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Millennial Money Chatter: A Guide to Millennial Financial Disclosure
TRANSCRIPT

Presenter: Christine Ahlgren, Payments Marketing, Harland Clarke
Presenter: Jimese Harkley, Impact Director, Filene Research Institute

Nathan: Good day, and welcome to Harland Clarke's *The Informed Banker* webcast series, "Millennial Money Chatter: A Guide to Millennial Financial Disclosure." This webcast is being recorded and will be provided to you within a few days. If you have any questions, please use the chat box located in the control panel. Your questions are private and are only seen by the presenters. I will now turn the call over to Christine Ahlgren with our marketing department at Harland Clarke. Christine, you have the call.

Christine: Thank you, Nathan, and welcome to everyone who's joined us for today's presentation, "Millennial Money Chatter: A Guide to Millennial Financial Disclosure," brought to you in partnership with Filene Research. We hope today's presentation will provide you with the tools you need to connect with your millennial account holders and prospects in a more relatable way. The Harland Clarke *Informed Banker* series was created with you, the community-based financial institution and credit union, in mind. We aim to consistently bring you succinct, timely information on topics that are critical to the success of your businesses.

You'll receive a short survey after the conclusion of today's presentation, and we'd greatly appreciate if you could take a few minutes to fill out that survey, as that's what we are using to integrate your feedback directly into future *Informed Banker* sessions. Also coming soon on June 17th, we'll kick off our three-part *Future Ready* series with Cornerstone Advisors. The *Future Ready* series will focus on preparedness in three key areas. In June, we'll take a broad view of the readiness of your financial institution as a whole, and in September and November respectively, we'll be tackling the futures of marketing and payments, so keep an eye out for those invitations.

Now without further ado, I'd like to introduce you to today's speaker, Jimese Harkley of Filene Research Institute. As Impact Director, Jimese is charged with cultivating and maintaining mutually beneficial relationships with potential and current Filene members. Jimese holds a Juris Doctorate from Birmingham School of Law and brings more than ten years of credit union experience to Filene. Her varied experience in the financial services space has landed her in a variety of roles from teller, loan officer, indirect lending specialist to philanthropy and community relations manager. She's received a number of local and national awards for her tireless efforts to strengthen the footprint of community financial institutions.

We're thrilled to have her with us today. Jimese, thank you again for being here. The floor is yours.

Jimese: Thank you so much, Christine, and Nathan, if we could advance to the next slide please. I bring you guys greetings today from the great state of Alabama, and of course as you see there, it says please don't say roll tide. That is something very important to me that happens almost every day that I'm out on the road if I hop into a taxi. Alabama is synonymous with Alabama football, but Jimese Harkley is not.

I'm so delighted to be here today to talk to you all about the Filene Research Institute. For those of you who don't know about Filene, Filene is a research firm located in Madison, Wisconsin. We are a non-profit organization that is supported by nearly 1,000 members. Those 1,000 members help us to bring research and innovations to the marketplace and push credit unions far beyond their boundaries in hopes of creating a more viable industry and successfully retaining and keeping and attracting new members.

I'm delighted to tell you a little bit about "Think. Do. Change," which if you know Filene, you know that's our moniker. "Think" represents the research, "Do" represents our innovations, and "Change" represents the programs and services that we put into the marketplace for pilot testing to ensure that we are meeting the needs and advancing issues that are keeping credit unions up at night. I'm delighted to be here with you all today to have this conversation.

Christine: Thank you, Jimese. Is there anything else you'd like to tell us about Filene before we get into the meat of the conversation?

Jimese: I will say this: the thing about Think is where our research is. That's what we're going to talk to you today about, one of our biggest research pieces. Filene Research Institute started in 1989 and for a long time, research was all that we offered. "Do" and "Change" certainly came later in the game, but I'm so excited that this research is still viable and driving credit unions to make some very nice advances for the future.

Christine: Thanks, Jimese. I think that you had a couple of questions that you wanted to ask of the audience before we got into the presentation. Did you want to move onto those?

Jimese: Absolutely. That would be great. It's a good thing to ask what level you are in your career. I always like to know that we've got a healthy balance of millennials and **[05:30]** who are joining. There are little nuggets for everyone to take, but millennials are so important in driving their friends into the movement. I always like to see how many we have engaged. Thank you all for answering that one.

We've got a nice mix here today, Christine. I'm certainly impressed. We've got a couple of well-seasoned people joining us, we've got some executives, and we've got some early ons. Thank you, guys, so much. We'll have to talk about this other at another time. What's the next one we have?

How would you describe your current role in your organization? This is very important, guys. Sometimes marketing is just left to hold the bag where we're attracting and attaining new members, especially where the millennials are concerned. I like to know it's on everyone's mind. It's going to be awesome to see that as well.

What did we say? We've got a good bit of marketing, but I'm also glad that we have operations, retail, risk, and the others attending with us today. Hopefully you will, as I say, pick up some nuggets that will make you think about your arena in a different way and how you can be impactful where millennial attraction is concerned for your organization.

Christine: Jimese, that's a great cross section of interest. I'm really excited to see that we have people from all parts of their career and all sections of the different institutions. Today we're here to talk about millennials and speaking their language. I wonder what was it that made this a focus for Filene and made this part of the research plan that you had in place?

Jimese: With the next slide, you'll see there that this Millennial Money Chatter report was so important to us. Knowing how consumers feel about borrowing is instrumental to developing strategies to support consumers as they decide how and when to borrow or even when to invest. Through our center for consumer behavior, we also decided to not only looking at consumers overall, we wanted to really focus on millennials. Their consumer decision making is so vital to credit unions on down the road, especially with the average member age for most credit unions being somewhere about 46. If you're in that age bracket, you probably have a lot of services. It's just very important with looking at consumer decision making to discuss the millennial in debt, to know how to market to them, and how they make those decisions.

Looking at how millennials make decisions, we pulled up some demographics and looked at some really interesting things. As you will see there, we've got the boomers, the Gen Xers, and the millennials. It's playful there because you see the boomers, some of them completely loved the 60s and then the 70s don't necessarily love the 60s. Then you've got your generation Xers. They're pre 1990 born. In that time they whine about the boomers. They wore plaid. I bet you a lot of people on this call wore plaid at some point in time. I know I have some.

In our later lives we whine about millennials. For millennials, they basically had the iPhones and everything of that sort. When you look at the ages, millennials are about age 18 to 33, the generation Xers are at this point about 34 to 49, and the boomers are 50 to 68. The weird thing is this just blew my whole millennial with one foot on the banana peel completely out of the water when I found out that I am actually a generation Xer. That's the demographic that we looked at when we were talking about how they discuss money.

When looking at what millennials are talking about, we looked at how do they discuss money-related issues, what languages do millennials use to discuss personal finance, and also what does this language reveal about the millennial perception about financial services, instruments, and institutions? We'll definitely go into that a lot today. One of the things that we looked at is how they discuss debt. Debt sentence is certainly how millennials look at their debt. Sadly, college is the first debt that most millennials take on.

I don't know if you guys remember, but there was a time in college where you went to sign up at your first university, there were people there from banks or credit card companies that offered you these nice things of toothpaste and deodorant and shower things, all of the toiletries that you need to get started for school, which we hope you brought with you. They attracted you over there with these things, but they also gave you your very first credit card right on the spot without giving any information. When knowing that these students are looking at their debt as a debt sentence, student debt seems to monopolize that talk. Their negative feeling about taking out these loans and their perception of how am I going to get a job or am I going to get a well-paying job that's going to help me take care of these debts that I've incurred, that's a big deal to them.

There was a time that debt was looked at as compared to slavery. There was a quote by John Adams that has just really stuck out, and it says, "There are two ways to conquer and enslave a country. One is by the sword. The other is by debt." It's very unique that we end up in this situation now where they're feeling that way. I'm not sure if you guys have heard of Occupy Student Debt, but that was an issue as well.

Christine: We've got Occupy Student Debt, and now we're moving to Rigged System: It's Your Fault. Jimese?

Jimese: There's another thing that these millennials think that we're setting them up. As the financial institution you look at is at though we're providing programs and services for our members to take advantage of. In the grand scheme of things they see it as it's a rigged system. Where you're going out and promoting your products and services with the best rates and in order to get your members deeply engaged, you've got this list of items such as their student debt, their credit card debt, healthcare, taxes, money; all of these things are part of a rigged system. Credit unions have to truly understand how to offer them programs and services and be mindful at the same time that you're the bad guys because you have these offers. You have to find a way to be the good guy in a sense and make your purchasers feel good about what they're doing where money is concerned.

Christine: You've got all these scary words in this [13:23] here. I can see how that might be tough to hear for someone who's young and just starting out and maybe not having the same level of resources as someone at a more mature stage of their life. Is there a different language that

they're using, the millennials, to discuss their personal finance? Are we talking the same language as them?

Jimese: It's funny. Here on this next slide you'll see a weird thing. I'm sure everybody has heard YOLO. The weird thing for me is when I found out there was a YOLO Credit Union, I was like oh, my goodness. It's just following it. YOLO Credit Union existed before you only live once. This statement is something that will just come out of their mouth, you only live once.

That's the thing where I'm like I'm going to make this purchase or I'm going to complete this action because this is my life. I should not be penalized because I want to enjoy it, but I see my debt as a burden. That is so unique for them to say that.

You've also got FOMO, if you've heard of that, fear of missing out, which that illustrates how this generation craves social and experimental consumption over material possessions. That's a little less explored than YOLO, but that's the opposite side of it. One's saying I'm missing out on something, and the other one says, whoa, I'm going to do this right now.

Christine: It's interesting that the language seems to reveal some underlying psychographic factors that as marketers or other folks that are reaching out to this segment might have mind. Just using those words to understand things like you discuss. Living once, let's get this done. Let's do this. Let's not wait. That's very interesting.

Jimese: Okay. Yeah. In the next slide, you'll see where they used things such as not adulting, which I sometimes have days where I do not want to get up and adult. What we realized is they have taken also this word kid, and put it together with – and blended the word, so you've got a kidult, whatever that means. A kidult is an adult who behaves like a child but has to carry on their adult activities, and you truly don't want to do that. This word has had a – has many positive connotations and meaning.

It could be a parent who spends quality time with their children and are being young at heart, optimistic nature, but over time, however, the term has gotten a negative connotation. It could be used – people use it sometimes to describe Millennials as a generation that's used to being labeled as immature and spoiled, but what I will be careful to say that I have recognized in my own travels is that don't misjudge or put all Millennials into one category. Some have entrepreneurial spirit. Some do not. We have the trophy generation, which a lot of people say you've been accustomed to winning all the time. That is true within itself, but it doesn't speak for all of them. Millennials certainly have very unique sentences of language in how they speak.

Here on this next slide, I think you'll also see where we talk about frugality, and a big thing with them is being frugal and saving money, actually. Frugal actually represents being thrifty but struggling, so when you look at frugality in a way of they know that they – Millennials know that they have to budget. They know they have to stop making impulse decisions, and start making mindful decisions. In those mindful decisions, they do things such as have staycation. Meaning, with a staycation, you find a place near home, don't drive too far, and you keep all of your activities close to home. That's a way to still get an opportunity to enjoy a time away from your home and out of your space, but you're not too far away from home and draining your wallet. That is certainly one of the ways that their frugality has crept into or how frugality has crept into the habits of how they live. I actually took a little staycation recently, and it was probably one of the best things we've ever done. We found a hidden treasure that was just down the road from where we live, never had been exposed to us before.

Christine: Jimese, it sounds like you're learning from these Millennials, which is exciting. Now that we're hearing more about thought processes and trends and activities, can you translate that to what that means for an FI? For a financial institution, how does that change their strategy, their delivery? What does that mean?

Jimese:

Okay. Yeah. Here's this next slide. You'll see the considerations that credit unions should truly be making, and we're going to talk about the – first, looking at it as the big elephant in the room. That is truly the case. It's something that we teeter around and have an idea of what Millennials should do or how your organization should treat Millennials, but we have to remember that, when addressing this elephant in the room, all of the Millennial market does not – there is not a one-size-fit-all. You have to be prepared to talk to everyone.

In peeling this apple, you also want to realize that creating new products and promoting existing ones that reduce financial insecurities. Remember I said you guys are looked at as – even though you have the opportunity to provide a program or service, you're looked at as the bad guy. You're the person who brought this debt to me with this rate. Find new ways to create those programs and services and promote them where you touch on the fact you understand their insecurities, but you're trying to give them the warm and fuzzy that this is not our mission to make you feel insecure about a purchase. We just want to help you get there.

You also want to promote your suite of non-exploitive financial services by comparing their offering term by term with those offered by banks. That's always another good way to let Millennials know that your services are comparable to a bank or a credit union, and this is what you have. You also want to infuse communications to Millennials with mindful philosophy and minimalist goals thinking about how they're aware that they don't want to adult today. They're aware of FOMO and YOLO and which side is it. If somebody has such a fear of missing out, they're not going to pull the trigger on purchases, or are you like, YOLO, sign me up for that \$30,000 car? I'm only going to live once, and you just approved me. That's the big difference there.

Communication is truly key where marketing is concerned and meeting that elephant in the room, so as we go forward on the next slide, you're also going to see that. We also want to make them feel better about their future. They're uncertain about the future and their jobs prospect. The future can be overwhelming, and that's also looking at retirement prospects and student debt. It's important to use that mindful communication to draw your Millennial members to these services that give them peace of mind and will give them a better future or path as they've been engaged and incorporated into your organization.

This is where everyone can see the bullet points. I think the last thing that we discuss is how to communicate their offerings as present-bound. You want to focus on what makes the – what Millennials can do today to ride the wave of uncertainty that's related to employment, debt, and savings. The worst thing I think for me when I graduated from college was to recognize that there wasn't an \$80,000 job out there waiting for me, and it was so depressing.

Christine:

Yeah. I can't say that I disagree, Jimese. We have about four minutes left. I do have a couple of questions from the audience, but if there are other things that you thought were important to cover before then, I want to make sure you have a moment or two to do that. You tell me how you'd like to proceed from here.

Jimese:

Let's go ahead and get into some questions. We don't have much time, so I don't want to miss the opportunity to explain.

Christine:

Okay. I just heard you talking about how it feels to not have money. One of the questions we have here is similar to that. They're asking if Filene conducted any research to get Millennials feelings or sentiments about money in general.

Jimese:

Yes, we did. You normally see these pie charts that do – you'll have people like we did the surveys. You answer the questions, so you see the charts. We actually did an emoji analysis of Millennial Money Chatter that we conducted on Twitter. We had the crying face, and the crazy

thing is the sadder you are, the more emojis you use. The happier you are, the less. Meaning, if I'm upset with you, I'm going to have 20 crying faces on my page when I say I'm upset with you. If I love you, I'm going to have one I love you.

It's important to recognize that when your Millennial members are talking, especially when they are – when they're showing their affinity, it's going to be very brief. Oh, just a little smiley face. Once you cause them some grief, you should be prepared for a page of sad faces, crying faces, upside down, straight faces. There were all kinds of emojis that were used.

Christine:

That's really interesting. I know we could probably talk forever on this topic, but we're getting close to the end of our time here. I think we need to wrap up at this point. We did just get a question about whether or not this PowerPoint is going to be available, and so I'll answer that for the whole group. Yes. We will be sending out two things. One, we'll get a survey out to you quickly where we ask your feedback on today's presentation, as well as any future topics you're interested in. We'll also link to both a transcript of today's session with a video recording that you can share with colleagues, and lastly, as well, they'll be a PDF of the presentation for today.

Jimese, thank you so much again for taking the time to share with us today. Importantly, I'd like to say thank you to all of those financial services folks who took time out of their day to be with us today. We really appreciate your being with us, and hope to see you again at future Informed Banker sessions. Nathan, any closing notes for today?

Nathan:

No. That will do it for me. Hope to see everybody again. This will conclude our webcast.

Jimese:

Thank you.