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An Analysis of Millennials and their Interactions with Financial Institutions

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Abstract - As the largest generational cohort since the Baby Boomers of the mid-20th century, Millennials hold significant power over the future. This is especially true in business; therefore, consideration of the environment and the target market should be lucrative. Millennials seem to fit this role more every year. This project investigates the Millennial age cohort and creates a social media portfolio to create a short social media campaign for Ascend Federal Credit Union to market their financial services and education to people ages 23 – 37. This project seeks to better understand how to utilize social media in a business setting to grow business effectively with minimum cost to the company. In addition, the project will also explore the reasons why Millennials tend to wait until later in life to take on some of the larger financial commitments such as mortgages. The two main goals of this project are 1) To understand Millennials and how to use social media to sell to them and 2) To create a marketing plan targeting this age group in order to bring business to Ascend Federal Credit Union.

Keywords – credit union, financial institution, millennial, social media.

Relevance to Marketing Educators, Researchers and/or Practitioners – The manuscript provides insights from millennials about their financial institution usage and their anticipated buying habits along with an example of a social media post that is geared toward their age cohort.

Introduction

In the field of marketing, nothing seems to elude researchers more than how best to serve those known as Millennials. In an article from 2019, Michael DiMock defined Millennials as being aged 23 to 38, placing the year of birth span from 1981 to 1996 (Dimock, 2019). As the largest generational cohort since the Baby Boomers of the mid-20th century, Millennials make up around a quarter of the U.S. population (Frey, 2018). As such a large and predominant percentage of U.S. adults, Millennials significantly influence how our world operates and changes as we move forward. They have a strong desire to be a part of their world in more ways than just as a passenger. Millennials want to be captains and co-pilots in everything they do and love. This desire is imperative information to those in business because they can use it to their advantage to promote and sell products or services. In their book, *Marketing to Millennials*, Jeff Fromm and Christie Garton state, "...this generation wants to actively participate, cocreate, and, most

important, be included as partners in the brands they love" (Fromm, 2013). If business leaders can embrace Millennials' hands-on attitude, they can evolve for the 21st century and be better for it.

Businesses such as credit unions can benefit as well by helping Millennials with critical financial decisions. One possible reason Millennials may not currently be seeking big investments (such as mortgages, car loans, etc.) could be due to the vast amounts of debt they carry. According to a Time's Money column study, Americans under the age of 35 carry the most educational related debt of any age cohort with an average of \$14,800 in student loans (Renzulli, 2018). What's more, the article states that the amount of debt these Millennials have acquired is much larger than previous generations have shown. The article says that not only are Millennials taking on debt much quicker than expected, but they also tend to pay it off much slower (Renzulli, 2018). Given the immense amount of debt they carry, Millennials do not have the financial stability and flexibility needed to make large investments like purchasing a home.

As Millennials move farther into life and the economy takes an upward turn, they may begin to think about making those big decisions. This, coupled with Millennials' desire to be a part of something bigger than themselves, will provide credit unions with a unique opportunity to become the place where Millennials seek investment advice for their time and money. As credit unions employ a member-owned structure, they are the kind of inclusive experience Millennials desire, which might give credit unions an edge in marketing to this age group. According to Bob Dorsa, president of the American Credit Union Mortgage Association, in the article *Mortgages for Millennials*, "They [Millennials] want to know that their contribution matters. This is where I think they're a great fit for credit unions, because it's people helping people, people being worth more than money" (Swedberg, 2015).

This topic is of interest because Millennials as a generation seem to be taking longer to "settle down" than prior generations. Therefore, it is important to determine if marketing financial advice to Millennials will help lessen the time frame it takes for them to "settle down" while also bringing in potential business to the credit union. Additionally, this study seeks to understand how likely Millennials are to choose a credit union over a bank.

Thesis Statement

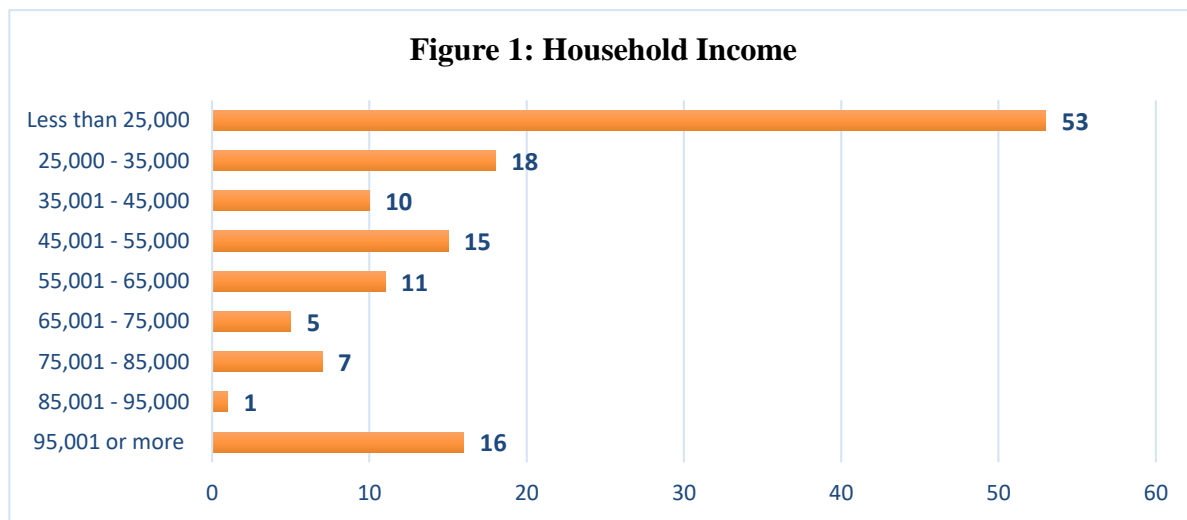
Due to Millennials' size and influence in today's society, it is essential now more than ever for credit unions to focus on how best to reach working-class Americans aged 23-37. For these member-owned financial institutions, what would be the best way to approach this age group? How often do they find themselves inside their bank or credit union? What social media platforms would be the best method(s) to cultivate interest and relationships with these young people? Gaining a better understanding of Millennials is the best place to start.

Study Findings

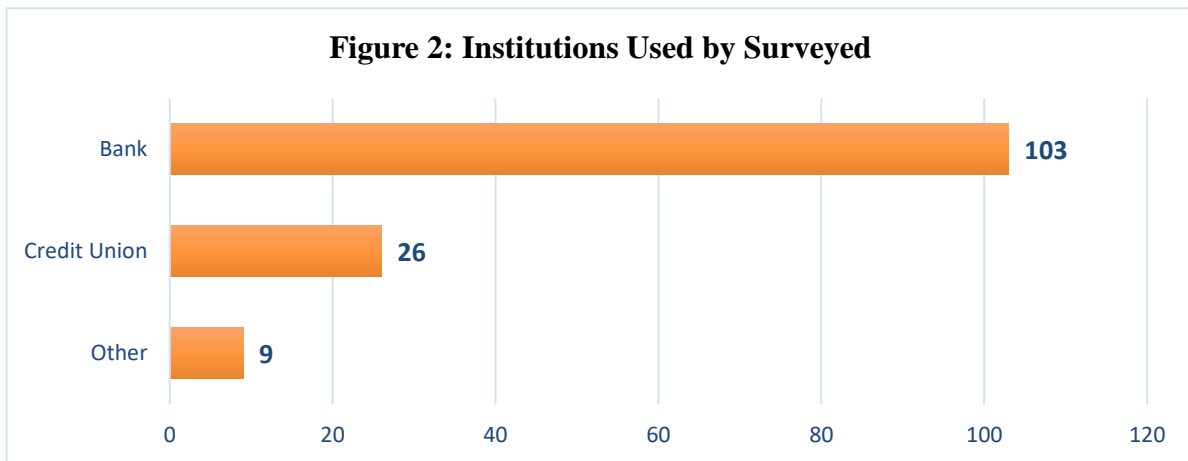
First, this study explores what has already been researched and studied about Millennials

and their general characteristics. It was discovered that, in general, the generation called Millennials tend to put immense importance on whether or not what they are doing or how they are doing it creates a difference in the world around them, even if it is only a small one. However, and perhaps more importantly, this study found Millennials are taking much longer than previous generations to "settle down" and tend to carry more debt than older generations. This led to the questioning of how financial institutions, like Ascend Federal Credit Union on which this project is focused, are utilizing this opportunity to reach out to this generation for the purposes of marketing financial services and education.

Next, a survey using Qualtrics was given to people in the Millennial cohort. The purpose of this survey was to discover Millennials' past, current, and planned financial habits in addition to how much time they spent on various social media platforms. Basic demographics such as sex, age, household income, and number of dependents were also collected. One hundred thirty-seven completed surveys were obtained. It is important to note that most Millennials surveyed were from one public university in the Southeastern U.S. and are, therefore, college-educated individuals. Because of this, the most survey respondents were on the lower end of the age range of 23-37. The majority of those who completed the survey were female (69.3%; 95 of the 137 surveyed). Those surveyed also had lower household incomes, although this is probably because respondents were also college students. While most of the people surveyed fell in the "Less than \$25,000" household income range (39%), other significant finds include a decent mix of all the other income ranges with \$25,001-35,000, \$45,001-50,000, and \$95,001 or more all standing out as popular selections (See Figure 1).



Another survey question asked respondents about what financial institutions these Millennials used and what services they used, are using, or plan to use in the future. First and foremost, the results showed that most individuals currently use banks as their primary financial institution. Out of the 137 surveyed, 103 indicated they used a bank, and only 26 respondents used credit unions. The nine people who indicated "other" stated, in so many words, they used both a bank and a credit union for whatever purpose (See Figure 2).



These numbers are not good news for the credit union, but it does provide an opportunity to ramp up campaigns to attract some of these Millennials. A great place to start would be those in the "other" category and encourage them to switch to credit unions as their primary financial institution. The key to doing this is making the switch worth the trouble and capitalizing on what makes credit unions the better option: their use of memberships. The credit union needs to let Millennials know all the benefits offered by being a credit union member, such as better interest rates, that would not be available otherwise by using a bank. The most effective way of doing this is by using highly visited platforms such as social media to get this message out there frequently and effectively.

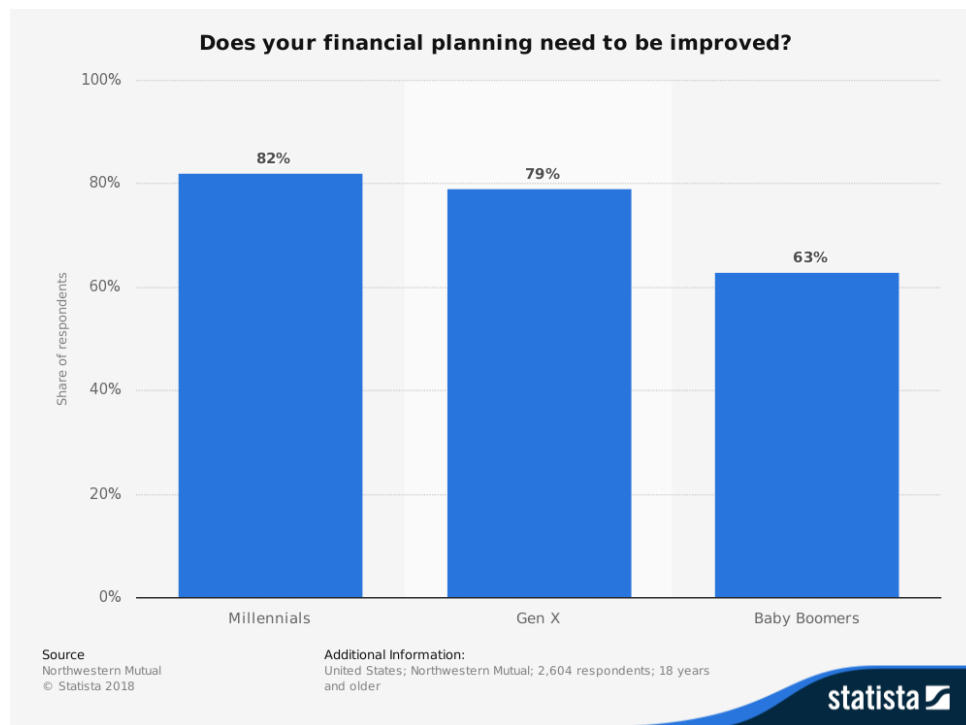
As for what services are currently being used, the answers ranged from the very basic to more in-depth life plans. This included everything from basic checking and savings accounts to getting married and college funds for their children. When comparing the information found in Table 1, we can see a definite change in priorities from immediate goals to long-term goals in the Millennials surveyed. Currently, the most pressing matters to Millennials seem to be general savings or saving specifically for a vacation of some kind. Another stand-out is that respondents wanted to get a new job in the next year, potentially indicating the need Millennials desire to feel like they are making a difference in what they are doing. They may be more likely to leave a job if their current job does not make them feel fulfilled. It could also be they are looking for a higher paying job now so they can accomplish the things they indicated were important to them in the 3-5-year range.

Table 1: Immediate and Long-Term Financial Goals

Financial Goals	In the Next Year	In the Next 3-5 Years
Travel Abroad	49	60
Get a New Job	74	48
Move to New City	34	41
Save for Vacation	87	32
Get Out of Debt	18	55
Move Out of Parent(s) House	33	29
Purchase House (Downpayment Already Saved)	13	56
Save for House/Downpayment	36	66
Use Credit Card Less	36	15
Pay Down Student Loans	23	65
Pay Down Credit Card Debt	45	10
Increase Overall Savings	90	63
Save for Large Purchases (Car, TV, etc.)	48	61
Buy a Car	31	38
Make Home Improvements	16	37
Buy an Engagement Ring	12	25
Plan a Wedding/Get Married	19	55
Have a Baby	12	56
Go Back to School	26	19
Save for Retirement	48	60
Save for Child College Expenses	16	39
Other	20	14

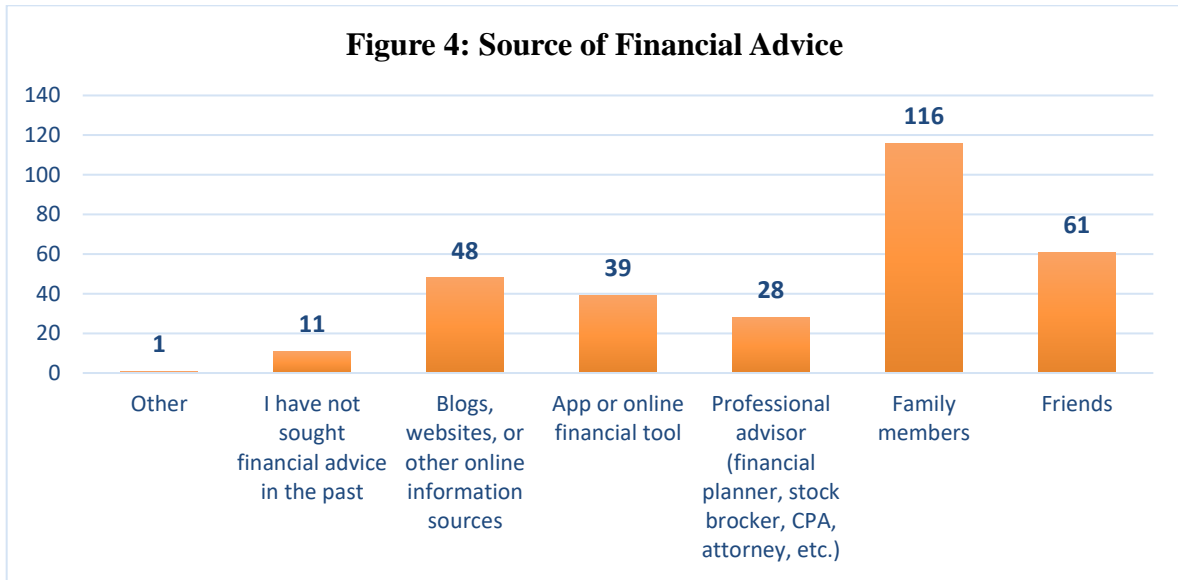
With all of these different short- and long-term financial plans, Millennials were asked about the help they needed or wanted to achieve these plans properly. A study by Northwestern Mutual through Statista found that 89% of Millennials, more than the previous two generational cohorts, believe their financial planning skills need improvement (Northwestern Mutual 2018). This can be excellent news for financial institutions like Ascend because the most challenging part is already done: Millennials recognize there is a problem with room for improvement (See Figure 3).

Figure 3: Statista Results on Financial Planning Needs by Cohort

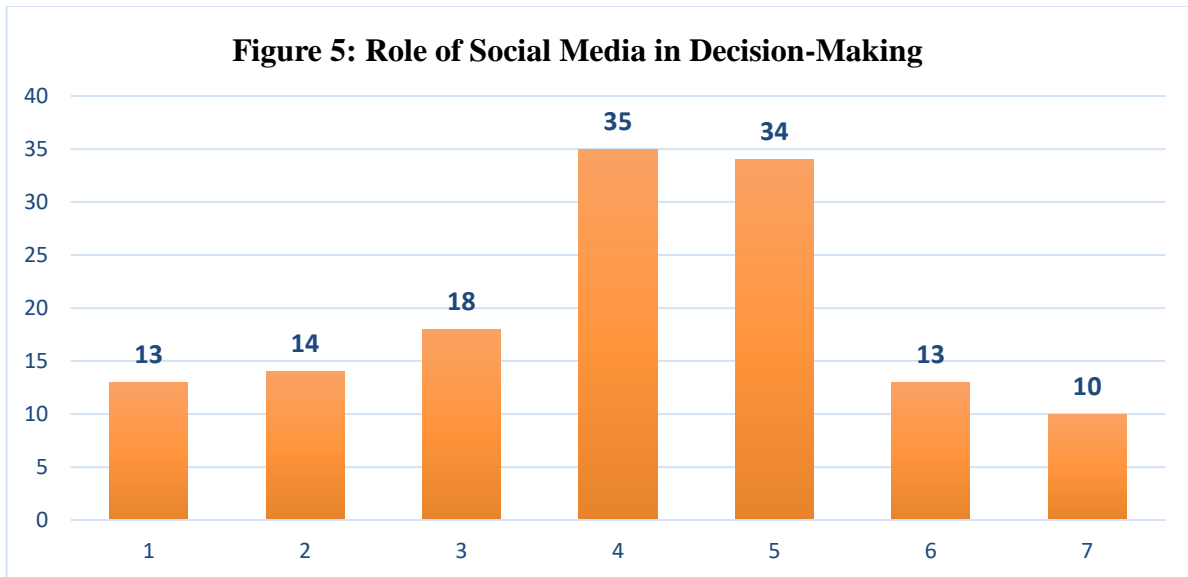


The second half of the survey focused on where Millennials go to look for financial advice in addition to information about their social media usage in general. This information contains the bulk of the creative aspect of the project: the social media campaign. The main objective here was to determine where those surveyed turn to when they need financial advice, how much they feel they need it, and finally which social media platform would be best to reach them. The results indicate that, while many of them were open and willing to receive financial help, they didn't seem to have a solid idea about where to go to get it outside of a financial advisor who might try to sell them plans they do not need.

When asked where they go to seek financial advice, 38% of the respondents indicated they usually go to family members to help make decisions. This is fairly common as family tends to be the people trusted most with essential things such as this, especially from a parent when someone is young. (This question was a "select all that apply" format, so the total number of options exceeds how many people were surveyed. In this case, there were 308 total responses). A surprising finding from those surveyed is that many were more willing to get information and advice from blogs or websites than they were from either an online tool or app or even a financial professional (See Figure 4).



Also, of interest is which social media platform would be the best option to use to connect with Millennials. In the age of technology, social media is rapidly becoming the most desired path for selling a product or service given the vast reach it has for little to no expense to the business. More and more every year, large firms and small businesses alike are turning to the use of free advertisement channels such as social media to get their name and message into households across the globe. The results indicate social media to be an effective channel to market to Millennials. When asked how much of a role social media plays in the decisions they made, over 50% (69 of the 137 respondents) answered a 4 or a 5 on a scale of 1 to 7 (See Figure 5). The majority of respondents believed that social media – what they see and are exposed to on the various platforms – is an influencing factor in some of their decisions in day-to-day life.



After establishing social media impacted the decisions Millennials made, it was important to understand which platforms those surveyed spent the most time on in order

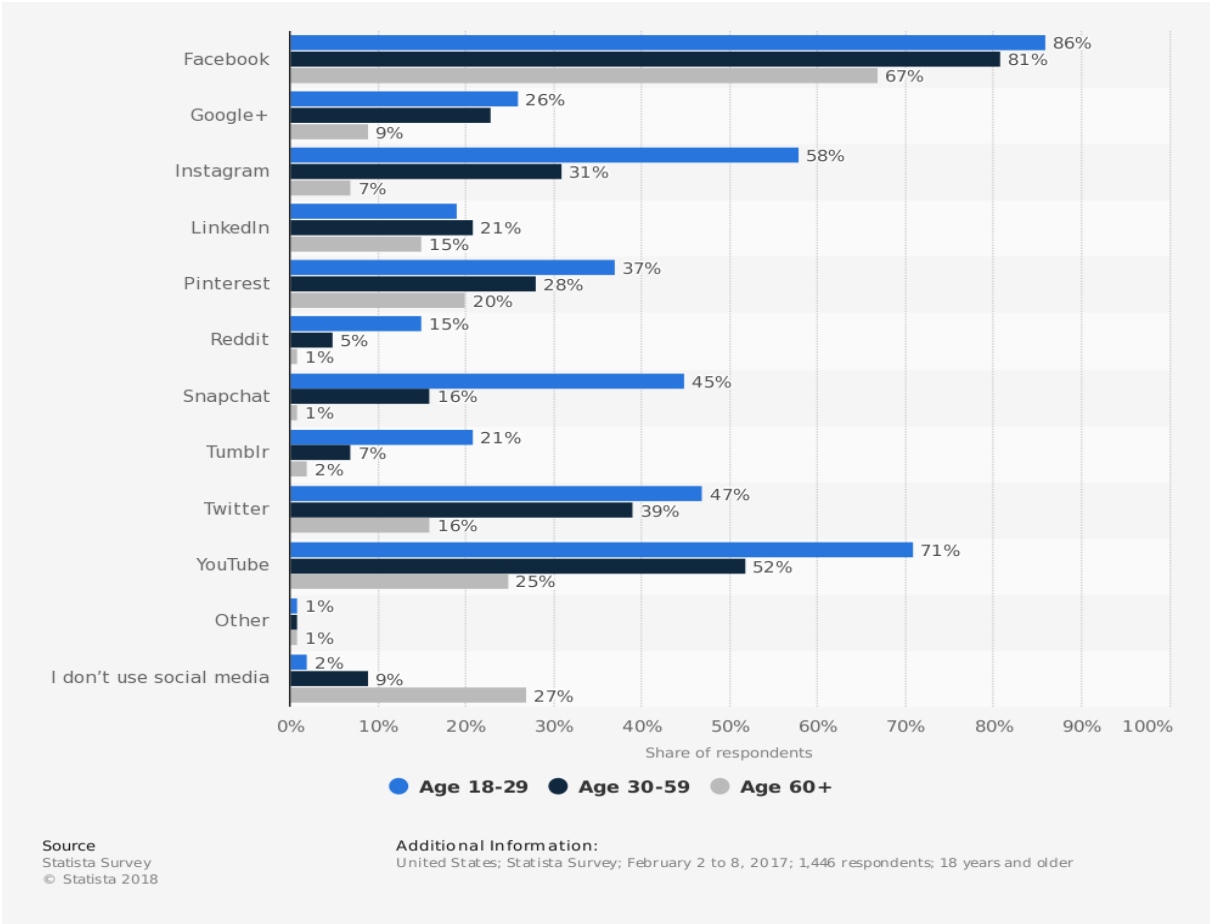
to determine the right platform for a campaign. In this study, only one platform would be utilized. For this, the survey asked which social media platforms respondents spent the most time on. Out of the three viable platforms for the campaign—Facebook, Instagram, and Twitter—Instagram had the highest average hours spent with users spending 2.18 hours per day on average (See Table 2). Only Snapchat, with 2.35 hours per day, and YouTube, with 2.6 hours per day, beat Instagram's average. However, these two platforms are not well suited for carrying the primary campaign and are better used for supplementing an existing campaign. Therefore, it was decided that Instagram might be the best option for Ascend Federal Credit Union when targeting Millennials.

Table 2: Hours Spent on Social Media by Platform

Social Media Platform	Minimum	Maximum	Average	Total Number of Hours Indicated
Facebook	0	17	1.82	107
Instagram	0	17	2.18	115
Twitter	0	18	1.88	64
YouTube	0	17	2.6	88
Pinterest	0	6	1.31	36
Snapchat	0	20	2.35	86

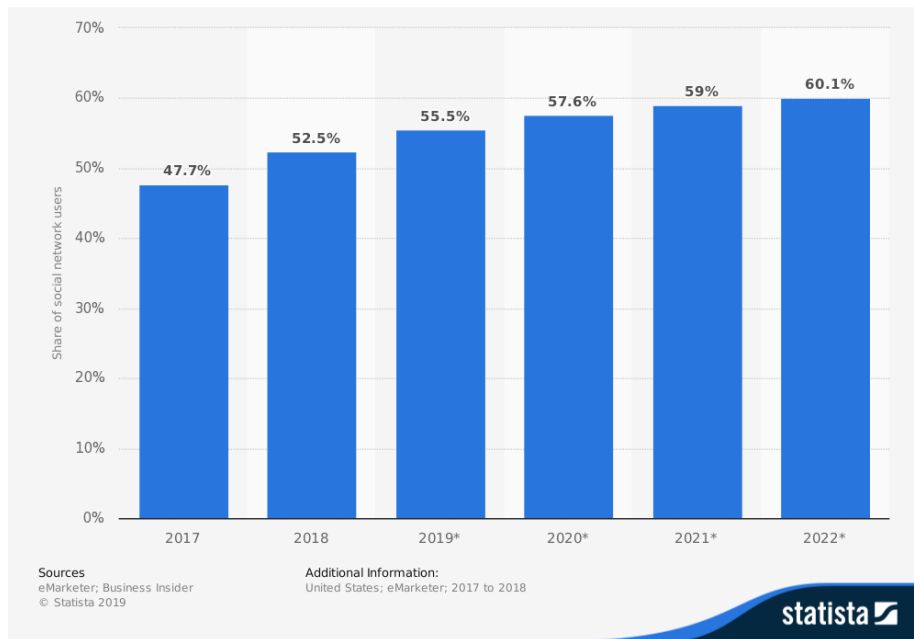
In order to confirm Instagram's selection, a comparison to nationwide data using Statista was examined. The comparison indicates that Instagram, while it did not beat Facebook overall, did have a significant spike in usage for the targeted age range. Figure 7 showed that 58% of this age group used Instagram (Statista Survey 2017).

Figure 6: Statista Social Media Usage by Cohort

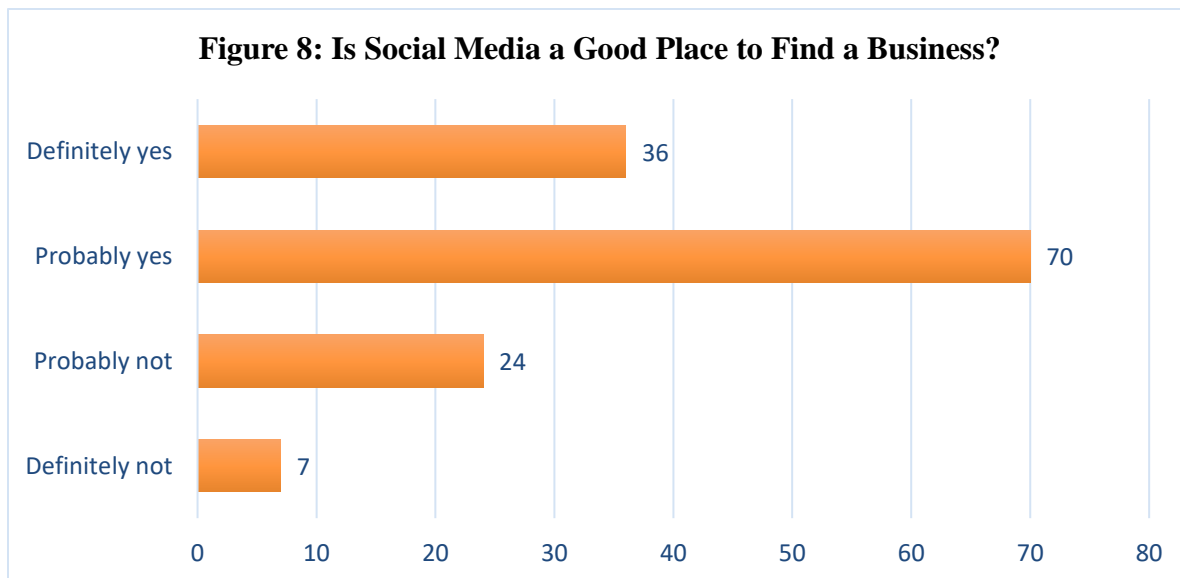


Since this research is dated, other statistics were reviewed regarding the projected growth of Instagram from 2017 to 2022. Figure 7 highlights a steady and significant growth of the social media platform over a five-year time span (eMarketer and Business Insider 2019).

Figure 7: Instagram Penetration Rate in the U.S. from 2017 to 2022



Finally, before creating the social media campaign, it was necessary to understand if respondents believed social media was a reliable place to find a business. The responses were positive but cautious. This was shown by the fact that 51% of respondents selected "probably yes" as their answer (See Figure 8). These results indicate that respondents are open to the idea of businesses using social media. The best way to remove any cautious perception would be in the construction of the business's page itself. Open honesty, credible reviews, and webpages would do much to lower these concerns. This could be a more effective way to get their name out and in the consumers' minds.



Social Media Campaign

Once the platform was confirmed and supported, a small promotional campaign on Instagram was constructed. Instagram has two main functions for its users: (1) main postings with pictures and (2) the story aspect where users could share current events similar to Snapchat. The primary use of the story function would be to create posts that include the option to poll followers and get their opinions. The story aspect brings a more interactive element to the campaign by engaging viewers and followers than what a post provides. The creative project includes 3-4 main feed posts coupled with 2-3 interactive story polls. The content of these posts and polls are constructed based on the prior research and survey results. Using this research helped solidify that the posts address the financial concerns Ascend could focus on to best appeal to this target market.

First, however, it is necessary to examine what Ascend already has on Instagram and map out what is regularly posted along with the frequency of the posts. The last full month (February 2019) was examined by looking at every post made that month. Out of 28 days in the month, ten posts were made with only four of them having any relation with finances or the services provided. Three posts advertised a ticket giveaway contest for concerts at Bridgestone Arena in Nashville. Another post was for a giveaway for tickets at the venue sponsored by Ascend, the Ascend Amphitheater. The rest of the posts were unhelpful as well (see calendar in Table 3).

Table 3: Ascend Instagram Calendar Feb 2019

Ascend FCU Instagram Calendar as of February 2019						
Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
					1	2 Instagram Poll #1: "How would you like..."
3	4	5 Dierks Bentley Concert Giveaway *At Bridgestone Arena	6 Money Troubles help post	7	8	9
10	11 Financial Education Center App Post	12	13 Fleetwood Mac Concert Giveaway *At Bridgestone Arena	14 Valentine's Day Post: "What's your favorite date spot?"	15	16 Ascend Scholarship Deadline Reminder
17	18	19 P!nk Concert Giveaway *At Bridgestone Arena	20 Instagram Poll #2: "What do you want..."	21	22	23
24 Instagram Poll #3: "Which cause would you..."	25 VIP Ticket Contest (Ascend Amphitheater) America Saves Week 2019	26 Ascend \$ Management Tool in existing app	27 \$ needed saved to reach retirement goal – directed to account bio	28 7 Best places to put your savings (tax- returns)		March 31 "Give Back to Summer" event post

These results revealed an active social media account but not pertinent to promoting the business. While a business's social media account does not need to be 100% business, 100% of the time, the content should contain more business-related material. This is especially true since taking advantage of virtually free advertisement is

the purpose of using social media to promote a business and the products it offers to consumers. With this in mind, all of the posts created were business-related and were incorporated amongst the existing posts on the calendar, whereas orange wording indicated Ascend's existing posts and purple indicated the newly-created posts. The posts were placed throughout the month of February except for one. Due to the seasonal nature of the one post, it was placed farther out at the end of March. The interactive polls were also spread throughout February. It is important to note that these posts and polls are only mock-ups and have not been posted on any of Ascend's actual social media accounts.

Careful consideration of both the words and images went into each post's content to gear the message to the targeted readers. The first post (See Appendix, Instagram Post 1) is designed to address the debt Millennials face as well as appeal to their desire to do more fun things with their money. Based on the survey, Millennials desire to pay down student loans and travel abroad in the next 3-5 years as well as their great desire to pay down credit card debt and go on vacation in the next year (See Table 1). The photo selected is one of a young woman who appears to be having trouble with something. This image was selected because it had the same color scheme Ascend usually uses in their posts. This post was planned for February 6th to add relevant financial content to the otherwise empty week, especially since taxes will be due in two months.

The second post (Instagram Post 2) was designed to bring the financial help and advice Millennials may want and in a format they can access whenever they might need it. The post advertises an app which would contain solely Ascend's Financial Education Center and would be separate from the banking app they already have. Although research did not indicate a very high demand for an app of this kind, it may still be a good idea to invest in for the future. Although many respondents indicated they prefer to get financial advice from family and friends, Millennials also still prefer to use apps for things over an actual website or in-person interaction. If the app were structured and marketed in a way which created a "we treat you like family" vibe, then current and potential members might feel more comfortable with receiving no-obligation financial help from professionals. The image used is modeled to look like an app icon. Ideally, the image would be more detailed than this design. This post's positioning on February 11th was a way to make the flow of content consistent and to fill space as most of the existing posts are heavily situated at the end of the month.

The final post (Instagram Post 3) followed a more fun thought process and was meant to grow membership among Millennials by appealing to the age cohort's desire to "know their contribution matters" (Swedburg, 2015). As such, connecting one of the services the credit union provides with something that would give back to a specific cause the member cares about would help the member feel like they were giving back. The theme of this post is a summer event and is planned for the end of March. This would be a prime time for Millennials to start saving for the vacations they want to take in the next year (as indicated by Table 1). The event itself would be scheduled for March 31st and run through May 31st, allotting a two-month timespan for the event. The campaign was named "Give Back to Summer." The name is important since this is to be marketed as an event and it would be used as a hashtag that members could use themselves if they participated and posted about it. The image is a wonderful picture with multiple tropical landscapes that had a very warm, inviting feel and words were added to create a logo for the event.

The second half of the post portfolio focused on user interaction and making the followers feel more involved with Ascend and its decisions. As such, three Instagram Polls were created to be put in the story portion of the Instagram account. These would be a quick and easy way to gauge present and prospective members' wants and needs. The look for these polls was chosen from examples found on Instagram polls. The colored background was selected instead of a picture in order to not distract from the content since an image would have had to be used as a background. The red themes offered an integrated feeling with the rest of the brand.

The first of these three (Instagram Poll 1) asks followers what would be their preferred method of receiving financial advice from the Ascend staff. They are given four options: *through an app*, *on Ascend's website*, *on location in person*, and finally *through web videos or a vlog*. These options were chosen based on ways they might receive this information in a manner most convenient for them. This poll would be posted at the beginning of February on the 2nd. For reasons stated above, a post about an app for the Financial Education Center was already scheduled for the future. However, if this poll were to indicate another option would be preferable to the app, then Instagram Post #2 could be easily modified to accommodate the better option or a new post could be put together entirely and scheduled during the month.

The second poll (Instagram Poll 2) would be similar in content and would ask about help followers would want from Ascend's financial professionals. For this, responses more closely related to what was found mattered to Millennials when it comes to financial concerns. As such, the four options included *getting started*, *small loans*, *saving for the future*, and *college funds*. This poll was placed on February 20th in an effort to ensure the content directed at Millennials was equally spaced throughout the month. Hopefully, this would leave enough space between "Millennial posts" for posts that might be directed to other age cohorts.

The final poll (Instagram Poll 3) has content that is more to do with appealing to the sense of duty Millennials feel. This poll asked followers' opinions on what general causes they would like to see Ascend partner with in the future. This would benefit Ascend on two fronts: (1) Millennial targets would feel like their membership was bigger than themselves and (2) the credit union would be doing more towards maintaining corporate social responsibility. The four responses given for followers to choose from would be *relief efforts*, *animals and pets*, *affordable housing*, and *children*. These options are purposefully left relatively broad to allow further interaction with followers. Based on which one or two options are favored above others, Ascend could create a follow-up regular post announcing which cause was chosen as the most popular and ask for which specific charities in that cause category followers like the most as suggestions for future partnerships. This last poll was scheduled for February 24th. After this date, Ascend's posting on relevant financial material picks up significantly to nearly one every day.

Conclusion

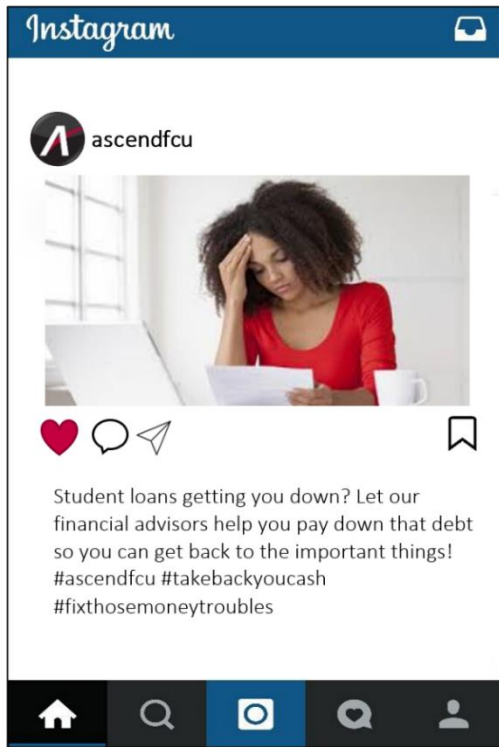
No matter what marketing method is employed, there is little doubt Millennials are a very valuable generation. Being the largest generational cohort since the Baby Boomers, Millennials have an ever-growing influence on all aspects of the way people buy and sell. Marketers must learn how they operate and what they value. Using social media to reach

Millennials is invaluable in order to increase the number of Millennials as credit union customers, especially in a business they don't usually think about every day. Financial institutions have to capitalize on these new methods to reach this vastly influential age group. Credit unions especially need to adapt as they have to compete with the big banks. However, credit unions hold an advantage by offering Millennials the unique opportunity to be a part of something bigger with a credit union. They offer a cause.

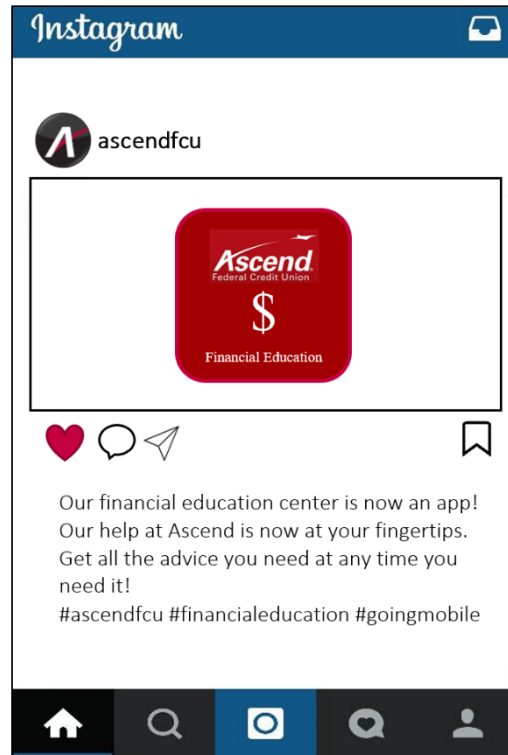
Through the research survey as well as outside information sources, using social media is an excellent opportunity for Ascend Federal Credit Union to reach out to Millennials who want financial help in a way that makes them feel welcome and unpressured. This research highlighted the short-term and long-term financial goals of Millennials. In addition, this research identified the social media platforms most used by Millennials. This information was then used in the creation of a plan for a small social media campaign. Not only is social media a tool Millennials use to help them make decisions, but Instagram specifically was viewed as the best choice of platforms for the campaign.

Finally, the results indicated that the best way to get Millennials to seek advice from a place like Ascend is to make them feel like family with no obligations. Using social media, mobile technology, and helpful attitudes, Ascend may find a great way to serve their current members or even get new, younger members in their doors. For this reason, the suggested posts and polls were created for Instagram. It is believed that these tools would be a helpful step in updating the marketing strategy to include Millennials. Millennials want the help; all Ascend – or any credit union for that matter – needs to do is provide them with the opportunity to get it.

Appendix: Instagram Campaign Portfolio



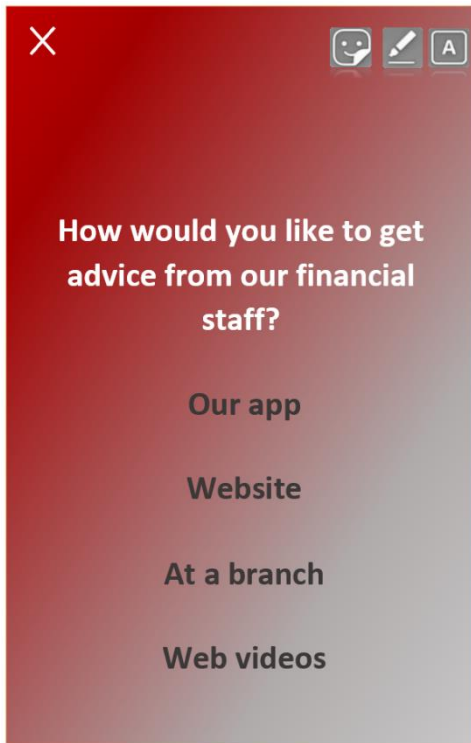
Instagram Post 1



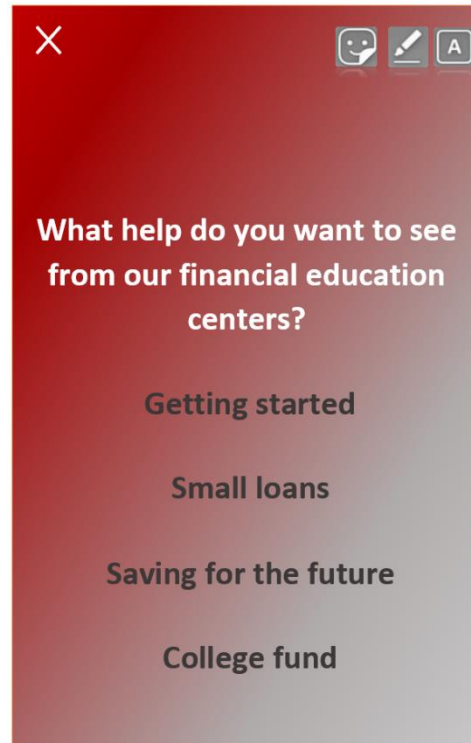
Instagram Post 2



Instagram Post 3



Instagram Poll 1



Instagram Poll 2



Instagram Poll 3

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