



Our Guide to Millennials: Hiring Them and Keeping Them

The *Generation Insights Series*
from Purchasing Power®



Who are Millennials?

- Aka Generation Y
- Born between 1980 and 2000
- Make up nearly half of the U.S workforce today¹
- Will compose 75% for workforce by 2025²

About Millennials:



They are the **least engaged** generation in the workforce -- 55% of Millennial workers are "checked-out."³



15% of 25- to 35-year-old Millennials **live in their parent's home**.⁶



4 in 10 Millennial workers ages 25 to 29 had **at least a bachelor's degree** in 2016.⁸



They are **always on their smartphones** -- they own 7.7 connected devices and use 3.3 each day.⁴



The Millennial generation is ushering in the **nation's broadest racial diversity** -- nearly 30% represent "new minorities" (Hispanics, Asians and those identifying as two or more races).⁷



They are the most likely generation to **use public libraries** -- 53% have used a public library or bookmobile in the past year.⁹



While about 8 in 10 births are to Millennial moms, they are **waiting longer to become parents** than prior generations.⁵



Millennials represent the **most charitable generation** -- 84% make annual donations.¹⁰

Suffice it to say Millennials are complicated. They're unlike any of the generations that preceded them -- figuring out how to recruit, work with, and retain engagement with Millennials may be one of the biggest challenges today's organizations face.

Although they are stereotyped in many ways -- including believing they are entitled; tied to their smartphones; selfie-obsessed; job-hoppers; digitally-addicted and much more -- recruiting and keeping Millennials isn't about pampering them and "giving in." Instead, it's about understanding what motivates them and addressing their differences.

Millennials at Work

Millennials don't view work like the earlier generations do. So what makes them tick at work?

On Flexibility

They want flexibility at work because they want a life, not just a job. Millennials don't tend to separate life and work. They are especially concerned about managing their work and personal lives so that neither suffers.

In addition to flexibility in hours, they would like the opportunity to work from home or other locations where they feel they can be more productive.¹¹

On Their Job and Compensation

Millennials want to feel like they are personally valued and contributing to the organization's mission. They want good jobs, and they want to be engaged in those jobs, meaning they are emotionally and behaviorally connected to them. But they struggle to find jobs that engage them.¹²

Millennials want to be compensated based on job performance, not tenure. Implementing performance-based compensation will keep them engaged.¹³ And, while they want to be compensated fairly, Millennials also want to do work that has meaning.¹⁴

On Their Manager

They don't want bosses; they want coaches.¹⁵ They distrust rules and formal institutions, but crave structure and guidance. Because they see work and life as closely intertwined, they want a different relationship with their manager. They want their manager to care about them as an employee and as a person. If they can talk with their manager about non-work-related issues, then 62 % of Millennials plan to be with their current organization one year from now.¹⁶

On Job Assignments

If they have an assignment and a deadline and they accomplish it, they don't want it to matter where or how they did it. Millennials value autonomy – they want to be given an assignment and then be trusted to complete it correctly and on time. They want to be coached to success, not micromanaged.¹⁷

On Teamwork

They want a workplace that fosters teamwork. They are used to working in teams and want to make friends with people at work. They believe teams can accomplish more and better. Millennial employees work well with diverse coworkers.

Millennials are uniquely social. Sharing ideas, learning from others, and co-producing is a generational hallmark. They are accustomed to and want to collaborate via technology.¹⁸

On Performance Reviews

They don't want annual reviews. Millennials want and value frequent feedback --they want ongoing conversations. They will often leave a job abruptly instead of trying to work through a difficult work situation.

On Training and Development

They love to learn new things and grow in their job and responsibilities. In the Millennials' ideal workweek, there would be significantly more time devoted to the discussion of new ideas and ways of working; on coaching and mentoring; and on the development of their leadership skills.¹⁹

Millennials place more importance on job-specific training, career development and advancement opportunities contributing to their job satisfaction compared to older generations.²⁰ Millennials will take advantage of as much training as they can access. They want opportunities for development and self-improvement, even if that means searching for employment elsewhere.

On Recruiting Through Social Media

Social media is a great way to recruit Millennial talent, including using it as a way to present a company's culture, personality and values. In addition to Facebook and Twitter, Millennials spend a significant amount of time on Instagram and Snapchat. Encouraging current Millennial employees to talk about their employer on social media can be a powerful recruiting tool.²¹





On Financial Stress and Their Job

There are a number of reasons Millennials have financial stress:

- 7 in 10 carry balances on their credit cards, with 45% using those credit cards for monthly expenses they couldn't afford otherwise.²²
- Almost half (47%) of Millennials don't have \$2,000 in savings for emergencies.²³
- More than two-thirds of Millennials have at least \$10,000 in student loan debt, and one-third of those owe more than \$30,000.²⁴
- Half (52%) of Millennials have experienced a "cash trap" in the last three months, meaning that they've had to borrow money or dip into savings to make it to the next paycheck.²⁵

They bring their financial stress to work – 31% of Millennials spend three to five hours at work each week on personal finances, while 29% spend more than five hours.²⁶

On Financial Health

They want help managing a range of financial matters. The number one issue they are concerned about is saving for retirement, followed by developing good general savings habits and paying down debt.²⁷

On Changing Jobs

They won't stay with their employer for the long term. In fact, 21% of Millennials, more than three times the number of non-Millennials switched jobs in the last year. And 60% of Millennials say they are open to a different job opportunity. Millennial turnover costs the U.S. economy \$30.5 billion annually.²⁸

On Retirement

In spite of their current financial issues, they expect to take early retirement at age 58. To make that happen, 80% of Millennials are already saving for retirement, and 75% say they are planning to cut their expenses so they can save more.²⁹

Benefits that Matter

The benefits and perks that employees today care about are those that offer greater flexibility, autonomy, and the ability to lead a better life. Millennials want benefits and perks that directly impact their lives and the lives of their family members, and they show a greater willingness to switch jobs to secure these elements.³⁰

In fact, Millennials will change jobs for a particular benefit or perk. One in three millennial workers has turned down a job offer due to insufficient or lackluster health insurance.³¹

What benefits and perks are important to Millennials?

Traditional Benefits

As they age, traditional benefits become more important, and Millennials look for more than traditional medical, vision and dental coverage. As more Millennials begin to get married, purchase homes and start families, they are slowly warming to the idea of disability coverage.³²

They expect a broader range of healthcare services than they are currently offered and are not opposed to paying for high-tech and high-touch healthcare experiences, such as an on-camera visit with a doctor or an app that enables a consultation with specialists.³³

More than half (55%) of Millennials say their highest-ranking healthcare offering is guaranteed appointments with a specialist within a week.³⁴

A Variety of Options

Millennials are an “on-demand” generation—they want to be given lots of options in their benefits package and then have the power to pick only those they deem useful. This mentality has driven demand for a wide variety of benefit options.³⁵ By offering a variety of voluntary benefits employers provide a means for Millennials to customize their benefits package, choosing options that are important to them.

Most employers are adding or expanding voluntary benefits to attract Millennials. Benefits like identity theft protection, critical illness insurance, student loan repayment programs and pet insurance appeal to Millennials.³⁶

Development Opportunities

They are the generation most interested in development opportunities, such as pursuing higher education, joining professional organizations and attending conferences.

One way to give Millennials opportunities to grow and learn new skills can be accomplished through a mentor program. Millennials with a mentor were more likely to say they planned on staying with their current employer.³⁷

Child Care

They are the generation most likely to be family planning or already have children at home, so worksite child care and back-up child care benefits are important to attract and retain Millennials.

Student Loan Repayment

With the amount of student loan debt that most Millennials carry, it's no wonder that student loan repayment programs are a powerful incentive for their recruitment and retention, yet only 4% of employers offer this assistance.³⁸

Financial Wellness

Of all the generations, Millennials are the most amenable to participating in financial education programs, with 92% saying they would use such a wellness program at work if offered one.³⁹

This presents an opportunity for employers. While financial wellness programs have not yet reached the level of penetration of other longstanding benefit offerings, 52% of employers have implemented or are considering implementing a financial wellness program; and 44% believe that a financial wellness program is becoming a "must-have" benefit in order to be competitive.⁴⁰

In addition to financial education programs on budgeting, debt management, buying a home and starting a savings plan, benefits such as employee purchase programs and employee discount programs help Millennials access products and services they need and want in a more financially-disciplined manner.





Getting Millennials Engaged with their Benefits

Millennials either aren't aware of or are confused by the purpose of their benefit options, so they don't use them. Millennials have low participation rates in employee benefits and are less likely to know about their employees' benefits than other generations.

What works to engage Millennials with their benefits?

Information + Value

Millennials will likely ignore older methods of sharing benefit information (such as mass email and regular mail) that are still the norm in many companies. Unlike other generations for which “push” communications worked just fine, Millennials want “pull” communications. They want access to information all the time, via mobile, tech-friendly products that fit with their lifestyles.⁴¹

Plus, they need more than information; they need to see the value. They need an explanation or illustration on why it matters how a particular benefit will help them now or in the future.

Total compensation statements can increase Millennials' benefits usage by creating a clear understanding of the package value.⁴²

In addition to involving technology to deliver information, they also value personal conversation and content coming from familiar sources, such as managers and peers. Peer-to-peer communication can be an invaluable tool in reaching Millennials.

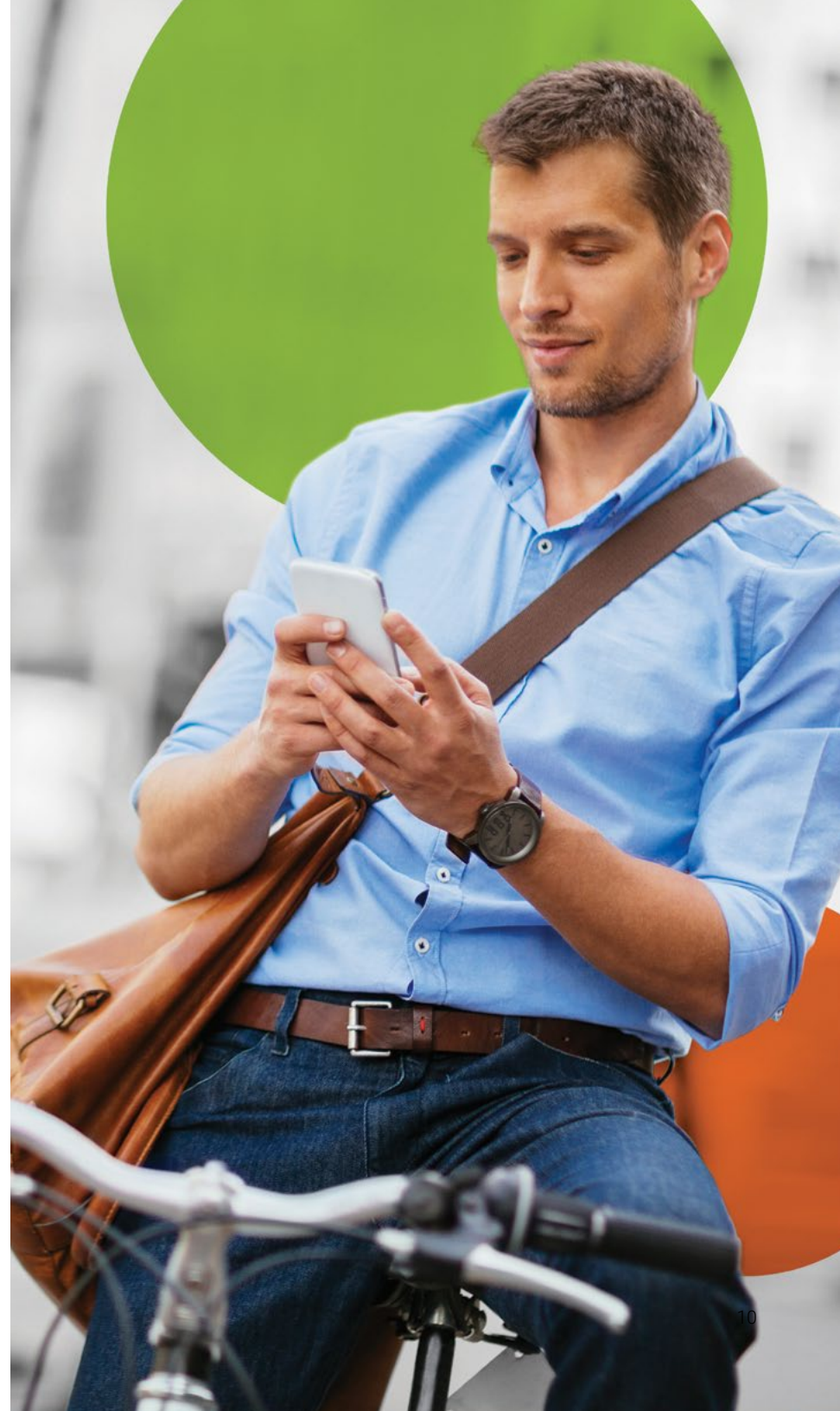
Benefit Choice

Millennials expect to receive information and options related to their benefits -- preferably via digital platforms, as well as the capacity to make their own decisions. They want to self-serve their benefits on their time and in their own way. It is critical to provide Millennial employees with accessible, understandable options and allow them to personalize their benefits.⁴³

Communications Their Way

Communicating with Millennials should be done in a way that will make the most impact, capture their limited attention spans and stand out among competing information. Because Millennials spend so much time on their smartphones, their benefits education and enrollment process should be provided on these devices, in a format that's simple and familiar to them.⁴⁴

1. Highlight benefits in the employee benefits package that make the most sense for Millennials and provide information in bite-size portions. Lay out content so it is easily scannable.
2. They are accustomed to being fed bite-sized pieces of information. Work open enrollment information into their daily news feed, sharing information that's easily accessed from their phones, where they can quickly scan and click embedded links to a site where they can take action. Capture their attention via texts, ad tiles, banners and videos.⁴⁵ Personalize and humanize messages as much as possible. Instead of using third person, address them directly, using the word "you."
3. Include real-life benefit examples that allow Millennials to better understand. Hearing from their peers can make an impact, so create a brief video of a Millennial employee talking about a specific benefit.
4. When communicating benefits to Millennials, highlight ease of use and digital mobility features. For example, many may not realize that some consumer-directed benefits, including HSAs and FSAs, can be easily managed by downloading an app.⁴⁶
5. Reach out to them using communication methods and technology that they use -- such as text messages, gaming and videos.



Conclusion

Millennials are not only the future of business, but as the largest generation in the workforce today, they are also the current reality. What they accomplish in their jobs determines the success of a business.

Understanding how Millennials view the workplace and what motivates them provides employers the opportunity to reach out to them in more meaningful ways.

In the end, the more attractive an existing job is, the more likely an employee of any generation is to stay. For Millennials, benefits can play a key role in recruiting and retention.

To be successful in recruiting and retaining Millennials, employers must abandon one-size-fits-all benefits programs and one-size-fits-all methods of communicating those benefits. Just as a business would customize its sales and service activities to a new target audience for its product or service, employers must tailor recruitment and retention efforts to be successful with Millennials.

About Purchasing Power, LLC

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