Seen One Millennial, You Have Not Seen Them All: Results of a Millennial Quantitative Segmentation

Are All Millennials The Same?

Negative Stereotypes About Millennials

millennials are

millennials are **lazy**

millennials are **stup**

millennials are **the v**

CNN Money U.S. ▾   Business   Markets   Tech   Media   Personal Finance   Small Biz   Luxury

Millionaire to millennials: Lay off the avocado toast if you want a house

by Julia Horowitz   @juliakhorowitz

May 15, 2017: 8:27 PM ET

Money guide for Millennials

Is avocado toast all that's standing between millennials and their first homes?

Social Surge - What's Trending

World's second biggest diamond sells for $53 million

Equifax CEO Richard Smith is out after stunning data breach

Trump says NFL ratings are 'way down.' That's not completely true

Hot List

How to save at the start of your career

Toronto faces highest risk of a housing bubble

How This Segmentation Is Different...

Segments did not fall out by age – leading vs. trailing Millennials do not differ

Relatively few differences by marriage/ children status; segments differ more on attitudes and beliefs, as well as other demos

A focus on insurance, financial services, and health/wellness – what we specialize in

What we did...

- 1,200 online interviews with US consumers, aged 21-71

  - Our focus is Millennials (21-36): n=1000

  - We also completed 100 interviews each with Gen-Xers (37-52) and Boomers (53-71), as a comparison point.

- Balanced by gender, region, race/ethnicity, and income

- At least share in household's decision making regarding insurance and financial decisions

- Sections of survey:

  - General Attitudes
  - Work and benefits
  - Financial Well-Being
  - Health and Wellness

  - Life, Auto, Home Insurance
  - Connectivity
  - Demographics

Segmentation Overview

- The process for segmentation analysis included ratings standardization and factor analysis, followed by K-means and discriminant analysis.

- This allowed us to group **Millennials** into five distinguishable segments.

- The segmentation analysis was built off of attitudinal variables:

  - Overall optimism/pessimism

  - Attitudes about America, the economy, etc.

  - Personality factors

  - Attitudes about politics, religion, the environment, marriage, and parenthood

  - Attitudes toward technology and early adoption of tech tools

  - Frequency of interacting with social media

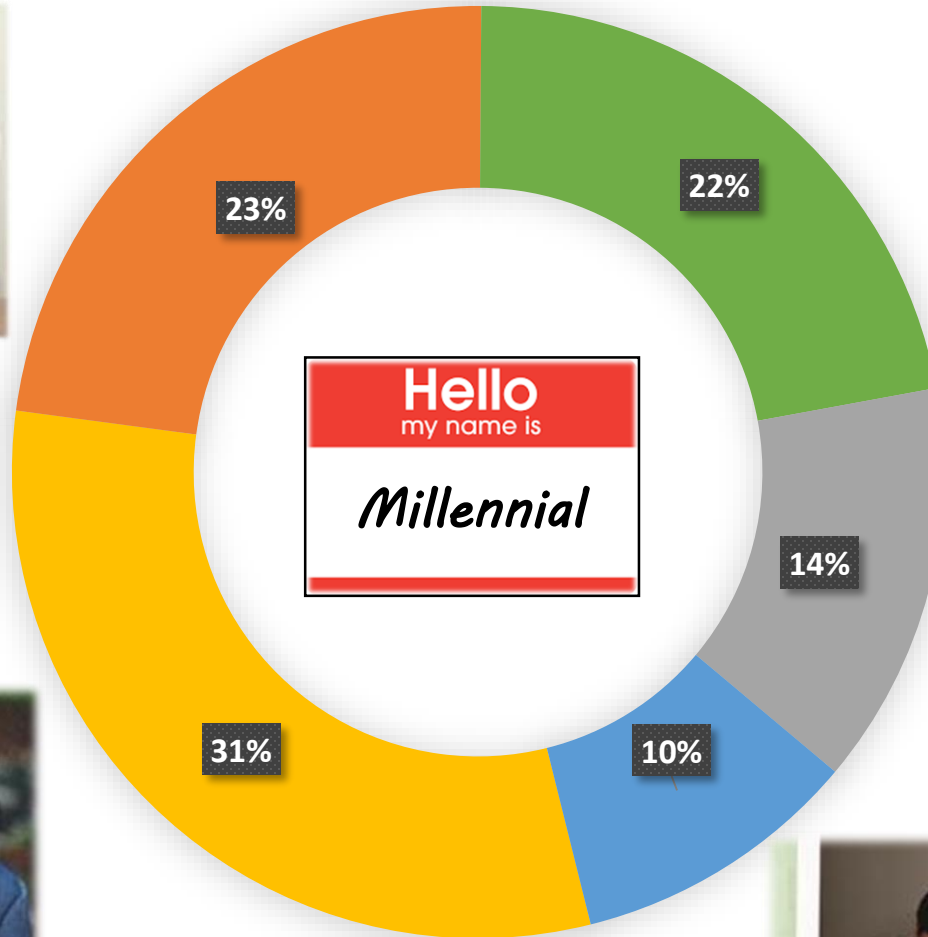# Millennial Segments

Struggling Parents

Secular Activists

Tech-Savvy Independents

Faithful Optimists

Pessimistic Conservatives

23%
22%
14%
31%
10%

Hello
my name is
Millennial

Meet Denise...

Denise is a registered nurse from Atlanta, GA...

She attends church regularly and her faith is very important to her...

Denise is a joyful person with a zest for life – she is outgoing and adventurous...
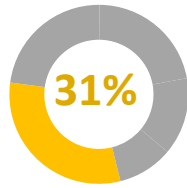
She is hardworking, dependable, and detail oriented...

Denise is optimistic about her personal future and believes the next generation will be better off than the last...

She feels good about her finances and future success...

She doesn't pay much attention to politics...

Denise is a Faithful Optimist

Faithful Optimists (23.4M)

31%

Who They Are

☑ **High proportion from South**

☑ **Higher proportion are non-white**

☑ **Highest proportion of heterosexuals**

☑ **Religious**

How They Feel/Act

Happy and outgoing ☑

Optimistic about future ☑

Adventurous ☑

Reliable and detail oriented ☑

Meet Kelly...

Kelly is a homemaker with two kids from rural Alabama...

Kelly is depressed about the world and worries that we are on the verge of war...

Kelly's favorite thing is to stay at home and spend time with her family...

She has a high school education and was laid off two years ago...

She worries about the economy and is struggling financially...

She is not at all tech-focused and would prefer to spend her money elsewhere...

She doesn't pay much attention to politics...

Kelly is a Struggling Parent
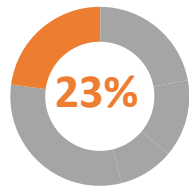
23% **Struggling Parents (17.3M)**

Who They Are

- ✅ **High proportion from South and rural areas**
- ✅ **Higher proportion are white**
- ✅ **Female with children**
- ✅ **Lower income, more likely to be homemakers**
- ✅ **Less educated**

How They Feel/Act

- **Politically apathetic** ✅
- **Pessimistic about future, country, and economy** ✅
- **Less focus on technology** ✅

Meet Tabitha…

Tabitha is an art designer…

She lived in Brooklyn for ten years, but recently moved to the suburbs…

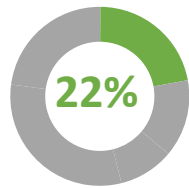*She has a bachelor's degree and an MFA in graphic/visual design…*

She is fundamentally dissatisfied with the direction of the country…

Tabitha spends some free time volunteering for environmental and social justice causes…

She believes in free speech and recently donated to the ACLU…

She has Politico bookmarked as a favorite…

Tabitha is a Secular Activist

22% **Secular Activists (16.6M)**

Who They Are

☑ **High proportion from NE**

☑ **Higher proportion are white**

☑ **Single and childless, higher proportion LGBT**

☑ **Secular**

☑ **More educated**

How They Feel/Act

Politically liberal and active ☑

Pessimistic about future ☑

Care strongly about environment and free speech ☑

Meet Paul...

Paul is a programming guru at a Silicon Valley start-up...

He is college-educated and financially successful...

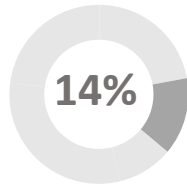*Paul is dissatisfied with his relationships...*

He is adventurous, and enjoys rock climbing and mountain biking...

Paul enjoys spending time by himself in his free time...

He is an early adopter and spends all his free money on gadgets...

He considers himself politically conservative, but is also environmentally conscious...

Paul is a Tech-Savvy Independent

Tech-Savvy Independents (10.6M)

14%

Who They Are

☑ **High proportion from West and urban**

☑ **Higher proportion are non-white**

☑ **Skew male**

How They Feel/Act

Conservative, but nuanced ☑

Optimistic about the economy ☑

Adventurous; enjoys time by himself ☑

Dissatisfied with relationships ☑

Early adopter, spends lots of time with technology ☑

Meet Kevin…

Kevin is a consultant who lives in the suburbs outside of Denver, CO…

He routinely works 60-hour weeks from his home…
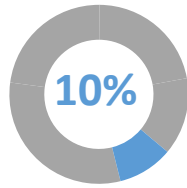
Kevin is dissatisfied with his relationships…

He is not detail-oriented and is frequently late to appointments…

Though Kevin has a high income, he worries about his financial future…

He considers himself religious…

He is politically conservative…

Kevin is a Pessimistic Conservative

Pessimistic Conservatives (7.5M)

10%

Who They Are

- ✓ **High proportion from West and suburban**
- ✓ **Higher proportion are non-white**
- ✓ **Skew male**
- ✓ **Religious**

How They Feel/Act

- **Politically conservative** ✓
- **Pessimistic about their financial future** ✓
- **Not detail-oriented** ✓
- **Dissatisfied with relationships** ✓

Hello
my name is

Millennial

Overall Financial Picture

Income

	Faithful Optimists	Struggling Parents	Secular Activists	Tech-Savvy Independents	Pessimistic Conservatives
$100K+	**18**%	**10**%	**16**%	**21**%	**25**%
Under $30K	**12**%	**19**%	**10**%	**8**%	**11**%
Difference	**+6**	**-9**	**+6**	**+13**	**+14**

Least likely to own investment products or have Advisor

Most likely to own investment products and have Advisor

Cash Flow/Savings

% With Nothing
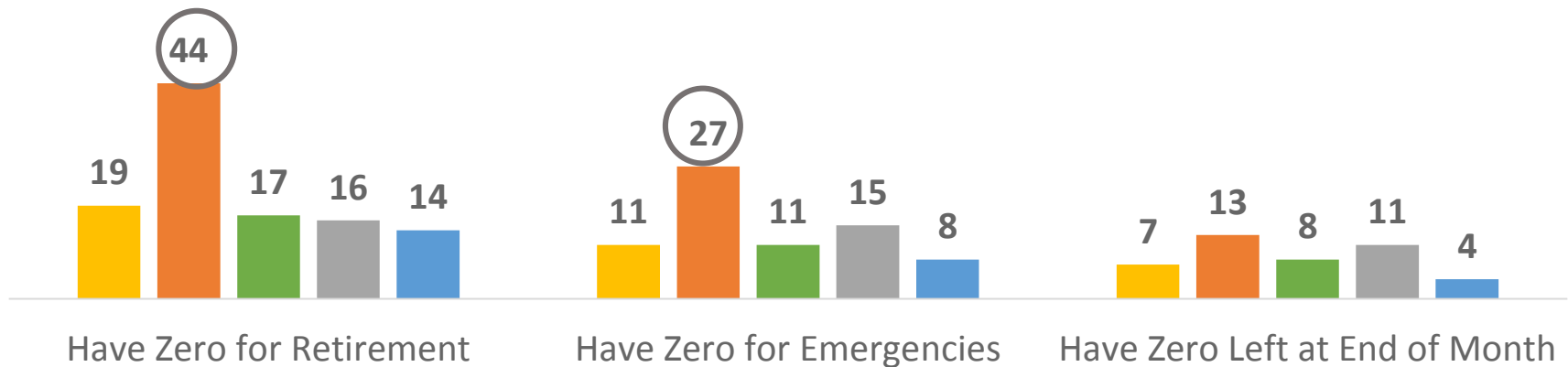
Have Zero for Retirement

19	44	17	16	14

Have Zero for Emergencies

11	27	11	15	8

Have Zero Left at End of Month

7	13	8	11	4

Faithful Optimists | **Struggling Parents** | **Secular Activists** | **Tech-Savvy Independents** | **Pessimistic Conservatives**

Debt

Median Debt

Faithful Optimists: $21,000
Struggling Parents: $34,000
Secular Activists: $25,000
Tech-Savvy Independents: $5,500
Pessimistic Conservatives: $16,500
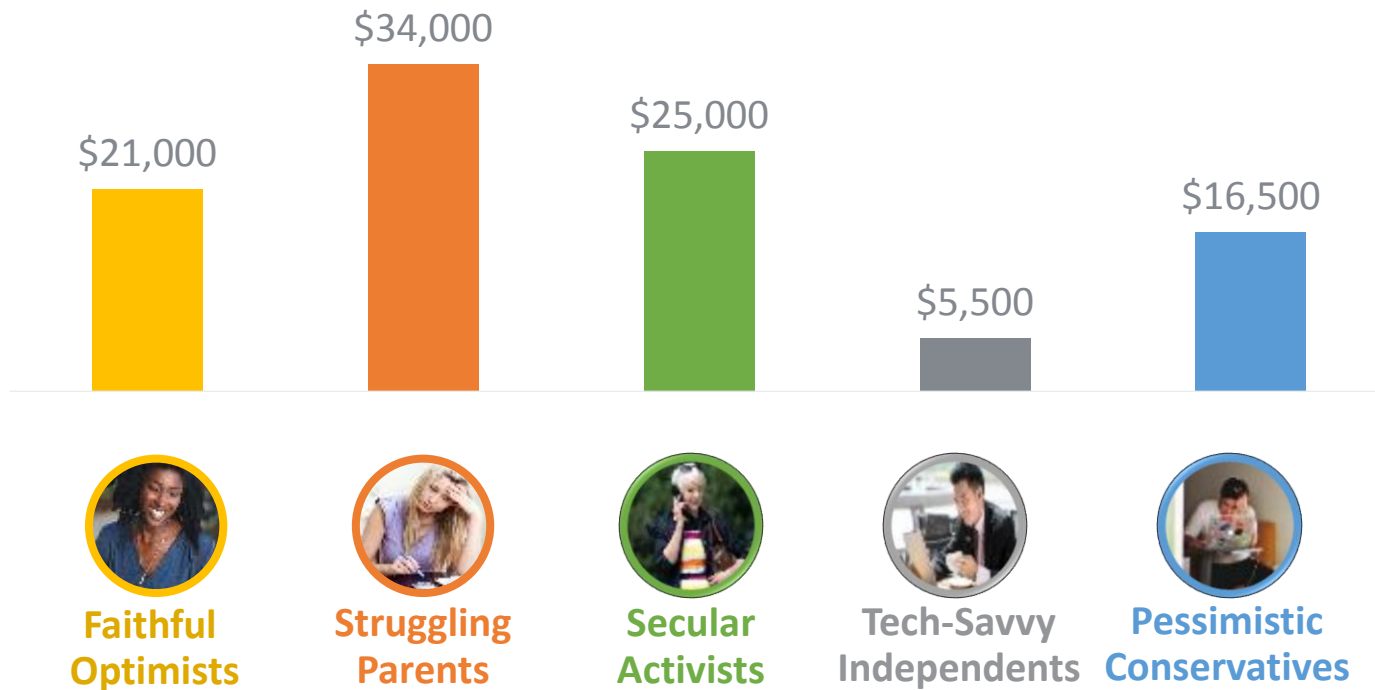
Financial Attitudes

% Agree

	Financially Comfortable	Important to Save Early/Often	Saving Is a Stuggle	I Would Buy a Financial Product from an Insurance Co
Faithful Optimists	23	65	28	15
Struggling Parents	9	60	45	8
Secular Activists	13	60	39	12
Tech-Savvy Independents	33	46	43	40
Pessimistic Conservatives	30	59	40	32

Faithful Optimists **Struggling Parents** **Secular Activists** **Tech-Savvy Independents** **Pessimistic Conservatives**

Hello
my name is
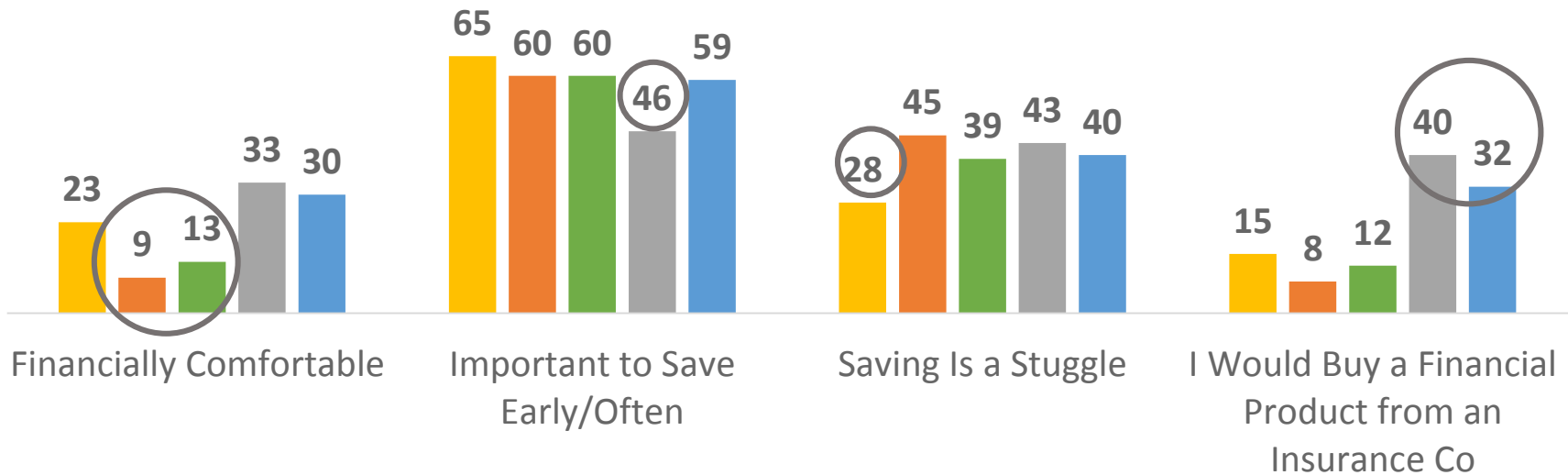*Millennial*

Health and Wellness

Quality of Health

Rate Health
Excellent/Very Good

Exercise Regularly

	Rate Health	Exercise Regularly
Faithful Optimists	65	68
Struggling Parents	47	53
Secular Activists	50	58
Tech-Savvy Independents	62	77
Pessimistic Conservatives	59	70

Health Insurance Purchasing Behaviors

Have Health Insurance

How Purchased

■ Individual ■ Group

Faithful Optimists
- 92
- Individual: 34
- Group: 62

Struggling Parents
- 90
- Individual: 33
- Group: 57

Secular Activists
- 94
- Individual: 25
- Group: 69

Tech-Savvy Independents
- 88
- Individual: 45
- Group: 45

Pessimistic Conservatives
- 86
- Individual: 31
- Group: 57
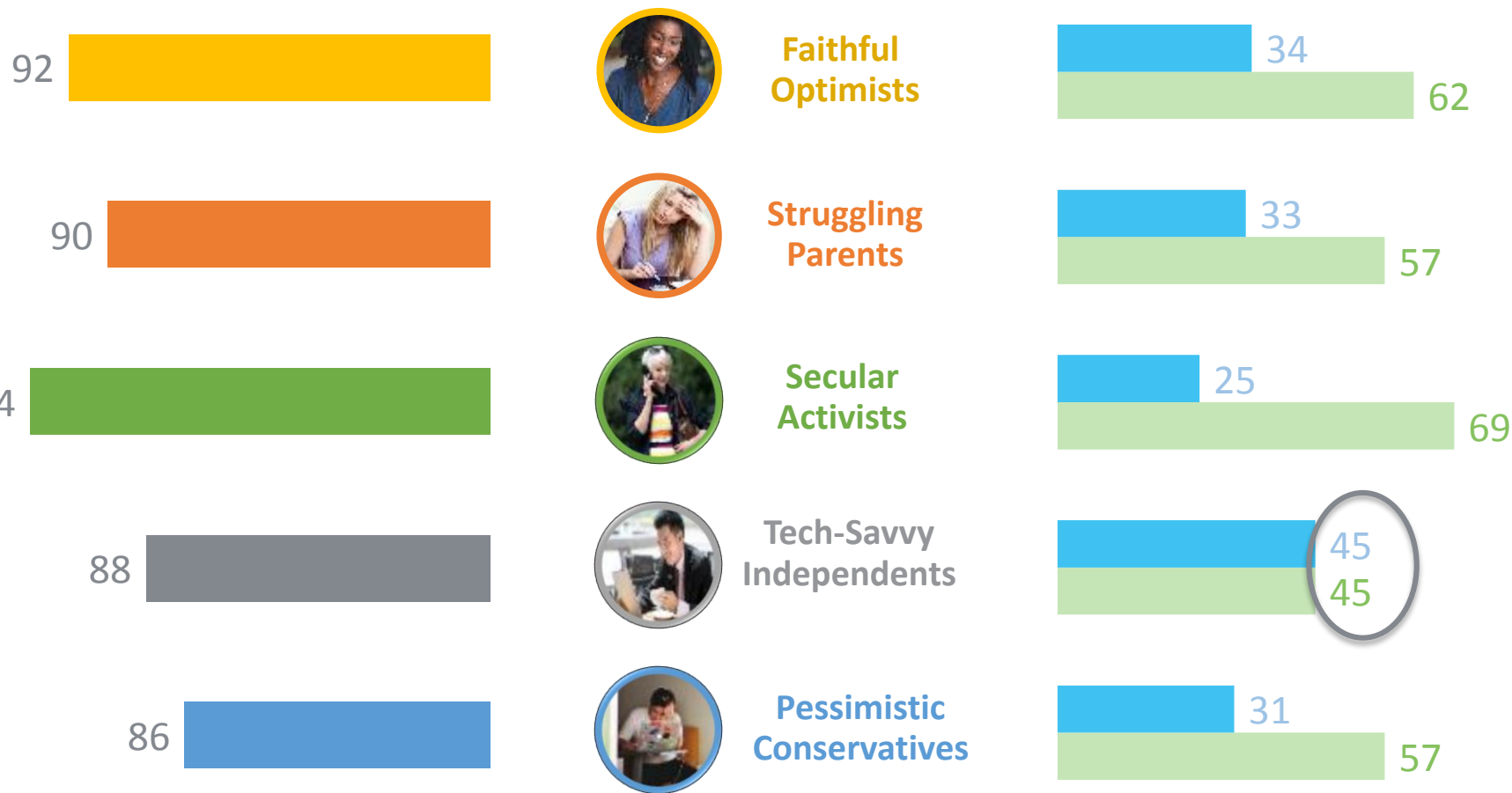
Prioritization of Health Insurance Features

- When it comes to health insurance, all segments prioritize **quality benefits first.**

- Secondary priorities differ among segments:

Faithful Optimists = **Customer Service**

Struggling Parents = **Cost**

Secular Activists = **Cost**

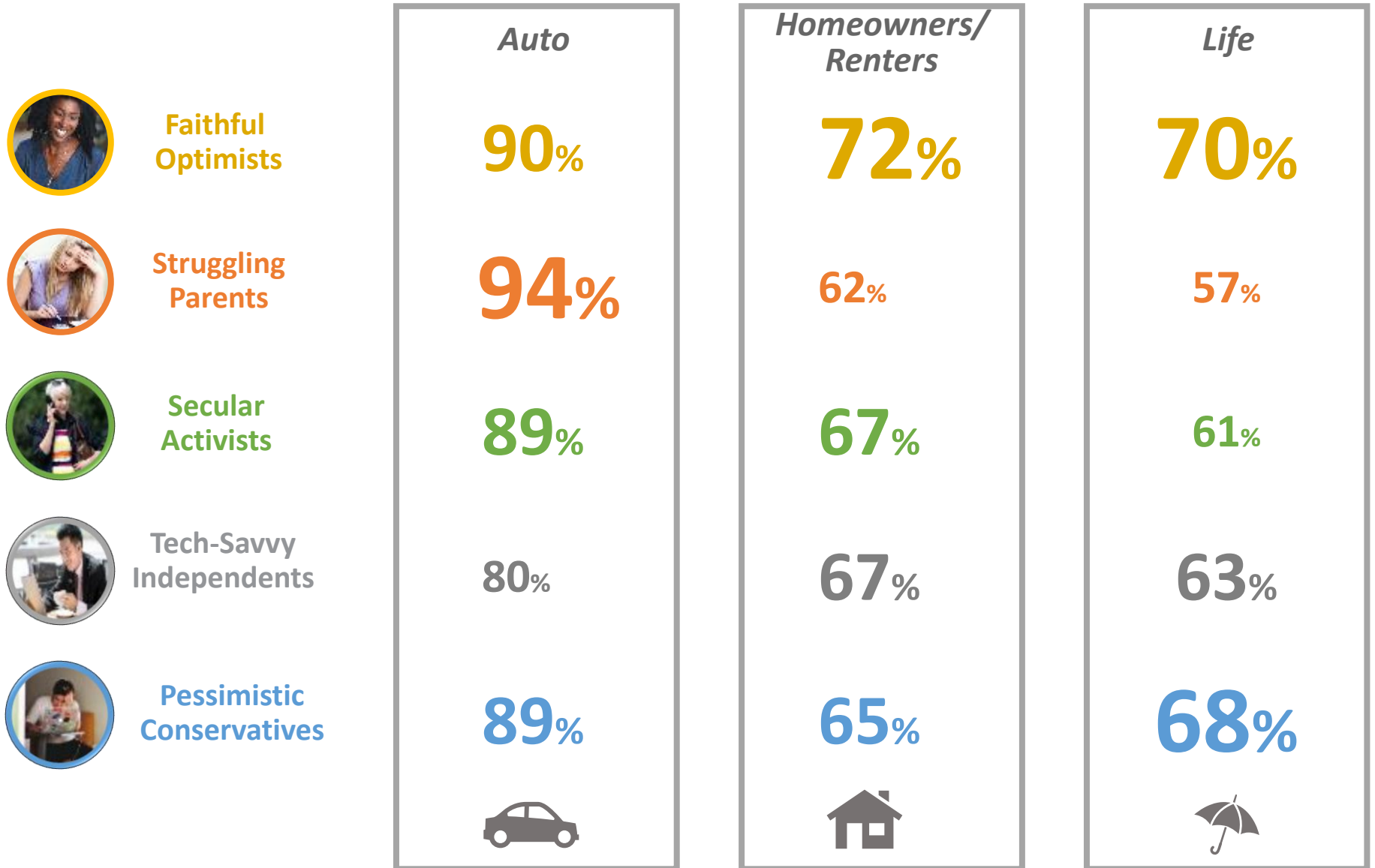**Tech-Savvy Independents** = **Reputation of the insurance company**

Pessimistic Conservatives = **Large network**

Hello
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Auto, Home, and Life Insurance

Insurance Ownership
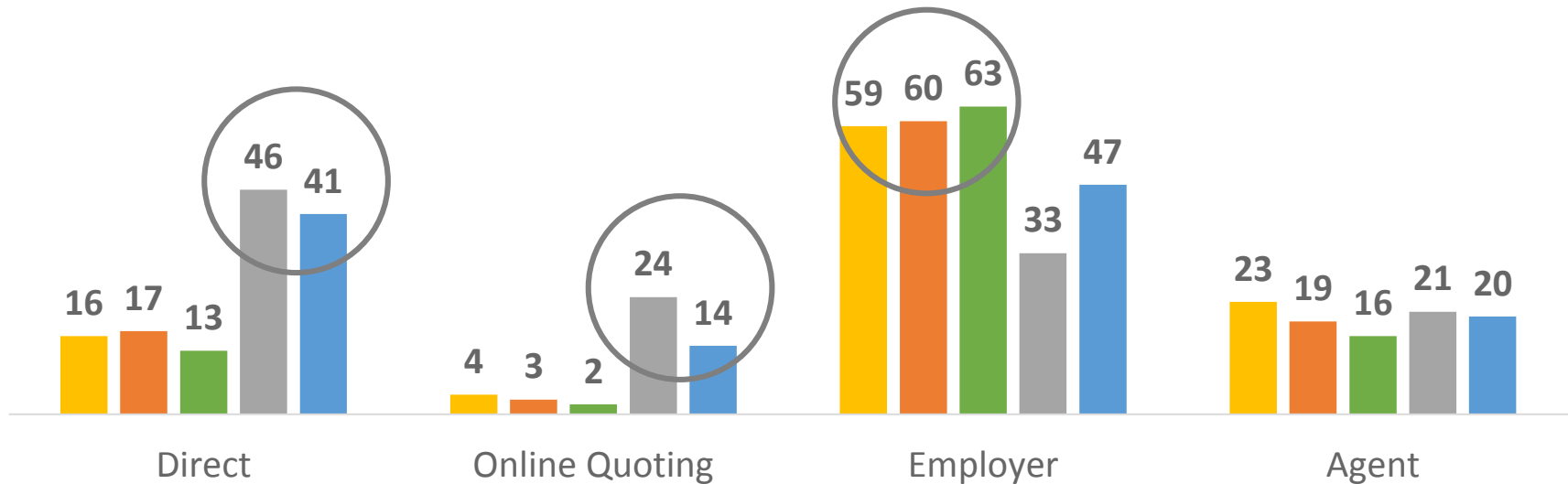
	Auto	Homeowners/ Renters	Life
Faithful Optimists	90%	72%	70%
Struggling Parents	94%	62%	57%
Secular Activists	89%	67%	61%
Tech-Savvy Independents	80%	67%	63%
Pessimistic Conservatives	89%	65%	68%

Life Insurance Channel

% Ever Purchased

Direct — 16, 17, 13, 46, 41

Online Quoting — 4, 3, 2, 24, 14

Employer — 59, 60, 63, 33, 47

Agent — 23, 19, 16, 21, 20

Faithful Optimists   **Struggling Parents**   **Secular Activists**   Tech-Savvy Independents   **Pessimistic Conservatives**

Auto Insurance Channel
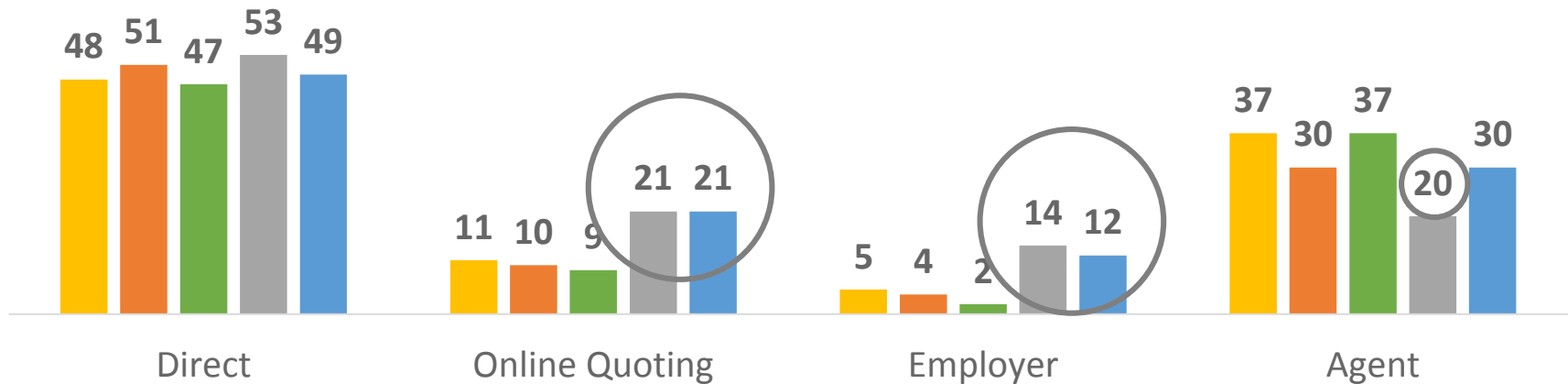
% Ever Purchased

	Direct	Online Quoting	Employer	Agent
Faithful Optimists	48	11	5	37
Struggling Parents	51	10	4	30
Secular Activists	47	9	2	37
Tech-Savvy Independents	53	21	14	20
Pessimistic Conservatives	49	21	12	30

Faithful Optimists   **Struggling Parents**   **Secular Activists**   **Tech-Savvy Independents**   **Pessimistic Conservatives**

Homeowners/Renters Insurance Channel
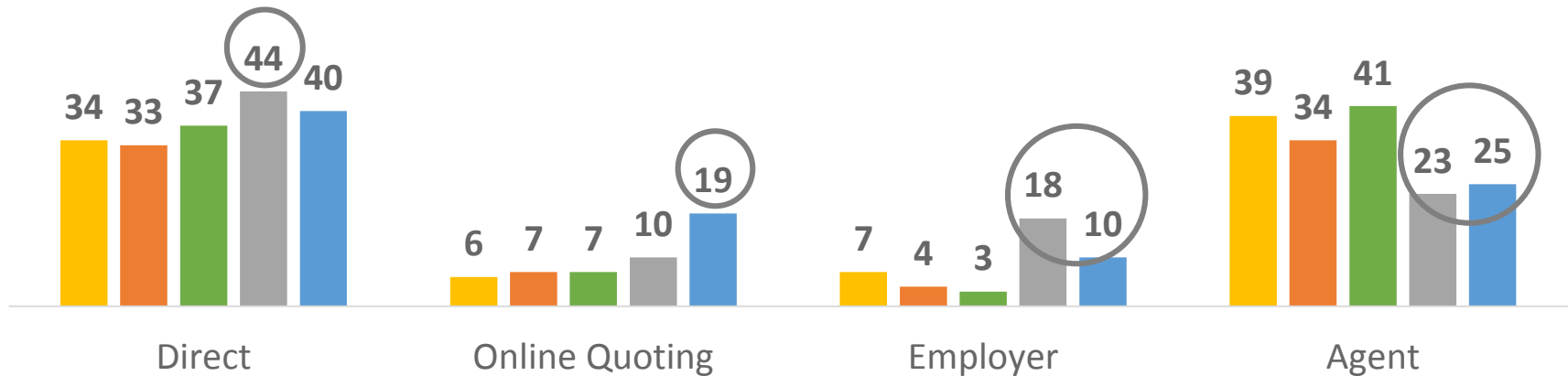
% Ever Purchased

	Direct	Online Quoting	Employer	Agent
Faithful Optimists	34	6	7	39
Struggling Parents	33	7	4	34
Secular Activists	37	7	3	41
Tech-Savvy Independents	44	10	18	23
Pessimistic Conservatives	40	19	10	25

Faithful Optimists

Struggling Parents

Secular Activists

Tech-Savvy Independents

Pessimistic Conservatives

Agent Relationship

29% work with an agent for something – does not differ by segment

Secular Activists are most satisfied with their agents, while Struggling Parents are least satisfied

Likelihood to Switch Agent

Faithful Optimists — 11

Struggling Parents — 12

Secular Activists — 8

Tech-Savvy Independents — 47

Pessimistic Conservatives — 26

Messaging Implications

How to talk to Denise...
Faithful Optimists

Focus on:

- *Responsibility and hard work*

- *Doing the right thing and being responsible*

- *Stability and security*

- *Financial success*

Use positive and optimistic imagery and language

How to talk to Kelly… Struggling Parent

Focus on:

- *Low-cost options*

- *Solving problems/ offering solutions*

- *Making their life easier*

- *Helping to improve their financial situation*

How to talk to Tabitha…
Secular Activist

Focus on:

- *Giving back/ corporate responsibility*

- *Sustainability and environmental responsibility*

- *A paternalistic approach to caring for customers*

- *Low cost*

- *Progressive ideals if they are part of your brand*

Can use more sophisticated language

How to talk to Paul…
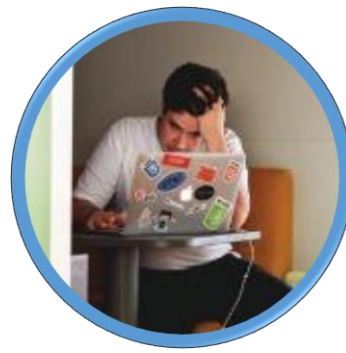# Tech-savvy Independent

Focus on:

- *Technology*

- *Ease of use/ customer experience*

- *Transaction vs. relationship*

- *Brand value – being best in class*

- *Financial success*

Consider more tech-driven channels

How to talk to Kevin…
Pessimistic Conservatives

Focus on:

- *Avoiding risk*

- *Safety, security, protection*

- *Traditional values*

- *Conservative ideals if they are part of your brand*

Consider fear-based imagery/ messaging

Hello my name is

Millennial

Questions & Answers

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