Talkin’ Bout my Generation

12/27/2018
Let’s Talk About the Generations

1. Common traits
2. Communications Preferences
3. Benefits Knowledge
2017 Generations in Workforce

1. Baby Boomers
2. Gen Xers
3. Millennials
### BY THE NUMBERS

<table>
<thead>
<tr>
<th></th>
<th>Millennials</th>
<th>Generation X</th>
<th>Baby Boomers</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>BORN</strong></td>
<td>1981 to 1997</td>
<td>1965 to 1980</td>
<td>1946 to 1964</td>
</tr>
<tr>
<td><strong>AGE IN 2015</strong></td>
<td>18 to 34</td>
<td>35 to 50</td>
<td>51 to 69</td>
</tr>
<tr>
<td><strong>POP. IN 2015</strong></td>
<td>75.4 million</td>
<td>66 million</td>
<td>74.9 million</td>
</tr>
</tbody>
</table>

*Pew Research Center: Millennials overtake Baby Boomers as America's largest generation; April 25, 2016.*
Baby Boomers

• 1946 – 1964¹
• 74.9 million strong
• Second largest generation in the US
• Longer attention spans²

¹Pew Research Center: Millennials overtake Baby Boomers as America’s largest generation; April 25, 2016.
Baby Boomer Traits

- Average age range 54 – 72
- Tend to be workaholics and ambitious\(^1\)
- More than a fifth of total labor force today is 55+\(^2\)

\(^1\)How to Thrive in a Multi-Generational Workplace; accessed February 9, 2018 from mindtools.com.
\(^2\)Pew Research Center: 5 Ways the U.S. workforce has changed, a decade since the Great Recession began; November 30, 2017.
Buying Trends & Predictions

• Largest share of disposable income\(^1\)
• Spend $59,646 a year\(^2\)
• Healthcare costs anticipated to be the largest annual expense\(^3\)

---

\(^1\)Fox Business: Where Baby Boomers Spend Their Money and How to Profit From It; September 13, 2016.
\(^3\)Medicare Supplement: Where are Boomers Spending Their Money?; accessed July 13, 2017 from medicaresupplement.com.
Spending Breakdown

**Boomers spend $59,646 per year:**

- $18,320 on housing
- $4,243 on groceries
- $3,286 on entertainment
- $2,900 on dining out
- $1,937 on clothing
- $28,960 on all other spending

Buying Trends & Predictions

- Largest share of disposable income\textsuperscript{1}
- Spend $59,646 a year\textsuperscript{2}
- Healthcare costs anticipated to be the largest annual expense\textsuperscript{3}
- Travel and entertainment\textsuperscript{2}

\textsuperscript{1}Fox Business: Where Baby Boomers Spend Their Money and How to Profit From It; September 13, 2016.
\textsuperscript{3}Medicare Supplement: Where are Boomers Spending Their Money?; accessed July 13, 2017 from medicaresupplement.com.
Generation X
Generation X

- 1965 to 1980
- 66 million
- Most buying power

1Pew Research Center: Millennials overtake Baby Boomers as America’s largest generation; April 25, 2016.
Generation X Traits

- Average age range 38 – 53
- Peak earning years
- Task-oriented and self-reliant, but big emphasis on work-life balance\(^1\)
- 25% of the population, 31% of total U.S. income\(^2\)
- As the “middle child” between Boomers and Millennials, consumes “analog” media along with social media and mobile channels
  - 62% read newspapers and 48% listen to the radio\(^3\)
- Caretakers of two generations
  - Suggested product emphasis: Life Insurance

---

\(^1\)How to Thrive in a Multi-Generational Workplace; accessed February 9, 2018 from mindtools.com.
\(^2\)San Diego SCORE: Marketing to the Forgotten Generation; [https://sandiego.score.org/blog/marketing-forgotten-generation](https://sandiego.score.org/blog/marketing-forgotten-generation)
\(^3\)5 Reasons Marketers Have Largely Overlooked Generation X; accessed February 22, 2018 from adweek.com
Buying Trends & Predictions

- Many Gen Xers share traits like independence, resourcefulness, and self-sufficiency.\(^1\)
- Starting families
- Buying more insurance products\(^2\)

\(^1\)The Balance: The Common Characteristics of Generation X Professionals; October 15, 2017
\(^2\)BenefitsPro: Why Gen X is the bullseye generation for non-medical benefits; November 19, 2015.
Buying Trends & Predictions

- 82% Auto Insurance
- 78% Homeowners or Renters Insurance
- 48% Life Insurance

Buying Trends & Predictions

- Starting families\(^1\)
- Buying more insurance products\(^1\)
- 82\% are homeowners with an average home value of $238,000\(^2\)
- Spend $66,981 a year\(^3\)

\(^1\)BenefitsPro: Why Gen X is the bullseye generation for non-medical benefits; November 19, 2015.
\(^3\)US Department of Labor: Spending Habits by Generation; November 3, 2016.
Spending Breakdown

Gen Xers spend $66,981 per year:

- $21,954 on housing
- $4,882 on groceries
- $3,231 on entertainment
- $3,864 on dining out
- $2,442 on clothing
- $30,608 on all other spending

Buying Trends & Predictions

- Starting families
- Buying more insurance products
- 82% are homeowners
- Spend $66,981 a year
- Loyal to brands

---

Millennials

- 1981 to 1997\(^1\)
- 75 million\(^1\)
- Largest generation\(^1\)
- By 2015, 1 in 4 had earned a bachelor’s degree\(^2\)

\(^1\)Pew Research Center: Millennials overtake Baby Boomers as America’s largest generation; April 25, 2016.
\(^2\)Agency Nation: How to Sell Insurance to Millennials; September 27, 2016.
Millennial Traits

- Not kids anymore! Average Age Range 21 - 37
- Multitaskers, goal-focused and like working with purpose¹
- Grew up with evolving technology and social networking
- 89% increase in student borrowers and the average balance per borrower grew by 77%²

¹How to Thrive in a Multi-Generational Workplace; accessed February 9, 2018 from mindtools.com.
²Agency Nation: How to Sell Insurance to Millennials; September 27, 2016.
Buying Trends & Predictions

• Entered workforce after recession
• 16% of Millennials have $100,000 in savings, and 47% have $15,000 or more. Despite this, one in three Millennials list not saving enough money as top financial stressor, more than health costs.¹
• Spend $47,113 a year²

¹Bank of America: 2018 Better Money Habits Millennial Report; January, 2018
Buying Trends & Predictions

Millennials are the generation most likely to live at home

% of 25- to 35-year-olds living in parent(s)’ home

<table>
<thead>
<tr>
<th>Generation</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Millennials in 2016</td>
<td>15%</td>
</tr>
<tr>
<td>Gen Xers in 2000</td>
<td>10</td>
</tr>
<tr>
<td>Late Boomers in 1990</td>
<td>11</td>
</tr>
<tr>
<td>Early Boomers in 1981</td>
<td>8</td>
</tr>
<tr>
<td>Silents in 1964</td>
<td>8</td>
</tr>
</tbody>
</table>

Note: “Living in parent(s)’ home” means residing in a household headed by a parent.

¹Pew Research Center: Millennials are the generation most likely to live at home; May 5, 2017; http://www.pewresearch.org/fact-tank/2017/05/05/its-becoming-more-common-for-young-adults-to-live-at-home-and-for-longer-stretches/ft_17-05-03_livingathome_bygen2/
Spending Breakdown

Millennials spend $47,113 per year:

- $16,505 on housing
- $3,264 on groceries
- $2,186 on entertainment
- $2,891 on dining out
- $1,708 on clothing
- $20,559 on all other spending

Buying Trends & Predictions

- 81% Auto Insurance
- 63% Homeowners or Renters Insurance
- 33% Life Insurance

Benefits Breakdown
Medical Plan Participation

Plan Participation by Age Group When Offered at Least One HDHP and One Traditional Plan

- Traditionalists: 51%
- Baby Boomers: 49%
- Generation X: 44%
- Millennials > 26: 40%
- Millennials < 26: 38%

- PPO: 22%
- No Election: 36%
- Other: 41%
- HMO: 44%
- HDHP: 43%

*Figure 2.2: HDHP adoption rates were highest among millennials (see Appendix Table 1).*

BenefitFocus: The State of Employee Benefits, Insights and Opportunities Based on Behavioral Data; April 4, 2016.
Health Savings Account Contributions

Individual Coverage

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Employee Contribution</th>
<th>Employer Contribution</th>
<th>Gap to 2016 Limit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Traditionalists</td>
<td>$7,068</td>
<td>$562</td>
<td>$1,690</td>
</tr>
<tr>
<td>Baby Boomers</td>
<td>$1,136</td>
<td>$574</td>
<td>$1,991</td>
</tr>
<tr>
<td>Generation X</td>
<td>$3,574</td>
<td>$572</td>
<td>$1,439</td>
</tr>
<tr>
<td>Millennials &gt; 26</td>
<td>$1,634</td>
<td>$348</td>
<td>$1,765</td>
</tr>
<tr>
<td>Millennials &lt; 26</td>
<td>$512</td>
<td>$500</td>
<td>$2,119</td>
</tr>
</tbody>
</table>

Family Coverage

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Employee Contribution</th>
<th>Employer Contribution</th>
<th>Gap to 2016 Limit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Traditionalists</td>
<td>$3,300</td>
<td>$1,099</td>
<td>$2,308</td>
</tr>
<tr>
<td>Baby Boomers</td>
<td>$1,560</td>
<td>$1,219</td>
<td>$2,979</td>
</tr>
<tr>
<td>Generation X</td>
<td>$834</td>
<td>$1,208</td>
<td>$2,748</td>
</tr>
<tr>
<td>Millennials &gt; 26</td>
<td>$1,173</td>
<td>$3,471</td>
<td>$3,471</td>
</tr>
<tr>
<td>Millennials &lt; 26</td>
<td>$1,105</td>
<td>$4,602</td>
<td>$4,602</td>
</tr>
</tbody>
</table>

*BenefitFocus: The State of Employee Benefits, Insights and Opportunities Based on Behavioral Data; April 4, 2016.*
Flexible Spending Account Contributions

Individual Coverage

Family Coverage

BenefitFocus: The State of Employee Benefits, Insights and Opportunities Based on Behavioral Data; April 4, 2016.
Generations and Communications Preferences
Benefits account for up to 30% of total employee compensation, yet employers rarely allocate resources to make sure their employees understand and value the benefits they are offered.

Help Employers Connect the Dots – 2016 LIMRA Employer Study
Comprehensive Communication Plan

2. Employee Benefit News: How four employers are getting benefits communications right; May 25, 2017.
Different Communication Preferences

- Baby Boomers – Face to Face\(^1\)
- Have longer attention spans, so longer blog posts and videos work for them too\(^2\)

\(^1\)Society for Human Resource Management: Millennials in the Dark About Their Benefits; January 14, 2016
\(^2\)The Best Way to Reach Different Generations on Social Media; accessed February 9, 2018 from info.exceleratedigital.com
Different Communication Preferences

- Gen Xers – Multiple Channels¹
- Heavy consumers of online video, and receptive to messaging on social media and via email²

²Generational Marketing: Age Appropriate; accessed February 9, 2018 from mytotalretail.com
Different Communication Preferences

- Millennials – Go Digital
- Email and text messages
  - 68% of millennials admit to texting “a lot” on a daily basis, compared to 47% of their Gen X counterparts.¹
  - Despite the immediate availability of text messaging and other messaging apps, email remains popular among millennials as well.¹

¹Forbes: Phone Calls, Texts or Email? Here’s How Millennials Prefer To Communicate; May 11, 2017
Millennial Preferences

Most companies still do the majority of communication during annual enrollment.

“This is especially not going to connect with Millennials, who grew up with real-time mobile communication. Spreading communication out all year and using modern – and brief – formats like blogs and videos will improve the effectiveness of communications.”

-Jennifer Benz
Founder and CEO Benz Communications

Communication Preferences

Ease of Contacting a Company by Channel

Measure Success

LIMRA: 2016 Employer Study; Help Employers Connect the Dots, Benefit Communications.
Discussion