

## GENERATIONAL SELLING TACTICS

Cam Marston



# Your young clients lack self-reliance

*They've grown up with everything done for them, which makes them less confident as investors*

**I**f I do everything right, the only thing you'll inherit from me is a work ethic." To this day, my father denies ever telling me this, yet I remember it well. His mindset was indicative of his generation — work hard, create your success. And while that philosophy may have a touch of privilege in its expectance of success, it was actually a very self-reliant, risk-averse approach to life:

- Count on no one.
- Be prepared to weather a storm.
- If you lose it all, you know how to build it again.

In contrast, today's youth — my own children included — are not necessarily learning the same lessons. This is especially true of those raised by young boomers and older Gen Xers, who grew up in a time of relative economic prosperity. We appreciate our success, cherish our children and want to use our success to make our children's lives easier, happier and better. And they are learning that lesson well.

**TODAY'S**  
parenting has  
created a  
subset of kids  
who don't know  
how to count on  
themselves.

You may think my father would just shake his head at such a turn-about. But he's in retirement now and focused more on familial bonds than financial ones. His priorities have shifted and a good life is as important, if not more, than a good living. Yet, I'm the one looking at my children and the research my company does around generations and thinking, "Hmmm, maybe Dad knew what he was talking about."

An unintended consequence of today's parenting is that it has created a subset of a generation that hasn't learned how to count on themselves, weather a storm and rebuild. And when those individuals sit down with a financial adviser, their learned entitlement starts looking less like confidence and more like fear. It's not just youth; it is a generational trend.

### GENERATIONAL DIFFERENCES

My company is completing some research on ultrahigh-net-worth clients and we see these generational differences emerge in our conversations with advisers. The generations that created the money through their own hard work certainly don't want to lose it; but their attitude is that if they were to lose it, they know how to earn it back again. The children, however, are terrified of losing their inherited wealth. They have no idea how to earn it.

Their questions to the adviser are, "Are we OK? Are we going to be OK? What do we need to do to stay OK?"

This is a fundamental shift from

prior generations, who approached their investments like they did work, "OK, here's what I know. Here's where I want to go. Let's make a plan to get me there."

### REASSURANCES

When working with younger investors, it is important to understand this critical difference and to provide reasonable reassurances.

In the millennial generation, women are saving a greater percentage of their earnings than men; we

speculate that this is influenced by both self-reliance and concern. The whole generation tends to be conservative investors.

My kids, like my friends' children and the many members of young generations I hear about, are soft. They've had so much done for them that they expect to be taken care of. I'm sure my father said the same thing about my generation when I was a kid. I turned out OK. Most people do. Yet

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when I look at the research, and then at my own children and their attitudes around consumption versus work, I realize this is a significant shift. They may be pointed in the wrong direction.

As for our children, my wife and I are working on it. I hope when they are grown and sitting down with their own financial advisers to plan for their futures, they will be saying, "OK, here's what I know. Here's where I want to go.

Let's make a plan to get me there."

If, instead, they remain on the path of many of their peers, I hope a patient adviser is there to say, "It's OK. It will be OK. Here's how we're going to make it OK."

Because the only thing I plan to leave behind is a work ethic.

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