

Think in 4D

Judiciously Share (GeoLoco Off)

Blended (race and gender)

Togetherness

Mature

Communicate with Images

Make Stuff

Have Humility

Future Focused

Realists

Want to Work for Success

Collective Conscious

MILLENNIALS

Tech Savvy: 2 Screens

Think in 3D

Radical Transparency: Share All

Multi-cultural

Tolerance

Immature

Communicate with Text

Share Stuff

Have Low Confidence

Now Focused

Optimists

Want to be Discovered

Team Orientation

Commonly Identified Attributes of Gen Z

Exhibit 12: … and they have several defining characteristics
Commonly identified attributes of Generation Z

Note: Throughout our research process we identified several key words and phrases that were commonly used to describe Gen-Z. The image above is an amalgamation of these findings.

Source: Wordle, Goldman Sachs Global Investment Research.

Gen Z'ers Intend to Change the World

➢ 26% of 16-to-19 year-olds are currently volunteering

➢ Social listening reveals that Gen Z are determined to "make a difference" and "make an impact."

➢ What is "Social Listening"? -

> ➢ Monitoring digital conversations to understand what customers are saying about a brand or industry online

> ➢ Garner feedback to help differentiate a brand, product or service

➢ More than 90,000 students enrolled in grades 5 – 12 have the exceptionally rare entrepreneurial talent to help create more jobs within the U.S.

- *Source: U. S. Department of Labor 2013*

Gen Z'ers (cont.)

➤ Social entrepreneurship is one of the most popular career choices.

    ➤ The use of start-up companies and other entrepreneurs to develop, fund and implement solutions to social, cultural, or environmental issues

    ➤ Unlike for profit companies they blend concepts from non-profit and for profit arenas

    ➤ Generate a positive return to society – tied to the voluntary sector

        ➤ Examples: TOMS, Warby Parker, Good Eggs, Goldieblox, PetSmart, Walmart's Feeding America Campaign, Walgreens Red Nose Campaign

    ➤ People want to buy things from brands that give back

Use of Social Media as a Research Tool

➢52% of teens use YouTube or other Social Media sites for a typical research assignment in school

Gen Z = Shorter Attention Spans

➢8 seconds is the average American attention span (down from 12 seconds in 2000)

➢11% of children age 14 – 17 years old have been diagnosed with ADHD (up from 7.8% in 2003)

➢**Gen Z** are the ultimate consumers of snack media:
> ➢ They communicate in **bite sizes**
> ➢ Their brains have evolved to process more information at faster speeds
> ➢ There're cognitively more nimble to handle bigger mental challenges

➢*Getting and keeping their attention is challenging*

They Communicate with *Speed*

➢ **68%** of teachers think that digital tools make students more likely to take shortcuts and not put effort into their writing

➢ **46%** of teachers say digital tools make students more likely to "write too fast and be careless"

➢ **Gen Z** are agile communicators:

  ➢ Speed of communication and witty responses garners cultural currency

  ➢ They're accustomed to rapid-fire banter and commentary

  ➢ Not precise communicators and leave a lot of room for interpretation as a result

Source: Information gathered 8/2107. Pew Research, 2012

Gen Z – A generation with Disposable Income

Spending Behavior of Generation Z

- Cash-poor but savvy
  - No shame in using bargain websites such as eBay, nor in picking up a good deal second-hand
- Almost half (47%) spend money on experiences with friends on a weekly basis
  - Makes experiences one of the leading spending categories for teens, below only food (80%) and clothing (67%)
    - Their favorite eatery = Starbucks
- They love to shop, especially on-line
  - Nike is their top clothing brand, followed by Forever 21, Action Sports Brands, American Eagle, and Polo Ralph Lauren.
- They lack brand loyalty
  - Products themselves are more important than the brands that produce them
  - Will change brands easily in search of higher quality
- They are eager to start working
  - Parents of Gen Z encourage their kids to find jobs early and independently without their help
  - 55% of high school students feel pressured by their parents to gain early professional experience
  - 4 in 5 high school students believe they are more driven than their peers

Marketing Trends

➢ *Gen Z Wields $44 B in Annual Purchasing Power*

➢ Gen Z are true digital natives – but prefer to shop in brick-and-mortar stores:

  ➢ They leverage deals and compare prices ahead of times on mobile devices

  ➢ They want to find the thing that represents them; how can I look different and individual?

  ➢ Their tastes and preferences impact shopping decisions in their own households (70% of parents turn to their Gen-Z kids for what to buy, from food and furniture to clothing and footwear)

➢ Top technology platforms, brands, and celebrities to know used by Gen- Z:

  ➢ <u>Snapchat:</u> Snapchat messaging app and new feature called Custom Stories

  ➢ <u>Instagram:</u> Instagram has surpassed Facebook in terms of engagement, with brands getting 3x more views and celebrities seeing 3.6 x what they get on Facebook

  ➢ <u>Musical.ly:</u> Anyone can become a pop star with this lip-synching app. 200 M users. Videos allow Gen Z to sing along to their favorite artists and then share to social media sites

  ➢ <u>Houseparty:</u> A group video chat. As of Dec. 2016, the app already had 1 M users daily

http://www.adweek.com/digital/gen-z-power-list-meet-the-brands-platforms-and-creators-that-teens-love/

Life Cycle of Gen Z

➢Get a job

➢Buy a car

➢Pay off student debt

➢Get married

➢Buy a house

➢Begin saving for retirement

➢Have kids

Information gathered 8/2017. http://www.getrichslowly.org/blog/2013/07/09/gen-z-is-financially-savvy-with-one-big-exception/

HOW TO ENGAGE GEN Z

How to Engage Generation Z

➢ Listen to them. They want to be heard!
➢ They need rewards that are changed frequently to meet changing expectations and demands
➢ Generation Z students:
  ➢ Use technology to solve problems
  ➢ Connect with movies such as "The Hunger Games" where kids are expendable and not central to the world around them
  ➢ Say they would like to attend college for the social connections and network
  ➢ Are already connecting with people around the world with the use of technology
  ➢ Want to shape their own journey with you as their guide

How to Engage Generation Z

➢ Plural thinking released a cultural intelligence report. According to the report:

  ➢ Gen Z has the lowest attention span to date

  ➢ They won't wait for a web page to load

  ➢ 32% will start abandoning slow sites between one and five seconds and after 8 seconds they'll consider it broken

    ➢ Brands need to balance between narrowing down choice and content to maintain attention spans and deliver speed while still catering to variety

  ➢ Gen Z doesn't differentiate between online and offline

  ➢ The physical and virtual are the same thing

    ➢ Their whole lives are interconnected with what they do, how they do it and why they do it

Source: Information gathered 8/2017. pluralthinking, Gen Z report, Goldman Sachs report

Success with Generation Z on Campus

➤ Gen Z <u>is not</u> into "Helicopter Parenting" as much as Millennials were

> ➤ Schools should still strive to gain parental support, as families are still involved with decisions about higher education

➤ Increasingly decisions are being made around what peers are doing, and they turn to peers more than higher ed experts

➤ Outcomes matter more than traditions and cost

> ➤ Appeal to them on what the outcome of their education could offer them

➤ Materials should be colorful and filled with images – not text

Source: Information gathered 8/2017. http://www.eduventures.com/2014/09/recruiting-gen-z/

How to Reach the Traditional Gen Z Population from a Marketing/Admission Perspective

Website:

➢ Images, pictures made even bigger for this generation

➢ Shorter text, use more infographics, and use more statistics/numbers (appeals to Gen Z as they consider information "more real")

➢ Make information more career-focused; include career stats of major; highlight Career Services office; provide URL link, etc. on the front page of website

Print:

➢ Continue to provide colorful brochures

➢ Create short infographic pieces for mailings (generally the parents/other family members prefer "snail mail"/something tangible)

Videos:

➢ Focus heavily on videos created to look like a documentary film to capture the vision of the Generation Z individual

Practical Example

➢ Website and print materials with more graphics and less words

➢ Revamped materials used at recruiting and yield events

Practical Example

➢Focus on "The Cincinnati Experience"

What Defines Today's Gen Z Population

➤ Overall success will be determined by your ability to appeal to the top 5 characteristics that define today's Gen Z population:

1) Pragmatic
2) Globally-Minded
3) Customizable
4) Social Media Natives
5) Digital

Pragmatic

➢ Gen Z'ers grew up during 9/11 and the recession

➢Need to highlight affordability, careers, and ROI

➢Example: Incorporation of experiential learning into all disciplines

   ➢Offer 8 different types of experiential learning opportunities'

   ➢UC students earn $65 million in annual co-op earning

   ➢Increased opportunities for earning means students graduate with less debt

      ➢Ranked #1 in the nation for return on educational investment

Globally-Minded

➢Gen Z'ers want to contribute and have a positive impact on society as a whole
  ➢Interested in doing a day of service - giving back to the community
  ➢Tend to seek out alternative spring break experiences

➢Example: Service component as part of scholarship renewal requirements
  ➢Over 46,000 UC students, faculty, and staff
  ➢714,855 hours of work donated in a 12-month period
  ➢UC's community service generated nearly 90,000 days of work = $8,538,530 in financial impact
    ➢Volunteer hours are equivalent to 344 full-time jobs

Customizable

➤Notion that there are choices within the framework
- ➤Need meal plans that are flexible
- ➤Want majors that are "customizable"
- ➤Need schedules to be flexible - you can create your own destiny/be in charge

➤Example: Peer Financial Coaching
- ➤Offered through Student Wellness Center
- ➤Serve to reduce financial stress and encourage positive financial decisions
- ➤Provide awareness, resources, peer financial coaching, and education (budgeting, saving, credit, debt management, investing/retirement, identity theft, etc.)
- ➤Offer group workshops/programs and personalized coaching sessions from trained Peer Financial Coaches

Social Media Natives

➢ Has allowed them to become accustomed to engaging with friends all over the world, so they are well-prepared fro a global business environment

➢ Look for authenticity in videos and value content that is "real"

➢ Obsessed with videos and YouTube, especially short videos (60-90 seconds)

➢ Value opinions of peers and tend to want to engage with them more than professionals

➢ Example: Financial literacy videos created by students for students

    ➢ https://youtu.be/zmAEE13hM80

Digital

➢First generation to have grown up in a digital world, but preferred form of communication is face-to-face

➢Aren't shy about using phones in social situations, combining real-life and virtual collaboration

➢Quickly adapt to new media in all its forms

➢Value text over email

➢Example: Presence on Twitter, Instagram, and Snapchat

  ➢Follow One Stop and Student Financial Aid for event updates, financial literacy videos, financial aid "how to" videos, and helpful tips/resources

Money Management Task Force

➢Inclusion of student ambassadors

➢Creating events that provide an experience for students:

> ➢"Life After UC" game
>
> ➢Campus speakers (Colin Ryan, Todd Romer, Julien Gordon, etc.)
>
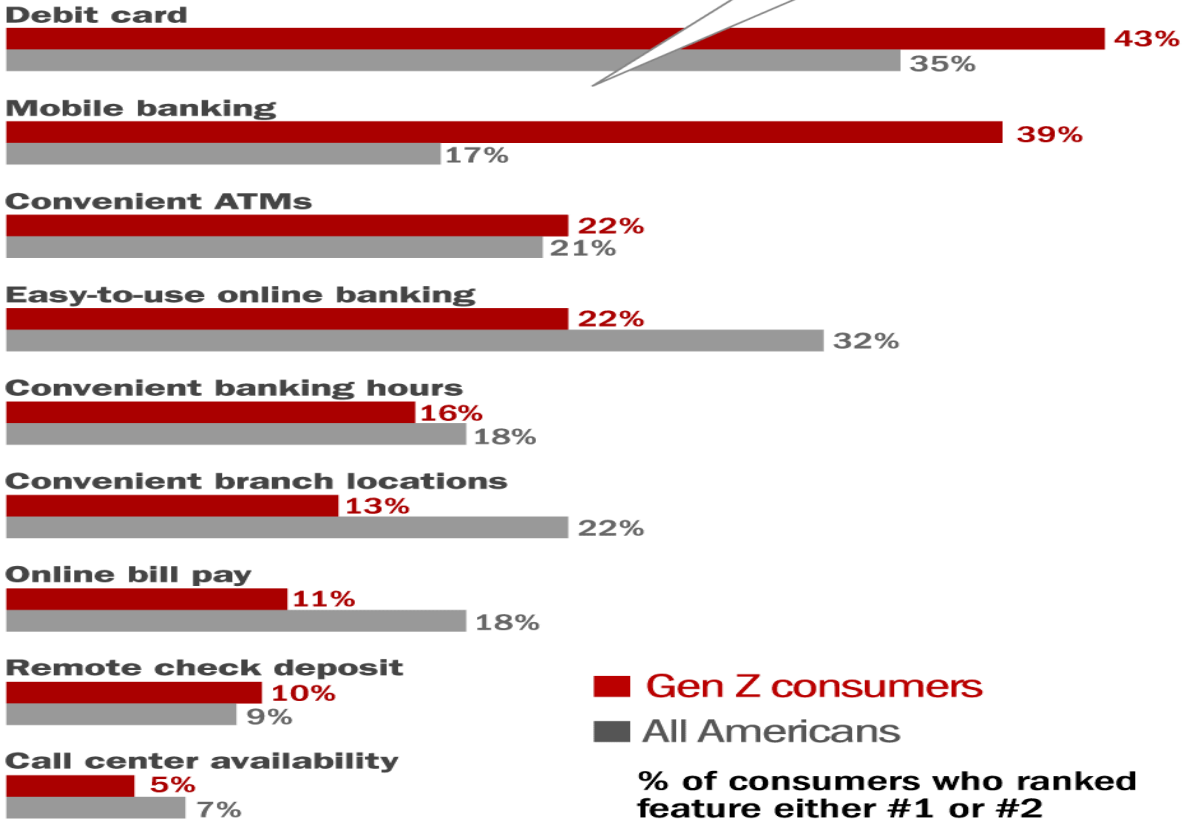> ➢Interactive workshops on campus
>
> ➢Cash Cart
>
> ➢"Money Con"

7 Reasons why Gen Z is better with $$$$

- Generation Z is more realistic
  - Gen Z witnessed the chaos of economic downturn in their younger years
- Generation Z are more Informed consumers
  - Being born into the internet age allows them to comparison shop online and do their research
- Generation Z is price conscious
  - Also makes them more wary of college costs
- Generation Z is preparing for work today
  - Career paths and goals are established much earlier
  - 50% of high school students are tackling internships and volunteer opportunities
- Generation Z values financial stability
  - Plans to target jobs in growing fields like education, medicine, and sales
  - Have a fear of living paycheck to paycheck
- Generation Z is entrepreneurial
  - Primarily driven by results, with a need to understand the purpose in every task
- Generation Z is growing into a stronger economy
  - Poised to become the most financially-savvy and stable generation

Source: Information gathered 8/2107. https://www.gobankingrates.com/personal-finance/forget-millennials-7-reasons-gen-z-better-money/

How Gen Z Ranks Banking Services and Features

Which of the following banking features are "most important" to you?

Feature	Gen Z consumers	All Americans
Debit card	43%	35%
Mobile banking	39%	17%
Convenient ATMs	22%	21%
Easy-to-use online banking	22%	32%
Convenient banking hours	16%	18%
Convenient branch locations	13%	22%
Online bill pay	11%	18%
Remote check deposit	10%	9%
Call center availability	5%	7%

Gen Z consumers
All Americans
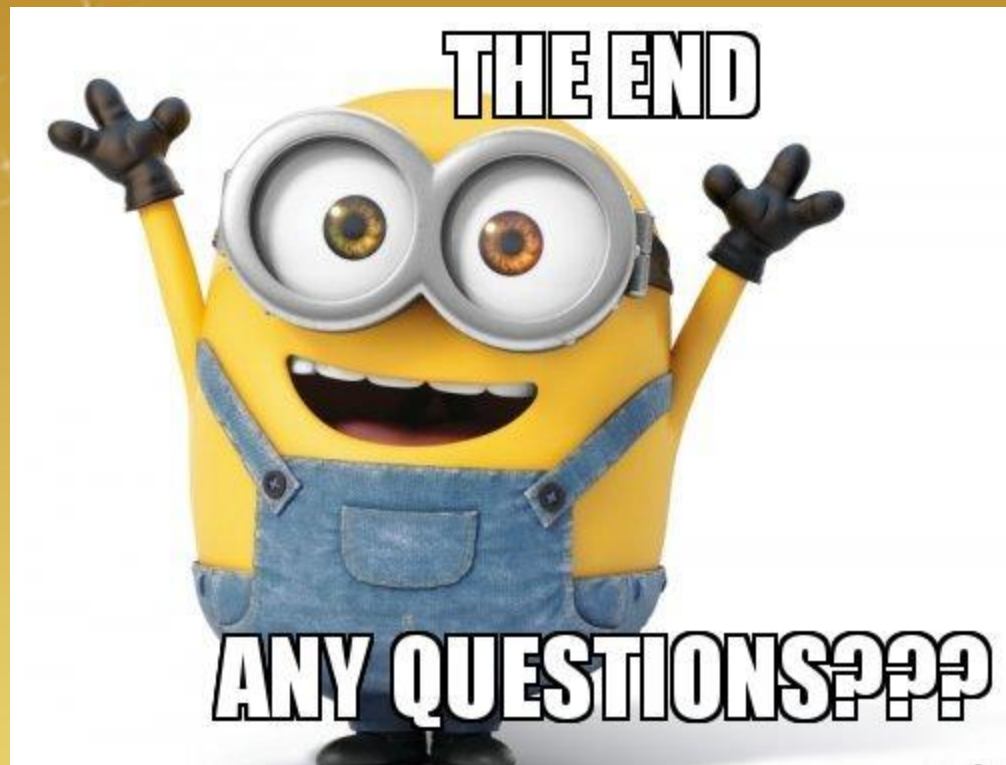% of consumers who ranked feature either #1 or #2

Source: TD Bank © October 2015 The Financial Brand

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

Questions?

The information contained in this presentation is not comprehensive, is subject to constant change, and therefore should serve only as general, background information for further investigation and study related to the subject matter and the specific factual circumstances being considered or evaluated. Nothing in this presentation constitutes or is designed to constitute legal advice.

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