

BRIDGING THE GENERATION GAP IN RETIREMENT SERVICES - PART 1



BY SARAH SIMONEAUX, CPC

For several years, we've heard about the "Graying of America" as Baby Boomers approach retirement. The retirement services industry is experiencing a similar type of "graying." Many retirement services and advisory firms blossomed after the Employee Retirement Income Security Act of 1974 (ERISA) changed the retirement services' world forever. Some of these owners and managers (Radio Babies and Baby Boomers) have passed their businesses on to heirs or sold them to other entities. Some have held on and are now dealing with succession issues. Many of the industry experts and managers are of this generation.

UNDERSTANDING THE GENERATIONS

To better understand a single generation, we look at the similarities; to compare generations, we look at the differences. Generations are similar to cultures, with common values and beliefs and shared experiences. Many of the people from a distinct generation have been programmed to view the world and filter information through their own generational lenses based on experiences during

their formative years.

Part 1 of this series will give an overview of the generations and how they see the retirement services workplace. Subsequent articles will deal with how to integrate the generations successfully in retirement services and use case studies to illustrate where each group's talents were successfully used to improve operations and increase education levels across entire firms.

THE FOLLOWING IS A SUMMARY OF THE CHARACTERISTICS OF EACH GENERATION.

Radio Babies

Radio Babies grew up in close family environments and looked up to heroes. In their younger years, they never had the luxuries or technology that the subsequent generations came to know. They were a hard working generation who

wanted jobs, security, and decent wages in order to take care of their families. They were loyal to their employers, and in return, they relied on company pensions to take care of them in retirement and repay them for their years of loyalty. They were significantly affected by the Great Depression and World War II.

Baby Boomers

Baby Boomers began to see the deterioration of the traditional family as divorces became more common. They believed in the American Dream and went for it. Historically, the Boomers were the largest workforce group and because there were lots of them, they were conditioned to compete for position and recognition. They were workaholics who believed in throwing time at work to solve problems. They were the first generation exposed to technology in the workplace. They were heavily influenced by political

events and women's rights, and they pushed for change to make the world a better place.

Gen Xers

Gen Xers were the first wave of Baby Boomer children. Many Gen Xers were latch-key children and had less adult supervision than prior generations as they were growing up, primarily due to dual working parents or single parent environments. They also were conditioned not to trust strangers. As a result, Gen Xers are very independent and not as social as other generations. Because they experienced parents who worked long hours, work/life balance is very important to them. They represent the smallest generational group of available workers. For most of them, their first exposure to technology was in school. They were influenced by the Challenger disaster, AIDS, and the prevalence of technology and the media.



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Millennials

Millennials are the product of either later or more mature Baby Boomers or Gen Xers, and their generation has the lowest parent-to-child ratio in US history. This generational timeframe gave birth to the term “helicopter parents.” Millennials’ parents were very involved in their activities, controlled their schedules, oversaw their schoolwork and, in essence, “hovered” over every aspect of their lives. Millennials were groomed to learn and achieve, and they were frequently rewarded (*i.e.*, gold stars, participation awards) for their endeavors. Growing up, their mouse and computer represented what pencils were to Boomers, and the Internet became their virtual library. They learned about technology and the underlying logic of how it works in the same “native” way that they learned to speak a language. Their technological abilities far exceed even Gen Xers. Technology is integral to the way they live, think, communicate, and the way they work. They are very social, collaborative, and the ultimate multi-taskers. They see themselves as part of a global community where diversity is an advantage, and their work should make a difference in the world. They

are energetic and like to participate in activities inside and outside of work. They were heavily influenced by terrorism, which reinvigorated new respect for family and community, the Internet, and environmental issues.

If your workforce is starting to look like an age barbell, with lots of younger and older workers and not many workers in-between, your firm may be experiencing generational issues. Generational issues are not new to the workplace—what is new is that the gap is much wider, primarily due to rapidly changing technology.

We often have misconceptions about other generations. For example, the older generations tend to think Gen Xers and Millennials are very much alike, but in fact, the most significant thing these two groups have in common is technology. They are extremely different in most other aspects, and overall, Millennials are actually more similar to Baby Boomers. Once we gain a better understanding of each generation, it is easier to identify and accept the differences. From there, we can seek out commonalities, capitalize on opportunities and bridge the gaps. Fortunately for the profession, the children of the Baby Boomers are entering the workplace and advancing

through the ranks. According to the U.S. Census Bureau, there are approximately 80 million Millennials and 50 million Gen Xers, and the Millennials are even more numerous than their Baby Boomer parents. Within the next year or two, Gen Xers and Millennials are likely to make up 50–60% of the country’s workforce. Their sheer size and their immersion in technology give them the power to radically transform every aspect of society. As these talented individuals permeate the retirement services sector, businesses are faced with unique opportunities and challenges resulting from the interactions of three or four generations working side by side. One of the major challenges will be the knowledge transference required in such a knowledge-intensive business. Rapid technological change combined with the need for sophisticated customer service will make collaboration across the generations essential to a successful business model.

Although there are no exact lines drawn for the start and finish of a generation, the chart indicates the way generations view the workplace. As in astrology, generation members can find themselves “on the cusp,” where traits of two generations might be relevant.

Part 2 of this series will offer strategies on how to bridge the generation gap through education and communication. **PC**



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CATEGORY	RADIO BABIES 1930–1945 (<1940)	BABY BOOMERS 1946–1964 (1940–1960)	GEN XERS 1965–1980 (1960–1980)	MILLENNIALS 1981–2000
COMMUNICATION STYLE	Respectful	Politically correct	Informal, abrupt	Eager to please, inclusive
WORK ETHIC	Hard work	Workaholic	Be efficient, get it done	Multi-taskers, what's next?
	Duty before fun	Personal fulfillment	Career development	Goal oriented
	Letters/memos	Call me anytime	Call me only at work	Email, text, or IM me at work
		Faxes/Express mail	Email	Social networks
VIEW OF TECHNOLOGY	Difficult and complicated to use and learn	Improves personal productivity, source of information, good for data storage, and processing transactions	Critical for personal and work efficiency, interactive way to connect	Core to life and work and way of thinking, always looking for the next cool thing
WORKPLACE NEEDS	Organization	Mission	Efficiency/results	Values
	Long term goals	Status/recognition	Technology	Collaboration
			Independence	State-of-the-art technology
			Values	Ability to learn/grow
FEEDBACK/REWARDS	No news is good news	Money, title, recognition	How am I doing? Freedom	Needs continuous feedback, meaningful work
INTERACTIVE STYLE AT WORK	Individual	Loves meetings	Entrepreneur, independent	Team player/seeks input
	Hierarchical	Team player	Focused on product	Engaging/helpful
WORK ADVANTAGES	Committed	Team players	Independent	Collaborative
	Respectful	Service oriented; good at relationships	Techno-literate	Technologically savvy
	Wealth of experience	Technical experience	Creative	Multi-tasking abilities
	Hard worker	Driven	Adaptable	Heroic spirit
WORK CHALLENGES	Resistant to change	May put process before results	Impatient/cynical	Need for supervision and structure
	Difficulty accepting direction from younger generations	Judgmental of those with other viewpoints	Poor people skills	Inexperienced, especially with difficult people issues