

Will the Millennial Generation Cause the End of Employer Sponsored Financial Participation?

And

How to Prevent such Extinction

By

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The threat is the attitude and habits of the Millennial Generation of workers, generally defined as those born after 1996, and which will constitute over one-half of the workforce in the next five to ten years. Recent polls by the Gallup organization, and the Pugh Research Center for example show that:

1. Only 29% of Millennials are emotionally and behaviorally connected to their jobs.
2. Millennial workers are mobile-On average 21% of Millennials changed jobs in the last 12 months.
3. Retraining new Millennial workers costs the US Employers \$30.5 billion annually.
4. Millennials generally want to be in control of their savings, but do not have a financial plan for such savings.
5. Increasing numbers of Millennials are independent contractors or self-employed, thus rejecting the typical historical employer/employee relationship.
6. Millennials get their financial education on the internet not from group employer meetings or one on one meetings with financial experts.
7. Millennials would rather work at a modest paying job for a socially conscious employer than at a high paying job for which they are qualified than in an industry or employer, which they do not perceive as socially conscious.

The conclusion to the above is that traditional employer sponsored financial participation programs no longer meet the needs of the Millennial worker, and that such plans are in danger of extinction in spite of the documented benefits of financial participation programs to workers, employers and the national and global economies.

Historically, the value of Employer sponsored financial participation programs is well established. Properly administered and communicated, employer sponsored financial participation programs have the following benefits:

1. Workers are more satisfied in their job;
2. Workers, therefore become more productive.
3. The enterprise for which they work becomes more profitable and competitive.
4. The local, regional and national economies become more profitable and competitive.

5. Wealth is accumulated by workers for future needs, thus lessening the social burden on the government.

However, to maximize the above benefits, employer sponsored financial participation programs must be supported by the following pillars:

1. Employer support, administration and communication to workers.
2. Recognition by labor organizations of the benefits of financial participation.
3. National and Regional Government support through tax incentives.
4. Employee and employer education on financial literacy matters.

The International Association for Financial Participation Iafp/aifp and its local members have been the voice of education and support for financial participation programs for more than twenty-five years.

Further research is needed to document what Millennial workers would find attractive in a financial participation program. IAFP is beginning a global study with other organizations to determine the elements of a successful Millennial Financial Participation Program in the new paradigm of a Millennial workforce with the attributes documented above.

Do you Agree or Disagree with this Edito? IAFP and the author of this editorial, David Hildebrandt would like to hear from you, especially if you are a Millennial or an employer of Millennials.

PLEASE PARTICIPATE IN THIS IMPORTANT DIALOGUE BY JOINING THE IAFP CHAT GROUP ON LINKEDIN [iafp-aipf](#), OR BY DIRECT E-MAIL TO iafp.aipf@gmail.com.

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