

# New Findings About A New Generation

## RECENT RESEARCH YIELDS SOME SURPRISES ABOUT AN UNEXPECTED DEMOGRAPHIC

Check usage has changed dramatically in recent years. In an attempt to identify the specific ways in which account holders now use checks, Deluxe commissioned research addressing a range of issues from sourcing to designs to possible new offerings to register usage. But while the research was intended to illuminate usage, it also shed light on a key segment.

### **SURPRISING FINDINGS ABOUT MILLENNIALS**

The research found that the 25 and Unders are behaving in ways that confound the popular perception of this group as being exclusively wed to online transactions and virtual relationships. In fact, 25 and Unders:

- are writing more checks than previously;
- expect to write more checks in the future;
- are more likely to speak to a financial representative when buying checks and choosing designs; and
- would welcome the idea of products or services which incorporated financial advice.

Given that this group represents decades of possible revenue, these findings are hard to ignore.

But upon further reflection, the desire of younger account holders to interact in person is not so surprising. Major behavior changes are usually triggered by movement through stages in the life cycle and 25 and Unders are setting up their households and establishing themselves. Because they are at an inflection point, they are coachable. And they seek coaching.

*25 and Unders are writing more checks than previously; and they expect to write more checks in the future.*

## White Paper

### DON'T WRITE OFF PEOPLE OR PAPER

Other findings reinforce the importance of in-person transactions and paper checks to a significant percentage of account holders. Respondents reported that they still value and use deposit slips, check registers, and vinyl checkbooks. In fact, they are using check registers to record a broader range of transactions than ever before. In addition to the surprising enthusiasm of younger account holders, check usage remains steady and strong with the vast majority of the 65+ market.

*Financial institutions that are plain-spoken and genuinely willing to help their account holders are positioned for success with this new, coachable demographic.*

These somewhat surprising results point to new possibilities for products and services. Deluxe recently launched new check products called “Mini-Paks” targeting 25 and Unders with unique design and packaging to meet their needs. In addition, the check register was redesigned to be a checking account register, reflecting the many transaction options account holders now have and the ability to record all transactions. The register also includes straightforward tips to managing financials, speaking to the financial education desire 25 and Unders noted in the research.

### A NEW CONSUMER RECEPTIVE TO SOME VERY TRADITIONAL OFFERINGS

The recent Collaborative work sponsored by the Deluxe Knowledge Exchange focused on Millennials and Boomers and their unique relevance to retail banking.

Millennials are concerned about:

- Saving (40% intend to save more in the next 5 years)
- Day to day finances (73% concerned about meeting daily living expenses)

- Future creditworthiness
- Balancing long-term goals with daily expenses
- Their ability to pay for college or buy a house

The Deluxe-commissioned Advisory Brief “Post-Recession: Millennials and Sustaining Values” highlighted some of their more underappreciated values: moderation and responsibility. (Iconoculture, 2009)

They would seem receptive to savings accounts, financial and credit advising, and financial planning aimed at helping them reach their long-term goals.

At the same time, this is an exceptionally entrepreneurial generation. “Post-Recession: Millennials and Sustaining Values” notes that:

- 6 out of 10 college students want to start their own business.
- NBL says .5 million self-employed are between the ages of 16–24. This will grow at an increasing rate: 10% between now and 2014.

And how are we to engage this promising generation? The Deluxe Collaborative found that they want to understand the rules of the road. They are looking for education about their options and transparency about disclosures. In addition, having been raised with a high sense of self-esteem, they want to be respected. A 2005 report from Deloitte confirms that Millennials value honesty and authenticity. They seek guidance but demand respect. Source: “Who are the Millennials aka Generation Y?”

The research paints a picture of a highly appealing, responsible, entrepreneurial, and authentic consumer. We are looking forward to working with you to continue to meet the needs of the Millennials as they become an increasingly important part of your account holder base.

#### QUESTIONS

- How do these findings change your approach to the 25 and Under market? How are you currently engaging them?
- Do you have a process for identifying their larger issues?
- When 25 and Unders come in to order checks, how do you engage them to offer additional services?