



TAILORING YOUR SERVICES TO YOUR CLIENT'S GENERATION

Meet clients where they are by understanding their unique questions and needs.

While each client is unique, clients within the same generation share common experiences that shape the way they see the world. Understanding how these generational differences affect prospective clients' views of money, financial markets, technology, and society can help you find the most effective ways to engage their interests more quickly—a skill that is more critical than ever in today's environment.

Here are some tips to help you address the needs of baby boomer, Generation X, and millennial prospects and clients.

Baby Boomers

Baby boomers are either approaching retirement or have already retired. As a result, their primary concern tends to be making their existing savings last as long as possible. Adding annuity products to their retirement strategies can help guarantee long-term income stability. That steady income stream can help boomers manage their expenses and make financial decisions more efficiently as well. For example, taking the annuity income into account, they may want to consider moving to a different state to reduce tax obligations and stretch their monthly budgets further. Boomers also are typically open to remaining active, so encouraging them to consider working even on a part-time basis through retirement can help allay fears of outliving their savings.

It pays to remember that boomers grew up long before the internet. Treat emails to them like letters, and they will read them. However, conversations held in person—via video or over the phone—are a great way to hear their specific concerns, build trust, and ensure you respond to them appropriately.

Generation X (Gen X)

The oldest members of the “sandwich generation” between boomers and millennials are approaching their mid-50s. This generation has been more skeptical about relying on Social Security retirement benefits in retirement than boomers. As a result, they generally expect to fund their retirements predominantly through 401(k)s or IRAs. However, this generation bears the highest average debt burden of any generation, complicating the ability to fund their retirement savings effectively.

Addressing these needs often starts with designing a budget to balance debt reduction with retirement savings. Gen Xers also may need a reminder that it's wise to fund retirement first before saving for other goals, such as a child's education. To increase savings, it's critical to emphasize the importance of taking advantage of matching contributions and, for those ages 50 and older, catch-up contributions.

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Remember that in 2024, the Setting Every Community Up for Retirement Enhancement (SECURE) Act 2.0 will allow student-loan payments to be treated as plan contributions for the purpose of matching if the company plan permits.

Gen Xers are familiar with technology and appreciate efficient communications, but they also tend to be easily turned off by slick marketing. Transparent communication that demonstrates your value and leads clients directly to results goes a long way with this generation.

Millennials

Because they are relatively early in their careers, millennials tend to be less focused on retirement savings than the previous two generations. And because they grew up amid the Great Recession, they often feel anxious about their finances, particularly when it comes to student debt. Planning is the best way to address this financial anxiety and put millennials on track for retirement. That planning begins with education, particularly about the potential for greater compound growth the earlier they start investing.

Encouraging millennials to start saving early and connecting those savings to tangible long-term goals like retirement can help them feel more confident about their financial futures and provide a meaningful reason for them to save. Have them consider first steps, such as taking advantage of auto-enrollment and matching benefits in their 401(k) accounts. Once those accounts are open, encourage them to keep track of their retirement assets when they change jobs, rolling them over into IRAs if necessary.

Millennials are at home on all technology platforms and tend to be very socially aware. They also are used to getting attention, feedback, and information nearly instantaneously. Return their calls, emails, or texts promptly to meet these expectations.

Knowing and addressing your clients' needs makes it that much easier to build the meaningful relationships that result in satisfied clients. As The Official Sponsor of Retirement, Pacific Life is committed to providing financial professionals with resources such as this blog post that can help you help your clients plan for a comfortable retirement.

For more information about retirement planning,
please contact our Retirement Strategies Group at
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2 of 2

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