

In the Eyes of a Millennial

By Janki Patel with introduction by Philip Palaveev

Financial advisory firms approach hiring “millennials” the same way most people approach a visit to the dentist – it is necessary and perhaps inevitable, it is supposed to be good for you, and it will absolutely be painful or at least unpleasant. Firms are dreading the arrival of their first millennial employee and imagine it to be a combination of video games in the office, endless snapchat use, and emoji-filled conversations.

What executives, partners and founders often forget is that many of the character traits we associate with millennials today are simply the character traits of young people. We, at the Ensemble Practice, had a chance recently to hire our own first millennial employee (Janki Patel – the author of this article) and get a crash course education on how wrong all of those stereotypes can be. Instead of Instagram posts and daily participation trophies, we found a lot of ambition, ideas, and a fresh look at our firm and our industry.

This is why I asked Janki to write and share her perspective on what “we” – the financial advisory firms and broader financial services industry – look like in “their” (young people’s) eyes.

The bottom line in my mind is that:

- *You absolutely should consider hiring young people - they are part of a very talented generation, that is full of ideas and eager to improve the world around them.*
- *You need to forget the stereotypes – they are not helping, and many of them are not at all descriptive of the young people who you can be (and should be) hiring*
- *You can learn – millennials can help you define and refine your sense of purpose and remind you of your mission*
- *You need to tell your story to inspire them – young people don’t know much about wealth management and investment advice, and the little they know may not be the most positive news*
- *There is no pride and honor in being the oldest team in the industry – you are well served to get younger. Believe me, it also means you will get better!*

[Philip Palaveev](#), CEO & Founder, Ensemble Practice

Millennials and Careers

Like many millennials, my parents told me if I worked hard enough at anything, I could achieve whatever I wanted. But what I want to achieve is not a specific dream job or level of income; what I want is to feel understood and valued. I crave a sense of purpose and fulfillment outside of chugging through spreadsheets and taking notes on client calls.

So, when I graduated and landed a dream job in a prestigious firm, I quickly felt unfulfilled, and left that prestigious job in pursuit of something more satisfying. That’s how I found the [Ensemble Practice](#), and the world of independent financial advisory firms.

Like myself, most millennials have a lot of energy and passion that - if harvested properly – we believe could change the world. And while not all of us will have that level of impact, we would be satisfied with an opportunity to make real, positive change in an organization we believe in. We're conscious consumers, and we want to be entrepreneurs. We're ready for the challenges business owners have for us, and we don't not want to be the generation waiting on the sidelines.

But there are some things we expect from the organizations we work for. First of all, you can't ignore us – we are the future professionals in your firms. We crave a sense of purpose and we want to find it in our career. We are much more driven and ambitious than you think.

The challenge, on the other hand, is that we have very little idea of what you actually do! Unless our parents were very wealthy (mine were not), we actually don't know what Financial Advisors, Financial Planners, and Wealth Managers do. We don't know the names of your firms, and our perception of the financial services industry comes from news about Wells Fargo and [Charles Schwab commercials making fun of our dad's broker](#) (I never knew dad had a broker)!

I believe you, independent financial advisory firms, are perfect for us though! You are innovative and entrepreneurial. You are service-driven and interested in people. You create careers and that's what we crave. I believe we are good a match... but first we need to learn more about each other.

You Can't Ignore Us

The best way to ensure your business' success into the future, when you're no longer managing it, is to recruit and develop the right talent now, so they're equipped to step onto the leadership path. While G2 focuses on the next generation of leaders, firms need to think beyond them. It's about recruiting the right people who will eventually be lead advisors and partners, even if they're not yet close to that point in their careers. These people are likely millennials... thoroughly researched, but still deeply misunderstood.

According to a [Pew Research Center](#) analysis of U.S. Census Bureau data, more than one-in-three American labor force participants (35%) are Millennials, making them the largest generation in the U.S. labor force (and still rising, as the tail end of the Millennial generation is still in college). The reality is your organization needs to prioritize recruiting and (more importantly) retaining Millennials if you want your business to be around for a while. In order to recruit Millennials, it's best to start by understanding what motivates them, so you can engage them appropriately.

Advisory firms understand intellectually that they need to hire and develop young talent, especially if they are to attract younger clients. Their issue is that most firms struggle to translate their intellectual understanding into practical steps. The first step should be to ask "why".

Sense of Purpose

[As Simon Sinek says](#), "People don't care about what you do, they care about why you do it". This seems to resonate with Millennials, as [studies show](#) we are much more driven by purpose and mission than previous generations. Millennials, also known as Gen Y or G3, are starting families later than ever before, and are ready to devote a lot more time and energy early on in a career than previous generations. However, we need to be able to get behind what their organization does, and feel valued and understood.

[Only 29% of Gen Y is engaged](#) (emotionally and behaviorally connected to their job and the company) at work, making them the least engaged generation in the workforce. But we *do not* want to be like that! This is a huge miss for firms, as Millennials that are engaged are putting more energy and passion into our work, and more likely to stay in a job long-term. As a firm, it's good practice to know your vision and mission, and ensure you can articulate them well, especially to Millennial candidates. Ideally, both have to do with a bit more than making money.

This is where the financial advisory industry has both an opportunity and a challenge. Advisory firms help people in deep and meaningful ways, which speaks to us. The industry, however, also seems (at least to us) to only work with rich people, and provides help to them that we don't quite understand. It also seems plagued by ethical issues that fly in the face of what we believe in. We want to improve the world, not create more exclusive golf courses on remote islands with hedge-fund money.

[We Don't Know Who You Are and What You Do](#)

One of the core problems the financial services industry faces with Millennial recruitment is the lack of name recognition, and the lack of connection to the services it provides.

Most Millennials, and people in general, don't know what a RIA is, so if we see two postings on LinkedIn - one from a company like Lakeside Financial Planning and another from a conglomerate like Amazon, P&G or Facebook - we're more likely to click the latter. We consume products or services from these other companies nearly every day. Even if we click on the Financial Planning ad, we may also [quickly run away realizing that it was for a job selling life insurance to our college peers](#), and at best if it's from a non-sales-oriented RIA, we still might have a hard time imagining what the company does or relating to it. After all, most of us haven't likely accumulated enough wealth to even think about having a financial advisor; on the contrary, there's a [75% chance](#) we're still paying off student loans.

Millennials are likely more familiar with our industry if their parents have used wealth advisors, but it's not a great strategy to exclusively recruit people from similar (in this case, wealthy) backgrounds. Firms everywhere are starting to realize that the more diversity they have, the more likely they are to make smart well-rounded decisions, and attract more diverse clientele. Not only is recruiting people of different genders, races, and socio-economic backgrounds something that appeals to younger generations, it's simply a smart business practice. According to a [McKinsey & Co study](#), companies in the top quartile for gender diversity are 21% more likely to see above-average profitability than companies in the bottom quartile, and companies in the top quartile for ethnic diversity are 33% more likely.

The competitive challenge for Millennial talent in the investment advisory industry is further amplified by the fact that it is relatively small compared to other industries competing for the same talent pool, and our industry is disproportionately complex for its size. I've been working at the Ensemble Practice for a bit over a month, and my main priority in this time has been to learn and absorb as much information about the investment advisory industry as possible. This task has been much harder than I initially thought when it was first presented by Philip. As someone who knew almost nothing about the industry coming in, it's been a real steep learning curve grasping all the different segments.

For an outsider (and even some insiders), it's hard to differentiate between RIAs, independent broker-dealers, regional broker-dealers and wirehouses. I am still not sure what all the differences are, and how to tell who the "good guys" are. To complicate it further, most wirehouses are banks, nearly all independent broker-dealers are also RIAs, and everyone partners with everyone while also competing

with them fiercely. It's easy to understand why a potential [Millennial] candidate may struggle to understand what your firm actually does, unless you clearly explain where it falls within the financial services industry.

All of this is not to say that recruiting and retaining Millennials is impossible; it just requires some hard work and forward thinking. If your firm and similar firms don't have [internship programs where people are being actively mentored and learning about the ins-and-outs of the industry](#), rather than just going on coffee runs and making copies, you can't expect to be able to hire experienced (Millennial) college graduates. One of the most frustrating things I found when looking for internships and jobs during college was how prospective employers wanted more experience. However, none were willing to hire me and give me the training I needed to develop the experience they wanted to see reflected on my resume. Having a well-developed internship program, where an intern is given the opportunity to feel valuable and actually learn the skills they need to be an effective support advisor, and eventually lead advisor, is crucial for both attracting talent into the industry in general, and having a shot at retaining that talent for your firm in particular.

We Are Much More Driven Than You Think

One common misconception is that in order to hire Millennials, you need to have frivolous perks such as ping pong tables and free food. [Gallup research](#) shows this isn't the case.

Most Millennials don't care about the bells and whistles found in many workplaces today. We prefer better opportunities to develop and add value towards the mission of our company. Case in point: I went from working at Facebook, which has all the frivolous perks you can imagine (laundry services, 3 meals a day, unlimited snacks, game rooms, etc.) to working for a 5-person company in a 30-year-old building. It comes down to whether we feel challenged, mentored, and motivated at our companies; ping pong tables cannot make someone enjoy a role that's not a good fit for them.

As much as Millennials get a bad reputation for being entitled, lazy, disloyal, etc., the fact is that employers need to be better at recruiting and retaining us if they want to see their businesses continue to grow and flourish for years to come. I have found most of those criticisms to be unwarranted. As a Millennial who is already at my third job two years out of college, I still don't see people my age as disloyal; we just need to have compelling reasons to stay at a firm. If I'm not challenged, managed well (receiving ongoing feedback beyond just annual reviews), engaged in the firm's mission, and provided the flexibility of work-life balance, I probably won't stick around for too long. I think most talented, career-driven Millennials feel similarly, and if your firm can effectively give Millennials reasons to join and stay at your company, the benefits will go a long way.

Taking Action: Tips For Advisory Firms Recruiting Millennials

To add the talent and energy that younger Millennial team members can bring, we would suggest the following steps for today's independent advisory firms:

- 1. Define positions in your firm that do not require a lot of experience, but that can benefit from the energy and drive of young people.**

Many firms show a bias against hiring employees without experience, thinking that they cannot contribute to the business. Many, however, have never even tried. There are many young people today who graduate with outstanding education, and often having completed many of

their CFP courses or even the CFP exam. They are very capable of beginning their career in financial advisory firms, and being productive from day one in a Client Service Administrator or even [a Paraplanner role](#). It's not worth waiting seven years to find someone with five years of experience!

2. Revisit and refine your mission – tell us “Why?”

Since Millennials are predominantly driven by purpose, make sure you know your firm's “Why”. If you're struggling to understand how to get started or why this is important, it might be worthwhile to read Simon Sinek's book “[Start With Why](#)”, or at least [watch his Ted Talk](#) if your reading list is too long. Try to think outside the realm of making a living or building a business. *Why* do you want to build this business? What value do you seek to provide to your clients and the world? Once you can clearly articulate your purpose and what makes you do what you do every day, it could be worth adding information about this on your website. Not only will Millennial candidates like seeing this, it could even help attract clients, too!

3. Talk about how you make the world better

You may have lost your idealism, but we haven't. We want to improve the communities we belong to, the cities we live in, and the world we are all part of. In doing so, we can help you connect with new demographics and new markets, and we can help you get your client base younger. We don't want to do it just for the money, though. Perhaps we can help you discover a broader audience for what you do? If financial advice is so vital and has such great impact, why should we only restrict it to those that have the most wealth? Do doctors only treat the rich patients? We are not naïve, we are just not ready to be cynical.

4. Give us a career path

Hiring young people does not just mean hiring interns. Spend some time [developing a career track](#), especially for advising professionals but also for research and operations departments (depending on your firm size). Throughout development, it might be a good idea to engage young leaders in your firm, and see what they liked and disliked about rising through the ranks of your firm as they may be able to help bridge the gap between founders and Millennials. Make sure you define clear expectations of how someone should be performing to be promoted, and estimated timelines between promotions.

Once you've developed a career track, make sure prospective candidates know about it. One definite way of doing this is [including information about it in job descriptions](#). But make sure you don't stop your focus on career tracks after a candidate becomes an employee.

5. Take us a bit more seriously

Expectations can become a self-fulfilling prophesy – both good and bad. If you expect little of us, we may feel discouraged and contribute little. If you task us with little responsibility we may become hesitant to engage. If as an owner and manager you push the envelope and asks us to do more and challenge us to develop faster, you may find that we are a lot more ambitious than you think.

6. Market yourself as an employer! Don't assume we know who you are!

There's [a huge lack of awareness of our industry and what it does](#), and it falls on all advisory firm owners and leaders to bridge that gap. It's important to engage with talented college students before they've chosen a career path, so they consider one in the financial advisory industry. An effective way of doing this is speaking at nearby universities to build awareness of the industry and your firm. Even if you just give a presentation on how to plan effectively for paying off student loans, you may find that some students show interest in you and your firm's work. Make sure to keep in contact with these students, as they might consider working for your firm upon graduation or as an intern. It could also be beneficial to establish close relationships with business professors, and perhaps guest lecture in their classes, as they'll be able to point you to their best and brightest students.

You May Be Perfect For Us

I believe advisory firms may be perfect for Millennials. You don't have to be Amazon, Facebook, or Google. What you have to offer is dedication, and commitment to developing someone's career, which as the research shows, is what actually matters. By virtue of working at a smaller firm, your new hires will be able to grasp all the elements of your business, how it works to service clients, and have better access to leadership that they wouldn't necessarily at other places. Highlighting this during the recruitment process is crucial.

You seem to have great values. We want to know about those values. They will attract us to your firm more than the ping-pong tables. We want to know what you care about and why. We want to know who you help and how. Tell us what you do to make our world and communities better, and you will find that we are eager to participate. Show us your purpose as an organization, and that you are willing to live by its principles.

As a Millennial, I would like to propose that if you tell us what you care about and why, if you give us a chance to learn from you and contribute, we may very well be the generation that takes your firm to new heights. That said, it still wouldn't hurt to have vegan snacks in the kitchen