

Enter the Millennials



Cam Marston

Zero in on Alabama's changing demographics.

By Cam Marston / Photo by Catherine Dorough

They're young, smart and motivated. They are a massive generation. And you'd better get ready for them or you won't know what hit you.

Welcome to the Millennials.

Born between 1980 and 2000, there are 85 million of them nationwide and 1.3 million in Alabama. Most of them are children of the Baby Boomers and, just like when their parents' generation came of age, they are not content to do things "the way they've always been done." They are changing the way we do business, in the workplace and the marketplace.

Millennials are the youngest segment of Alabama's workforce today. Their definition of success is different from yours. As children, they were fed a steady diet of self-esteem—they were awarded ribbons for finishing in 12th place. Their parents are the "Helicopter Parents," hovering over their children, protecting them from any harm or inconvenience. Mom and Dad always have made sure they got what they wanted — usually in a hurry.

They carry that self-esteem, sense of entitlement and impatience right into their young careers. What they call "success" is probably what you would call "instant gratification." They don't have the time or patience for workplace traditions like apprenticeships or "putting in your time." They'll just take the corner office right now, please. And mom or dad is often right there to en-

courage them.

I recently asked a national group of healthcare professionals, "How many of you have had Millennials' parents get involved in their job in some way—by calling you about an annual review or even attending a job interview and asking to sit quietly in the back of the room?" A quarter of the audience raised their hands. The others laughed in surprise. "Don't laugh," I said. "It will happen to you before too long. It's coming."

The Millennials exhibit all the hallmarks of growing up in an affluent society:

- **People grow up later. They take on the traditional responsibilities of adulthood, like career, marriage and family, later than previous generations.**
- **They have a sense of entitlement and they tend to focus on the needs of the individual as opposed to the group.**
- **They create population bulges. Affluence affords societies the confidence and the means to have more children.**

Millennials are the fourth generation raised in affluence since the end of the Great Depression and World War II. In affluent times, kids have more material goods but, more importantly, they also have more options. Today's youth have many more options than previous generations. For most Baby Boomers, the only option as a young adult was "Go get a job." The Millennials, on the other hand, have been told, "Go out and get a job that makes you happy."

As this generation enters the workforce, they are redefining how the workplace functions. This began when Generation X, the generation before them, began to push for more informal working arrangements and work-life balance. The Millennials have pushed even further for changes like casual attire, more egalitarian relationships

between management and staff and more flextime arrangements. These trends can be trying for those accustomed to traditional work ethics. But they also offer new options for business leaders to manage, compensate and reward their staffs.

During the recent downturn, one local firm used Millennial preferences to soften the blow of cutbacks. "We froze salaries, we froze bonuses and we cut our 401(k) contributions as a result of the down economy. Needless to say, morale was down. They were walking zombies," says a vice president of a company in the Southeast. "I had to do something, so I gathered my managers and proposed we divide the workforce in half and give each group every other Friday off. Smiles broke out. Heads immediately began nodding. My managers knew their teams, mostly Millennials, would really go for this."

In the marketplace, Millennials are just beginning to make themselves known. Many have delayed the milestones of adulthood. In Alabama, the median age for first marriage is 28 for men and 26 for women, older than previous generations. Millennials are just getting started on other milestones like home ownership, retirement planning, and child rearing. Many are still in entry-level jobs or completing their educations.

Still, in Alabama alone, they have an estimated \$20-25 billion in annual spending power, second only to their Baby Boomer parents. Sales people targeting this generation must understand that they are like a school of fish. They move tightly together and the entire school can change direction in an instant. The up side is that you can find yourself the darling of a generation in an instant. Consider Silly Bandz, the multicolored and shaped rubber bands that became an overnight sensation or, as Millen-

nials would say, “went viral.” The flip side is that Millennials abandon fads just as quickly as they embrace them. Guitar Hero was the video game to have two years ago, but by February of this year, its maker had announced it was disbanding the Guitar Hero business unit due to rapidly declining revenues.

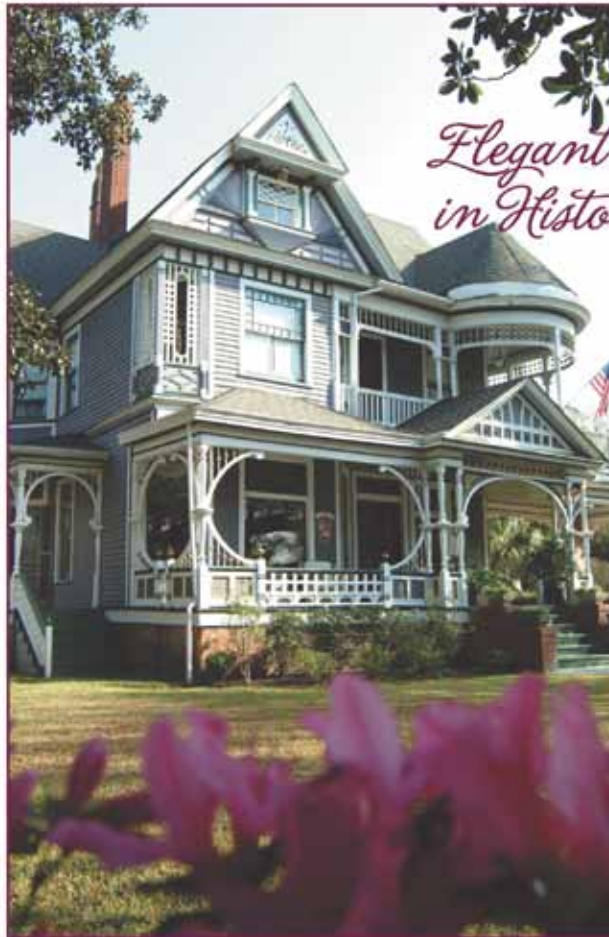
As they enter “grown-up” markets like investments and real estate, they are redefining these industries through the influence of social media and peer networking. A recent TD Ameritrade survey found that only 10 percent of the Millennials think financial advisors are the most valuable source of financial information, while a third of them rely on social media sites for investment advice. In the real estate market, vanity advertising grosses them out. They are not interested in an agent’s photo or sales awards. In their worldview, they are the special ones and they want to know what an agent can do for them.

In industries like real estate and investment, where building relationships are a key component of sales and marketing, Millennials prefer guidance and advice to sales pitches. They want salespeople to teach them what questions to ask, how to evaluate competing products and what features mean the most and why. They don’t go for puffery around a product, just the simple plain truth. If you don’t give them what they’re looking for, they’ll find it online themselves.

Indeed, technology use is another defining generational trait of Millennials. They seem to be “plugged in” all the time. Alabama’s Millennials are no different in this respect. They are dialed into the same social networks and streaming videos as the rest of the nation’s youth, erasing regional differences that were more prominent in previous generations. That means that Millennials will present the same challenges to Alabama’s businesses and employers as in the rest of the nation.

Get ready.

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