6 Recommendations for Successfully Hiring (and Retaining) Millennials

by Cynthia Joyce, CPA; and Davis Barry

Successfully recruiting millennials to jobs within the financial planning arena is critical for a firm's growth. Equally important is retaining those new hires. The planner-client relationship is rooted in the trust that is built between the two parties, sharing personal history, and working together to attain the client's long-term financial goals. And because high turnover in the field can have a negative impact on the relationships that team members build with clients, developing strategies to retain millennial employees is crucial to a financial planning firm's well-being.

Born between 1980 and the mid-2000's, millennials account for one-third of the U.S. population, making them our nation's largest generation, according to the U.S. Census Bureau. They grew up during the Great Recession when unemployment soared and early in their careers found it challenging to join the labor market.

When jobs were scarce, many millennials opted for more education, and as a result, took on more student debt. A 2014 Bureau of Labor Statistics report found that the average amount of student loan debt for those under age 30 increased from $13,000 in 2005 to $21,000. The silver lining is that millennials with bachelor's degrees earn average annual incomes that are $17,000 higher than their peers with only high school degrees. [1]

Millennials have been widely misperceived as being quick to jump ship and change employers. While certainly more transient than baby boomers (who were rewarded for their company loyalty with lifelong pensions), millennials are more attached to their employers than their Generation X predecessors, according to an October 2014 White House Council of Economic Advisers report. The report asserts that "Millennials are less likely to have been with their employer for less than a year than Generation X workers were at the same age, and they are more likely to have been with their employer for a fairly long period like three to six years."[2] Anecdotally, our millennial hires believe that the student debt issue described above contributes to a desire by their generation for stability and security in the workplace.

By adopting recruitment and human resource practices that appeal to millennials, financial planning firms can create a work environment that new employees won't want to leave. Here are some recommendations for hiring and retaining millennials:

1. Offer Work/Life Balance

As has been widely reported, research on millennial employees indicates that this generation seeks a work/life balance. These young employees are rarely sick; therefore, offering PTO (paid time off) rather than traditional sick/vacation time enables them to use more time for true vacation—ideally returning to work refreshed and energized. Offering work-from-home options and paid maternity/paternity leave aligns well with this group's desire for flexibility and availability to family. And providing 100 percent company paid medical and dental benefits is another way to show millennials that they are valued.

2. Define Job Expectations and Growth Opportunities

Having clear, straightforward discussions with millennials during the recruitment process about what is expected of them and what their average day will look like ensures that new hires accept the position with their eyes open. Additionally, clearly communicating with millennial recruits about opportunities for advancement within the firm can improve employee retention, as well as increase motivation.

Another recommendation is to offer tuition reimbursement for those employees interested in pursuing additional education. Underwriting employees' expenses for industry certifications such as the CFA and CFP® designations (covering both preparation class and exam fees) is another way to engender loyalty from millennial employees.

3. Screen Candidates for Compatibility

One proven way to assess compatibility between a financial planning firm and a younger recruit is to conduct in-depth research into how the candidate thinks and works. Engaging a corporate psychologist during the recruitment process can benefit both employers and candidates. Employers can gauge whether or not a prospect will fit in with the culture of the firm, and candidates can gain a better grasp of the firm's objectives and goals with new hires. A corporate psychologist can also assess whether a recruit's personality will suit the firm or can raise red flags if, for example, a candidate plans to use the firm as a career bridge.

4. Create a Strong Internship Program

Smaller financial planning firms can face challenges hiring higher-level strategists and administrators away from larger firms. And it can be hard for new hires in senior positions to fit in culturally with a smaller entity. Recruiting from more junior positions within a firm, as well as from a capable group of interns, can be the best way to build a strong team that understands expectations and works together cohesively.

Developing an engaging and challenging internship program helps smaller firms effectively recruit from this younger human resource pool. Inviting interns to sit in on internal meetings as well as client meetings gives them great insight into the industry—while simultaneously enabling the firm to assess the intern's interpersonal skills. Additionally, exposing the intern to diverse and in-depth work experiences gives them better insight into the firm/profession and helps the firm accurately assess their capabilities.

5. Increase the Firm's Social Media Presence

By carefully increasing their social media presence, financial planning firms can more easily and more frequently reach potential recruits, current clients, and associates. Twitter can be used to not only pass on noteworthy investment articles but also to share fun photos of firm-wide gatherings. Creating a YouTube channel for video messages featuring strategists delivering market commentary is another way to reach this demographic. And LinkedIn is the perfect platform for posting comprehensive job listings. By using these social media tools, financial planning firms can give millennials a more in-depth understanding of their investment philosophy, financial planning practices, and culture.

6. Throw in Some Fun

Adding a bit of levity and fun to the work environment is another way to build a sense of community and commitment within a firm. Firm-sponsored birthday lunches, happy hour gatherings, and the occasional sports outing provide the opportunity for coworkers to get to know one another more personally, creating greater camaraderie.

Another recommendation is to organize teams to compete in charity races or events together. This satisfies the millennials' well-documented desire to give back to their community while simultaneously fostering firm-wide team spirit and pride.

By aligning key benefits with the wants and needs of millennials, financial planning firms can avoid the pitfalls of high turnover and the damage that can do to planner-client relationships. Retaining younger hires by adopting the practices detailed above enables firms to offer consistency to clients while creating a culture of trust and cohesiveness within the firm—all of which are good for business. ■

Endnotes

1. See "Millennials after the Great Recession," by Scott Berridge, published by the Bureau of Labor and Statistics, September 2014, at bls.gov.
2. See "15 Economic Facts about Millennials," published by The Council of Economic Advisers, October 2014, at www.whitehouse.gov.

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