MIT AgeLab
PLAN Webinar Series
July 2022

Connecting with Clients Across Generations

The MIT AgeLab hosted its sixth 2022 webinar for panelists and corporate members of the Preparing for Longevity Advisory Network (PLAN). The webinar, titled “Ok, Boomer: Connecting with Clients Across Generations,” featured a presentation from a team of AgeLab staff representing a range of generations: Director Joseph Coughlin, Research Scientist Julie Miller, and summer interns Jake Birnbach, Talia Chait, and Anjali Reddy. The presentation explored the importance of engaging across the generations and tailoring one’s approach to working with clients depending on their needs, experiences, and preferences. Researchers presented analyses of recent qualitative and quantitative findings from the PLAN panel, and advisors added their perspectives.

A generational approach to the client lifecycle

A healthy advisory practice is maintained by prospecting and acquiring new clients while also providing quality service to and retaining current ones—what Dr. Joe Coughlin called ”the client lifecycle."

Servicing and retention involves not only keeping the clients themselves satisfied, but also building relationships with the clients’ family and future heirs. Advisors benefit from connecting not only with their individual clients, but also each client’s extended network: their spouses, parents, children, and grandchildren. With people living longer, these networks may be comprised of as many as five distinct generations, with differing preferences, perspectives, and experiences.

When sitting across the table from a client, advisors should think about the formative generational moments, issues, events, and technologies that might inform their clients’ perspectives and concerns. A communication strategy that works well with one client may not be suitable when interfacing with that client’s adult children and heirs.

The advisor’s perspective

Advisors who attended the webinar shared their thoughts and strategies:

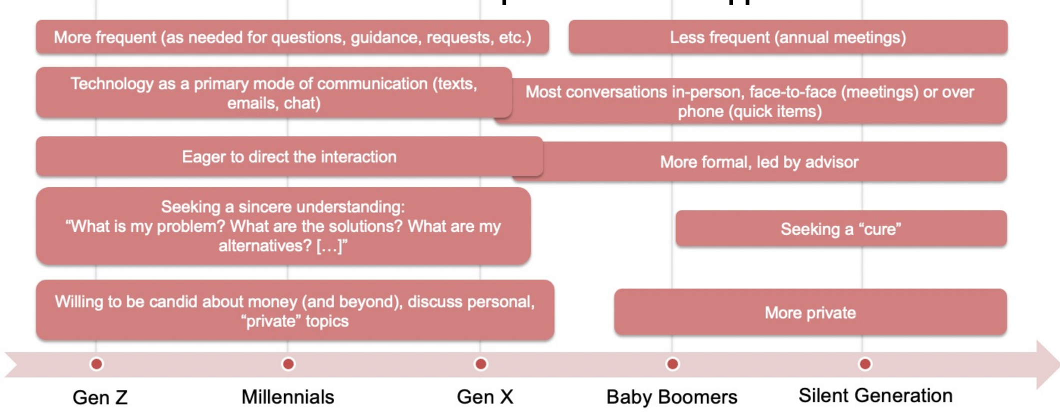
Demonstrating the “human value” of advice:

“Soft skills have been seen as a ‘nice-to-have’ for advisors. For an advisor to deliver the human value of advice, there needs to be increased training for advisors to have these soft skills as a ‘must-have.’”

Connecting with clients across generations

Dr. Coughlin offered a glimpse into findings from recent virtual interviews and focus groups with PLAN panelists on their experiences with clients of different generations. These findings were focused on clients’ communication preferences and approaches as well as the aspects of planning for which clients of different generations sought advice.

Clients’ communication preferences and approaches



Dr. Coughlin provided some interpretations and guidance on the qualitative findings:

- While older clients appear to want a less “hands-on” advisor, with less frequent meetings, those preferences may perhaps be driven by preconceived ideas of what is standard in the industry. Older clients might have similar preferences to younger clients without knowing they are acceptable.
- While generational differences play some role in shaping preferences, they are not the ultimate decider. Inquire about each client’s communication preferences; keep generational patterns in mind but remember that everyone is different.
- Ask open-ended questions to understand clients’ priorities, and approach them based on about their individual context (life stage, generational perspectives, gender, etc.)
- Ensure clients across generations are being engaged with strategies like hiring a multi-generational group of analysts and advisors, introducing new technologies, employing social media, and rethinking office spaces.

Advisor perceptions of the generations

AgeLab interns Jake Birnbach and Talia Chait shared preliminary findings from a recent questionnaire fielded to the PLAN panel of advisors.

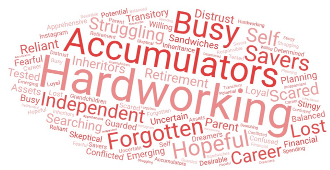
Advisors appeared to acknowledge the importance of cross-generational engagement; 80.6% somewhat or strongly agreed that their capacity to engage across the generations is critical to their relationship and successful engagement with current clients, and 87.1% somewhat or strongly agreed that "clients of different generations require different kinds of engagement." Over two-thirds (69.4%) of advisors somewhat or strongly agreed that they have developed strategies for engaging with clients based on their generational particularities.

While less than a quarter (22.6%) of respondents indicated challenges when engaging with current or prospective clients who were significantly older than them, over half (59.7%) indicated challenges when engaging with current or prospective clients who were younger than them.

Participants were also asked what three words come to mind in association with the four predominant generations in the U.S. For the Baby Boomers, words like 'unprepared' and 'uncertain' rose to the top of the word cloud; for Millennials, words like 'busy,' 'digital,' and 'frivolous' were more predominant. Gen Z's use of the internet and social media were highlighted; Gen X's hard work and positive savings behavior were noted.

Baby Boomers

Gen X



Millennials

Gen Z

Leveraging social media to connect across generations of clients

Advisors can connect with multiple generations of clients by strategically leveraging social media. AgeLab Research Scientist Julie Miller suggests that social media is becoming "the WebMD of financial management"—when looking for money management tips, according to Morning Consult (May 25, 2021), Gen Z and Millennial investors tend to look to Facebook (33%), Instagram (32%), Reddit (29%), and Twitter (29%). Advisors who seek to engage these generations should establish and grow their presence on these platforms. AgeLab summer intern and Gen Z member Anjali Reddy shared some tips for advisors to stand out:

- **Keep things brief.** Time is a commodity, and many people choose to learn from social media because there is little time and effort required. Whether posting text or videos, convey messages as briefly as possible.
- **Leverage #hashtags.** Reach your target audience by directing content to groups who want to see it; they will be more likely to stay for more.
- **Know and follow the trends.** Popular songs, formats, and topics will go viral and broaden your audience.
- **Don't limit yourself to one platform.** Different platforms will have different audiences, and it's important to tailor your content accordingly.

The advisor's perspective

In the chat, advisors provided their thoughts on "finfluencers" and social media strategy:

Observations:

"I see lots of TikTok influencers talking about investing in a 401k, tips for saving, etc.—especially targeting women."

Challenges:

"Cost per click and conversion into customers can be pricey with a saturated ad market. We have found […] success from Google ad words."

"An issuer for licensed advisors is compliance being able to monitor activity. Some only allow posting on specific site."

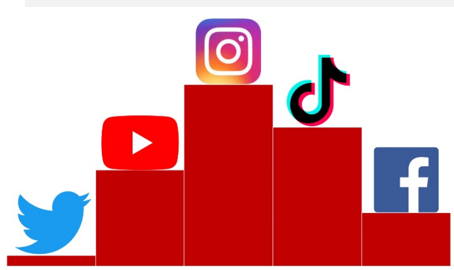
Strategies:

"Not just Z'ers and Millennials, but younger Boomers and Gen X do their research to solve problems for health to wealth online. Advisor insight: If you are not virtual, you are not real."

"Most of our older adult clients are more interested in vetted sites like AARP or the Better Business Bureau writing up and rating our service. I think it helps to have trusted sites to post about your service for older adults that don't use social media. Social media for us has been better for their adult children to see to refer to their parents."

"Zoom has been an excellent tool for bringing families together who are all over the country."

"We love using Canva for marketing posts!"



Invite others to join PLAN! agelab.mit.edu/plan

The context of how we live in retirement has changed, and a new approach to anticipating, planning and preparing for older age is accordingly needed. We invite financial advisors, retirement planners, and others in the retirement industry to join PLAN to contribute to the understanding of the future of advice and be among the first to learn key research takeaways.

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