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THE DECISION LAB

VALUES AND PRIORITIES OF MILLENNIALS IN CANADA

Synthesis & Application Report

November 2021

Contents

Headline findings

This report provides an in-depth profile of the financial experiences of Canadian Millennials. A distilled summary of the most pertinent findings is presented here. This material is not presented to answer questions about Millennial clients, but rather to help financial planners understand which questions to ask in order to really get to know their Millennial clients.

In general, the increase in indebtedness and the increasingly precarious finances of many Millennials are important drivers that help to understand broad patterns. Many Millennials are attempting to follow the recipe for success handed to them by their parents and wider society: get a good education, get a stable job, get married, buy a house, start a family, save, retire. However, Millennials have been met with notable challenges.

This highly educated cohort graduated with higher levels of debt than previous generations, and emerged into one of the hardest job markets in a century. Trying to fill the gap, many Millennials have turned to part-time and contract work, as well as the gig economy. These forms of employment create much more erratic income streams, leave workers vulnerable to shocks, and make it hard to pay down accumulated debt. Additionally, with the chronically low interest rates since the Great Recession, debt has become socially normalized.

This group of Millennials live with their parents longer, start their careers later, and defer traditional life milestones such as marriage, home ownership and childrearing. They have little savings and their appetite for risk is low because they do not know if or when they might need those savings to bridge gaps in cashflow. Accordingly, their savings do not grow quickly either, leaving them further behind in saving towards big goals such as home ownership and retirement.

They are anxious about their money and feel that their finances control their lives, rather than the other way around. They feel alienated from the traditional arc of "the good life:" the middle class dream of the middle of the 20th century. Feeling that the material trappings of that life might be beyond their reach, and not just temporarily, many Millennials are defining new markers of success, charting a course for themselves that looks quite different from the ideals of previous generations.

The increasing elusiveness of the middle class dream is having wider effects, even on consumer segments for whom that narrative is still quite accessible. For example, Millennials have shifted their focus away from material possessions (more characteristic of Boomers and Gen X) and towards experiences, ephemeral moments. Millennials also have a strong sense of social responsibility, seeking to have their purchasing decisions, employment, and investments reflect their values of equality, justice, and ecological responsibility. These are all pathways towards self-actualization.

Along with questioning the traditional markers of success, Millennials are also questioning the institutions (both economic and social) that were once considered the bulwark of society. Millennials are disillusioned with banks and other financial institutions, which they view as at the root of the Great Recession. Misalignment between actions and words—any perceived inauthenticity—is very salient for this generation, which prefers smaller, local, more grassroots organizations and businesses.

Their trusted sources of information are primarily their friends and family. They are also very comfortable in a digital environment. Active on social media (where they will also gather information to reach decisions), they engage effortlessly with new mobile technologies. Their experiences with platforms such as Uber have helped them grow accustomed to very smooth, effortless digital interactions. They are used to a digital ecosystem in which they—the consumer—are placed at the centre. They see an important place for human-delivered services, but their expectations about smooth delivery carry over from the digital ecosystem. So, they expect human service to be effortless also, and integrated into the digital ecosystem.

Finally, this generation has already begun inheriting the largest inter-generational wealth transfer in history. Early activity in this transfer can already be seen in inter vivos gifts—namely, gifts from parents to their children around the time when the children buy their first home. This trend is expected to accelerate and will have a huge impact on the distribution of wealth (and the life outcomes) within the Millennial generation.

In terms of delivering high-quality service to this cohort, planners should first and foremost be aware of the unique challenges this generation is facing and the different set of objectives they're looking to achieve with their money. Practically speaking, this includes probing for markers of professional and financial precarity, along with the downstream effects these dynamics can have on financial confidence and perceived financial control. It's important to start from a solid foundation of financial confidence and stability, before building towards bigger, longer-term goals.

Many of the supports traditionally available to long-term, permanent employees are not available to gig workers (and other temporary contractors), and so custom solutions may be required to ensure that workers are protected by a robust safety net. These solutions for financial management and risk & insurance planning are typically not the major focus of financial planning for older cohorts and wealthier consumer segments. Previously normal expectations are also being challenged, and planners should be ready to build recommendations to support renting (in place of homeownership) as well as progressive retirement (instead of transitioning into full retirement overnight). Planners will also need to take inheritance into more serious consideration than they do with other clients.

Finally, in supporting implementation, planners can take advantage of digital tools to offer higher-value service to their clients. These tools represent valuable complementary components throughout the financial planning engagement. For example, digital tools can greatly improve a planner's service offering during the implementation phase. Beyond the operational support that makes implementation easier, there are many opportunities for planners to help their clients stay motivated during implementation, such as demonstrating improvements in the client's money mindset, helping them to feel confident in taking on bigger financial goals once the foundation is shored up, and demonstrating to them the social impact of their investments. There are many concrete suggestions throughout the report to help planners accomplish these objectives.

Introduction

Study context

This report aims to produce and socialize accessible, actionable content for financial planners across Canada, helping them to promote the financial wellbeing of Millenials through improved professional practice. Considerable work has been done to build the knowledge base about Millennials and their finances, but that knowledge base has remained fragmented. The present study distills that knowledge into accessible, practical insights.

This research was generously supported by the FP Canada Research Foundation, which works to elevate professional financial planning practice, promoting better financial wellness for all Canadians. TDL is proud to contribute to the FP Canada Research Research Foundation's mission. From our behavioural expertise, we know that people—including financial planners!—have trouble acting on information that is difficult to understand or ambiguous in its application. We hope that this research makes a valuable contribution to the practice of financial planning for all Canadians.

The study report is structured as follows.

- The remainder of the introduction offers an overview of who the Millennial generation is and a short history of the lead-up to their arrival on the scene.
- The Knowledge Synthesis section presents the results of the evidential review, distilling key learnings about Millennials.
- The Knowledge Application section details practical tips that financial planners can apply in their practice, to offer a more adapted service to Millennial clients.
- The Appendices include a detailed methodology, an exhaustive list of resources consulted during this research project, and a set of short narrative vignettes illustrating the Knowledge Application recommendations at work.

A critical generation

The Millennial cohort is a large and increasingly important generation in the Canadian demography. Born between 1981 and 1995, Millennials were 25–39 years old in 2020. These are critical years for financial wellbeing. Many important life decisions are made during this period of life, such as career selection, buying a house, settling down with a partner, starting a family, etc. The lifestyle and consumption patterns established during this period will also contribute enormously to setting the mould for years of financial life ahead.

Additionally, Millennials will be the major recipients of the largest wealth transfer in history. This transfer has already begun, and will continue over the next few decades. While the bulk of that transfer will come in the form of bequests, large gifts from parents while they are still living (notably around the time of adult children purchasing a home) are also a considerable source of wealth transfer.

In this context—with Millennials at a crucial stage of life in terms of their financial decision-making and also with such important wealth transfer underway—sound financial planning is incredibly important to support the financial wellness of Canadians. However, while large volumes of research have been conducted to improve our understanding of Millennial finances, the knowledge base needs synthesis and more direct applicability to the professional practice of financial planners.

Certain features of the Millennial generation—such as their disillusionment with institutions once considered societal bulwarks, questioning of traditional markers of success, and their pursuit of deeper personal meaning—have been deeply probed. But it isn't always evident how to bring these features together into one coherent picture. And even with a coherent picture, its practical applicability to the professional practice of financial planning is also challenging to discern.

"middle class"

The "middle class" is a concept that occupies a central place in the psyche of North American society. While it is seldom used with a very clear definition, joining the middle class is perhaps the simplest shorthand elucidation of what the Canadian dream is all about. Political attention that was once focused on eradicating poverty has now shifted towards supporting the middle class ("and those working hard to join it") (Banting & Myles, 2015). And over 70% of Canadians identify themselves as middle class (TD Bank Group, n.d.).

Accordingly, understanding how the concept of the middle class came to be shaped is valuable. Such a history elucidates the evolving social and economic realities of society, as well as our cultural understandings of what we expect within these social and economic circumstances. As Millennials now stand at the precipice of joining—or seeking to join—the middle class, this history is timely.

At the end of the 19th century, the middle class looked very different from how it does today. There was an upper class (the top 10%) who owned basically all property that existed (about 80%; Di Matteo, 2016; Choko & Harris, 1990), and who received the vast majority of income generated every year. Below the upper class sat the middle class (the next 40%) who owned the remainder of existing property (20%). Finally, the lower or working class (the 50% of the population with the least wealth) owned basically nothing at all and earned small incomes. Only about 20%–30% of Canadians (at least in urban areas, where data is available) were the owners of their dwellings (Choko & Harris, 1990).

The First World War, the Great Depression, and the Second World War changed the face of society and the economy in a dramatic fashion. Through increased taxation of the wealthy, debt forgiveness, nationalization, and inflation[1], the distribution of private wealth underwent unprecedented change. There were also massive waves of spending, which led to incredible economic growth for society overall, and much of the income earned was shared widely across society (Piketty, 2017).

These changes led to the emergence of a middle class as we would recognize it today: a group of people who accumulated wealth roughly equal to the value of their home, wedged between the lower class (who continued to own very little) and the upper class (who still owned a lot). In terms of overall wealth, the national share of the upper class decreased from 80% to 50%, while the middle class blossomed from owning 20% to owning 40% of all wealth in the country, and the lower class increased from nearly nothing to owning just under 10% of all wealth in Canada (Davies & Matteo, 2018).

[1] *As well as massive destruction of property, in Europe but not in Canada.*

In some ways, the emergence of a middle class was the miracle of the 20th century. It prompted (and was further fuelled by) incredible innovations in transportation, communication, energy, and basically every other aspect of daily life.

The homeowner's mortgage is emblematic of this period: it represents a wage earner accumulating wealth and entering the middle class. Homeownership increased to over 70% in Canada, from 20% at the turn of the century (Hou, 2010). Let's dissect that homeownership change in more tangible terms. The upper class would have been homeowners in the early 20th century, and continued to be. Only a quarter of the middle class owned their own home in the early 20th century, and within a few decades they all did. None of the working class owned their home in the early 20th century, and within a few decades about one fifth of them did[2]. This incredible boom lasted from the 1950s to the 1970s, and it forms the basis for much of our typical view of middle-class existence even to this day.

Growing up during these times were the Baby Boomers (or "Boomers" for short; born between 1945 and 1964, aged 56–75 in 2020), who for decades were the largest demographic group and the focus of much private-sector and policy attention. The Boomers are the parents of the Millennials. The households led by Boomers during this time, building that middle class, were the households in which Millennials grew up.

These households were of course a major focus of pop culture during the latter half of the 20th century. Take The Simpsons, for example—a show that many Millennials grew up watching, including in Canada. The Simpsons follows a nuclear family, living in a detached house in the suburbs, with two cars, supported by the single income of the father (who has only a high school education), while the mother stays home to tend to housework and childcare. While they are not wealthy, Homer's job is unionized and provides benefits, lending the entire family a considerable amount of economic stability[3].

However, in the late 1970s and the 1980s, the incredible economic momentum that had carried so many families to Simpsons-style comfort began to wane. Furthermore, inflation was getting out of hand, leading to a public debt crisis. Political and social changes prompted a hard swing of the pendulum back in the other direction, reversing course on decisions made earlier in the century: increased privatization, tax cuts, deregulation of industry, the rolling-back of social programs, and so forth. Along with these policy changes came increased internationalization and free trade. Reaganism and Thatcherism (Mulrooneyism here in Canada) symbolized this pivot towards a new modernity.

Innovation continued, especially in information technologies. Personal computers, the Internet, cell phones (and, later, smartphones) were all introduced in this time, each becoming mainstream more quickly than the last. Automation in manufacturing also considerably increased industrial productivity, decreasing the

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[2] *This analysis assumes that homeownership is only a function of wealth (i.e.: that homeownership always starts at the top of the wealth ladder and works its way down systematically, that nobody rich decides to rent instead).*

[2] *While the US experience of middle-class life is in some ways different from the Canadian experience, it's important to recall that there is also considerable overlap and also that the US exports an enormous amount of culture to Canada, which has an effect on our own self-perceptions as well. Also, for an analysis of how The Simpsons represents the height of US middle-class existence, and the growing inaccessibility of that ideal, see: Ryskamp (2020), The Life in The Simpsons Is No Longer Attainable.*

amount of labour required to produce the same amount of goods. However, unlike in the period from the 1950s to the 1970s, the wealth created by these innovations accrued primarily to a small number of individuals. Taxation of large incomes and fortunes was also very low. The middle class therefore enjoyed less and less, of both direct benefits (increases to their income) as well as indirect benefits (social programs, employer-provided benefits).

As the middle class fell behind the trend of general economic growth, some band-aid solutions were applied to help them keep pace: moving from single-income to double-income households (with women entering the workforce en masse), taking on overtime and second jobs (to increase the number of remunerated hours), and finally consumer debt (borrowing from the future to pay bills in the present) (Kornbluth, 2013). But these strategies have finite capacity to bridge a growing gap. A household only has so many members to earn wages, a day only has so many workable hours, the future can only be borrowed against so much.

Arriving on the scene

This is the situation in which Millennials grew up. As children, middle-class Millennials lived in houses (and/or saw them depicted in cultural touchstones) that were only affordable to their parents because of an economic boom that had run its course. The public debt crisis of the 1980s and 1990s had prompted cuts to social programs, notably higher education. Millennials therefore spent proportionally more than their parents on higher education, graduating with enormous levels of student debt. These cuts to public programs, in the name of austerity, would only be further entrenched after the Great Recession of 2008.

Automation and offshoring of manufacturing had dealt important blows to job prospects. The Great Recession once again only made that situation much worse, prompting a massive pullback of the labour market. This is the context in which most of the Millennials were aiming to join the workforce and begin their careers.

It's been more than a decade since the Great Recession. Investment markets bounced back. The labour market was also showing strong recovery, with unemployment at historically low levels in 2019. However, it should also be noted that there were worrying undercurrents around labour, especially around the rise of part-time and other unstable forms of employment—particularly the so-called "gig" economy (Heaven, 2020).

But that recovery took a decade of historically low interest rates from central banks. These advantageous rates were intended to make it attractive for businesses to invest (because money is cheap to borrow). But instead of borrowing cheap money (and using government tax cuts) to invest in building future value, large corporations have paid very large dividends to investors and engaged in massive share buy-back programs (Deloitte, 2017).

On the flip side, the cheap money from central banks was being borrowed by another group: consumers, increasingly reliant on debt financing. House prices have soared in Canada, where we had no collapse of the real estate market as was experienced in the United States. Auto financing has become a major industry, with car loans now offered for 7-year terms (creating negative equity concerns about the market) (Financial Consumer Agency of Canada, 2016). Credit card and line-of-credit debt are at all-time highs in Canada. In particular, home equity lines of credit (HELOCs) have been identified as a major vulnerability in the way that Canadians manage their money (Financial Consumer Agency of Canada, 2017).

And this brings us around full circle. The mortgage was the instrument that allowed wage earners to accumulate wealth, building up equity in their home—the cornerstone of middle class economic life. If the mortgage tilled the soil for a middle class, the HELOC can be seen as encroaching weeds, overgrowth that threatens to reclaim that hard-won ground. The HELOC is an instrument by which so many Canadians are no longer building equity in their homes as they once did, even as they continue to make their mortgage payments. That is not to say that all HELOCs are bad (any more than all mortgages are good). Rather, it is to point out the very real damage—both material and symbolic—that can be inflicted when a powerful tool is used unwisely.

Knowledge Synthesis

The results presented here were gathered through a review of primary literature on Canadian Millennials and financial planning[4]. The review was conducted in January and February of 2021, covering approximately 100 studies published during the 2015–2020 period. The review team consulted sources from academia, government, and industry; by far, the most literature about Canadian Millennial finances (approximately 80%) is to be found in industry sources[5].

The findings are broken down into four main sections:

- Financial position: a dollars-and-cents view of Millennials' finances
- Financial attitudes: how Millennials feel about those dollars and cents
- Achieving fulfillment: Millennials' financial goals
- Receiving service: how financial planners can respond to these needs

COVID-19

The COVID crisis will surely have—is surely having!—very important impacts on the finances of Canadians, including Canadian Millennials. However, the full impacts of COVID on finances have not yet been felt, much less measured or published to be aggregated in a work such as this.

For comparison's sake, consider how much confidence you would have right now in a prediction from 2009, say, about how long interest rates from the central banks would remain near zero. Analysts and prognosticators at that time simply didn't have (and could not have had) crucial information for making a reliable prediction. From our current vantage point, we likely would not put much stock in prognostications from such a volatile moment. We are in a similar position now: we know that COVID's longer-term impact will be enormous, but nobody can say much yet about what it will look like.

[4] *For a detailed discussion of the methodology, please see the relevant appendix.*

[5] *For an expansion on why industry leads the way here, see the opening to the Knowledge Application section.*

Financial position

This section of results pertains to the underlying financial picture of Millennials: the "hard numbers," as opposed to financial attitudes (which are covered in the next subsection of results). Within the literature observed in this study, which pertained to Millennials and financial planning, financial position was the most studied topic. Approximately 60% of studies reviewed have one or more aspects of financial position as their main focus. We have broken these down into three main sub-categories below.

Savings & Investments

Many Millennials have little savings and low savings rates. Relatively high risk aversion will also limit growth in their investments. These trends are expected to have their biggest impacts on homeownership and retirement.

Levels of saving and investment are a topic often covered in the research about Canadian Millennials. Approximately one third of all studies covered here examined this topic. The findings were extremely consistent: Millennials have very little money saved and/or invested, and their average rates of savings/investments are quite small, so accumulation will be slow.

In addition to having little accumulated capital, the research noted that Millennials are not invested in higher-risk, higher-yield instruments (Gobell, 2019). This means that they are not on average taking advantage of the benefits of long time horizons for their investments. (As will become clear later on, time horizons are a crucial element to consider in understanding the Millennial financial experience.)

While the majority of studies discussed the lower savings and investment rates on average of Millennials, it should not be assumed that this generalization holds for all individuals. Just like in previous generations, there is definitely a tranche of this cohort that is more affluent—and the more affluent segments of society have typically tended to be over-represented among the client base of financial planning professionals. Accordingly, this report will focus on the trends more typical of the median experience of Millennials, while also noting along the way some observations about those Millennials who live closer to the top end of the distribution.

The two research topics that are most commonly associated with savings & investment are (i) homeownership and (ii) retirement. For Millennials, homeownership is a prospect in the medium term, whereas retirement is still much further in the future. This may provide some valuable context for interpreting the low-risk positions of Millennial investments: high levels of risk may seem an unaffordable premium if one hopes to cash in one's investment somewhat soon to make a down payment on a home. And given the intense rate of growth in Canada's real estate markets (especially around its largest cities), a down payment could require most if not all of one's accumulated capital at the time of purchase.

But are low levels of accumulated capital merely a feature of Millennials being younger than Boomers and Generation X (or Gen X for short; those born between 1965 and 1980, aged 40–55 in 2020)? Is this a life-stage effect (Millennials haven't had as much time as older generations to accumulate wealth) or a cohort effect (the Millennial experience of wealth accumulation could be structurally different from that of previous generations)? As noted in the history of the middle class articulated in opening this report, macroeconomic changes give reason to suspect that the Millennial experience will be different from that of older generations.

What verdict do we get from the evidence based here? A small number of studies undertook generational comparisons. Most of the studies concluded that Millennials were behind in their retirement savings relative to where the Gen X or Boomer cohorts were at a similar time in life. However, much hangs on how "ahead" or "behind" is defined, and methodologies often leave room open for a healthy margin of scepticism.

For example, some studies asked Millennials whether they were already saving, and compared these results to the age when older cohorts recalled starting to save for retirement (Tangerine Bank, 2016). Beyond the issue of accuracy of recollection, the question of how much is being invested went completely unaddressed. Some more sophisticated approaches used average amount saved and average income to estimate the age at which an individual in each cohort would be retirement-ready. These studies concluded that Boomers would be able to retire younger, followed by Gen X, with Millennials being the oldest by the time they reach retirement-readiness (Mercer Canada, 2020). However, the models used to reach such conclusions embed assumptions about individual behaviour, policies available, etc.—that is, they are assuming that individual and institutional patterns will remain fixed, rather than demonstrating this to be true.

In sum, it is hard to determine whether or not Millennials' savings and investments are behind those of previous generations. However, not one study concluded that Millennials were ahead in how much they had saved. That is perhaps the strongest conclusion we can draw here. As noted above, there are certainly Millennials who are saving aggressively and have considerable savings already accumulated. There are segments of the cohort that are much wealthier than these mainstream trends indicate.

Debt

From student loan debt to credit card debt to line-of-credit debt, to mortgages and auto loans, many Millennials carry a large debt burden, with repercussions expected for savings and their financial futures.

Much like savings & investments, levels of debt are a central feature of the research landscape in this area. Once again, about one third of all studies consulted here focus on debt levels. And the verdict is unanimous: Millennials are carrying enormous amounts of debt. Not one study reached a different conclusion.

The studies do not always agree on the amount of debt that Millennials hold; this, of course, is a moving target over time, depending on many factors about the specific population sampled and the study methodology. Furthermore, various types of debt are discussed, from student loan debt to credit card debt to line-of-credit debt, to mortgages and auto loans. Once again, there isn't a clear picture that emerges of preference for one type of debt over another, even for specific purposes. What this evidence does show, though, is that Millennials as a group are regularly exposed to, and familiar with, many different kinds of financing instruments, and they draw on them heavily. We'll see below how this relates to their financial attitudes.

Much like savings & investments, debt is a topic that's primarily discussed in the contexts of homeownership and retirement: carrying such large debt burdens, will Millennials ever be able to afford their own homes? Will they ever be able to retire? Questions about other life milestones also crop up, though with less frequency: are Millennials putting off moving out of their parents' home, marriage, and childrearing because of their precarious debt situations? The data suggests that they are (Abacus Data, 2015).

What about among wealthier Millennials, are they also putting off life milestones? These are broad social trends, and while financial challenges certainly contribute to them, there are other factors that can also push one to delay these milestones, such as spending more time in higher education and traveling between school and career—both of which are characteristic of Millennials. Accordingly, one should not assume that a wealthier Millennial will look to start a family or buy a house earlier than others simply because of their financial means.

A handful of studies compared the indebtedness of cohorts to each other. These studies concluded that Millennials are currently carrying the most debt, followed by Gen X, and finally the Boomers. There are many life-course effects to acknowledge here: buying a home and rearing young children (especially during daycare years) usually come earlier on in life, whereas increased income and the greatest benefits of compound interest on investments generally come later on. There are good reasons to expect that Millennials would be the most indebted right now, compared to previous generations.

Many Millennials have more precarious employment and more volatile earnings than previous generations, lacking the benefits that come with predictable professional and financial situations.

But are Millennials more indebted now than Gen X and Boomers[6] were at similar stages in their own lives? That is to say, in addition to the life-course effects noted above, are there cohort effects to look for here? Certainly, macroeconomic changes have had an impact. Education is an area that has been notably affected, with tuition fees for undergraduate education increasing by approximately 50% in the last 15 years alone (Statistics Canada, n.d.). Consequently, levels of student debt upon graduation have also increased substantially (Berger et al., 2009). As noted above, housing prices also continue to rise at rates well above inflation (Haber, 2018), fuelled in no small part by rock-bottom interest rates from the central bank. All while real purchasing power of wages has failed to keep pace (Price & Edwards, 2020).

In brief, household indebtedness has become prevalent, and even normalized. This represents a major change from the middle-class life of 1950–1980, and even of 1980–2000. This strongly suggests that Millennials are living a very different experience of debt than older cohorts did. Both life-course effects and cohort effects seem necessary to explain Millennial indebtedness.

Employment & earnings

Within the literature consulted—recalling that the focus of the literature-gathering exercise was financial planning—employment & earnings of Millennials was a far less-covered topic than either savings & investments or debt. Only a handful of studies looked at this question. However, the picture that they paint is no less clear: "Gone are the days of long-tenured employees," as the authors of one study put it in their press release. These are the days of the gig economy, precarious employment, and fluctuations in income.

A recurring theme, while acknowledging that the number of studies was small, is that the unpredictability of employment and earnings has a notable impact on longer-term life goals such as home ownership and retirement. The studies note that the gig economy offers flexibility that has previously not existed for stable, long-tenured jobs that were the bread and butter of middle-class existence as it stood in the mid-to-late-20th century. This economic setup is not without some benefits: the flexibility of the gig economy is a tangible short-term benefit, which many Millennials enjoy. But the precarious and unpredictable nature of the gig economy also has notable detrimental effects on longer-term priorities.

Again, for the wealthier Millennials, as we've seen above they get to enjoy the benefits of these changing socioeconomic conditions without suffering the brunt of the drawbacks. Job flexibility is enjoyed even by those whose employment is relatively stable and well remunerated.

[6] *One outlier concluded that Generation X actually held higher debt loads than Millennials, while noting that Millennials are increasing their debt the fastest and thus expected to overtake Gen X: See Better Dwelling (2019). Transunion: Canadian Millennials Are Racking Up Over 2x Debt Over Other Generations.*

Looking at inter-generational comparisons, Millennials are currently more involved in the gig economy than either Gen X or Boomers. And the overall gig economy has only exploded into a massive societal phenomenon in recent years, driven largely by tech platforms that coordinate the delivery of service (such as Uber, Upwork, and others).

Interestingly, the precarity of the gig economy is actually not a totally new phenomenon either. Like so many other features associated with the concept of the middle class, stable, safe and predictable work (in urban contexts) peaked in the middle of the 20th century. In the early days of industrialization, manufacturing jobs were actually some of the worst to have: the hours were very long, work was far from guaranteed, and the conditions extremely dangerous. It was with the rise of the labour movements of the late-19th century that the 40-hour work week, vacation pay and safety standards were brought in. These transformed manufacturing into the heart of industrial productivity and economic flourishing (for both labour and capital) (Bent, 2017).

Financial attitudes

We turn now from the bottom-line, "dollars and cents" perspective to financial attitudes: how we feel about our money.

Sense of control

The topic of employment & earnings is an important pivot point here. As noted above, Millennials are much more engaged in the gig economy than either Gen X or Boomers. The studies reviewed in this research reveal that Millennials feel a low sense of control over their finances. Or, to put it another way (as it is formulated in a handful of studies), Millennials often feel that their finances control them rather than the other way around.

Given the volatility of their professional and financial situations, many Millennials don't feel in control of their finances—but they have a strong desire to change that.

This finding can help to make sense of a few somewhat curious findings reported above. For example, it was noted with regard to investments that Millennials were not investing in higher-risk, higher-yield instruments, and therefore losing out on the benefits of long time horizons. On its face, this decision can seem economically inefficient. However, that perspective relies on the assumption that Millennials will have the professional and economic stability required to be able to leave that money invested over that long time frame. If the retirement fund must also act as a rainy-day fund, then investing in more volatile assets creates enormous risk. This is especially salient for a generation that has lived through multiple financial crises, making clear the extremely strong connection between personal risk to their careers (when they would need to draw on those funds) and macroeconomic downturns (when more volatile investments would also be down in value).

And indeed, the evidence bears out this assumption. More than half of Millennials are saving money but not investing because they worry about losses (Ontario Securities Commission, n.d.). Those losses become more worrisome in contexts where employment is precarious, cashflow is uncertain, and therefore one's savings may have to be drawn upon at a moment's notice. In this way, precarity destabilizes time horizons for investments (and other dimensions of financial life) (Society of Actuaries, 2018).

Financial literacy

Millennial consumers started engaging with banking products and services from an early age, but it is really starting in their early 20s that consumers start to develop their financial literacy in the most substantial ways (Public Policy Forum, 2018). Financial literacy also correlates positively with education level as well as with income (TD Economics, 2016). In brief, consumers who are managing their own household finances tend to know more about money, as do consumers with more money, and those with more education. So far, nothing too surprising there.

But looking deeper, the research on Millennial financial literacy paints a more textured picture. If one study concludes that Millennials have high levels of financial literacy, the next could just as easily conclude that these levels are low. From the headlines and media coverage alone, one could easily get the sense that the underlying data is just noise. In fact, a deeper reading starts to uncover patterns that can explain these seemingly contradictory findings.

In spite of relatively strong confidence in their financial literacy, many Millennials are not very strong in traditional marks of financial literacy. However, a new set of financial literacy skills might also be more relevant to the financial realities that many Millennials face.

The first important difference is between measured levels of financial literacy and perceived financial literacy. The studies that show Millennials have low levels of financial literacy are generally administered as quizzes or tests, assessing whether Millennials provide the right answers to a set of questions about finances.[7] By contrast, when Millennials are asked to rate their own financial literacy (in the absence of any such test), they typically rate their financial literacy as quite high. This of course leads to one initial conclusion: Millennials don't know how much they don't know about managing money, and thus have undue confidence.[8]

Beyond the perceived-literacy vs. actual-literacy differences, there are also differences in the types of questions and quizzes used to assess financial literacy. Notably, some studies are looking at thematic clusters of financial skills. For example, one study looked specifically at literacy around investing (RBC Wealth Management, 2017). While there will certainly be some correlations between investing literacy and other topics of financial literacy, we shouldn't expect there to be hard and fast rules.

All else being equal, somebody well-versed in investing is likely to be well-versed in other areas of managing their finances. But there are clearly circumstances where all else is not equal. A Millennial who accrued substantial student debt during their education and who has struggled to gain full employment in their field since graduation may very well have a keen understanding of debt management even if they have no experience with or knowledge of investments. In this instance, we see that a client's status as a Millennial is likely to be less influential in their financial literacy than other factors, such as the extent of financial support from family during their education, their ability to transition quickly into the workforce, and the wages of the industry in which they work.

[7] *There are also some methodologically problematic elements to many of these questionnaires. For example, one question asked was: "A more expensive car will always be more costly to insure than an inexpensive car." Technically speaking, that statement is false. However, compare that to a very similar statement: "A more expensive car will all else being equal be more costly to insure than an inexpensive car." This statement is actually true. Thus, whether the answer is correctly identified or not depends strongly on which elements of the question are most salient to the respondent, not only on their financial literacy.*

[8] *E.g.: See Ipsos (n.d.), Most Canadians feel they're financially literate - Our survey says otherwise.*

Millennials have, on average, more formal education than either Gen X or Boomers, which ought to benefit their ability to grasp financial concepts. But they also live in an age when the financial world (and the digital world in which so much of finance lives) are considerably more complex and evolve much faster than they previously did.

For example, one question about financial literacy asked respondents whether it was better to pay down mortgage debt or buy a bond (where the bond had a higher rate of return than the mortgage had rate of interest; Abacus Data, 2015). The "right" answer is that buying the bond has a better financial return. But there is more to financial literacy than optimizing returns—as financial planners know all too well. Someone unfamiliar with the structure of bonds (whether they can be redeemed early, penalties for doing so, etc.) might see a bond as an unknown quantity, instead preferring to pay down their mortgage, which they understand much better. Investing in something you understand rather than something you don't certainly seems to be a mark of financial literacy, and yet somebody giving this answer would be viewed as having been "wrong."

At the other end of the spectrum, consider a respondent who has an extremely keen understanding of both mortgages and bonds, but simply has no choice but to grapple with intense cash flow fluctuations because of professional precarity. In this instance, the respondent knows that the bond has a better return but also comes with very little flexibility, whereas paying down a mortgage can open additional "room" to withdraw equity in a very flexible instrument such as a HELOC to bridge earnings gaps. Such respondents might also give the "wrong" answer, not because their financial literacy is low, but rather because they are solving a different problem—an archetypally Millennial problem.

In an ecosystem of high interest rates and stable employment, all debt is expensive, the ability to save is more predictable and savings pay better returns. In an ecosystem of low interest rates and precarious employment, some forms of debt are relatively inexpensive, but the capacity to pay it back can be extremely hard to predict; a dramatic economic shock or a technological disruption could change circumstances overnight, both in terms of lending and earnings. Decision-making in the latter circumstance is much more complex, and this complexity is not well reflected in the measurements of financial literacy reviewed here.

And this perhaps brings us back around to the apparent divergence between perceived and measured financial literacy. If indeed there has been a "drift" from the skills that had historically been key to a healthy financial life and the skills that are now key to a healthy financial life, then it might be that Millennials actually do have those essential skills (as they report) even if they score badly on formal tests (if those no longer align with their reality). And indeed there is evidence to suggest this is the case: Millennials score better on financial skills related to making ends meet than they do on skills related to longer-term planning (Public Policy Forum, 2018).

In sum, the overall picture painted by the research consulted here is that Millennials self-report high levels of financial literacy and skills, while quantitative testing suggests otherwise. But one should also be aware that beneath the surface of financial literacy lie many financial literacies. Such differentiations become increasingly important as the pace of change in the overall economy accelerates, because that means we need to keep updating our skills to match a new financial reality in our lives. While Millennials don't perform very well on traditional measures of financial literacy, some evidence suggests that they have more developed skills in specific sub-areas; the relative importance of these sub-areas could be shifting, altering in substantial ways which skills are essential for financial wellbeing.

Prospects for the future

As noted in the previous sections, Millennials live in a financial present that is full of speed bumps. They carry large debt and little savings, their employment and income are more precarious than they were for previous generations, and as a result they feel that their finances are beyond their control, despite their (perceived) strong financial skills. This leaves Millennials exposed and vulnerable to shocks. But what about their views for the longer term?

In brief, Millennials are pessimistic that their situation will improve substantially in the future. Whereas the evidence base around financial literacy, for instance, required deeper probing and interpretation in order to make sense of the findings, the evidence base here is very clear. Many Millennials view homeownership and retirement as not merely difficult goals that will require hard work to achieve; it is not an uncommon view among Millennials that these goals are completely beyond their reach, ever.

Achieving fulfillment

Looking at the studies that examine Millennials' dim view of their future prospects, the topics that most commonly co-occur with this pessimism are homeownership and retirement. In terms of drivers of this pessimism, the three main dimensions that arise are those discussed above regarding financial position: large debts, small savings, and low/volatile incomes (arising from precarious work).

Many Millennials see traditional objectives such as homeownership and retirement as very distant prospects—or perhaps entirely out of reach.

As a result, it comes as little surprise that Millennials tend to express greater dissatisfaction with their lives, and this is higher among those with higher debt and those with more precarious work situations (Abacus Data, 2015). Millennials are nearly as afraid of debt as they are of death (Ward, 2019). Despite the facile perception of Millennial snowflakes and the number of studies referencing the frivolities of Millennial spending,[9] about half of Millennials actually blame themselves for their financial woes—much more blame than Gen X or Boomers take upon themselves for their own financial shortcomings (Bazian, 2019).

So what is it, exactly, that Millennials are looking for?

Life milestones

From the evidence base reviewed here, it seems that the middle-class dream of the mid-20th century still exerts an enormous influence in Millennial markers of success ("adulting," to adopt Millennial parlance). In many ways, Millennials still strive for an overall life trajectory that would be easily recognisable to Gen X and Boomers: getting a good education, finding a well-paying job, getting married and starting a family, buying a house, and eventually retiring.

This may seem trivial and banal, but let's unpack this list a little bit. While we may think of "getting a good education" as commonplace—perhaps even a universal element, built into the definition of "the good life"—it's actually a relatively new element in society. It wasn't until the mid-19th century that Canada started to build a public education system (and many countries in Europe started even later). This system made it possible for the bulk of the citizenry to attend primary and later secondary school. The massive opening-up of tertiary education (universities and

[9] *The recurring use of coffee and avocado toast in the visual imagery of these reports could be a study unto itself.*

Despite changing values, many Millennials still feel drawn to the traditional model of middle-class life: good education, stable job, marriage, house, kids, retirement.

colleges) really only happened in the 1950s and 1960s, when soldiers returned from the front and when their children (the Baby Boomers) reached the appropriate age. Thus, while it's easy to view "getting a good education" as a value that permeates our society quite strongly, it's worth also recalling that in the grand scheme of things, this development is relatively recent. And—of heightened significance in the present context—it's also a central feature of the concept of the middle class that Millennials have inherited from preceding generations.[10]

As discussed earlier, the same is true of buying a house and of retiring. Widespread homeownership simply didn't exist a century ago, only arriving on the scene en force with the massive wealth and income redistributions that followed the Second World War. Retirement is in a similar situation. Our notion of accumulating sufficient wealth to enjoy our "well-earned" respite from work is a very modern concept. When organized labour of the 19th century was campaigning for 40-hour work weeks, vacation pay, and minimal safety standards, one can safely say that defined-benefit pension plans were beyond their wildest dreams.

Old Age Security was only introduced in Canada in the 1920s, when the average life expectancy was barely 60 years in Canada. The Canada Pension Plan only came into existence in the 1960s, when average life expectancy had increased to over 70 years (Gallop, 2006). Our idea of a relaxed retirement, funded through savings throughout working life, is again quite a recent phenomenon, deeply rooted in the idea of the 20th-century middle class.[11]

With this context in mind, let us return to the list of life milestones typically identified in these studies of Millennial finances: getting a good education, finding a well-paying job, getting married and starting a family, buying a house, and eventually retiring. Of these, buying a house and retiring are the two milestones most frequently cited by Millennials (among their worries about what they'll be able to afford), with education, family (marriage and childrearing) and starting a career as secondary themes.[12]

It is little wonder that Millennials are expressing more dissatisfaction with their lives. The ideal of the middle class is crumbling around them. What's more, the history of the middle class is little known, which can make the ideal seem universal, timeless. Millennials are being forced to reckon with history moving on. And Millennials are, in some ways, moving on as well.

Once again, wealthier Millennials are generally more able to overcome those financial obstacles; they are likely to pick up the new trends that emerge and add them to their list of financial goals carried forward from previous generations.

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[10] From a social justice perspective, it's also worth considering that access to "a good education"—even at primary and secondary levels—is strongly influenced by the neighbourhood in which one lives, the colour of one's skin, the income and wealth of one's parents, and so on. Looking internationally, it's only too obvious that this "universal" milestone for a good life is completely divorced from the reality that the majority of human beings live in, even to this day. We don't need to look to history to find this, we can just look elsewhere in the world at this very moment.

[11] By contrast, an agrarian life course could look quite different: learn skills to work the farm, start to progressively clear the land in a neighbouring field, begin building my own farm, build a house, start a family. Family sizes were large, child mortality was high, life expectancy was short. That was the image of human life for much of our history.

[12] It should be noted here that the context of these studies was primarily a financial one, and thus milestones with a substantial financial component should be expected to emerge prominently in the results.

Sources of value

A small number of studies reviewed in this research identified a secondary but consistent theme: the Millennial turn towards "experiences" over "stuff." This shift from the material to the symbolic shows itself in a number of different ways in the literature reviewed. For example, some studies noted Millennials' preference for living out fleeting "moments" such as dinners out, concerts, and vacations, contrasted with buying clothing, electronics, or other durable, physical possessions.[13]

There are also trends towards buying local and artisanal goods and services—unique works over mass-manufactured, indifferentiable outputs. Other studies documented Millennials' higher preference for investments that integrate the value they place on social responsibility.[14] A final set of studies looked at Millennials' desire for their bequests to leave a legacy (notably among wealthier Millennials).[15]

This shift away from material possessions might on its face seem like a case of sour grapes: if success according to the old ideal is unattainable, we simply overturn the old ideal. There may be a certain truth to that—and indeed the preceding sections of this report document at length the difficulties Millennials face in achieving the middle-class ideal. However, whether it's driven by that sense of resentment or not, this pivot has depth that must be considered. If nothing else, the shift towards meaning is found not only among those Millennials whose finances put material trappings beyond reach. The use of investments and bequests to create impact and legacy are findings that apply to wealthy Millennials, for whom the old ideal is still attainable.

With the middle-class dream feeling increasingly unattainable, many Millennials are shifting their focus from material wealth to self-actualization, prioritizing "moments" over "things" and putting their values (such as diversity, social justice and environmental stewardship) into practice.

This shift is towards self-expression and self-actualization.[16] Some of the values expressed by Millennials include diversity, inclusion, solidarity and justice (including inter-generational justice connected to climate change). Tangible impacts of this shift, in the financial planning world, could include higher ethical standards around investments (with a willingness to accept lower returns in exchange—not simply maximizing wealth), choosing a lower-paying job to lean into social impact through one's profession, and valuing the flexibility that is the flip side of potentially precarious professional situations in order to promote a healthier work-life balance.

Receiving services

Technology and value delivery

Having grown up in a much more digitized environment than either Gen Xers or Boomers did, Millennials have different expectations about how they will receive services. The rise of financial technology (FinTech) is evident to anybody working in the financial services industry. It has profoundly changed not only the way that customers expect services to be delivered, but also how practising professionals

[13] *E.g.: See Edward Jones (2020). Edward Jones Study: Generation Gap Linked to Significant Differences in How Canadians Spend and Save Their Money.*

[14] *E.g.: See Broadridge (2016). Targeting the Digital Generation: To reach Millennials, rethink (almost) everything.*

[15] *E.g.: See TD Bank Group (2018). The Millenni-factors: Wealthy Millennials have the will to change the world.*

[16] *Such an interpretation would align strongly with the work of urbanist Richard Florida, whose research on the so-called "creative class" positions self-actualization at the centre of an entire reorganization of society and economy. His more recent work, The New Urban Crisis, articulates the interplay between this interpretation and the growing inequality in society—notably in connection to its impact on housing and the geography of inequality.*

deliver those services. Financial professionals, including financial planners, used to be the sole source for access to key skills and even the power to have certain kinds of transactions processed. Not anymore. The landscape has been completely transformed by financial calculators, DIY investment tools, and more.

Most Millennials are strong adopters of financial technology, but they're still seeking a hybrid human–digital experience.

And Millennials are at the vanguard of embracing digital financial technology (Canadian Bankers Association, 2019). However, while there is a clear message that Millennials are expecting a digitized experience when it comes to finances (including financial planning), the evidence base reviewed here also tempered the digitization message in two important ways. First, Millennials still see a place for interactions with a human professional. Second, they expect the services that they receive in "digital" and "analogue" formats to be integrated with one another.

Trusted sources

Estimates vary widely about what share of Canadians have a financial plan, ranging from about 15% to about 40%.[17] However, it's not always clear which statistics represent a plan in practice, a plan on paper, or an idea in mind; and which represent a comprehensive financial plan as opposed to a retirement plan, a plan to save for a house, or another plan covering only one or a few thematic areas. However, what's clear is that financial professionals are not the sole source of information that Canadians are consulting about their finances.

A number of the studies reviewed here identified the main sources trusted by Millennials for financial information. Highest on the list were family members (identified as a primary source in basically all studies), followed closely by friends. Practicing professionals came next, following not too far behind friends, with government and social media sources rounding out the portrait. Knowing how Millennial clients get financial information, financial planners should consider how they intend to integrate these sources into the wider "team," of which the planner is the quarterback.

Family members and friends are many Millennials' main source of information about finances. They also have a mistrust of large financial institutions, though not necessarily of individual financial professionals.

For example, telling a client that their brother (whom they've consulted for years) "doesn't have a clue about finances" is sometimes a risky strategy, even when the statement happens to be true. If nothing else, such a client might appreciate being armed with tactics for broaching difficult conversations with family members about why they're no longer seeking/heeding their financial advice, rather than merely being told to disregard this assistance and then sent on their way.

What headwinds might practicing professionals face in establishing a trusting relationship with their clients? A small but notable signal in the data hinted at mistrust of financial professionals putting their interests (and those of the financial institutions they work for) ahead of the interests of clients themselves. One piece of research clarified some strategies that planners can use to address gaps in trust specifically: educating clients (bringing them along in their own planning process), demonstrating how the client's interests are put before the planner's/institution's, and customizing the approach to suit the client's needs (Zeldis Research Associates, 2018).[18]

[17] E.g.: See Ipsos Reid (2016), Only One Half (48%) of Canadians are Saving for their Retirement.

[18] As noted, trust was not the most important barrier to overcome for clients, who rated the following as more challenging than trust: the perception that the plan itself will be too expensive, the feeling that they don't have enough money to warrant a plan, or their confidence in their own ability to manage their financial situation.

These all resonate with the notion of customer-centricity: to the extent that the planner can demonstrate that they are prioritizing the client's wellbeing, and that the client sits at the very centre of the planning process, the planner will succeed in building a trusting relationship with the client.

Value propositions

Very few studies discovered here looked at value propositions that might position financial planning in an optimal way to resonate with Millennial clients. One study went into more detail than the rest;[19] its findings fit well with the overall picture painted here, and none of the other studies disagreed with the conclusions, though they didn't include as much detail.

The two elements that this study identified as holding the greatest value for Millennials were: (1) offering financial planning as a pathway towards a sense of stability & independence, and (2) offering financial planning as a mechanism of empowerment in achieving dreams and self-actualization. These two framings of the value proposition align perfectly with the results discussed up to this point. Millennials are struggling with enormous financial precarity and fluctuation, to which stability and independence are the natural solution. Millennials are also struggling to achieve the ideals of middle-class life around them, and in some senses are moving on to define new narratives of self-actualization (or, for wealthier Millennials, adding these new narratives to the traditional markers of success that continue to be accessible); the empowerment framing of financial planning aligns perfectly with this pain point.

Many Millennials are seeking to build a solid financial foundation for themselves, to buffer against the winds of volatility. With such a foundation in place, they want to feel empowered to use their money to achieve their dreams: a combination of middle-class trappings and self-actualization.

Knowledge Application

Before getting into the application of this knowledge to the practice of financial planning for Millennial clients, it is worth taking a moment to consider the history of research on generational cohorts, and why research on particular subgroups must be undertaken and applied with care .

Much like research on gender or race, in the mid-19th century, there was a push to give generational intuitions a "scientific" foundation. In the context of race, for instance, measurements of skull volume were used as the "scientific basis" for demonstrating, conclusively, that people of colour were less intelligent than whites. Eugenics (the idea of selective breeding of human beings to "ameliorate the race as a whole") flows naturally from such a "science."

Of course, since then, the scientific community and the wider society (of which researchers are always a part) have come to the conclusion that research into the biological bases for white supremacy were little more than seeking evidence to confirm prejudice. It's no longer socially acceptable—and with good reason—to state that somebody does what they do simply because of the colour of their skin or their gender. Rather, social science has embraced that the determinants of individual behaviour are complex and must take into account many factors.

What of generational research? It has only a marginal place in academic research, though it has not categorically lost all respectability (as is the case with racist

[19] *The research conducted was a series of qualitative roundtable discussions, not a survey, which facilitates deeper probing into such specific issues. See Public Policy Forum (2018), Millennial Money: Financial Independence and Well-being for the Next Generation - Part 1: Roundtables Report.*

biology). However, in the sphere of public discourse, generational research has not experienced a similar fall from grace. Headlines proclaiming that Millennials are lazy and entitled are a dime a dozen ("and we've got the research to prove it!"). An analogous headline about people of colour would be simply unacceptable. Society just does not accept those kinds of claims and knows that the research behind them is dubious at best.

Yet generational research lives on. There's a strong economic incentive for it, mostly for marketing agencies whose clients seek to understand and thus more effectively sell to juicy market segments. There also isn't an organized, concerted push from society to rid ourselves of this discourse (nor to rid ourselves of the underlying research that purports to validate it).[20]

But should we rid ourselves of it? No: there seem to be valuable insights to glean here, if we approach this research with the right perspective. It is inappropriate to conclude that somebody acted in a certain way "because she is a woman" or to make claims that all women are the same. However, we recognize equally well that—in spite of the differences between women—it is still sensible to speak of gendered experiences of society. Just because the uterus doesn't cause hysteria doesn't mean there's no such thing as a glass ceiling.

And this is proposed here as the blueprint for how we should understand the research above about Millennials. We should not conclude that all Millennials are the same, but even so we should recognize that there is a uniquely Millennial experience of the world. What we are talking about here is not an object of biological or natural science; we are not seeking to *classify* individuals and make predictions about their behaviour. There is not "The Millennial" any more than there is "The Rational Man." These are archetypes, not realities.

Rather, "Millennial" is an object from the social and cultural world; it's a type of story that will resonate to greater or lesser degrees with the lived experience of certain people within society. The concept of a Millennial is something that can help us to understand other people, not in the sense of making predictions about their outward behaviour but primarily in the sense of empathizing with their inner life.

In sum, everything written above about Millennials should act to sensitize planners to certain kinds of experiences that might resonate strongly with their clients. We should expect those experiences to resonate more with people born within the 1981–95 window, relative to people born before or after. And we should expect other narratives to resonate with these clients too, rather than expecting any client to live neatly within the confines of one trope. Accordingly, applying knowledge about Millennials in practice is about checking to see the extent to which Millennial narratives resonate with clients, and (in response) providing a professional service that is aligned with those narratives, to the degree that the narratives hold.

What other dimensions might also be worth keeping in mind here? As noted above, race and gender are important ones. "Life stage" is important to consider here as well; the experience of a 40-year old and a 25-year old are different, not because one is an "older Millennial" and the other is a "younger Millennial" but simply because one typically leads quite a different life at 40 than at 25.

[20] *For an excellent, accessible overview of generational research, see (Laskow, 2014) and (Onion, 2015).*

The research discussed above also highlights the important differences along the lines of income, wealth, and employment. Education is important, but it is also worth keeping in mind that many Millennials with "a good education" also feel that they have "failed to launch" (Abacus Data, 2015). Thus, while education should be considered, it should always be in the context of how it fits into a client's broader life.

The remainder of this section will highlight opportunities for financial planners to test out how strongly the Millennial narrative resonates with clients and how to respond in kind. The section is divided into four sections, which map onto the seven stages of financial planning:

FP stage	Report section
Phase 1: Value proposition	Engaging the client
Phase 2: Engagement	
Phase 3: Discovery	Conducting discovery
Phase 4: Analysis	Developing recommendations & the financial plan
Phase 5: Plan development & delivery	
Phase 6: Implementation	Supporting implementation
Phase 7: Monitoring & review	

Engaging the client

In this initial portion of the process, the planner begins to learn about the client and their needs, formulates a value proposition to address those needs, and agrees with the client on a scope of services to deliver that value proposition. The "Millennial" narrative structure described above is a set of heuristics that may be useful to planners as they assess the priorities and pain points of clients in this age group. However, these are rules of thumb, not rigid laws of nature; every individual client will resonate (or not resonate) with this narrative to different degrees. Accordingly, a key component of the planner's job is to find out which elements of the Millennial narrative hold true for the real, flesh-and-blood client with whom the planner is interacting.

Starting with needs

Planners can ask questions to understand where the client might be encountering typical Millennial money challenges connected to precarity and volatility.

In practical terms, planners should begin from the need that the client expresses initially. If they arrive asking for advice about budgeting, then budgeting is the place to start. However, the planner can then start working "upstream" and "downstream" from that starting point. What is the client's employment situation like, and what effect does that have on their earnings (both in terms of average earnings and fluctuations)? What debts, savings, and investments are they working with that provide background context to their budgeting challenge?

When it comes to Millennial clients specifically, assessing income precarity should foreground early discussions about budgeting and financial goals. For example, does the client feel stable in their job? Does the client do some work through gig platforms such as Uber, or rent out living space through Airbnb? If so, do they consider this income to be "play money," or is it counted as an essential element of their cashflow to make ends meet? How confident do they feel in managing their finances, and especially in their ability to withstand unexpected fluctuations in cash flow or expenses? Are they carrying student debt, and if so how much is this dragging on their monthly cashflow?

The answers to these questions can help planners to get an early impression of which elements of the Millennial narrative of precarity apply to this client. As noted above, the Millennial narrative is a tool to help guide the planner's questions and come to understand the client; assumptions shouldn't be made that the narrative does apply simply because of the age range of the client.

Financial independence

Planners can ask questions to understand where the client might be encountering typical Millennial money challenges connected to precarity and volatility.

From there, the planner can inquire about the effects of the budgeting challenges on the client's mindset—in particular, their sense of financial control and their confidence in their ability to achieve their financial goals. For example, does the client feel financially independent or do they worry that they still need to rely on family (especially parents) to provide a safety net under them? Many Millennials fear the stigma of moving back in with parents (or living with them for "too long"). If they worry about their independence, how preoccupied are they by the fear of failing, and the pain of admitting failure, if they have to ask for help?

For some Millennial clients with more stable income, financial independence may be less of an issue, though it can still be relevant with this wealthier group. For instance, a client may not have the financial literacy to see that their income is in fact sufficient to provide them with independence. For others, they may be strongly influenced by the general malaise of their generation, even if they are in a considerably better position than many of their contemporaries.

Financial independence and a sense of control were noted by Millennials as especially important. Of course, that's not to say that other demographics do not also value such feelings of reassurance about their money. It's good practice to understand the financial attitudes of any client, but it is particularly important to do so with Millennials because improved financial attitudes are a key component of what they are seeking from financial planning.

These lines of discussion with a client are valuable because they can help the planner to identify which services will be most valuable to provide to a given client (so that they can emphasize them in crafting and delivering the terms of engagement) and also because later on in the engagement they can provide benchmarks against which to measure success of the engagement. For example, if a client is seeking an increased sense of control, then this is an outcome that the client and planner can assess during the implementation stage, which gives the planner a clear way to demonstrate their value.

Goals and time horizons

Moving along from independence, the client's goals are a natural next step for the conversation. What does success look like for the client? The planner should not take for granted that the client is seeking the typical fare of retirement and investment planning. Millennials in more precarious financial situations may have completely turned away from these milestones (feeling that they are out of reach) and be defining success for themselves in completely different terms. As noted above, even a sense of financial stability and independence could be the key outcomes that a client with more precarious income is seeking.

Planners can explore the client's aspirations—what they would do if they had financial independence and control (whether or not the client already feels they have these things).

The planner should also inquire about the relative importance of short-term vs. long-term goals for the client. Clients experiencing precarity may prioritize getting their cashflow situation shored up before starting to build towards longer-term goals. Even for wealthier Millennial clients who are seeking the more traditional service of help with retirement and investments, the planner should also verify whether other elements of the Millennial narrative appeal to them as well; do they see their jobs and/or their investments as ways to have a positive impact on society? What kinds of impacts are important to them? Social justice, climate change, self-expression and other topics are possible answers that the planner should be keenly aware of.

As with any client, understanding their goals is essential to deliver good financial planning service. It is against this backdrop of goals that the financial planner will eventually articulate the strategies they recommend, offering the best tradeoffs available to achieve the goals that the client has articulated. Similarly, showing progress towards those goals is valuable to keep clients motivated in implementing the financial plan. This practice is especially important with Millennials in particular because their objectives can often be so different from what clients of previous generations were typically seeking in financial planning. Thus, more specific probing is required, and less can be taken as a given.

Understanding what the client is already using

The conversation can be rounded off by asking about what financial products and services—including FinTech—the client is already using: what they appreciate about the services they already use, where they perceive the gaps to be, what kinds of additional services they've considered/tried before, and so forth. All of these products and services offer solutions to specific problems of the client, but what's missing is the comprehensive view across the client's entire financial life. This is the perspective that financial planning brings, and it is what allows the planner to position themselves as being in the client's corner.

Asking the client about what financial products and services they already use can help the planner identify gaps to address through the financial plan.

For example, a client may be using an online service that helps them with budgeting by automatically sorting their purchases into categories. This can be helpful for clients in understanding where their money goes, but such features seldom provide very deep insight into why a client spends money the way that they do, or viable alternatives that the client might consider. And taking one step further back, there is no integrated perspective that covers their cashflow and budgeting in the context of their wider financial objectives.

Because of their greater facility with technology, Millennials tend to have access to a very wide range of financial products and services. What adds distinct value for this group, therefore, is professional service that considers the interplays and tradeoffs between these various facets of their financial life. They are unlikely to be very motivated by a value proposition that simply offers them one more solution to a discrete problem. What they are seeking is to have their experience placed at the centre of the engagement (customer centricity): to feel that their planner really has their best interests at heart and a deep understanding of them as an individual. That is the value proposition that just one more product-focused offering cannot provide.

With information about which other products and services the client is using, the planner will be in a position to understand where the gaps are and to take a comprehensive view. These inform the formation of the value proposition as well as the scoping of appropriate services. With this information collected, the planner can

What's usually missing from the client's portfolio of products and services is a comprehensive perspective across various dimensions of the client's financial life. They need somebody in their corner, looking at their life from a holistic perspective rather than through the lens of specific financial products and services.

now pivot to presenting the value proposition to the client, and how working with the planner will deliver that value.

In the client's corner

Following naturally from the discussion of other products and services that the client is already using, the planner can begin to articulate their value proposition by distinguishing their offering from what clients already have (or have ready access to). For example, for a financially precarious client who is using budgeting tools built into their online banking suite, a planner could point out that these tools (and whatever suggestions they may generate) do not consider the variations in the client's income situation. The planner can bring that lens to budgeting, helping the client to better manage their cashflow. This can help the client to even out the ebbs and flows of their finances, giving them the sense of confidence and control over their finances that such Millennials are seeking.

As for wealthier Millennial clients, they may already be using a robo-advisory service to manage their investments. Perhaps they are even taking advantage of some of the more novel offerings around low-fee ethical index funds. For years, financial planning was too easily confused with investment advice, whereas in fact financial planning offers much more. Planners can differentiate their service from the value of robo-advisors by showing how they work with clients to clarify the goals the client hopes to achieve, assess the financial dimensions of that goal, and consider various pathways to achieving that goal given the client's overall financial situation. Financial planners working successfully with Millennials will help their clients to see tools such as robo-advisors as just one more option in the toolbox for managing their finances, rather than the end-all-be-all.

It goes without saying that it is always important to clarify the distinct value of financial planning, regardless of the client's age. But when it comes to Millennials in particular, the value proposition that they are seeking is one that places them and their goals at the centre, and they want the service to be delivered in a way that integrates human and digital elements. By explaining how financial planning services are distinct from other products and services (especially FinTech) but still integrated with those services, the planner is positioning themselves exactly in the white space that Millennial consumers are hoping to have filled. In addition to formulating a compelling value proposition, this line of discussion will also help to inform the planner's work to structure the discovery session with the client.

A lot of typical solutions are not well adapted to precarious and volatile finances. Planners can offer a valuable service by providing recommendations and advice tailored to Millennials' unique needs.

Custom solutions for Millennial gaps

When working with clients with precarious employment, there are even more opportunities to clarify the distinct value of financial planning, notably because some of their challenges simply cannot be met with any existing off-the-shelf solutions. For example, because employment insurance does not cover gig workers, clients who undertake gig work are exposed to additional financial risk. Whatever income they generate through this gig work will need to be insured against in case of job loss or other disruption. A financial planner is ideally placed to review their overall employment situation (not just job-by-job), identify which income streams are covered and which are not, identify the risks that that situation creates, and create tailored solutions for such challenges—a larger contingency fund, for instance.

Because they participate more in the gig economy than any previous generation, and because the gig economy itself is still (relatively) new and therefore not well covered by regulations and products that were developed for an age of stable wage employment, such a service is incredibly valuable for Millennial clients. Identifying these needs can once again help the planner, both to make a strong case for their value proposition and to scope the services that they will include in the engagement letter to clarify how that value will be delivered.

Trust in the planner (distinct from their institution)

In addition to the value proposition itself, planners need to develop a relationship of trust with their clients. Having come of age during the Great Recession, Millennials have lower levels of trust in financial institutions than previous generations did. Planners can help to foster trust with Millennials by demonstrating their genuine interest in the individual client that they serve. This approach can help them to avoid any perception that the planner is just a faceless, impersonal representation of the financial institution where they work.

The best way to show genuine interest and care is, quite simply, to listen attentively. That approach can be complemented by sharing occasional stories that show how the planner's experience relates to that of the client. For example, in working with a Millennial client of precarious means, the planner should listen closely to how the client talks about their financial precarity and how it makes them feel as a person. Feelings of guilt and inadequacy are not uncommon among Millennials who feel that they have failed to live up to the potential that they saw for their professional lives. A planner might share their own story of professional struggle, and how that struggle motivates them to help clients overcome such challenges as well, because the planner appreciates how important it is to feel confident and financially independent.

Planners can provide higher-value service to Millennials by offering in-person meetings for important sessions, and remote meetings for smaller follow-ups and check-ins.

In working with a wealthier Millennial, the client's concern may be less about failure to launch than it is about their desire to have their values reflected in the financial decisions they make, contributing to bringing about the kind of world they want to live in. A planner might share a story of their own frustration with the fact that as an investor, the easiest way to maximize short-term shareholder value is to exploit natural resources or other stakeholders. The planner resents the feeling that they must choose between their values and their pocketbook, but has ultimately realized that it doesn't need to be an either–or choice. The planner is motivated to help clients to find their own resolution to that tension as well, and appreciates their job as an opportunity to do that.

Previous generations may not have focused on these as much in working with a financial planner, but for Millennial clients, individuality, personalization, and values are very important. Planners can tap into these to establish a strong bond of trust with their client, and avoid any perception that they are a faceless drone of the financial establishment.

Interaction: in-person and online

As the bond of trust is being built, it is important to establish the client's comfort levels with different modes of interaction throughout the course of the engagement. Do they feel at ease with virtual meetings? Are there certain kinds of interactions that they would prefer to have face-to-face? In what ways are they comfortable sharing sensitive financial data (e.g.: sharing reports that they export from online banking platforms)? For example, a given client might prefer to have longer meetings (such as the discovery session and the plan delivery) in person, because this setting makes it easy to ask clarificatory questions, get to know each other, etc. For any short follow-ups, though, the client might prefer to do a quick online session, when the focus is more on validating their understanding and addressing a few specific points.

Millennials are generally more comfortable in digital settings than previous generations, but recall that they are also looking for an integrated digital–human experience. Rather than assume that younger clients prefer an entirely digital experience—or, conversely, that they want the traditional, face-to-face approach—planners can add value by helping to establish the optimal balance of these two modalities that most aligns with the client's particular preferences. Having these conversations will provide clarity on how to work best with the client, and in a way that best aligns with how they're hoping to receive services.

Adapting the service offering

Finally, in terms of the terms of engagement, the planner should be sure to scope the services to the needs of the Millennial client. This personalization should also be emphasized in walking the client through the terms of engagement. For example, for clients with precarious finances, there is likely to be much more focus needed on financial management and risk & insurance planning than would typically have been the case with a client of a previous generation. In fact, the value such a client is seeking (initially) may be entirely related to shorter-term goals around financial stabilization. They may not even be ready to think about longer-term financial goals until those short-term needs are addressed.

Financial planning often focuses primarily on investment and retirement, but for Millennials facing precarious and volatile financial realities, financial management and insurance & risk management may be of higher value to focus on.

That's a very different outlook for financial planning than was typical a generation ago. When working with a wealthier Millennial client, their needs might fit more easily into the traditional boxes of investment planning, retirement, and so forth. However, their goals in these areas may look very different from the goals of previous generations. For example, a wealthy Millennial client may be looking to their planner to help identify an optimal strategy to have social and environmental impact with their investments. While still falling under the heading of "investment planning," the service to achieve that goal will look very different from the service to simply maximize returns while respecting a certain limit of portfolio risk.

The service that Millennial clients need, regardless of their financial situation, is likely to be different from the "standard" service that may have been offered to clients of previous generations. Additionally, because personalization is something that Millennials value so much in service, walking the client through the terms and explaining how and why the services were customized in this way will actually increase the value of the service in their eyes.

Conducting discovery

In engaging the client initially, the planner learns about the client's values and their markers of success. During discovery, the planner will learn about those in much more depth, and especially what they look like in practice in the client's life.

A substantial portion of the discovery process is just collecting information from the clients about their financial picture. The planner should be aware of what data might already exist elsewhere, and request access to that data where possible rather than prompting the client to recreate that data from scratch. Of course, technological and legal considerations must be kept in mind here. For example, the vast majority of Canadians now file income tax online, though nearly half of all filings are being submitted by a third party on behalf of the taxpayer (Statistics Canada, 2021). By knowing which platform the client (or their representative) is using, and being familiar with the outputs and functionality of these platforms, a planner can help walk a client through the process of accessing relevant information from previous tax returns.

Where relevant data does not yet exist, and thus must be created, consider opportunities to work collaboratively with the client during this process. For instance, after receiving any information that they have been able to gather from existing sources, the planner might refine their list to identify those outstanding pieces of information to collect, and then schedule an appointment with the client to walk through a survey-type questionnaire together. This can even be done via teleconference, sharing the screen to be able to work collaboratively (once again dovetailing human and digital service).

Asking clients for access to existing information (rather than asking them to create information again) and giving the client guidance when requests might not be clear (rather than expecting the client to figure it out on their own) represent a smooth, client-centric service. These are all features that Millennial clients value greatly in receiving services, so this client segment is likely to resonate especially well with this approach. This approach also has the benefit for the planner of knowing how trustworthy the information is. A client who works through such a questionnaire without the accompaniment of the planner might misinterpret a question and provide different information than what the planner expected. The live accompaniment makes it possible to identify and resolve such misunderstandings on the spot.

Challenging easy assumptions

Millennials with low savings or high debt levels may not be lacking in financial literacy or discipline— but in opportunity!

When assessing the net worth position of a Millennial client, it is important not to assume that high debts and/or low savings reflect a lack of knowledge or a lack of discipline. As noted above, many Millennials have actually developed very strong financial literacy skills in the areas that are most pressing to their own financial reality. And many are graduating from higher education heavily indebted only to be met with a very adverse job market, meaning that many Millennials are starting off behind and struggling to get started with their careers.

For example, many students studied law anticipating that they would emerge with skills and qualifications to earn a very good salary. Banking on this assumption, they may have taken on considerable debt while putting themselves through school. However, with artificial intelligence starting to make legal practice more efficient, many legal tasks can be accomplished much faster than was previously possible. As a result, there is not a need for as many lawyers, and firms are hiring fewer candidates. A graduate emerging into such a job market may be saddled with considerable debt, and yet decide to take on a low-paid administrative job in a law firm in order to try to stay within the industry in which they seek to make their career. Such a client's high debts and low savings are unlikely to be representative of their financial literacy, and even very shrewd financial decision-making is seldom enough to meaningfully pay down large student debts on an admin assistant's salary.[21]

These are the kinds of situations that Millennials find themselves in more than

[21] Equally well, one should not assume that just because a client has a large net worth that they necessarily have financial skills and/or self-discipline. Some clients simply start with considerable financial advantages to begin with.

previous generations did, so it's especially important to keep these situations in mind. Planners should expect to find more "mismatches" between the client that they see on the balance sheet and the financial skills and determination of the real clients they're working with.When building financial strategies for the client, keep their level of knowledge and self-discipline in mind. If the plan depends on specific items of financial knowledge, it is best to assess those directly rather than to make assumptions based on the client's financial position.

Traditional protections often absent

For those clients struggling to get their careers off the ground, consider that the traditional protections for sickness and job loss may not be available, or that they may cover only a portion of the client's employment income. For example, suppose that a client is working part time at a marketing agency (the career that they are trying to get off the ground) and supplementing that income delivering food for Skip the Dishes. If the client were to fall ill, they may have sick leave coverage through the marketing agency—or not, as such benefits are often reserved only for full-time employees. And they certainly would not have coverage for their gig employment of food delivery.

Understanding the ebbs and flows of a client's income, as well as their views and uses of debt to close shortfalls, can help planners develop strategies to increase resilience to fluctuations.

It is important to inquire about what kinds of coverage exist for which elements in a client's portfolio of jobs (a concept that would be foreign to previous generations, but is increasingly common amongst Millennials). With this information in hand, it will be possible to undertake a robust assessment of the coverage they have against various risks, accounting for where traditional coverage mechanisms do or do not apply. This forms the basis for building custom strategies to ensure that the client has adequate coverage against risks.

Being wise with debt

The financial planner should also inquire about regular cashflow management, including the use of credit products in the client's approach to managing their money. For Millennial clients, especially those with precarious finances and/or employment situations, cashflow management will be an important area of focus in helping them establish a sense of financial stability, and debt is likely to play a role in the strategies they've employed to bridge gaps.

For example, a client working in the service industry may be counting on receiving a certain amount of tips to supplement her wage income. If a local tourist event is cancelled and patronage at her restaurant declines, she may not collect as much in tips as she had been expecting, leaving a financial shortfall. Understanding how the client treats this variable income in her budget is important. This client seems to treat tips as part of the baseline income she counts on to make ends meet, whereas another client might treat tips as a bonus over and above "normal" that might be put towards savings or a special purchase.

Given that Millennials are more involved in the gig economy, and that even many "established" professionals are working on term contracts rather than in permanent positions, it is more important with Millennials than with previous generations to understand how they treat variable income in their cashflow management. Gaining an overview of the client's perspective will help the financial planner to understand what might be driving the client's perceived obstacles to financial confidence, and to put forward strategies that will help the client to be more resilient against fluctuations.

Asking clients to explicitly assess their financial confidence can give a valuable baseline, informing the planner's approach to framing and presenting recommendations.

Measuring money confidence

As noted above, one of the long-standing challenges in financial planning is that the value proposition has so often been equated with investment management—even by planners themselves. With Millennial clients, especially those whose finances are more precarious, a key value that they seek from financial planning is a sense of control and independence. For example, the server who relies too heavily on tips and other variable revenues is likely to be more concerned about making regular monthly payments, compared to somebody whose income is more stable. Even a client who earns a lot of money can still be overspending and thus struggle to feel financially confident. After all, big data and artificial intelligence are proving powerful tools for marketers to efficiently separate consumers from their money!

A strategy that planners can use during the discovery phase is to ask clients to assess their sense of financial control:

> How do you feel about your money today, on a scale from 1 to 7:
>
> 1 I control my money – 4 Neutral – 7 My money controls me

Collecting this information during the discovery stage provides a benchmark. By asking clients to assess their sense of control during future discussions, and referring back to this baseline measure, the planner can help to demonstrate to the client that they are making progress on this key metric that matters greatly to them. Showing progress helps the client to stay motivated, while also demonstrating the value of financial planning itself—without just referring back to the value of the investment portfolio, as so often happens.

Much like assessing the client's sense of control over their finances, it can be useful to take a benchmark of how attainable the client feels their goals are. This can be referred back to later when drawing up recommendations, and to demonstrate progress in money mindsets.

Measuring goals and optimism

Similarly, it can be very valuable to establish some firm benchmarks around the client's goals—notably, which goals are important to them and how achievable those goals feel. For example, a client with precarious finances may feel that owning their own home is completely beyond their reach, but has come to value the peace of mind that comes from knowing that they don't have to be responsible for the upkeep and maintenance of a house (including the financial responsibilities). Similarly, a wealthier Millennial might feel that maximizing earnings is less important than early retirement, even if both of those options feel attainable. Because Millennials set different markers of success for themselves than previous generations—sometimes because those traditional markers seem inaccessible, sometimes not—it is especially important to get a clear understanding here. Once again, taking baseline measures can be helpful, asking the client to answer these two questions about each potential goal:

> 1. How **important** is it to you to achieve this goal at some point in your life?
>
>   1 Extremely important – 4 Neutral – 7 Not at all important
>
> 2. How **realistic** does it feel for you to achieve this goal at some point in your life?
>
>   1 Extremely realistic – 4 Neutral – 7 Not at all realistic

This clear baseline assessment is helpful for the planner when it comes time to build strategies. By taking updated measurements during later conversations and showing progress, the planner can also help the client to stay motivated while also demonstrating the value of the financial plan itself.

But which goals should the planner ask about? As noted above, many Millennials are turning towards different conceptions of "the good life." Some life goals that the planner can ask the client to assess include:

- getting a good education
- finding a stable, well-paying job
- getting married
- starting a family
- buying a house
- retiring
- living debt-free
- finding a job that aligns with their values (such as social inclusion, environmental protection, etc.)
- establishing a healthy work–life balance
- 2–4 objectives generated by the client

Witholding judgment

Many Millennials are defining new goals for their financial lives, and they may respond best to a supportive and non-judgmental approach—even when those goals conflict with wealth optimization.

When engaging in these discussions with the client, it is important that the planner not only get an understanding of the client's priorities, but also not judge the client for holding the values that they do. For example, a client with more precarious finances may strongly prioritize living debt-free because of the negative emotions that they have come to associate with debt. This priority might actually leave them somewhat worse off, financially, because there might be some strategies that are more efficient that rely on using credit.

However, for the client, staying out of debt is a matter of pride, self-esteem, and independence. The planner may feel that the client is "wasting money" by refusing to consider any options that involve debt. But, seen another way, the client is just showing that they are willing to pay in order to achieve a sense of financial freedom—something that the planner should not criticize too harshly, because ultimately that is a lot of the value proposition that the planner themselves is selling to the client.

Wealthier Millennials may also hold values that lead them to make seemingly "inefficient" decisions. While it's true that companies that prioritize environmental, social, and (corporate) governance (ESG) considerations have typically produced better returns on investment than companies that haven't, there are also instances where impact investing clearly comes with a lower financial return than could be achieved by investing for profit alone. A planner should learn about their client's values but withhold judgment.

The Millennial generation is turning away from profit-first (or profit-only) mindsets and taking a wider conception of their financial lives as intertwined with their values. The likelihood is therefore higher that a Millennial client, relative to previous generations, will hold "economically inefficient" value. Furthermore, because Millennials rely more on trust at an individual level with planners (because of the lower levels of trust in financial institutions), it is also essential that the client feels that they have the support of the planner. If the client feels that their values are being judged, this could reduce trust and undermine the planner–client relationship. As noted above, this clear assessment of priorities and benchmark measurements

It's true that higher-risk portfolios tend to perform better in the long term—but only if the client won't need to dip into that money unexpectedly in the nearer term, a luxury not all Millennials have.

can support effective strategy development, sustain motivation for the client, and demonstrate the value of financial planning.

Time horizons and risk appetite

While Millennials are still relatively early in life, the planner should not assume that the client has long time horizons to work with, nor the high tolerance for risk that would come along with those long time horizons. Once again, this might appear "inefficient" on the surface, but a little bit of digging shows that in fact these views can be totally reasonable. For example, a Millennial with precarious finances might be relying on their savings and investments to bridge gaps in income. If there's a chance that they might need to pull money out on short notice in order to keep their finances afloat, then the client actually does not have a long time horizon to work with, and thus cannot take on the higher level of risk (and higher long-term earnings) that such a time horizon would afford.

Even for wealthier Millennials, who are less likely to need to withdraw funds unexpectedly, they have grown up in an investment market with very high volatility (having experienced both the Great Recession and the coronavirus pandemic in their adult lives) and have never experienced an economy with any substantial inflation. Based on these experiences, it is reasonable to worry that riskier investments are just too volatile and also that lower-risk investments can still grow wealth faster than inflation erodes it away.

The planner should take the time to do an appropriate assessment of the client's risk appetite. They should not make assumptions about what their risk appetite is likely to be or to pass judgment about what their risk appetite ought to be. With a clear picture of the client's risk appetite and time horizons, the planner will be in a position to put forward strategies that the client will feel comfortable with. And ultimately the client's comfort is an important factor in the recommendations getting implemented.

Millennials are not categorically averse to fees—unless they don't see they're getting any value. And convenience is a highly-prized value for time-strapped Millennials.

From fee-aversion to value-seeking

Planners also should not assume that fees must be avoided at all costs. The popularity of low-fee index funds, low-fee bank accounts and other low-fee/no-fee financial products and services suggests that Millennials are very averse to paying fees. However, Millennials are also the most predominant users of food delivery and other services that charge substantial fees. Millennials are willing to pay when they see value in what they are paying for, convenience being a prime example of a value that they seek. The example of online music and video piracy is a perfect example: the rise of Netflix, Spotify and other similar services was not sparked by the disappearance of illegal options. Rather, these online services simply offered such a preferable experience that many consumers would prefer to pay a fee that they view as reasonable in order to have access to media in a predictable, user-friendly and personalized interface.

In the case of financial products, many Millennials have turned to low-fee index funds and no-fee bank accounts because they feel that these options offer the level of service that they need at a lower cost. But if there is a higher level of service that is of value to them, Millennials won't shy away from paying for them. The planner should have a frank conversation with the client about their views on fees. First, what kinds of service does the client value enough to warrant paying fees to receive them? And second, what level of fees does the client view as reasonable in order

Many Millennials struggling to get their career on track may have relatively low income even in their "prime earning years."

to get the value they seek? With these points clarified, rather than simply assumed, the planner will be able to make informed decisions about which strategies to build into the financial plan for the client.

RRSP vs. TFSA

Shifting now to retirement considerations specifically, one of the most frequently addressed topics in online discussions about personal finance is about the choice between TFSAs and RRSPs. A rule of thumb that often emerges from those conversations is that the RRSP is preferable because one expects to earn more during one's "prime earning years" than in one's retirement. However, these assumptions need to be examined, especially in the case of Millennial clients with unstable income.

For example, suppose that a Millennial client works in the construction industry, and gets mostly seasonal work. Still in the beginning of their career, they are not yet earning a very large amount and their income varies a lot from season to season, with frequent stretches of no work at all (potentially supported by EI benefits). An RRSP might not be a great fit for a client with this kind of profile, for several reasons. First, with lower earnings in the early stage of their career, they will be in a lower tax bracket now relative to later in their careers; thus, it would be better to use a TFSA in the early years, accumulating RRSP room for later years when the client enters a higher tax bracket. Second, until the client's employment situation stabilizes, the flexibility of the TFSA might be extremely valuable to them, as they might need to withdraw funds in order to bridge gaps in earnings.[22]

In order to make informed choices about using an RRSP or a TFSA, the planner should try to get as complete a picture as possible about the client's current earnings, their future earnings while working, and their future earnings while in retirement (acknowledging that the future is notoriously hard to predict). With this picture in hand, the planner will be able to assess strategies effectively.

Many Millennials may envision taking an alternative approach to retirement, retiring progressively over a number of years (and potentially never fully stopping work).

A different look on retirement

Given the changing priorities of Millennials, retirement is a topic that should be approached with even closer attention than it is normally given with clients of previous generations. For example, a client with precarious finances might feel that a traditional retirement is out of their reach, but not really have a clear picture of what kind of retirement actually would be feasible for them. As the planner starts to get a clearer picture of the client's finances, they can support the client in walking through different options of what might be feasible given their financial situation and the tradeoffs that these options would entail.

By contrast, when working with a wealthier Millennial, they may feel that the traditional retirement is indeed within their reach, but they have other priorities. For example, for a client who is very driven by purpose and wanting to use their professional activities to create positive change in society, fully retiring at 65 might feel like a constraint. Such a client might prefer to start retiring earlier, but to retire progressively by stages over the course of many years: going down to four days a week at 55, to three days a week at 65, and to one day a week at 75.

[22] *The same can be true of wealthier Millennial clients. They may be earning a lot at the present moment, but expecting to earn even more several years down the road, at which point RRSP contribution room would be of even greater value to them.*

Practically speaking, the planner should be sure to inquire about what kind of retirement the client feels to be financially within their reach, the timing of when they wish to begin retiring, the pace at which they envision retiring, and the types of activities that they hope to undertake (including both remunerated and non-remunerated activities). These questions are especially important when working with Millennial clients because retirement is such a focal point among this demographic in terms of their response to the views of the "good life" espoused by previous generations. With these questions answered, the planner will have the necessary information in hand to assess tradeoffs and ultimately build very compelling financial strategies to help the client achieve their dreams.

Accounting for inheritance

As noted in opening this report, the Millennial generation is set to receive the largest inter-generational wealth transfer in history (which is already underway). Accordingly, it is important for the financial planner to consider what the client might inherit, especially later on in life.

The Millennial generation will be inheriting the single largest wealth transfer in history. For clients of this cohort, inheritance may have a substantial impact on financial plans.

For example, even a Millennial client with precarious finances might stand to inherit a substantial sum. Suppose we return to the example above of the young woman with a law degree, the considerable student debt that was required to finance that degree, and the job working as an administrative assistant at a law firm. Looking just at their finances, a client with this profile might not immediately stand out as someone who stands to inherit over a million dollars. However, if her parents live in a major Canadian city and have paid off their mortgage, it's extremely likely that this young client will at some point receive a large inheritance. There may not even be early signs to detect: if her parents have modest cashflow and their wealth is mostly held in their home, the young client may very well not be receiving much support from family, despite their net worth.

In contrast to the example provided above, where the client's parents have only limited liquid equity, a Millennial client with wealthier parents might receive large cash gifts while their parents are still alive. In fact, this is increasingly common. With life expectancy growing longer and longer, parents are realizing that by the time they hand their money down to their children, their children will already be past the stage in life where a large inheritance does them the most good. In particular, *inter vivos* gifts are becoming much more common around the time that children buy their first home—the bank of mom and dad providing the funds for their children to make a downpayment and get into the incredibly competitive housing market.

Because of growing inter-generational wealth gaps as well as the increased tendency towards large monetary gifts during parents' lifetimes, financial planners need to be particularly aware of how much their client stands to inherit from their parents and when that inheritance might arrive. The planner should discuss these topics with the client, acknowledging that the client may not actually know much about their parents' financial situation or intentions.

When conducting a life-expectancy estimate for the client, it might also be worth producing estimates for the client's parents as well. With this information in hand, the planner will be in a better position to make projections about the long-term financial picture of their client. For clients whose financial situation is expected to change dramatically with inheritance, the planner can help the client by helping them to prepare and get educated about how to manage this new financial reality in preparation, rather than being caught by surprise when their finances suddenly look quite different.

Developing recommendations & the financial plan

When conducting analysis and building the financial plan for a Millennial client, the planner should be aware that traditional and ready-made solutions in many cases will not be adequate to address the emerging needs of the Millennial generation.

Buffer funds to even out cashflow

A "rainy day" fund is for a rare day that we hope will never come. For Millennials facing smaller, more frequent shocks to their finances, the planner might consider a "buffer fund" instead.

Take the example of a rainy day fund. These are often discussed as something that gets funded initially, usually aiming for a high dollar value, with the hope that one will never have to draw on it (and the expectation that, if one does, such occurrences will be rare and will feel like "emergencies"). By contrast, precarious employees suffer from a different class of risk than this, one against which they are not insured. These risks include low earnings for a string of shifts (such as being "on call" on a ridesharing app but only getting few clients), short-term sickness, and other similar risks. It's hard to predict when they will happen, but over the long term it's almost certain that they will happen, with certain periods being particularly acute and hard to manage, but few of them feeling like "emergencies."

In these situations, a "rainy day" fund is not necessarily the most helpful instrument. Something along the lines of a "buffer" fund might be better suited: a cushion that is explicitly earmarked for smaller but more frequent withdrawals, in order to bridge gaps in income and manage one-time expenses. To draw a parallel, a rainy day fund is more akin to car insurance, whereas a buffer fund is more akin to a maintenance plan. A client who has an accident uses the former; a client due for an oil change uses the latter.

The situation of Millennials exposes them to smaller and more frequent financial shocks, compared to previous generations. A buffer fund can be implemented to offer clients the experience of more stable cash flow. Earnings can all be aggregated into one "buffer" account, from which the client "pays themselves a steady salary." Once set up, such an approach can make the client's interactions with and perceptions of their finances much more streamlined (and offer them the sense of control that they may be seeking!). However, designing such a system in the first place requires a considerable amount of analysis, to ensure that the peaks and valleys in the buffer fund will even out in the short and medium terms, so that there is always sufficient capital for the "salary" to be paid.

Optimizing debt

With many Millennials holding a lot of debt, often in different instruments, the planner can offer valuable service by consolidating debts to minimize costs and streamline repayment processes.

Debt might form part of the buffering strategy, but even if it doesn't, debt remains an important topic in this context. Millennials hold a lot of debt, and often use a variety of instruments, so it is important to consider how those debts can be reorganized to achieve two key outcomes: ensuring that interest costs are minimized, and ensuring that managing payments and schedules is as streamlined as possible.

For example, suppose that a client holds debt from student loans, a line of credit, and two different credit cards. Perhaps the client uses the line of credit for larger purchases and the credit cards to manage smaller purchases (while trying to optimize points—a great Canadian pastime). Of course, the interest rates on the credit cards are much higher than on the line of credit, and because she has two cards, she sometimes confuses which bill is due when. As a result, she makes mistakes in paying her bills, ending up paying fees in addition to interest.

The planner can conduct a thorough assessment of these different debt instruments and the client's behaviours, to recommend that any outstanding credit card balances be transferred to the line of credit instead (to lower overall interest charges) and to use only one credit card (after the planner demonstrates that the value of points-chasing ends up being lower than the cost of even a single mistaken payment due to confusion).

Finally, the planner can recommend that any surplus in cashflow be directed towards paying off the line of credit, as the student loan interest is tax-deductible. These considerations don't only apply to Millennials with more precarious finances. There are plenty of examples of Millennials that have good earning power—but end up very overextended because their tastes and their purchasing habits still outstrip their earnings, despite a good salary. Because of the high levels of debt many Millennial consumers hold, identifying appropriate strategies here is especially important. The strategies should minimize interest charges to the extent possible, while also streamlining the ease-of-use for the client to ensure that the strategy is easy to implement and stick to.

Starting with the right time scales

For Millennials struggling with precarity and volatility, planners can help them by shoring up day-to-day finances before working towards longer-term goals.

When delivering a financial plan, the planner should always tie the strategies back to the goals that the client wants to achieve. When working with Millennial clients, it is important to consider as well the priority of different time scales. For example, a client who doesn't feel that he's in control of his finances and lacks confidence would probably respond better to having the first strategies presented focused on getting his short-term finances shored up. The planner can begin by walking through the strategies to establish a buffer fund and consolidate debt (as well as streamlining use by cutting down on the number of credit cards the client is using). These shorter-term strategies pour the foundation on which to start building towards longer-term goals. By contrast, starting the conversation with longer-term goals might be more difficult for the client, because they feel that shorter-term challenges are a necessary precursor.

This practice is especially important with Millennial clients (compared to previous generations) because of the increasing role short-term challenges play in their financial lives. Strategies to better manage ebbs and flows will more and more become a key value that financial planners can deliver to upcoming client segments. When deciding on how to present the financial plan to the client, the planner can return to the quantified measures taken during the discovery process. If there are urgent short-term priorities for the client (including a sense of financial control), this fact can provide a valuable cue for the planner to start with these goals first in the plan delivery, before getting into the details of longer-term plans.

Bridging coverage gaps

Let's come back to the idea that ready-made solutions might not be adequate to address the needs of Millennials. Insurance and risk management typically addresses the repercussions of unexpected events such as disability, death, property damage (perhaps related to natural disasters), and so on. There are various insurance products suited to risk categories of these types.

Other categories of risk have traditionally been addressed through separate mechanisms. For example, the risk of falling ill and missing a few days of work is not one for which we explicitly buy insurance; rather, many employers offer an annual

With many Millennials taking a "portfolio" approach to employment and income, planners can help to identify and close gaps in coverage.

bank of paid sick days. These policies "insure" against short-term illness through employer sick-leave policies, whereas insurance products (in the more typical sense) offer coverage against longer-term absences.

However, with the transition to the gig economy, some core elements of that overall system can no longer be relied upon. For example, gig workers are (for the time being) legally treated as independent contractors, and therefore rarely provided the benefits of sick leave or vacation pay. The same is true of employment insurance, with independent contractors (including gig workers) not having access to such programs, and therefore being extremely vulnerable to financial shocks associated with job loss.

For those mixing traditional employment with gig employment, only a portion of their earnings are covered. Suppose that a given client works on a part-time, term-based contract with an engineering firm, and drives for Uber to supplement their income. Should the client fall ill, their income through Uber certainly would not be covered during their illness. Depending on the contract they have with the engineering firm, that income may or may not be covered.

Once the planner has identified which traditional forms of coverage are and are not available to the client, and which income streams are covered, the planner will be in a position to develop tailor-made solutions. With new forms of employment gaining traction and Millennials becoming more likely to have a diverse portfolio of income streams, this practice is of particular importance when working with clients of this generation. To test the adequacy of the custom solution, the planner should assess several scenarios. How would the client maintain financial stability if they were to get sick for one week? For one month? For one year?

Rent vs. own

Age-old wisdom holds that renting is throwing money away, whereas owning builds up wealth. However, with housing inflation and precarious finances on the rise, renting can be a more financially responsible option.

For decades, homeownership was the pathway to developing wealth. Parents told their children to stop "throwing money away" on rent, to get a mortgage and begin building equity as early as possible. With the housing market bursting through the stratosphere (dragging along with it the cost of entering the market), and years-long worries about a harsh correction being right around the corner, this old chestnut of wisdom needs to be more critically evaluated. There are several dimensions that should be considered: affordability in the near term, the client's ability to hang on through a potential market correction, and the cost of renting comparable space compared to buying it.

For a Millennial client with more stable finances, they may be able to afford the down payment and mortgage costs in the short term, but would have to overextend themselves in order to enter the market, assuming that the growing value of the home and increasing wages will eventually alleviate those initial pressures.

For example, the client may not be able to cover their mortgage and other home expenses without drawing down on their savings to bridge small gaps. It is generally more prudent to hope for the best but plan for the worst. Such a scenario would leave the client very vulnerable to shocks in income (because they might end up running substantial monthly deficits and burning through savings quickly) and potentially also to declines in property values (if they are intending to use their home as equity against which to borrow in case of emergency expenses).

Depending on where the client hopes to live, there may even be a substantial gap between ownership costs and rental costs for a similar dwelling. There are certain circumstances where renting a property and investing the money saved relative to mortgage payments can yield a better return than purchasing the property, paying interest and taxes, financing upkeep and repairs, etc. Such circumstances are especially likely in areas where there is broad-based rent control.

When working with clients whose finances are more erratic, the decision to rent as opposed to own should also consider the flexibility of the client's finances under various scenarios. Even if buying a home would yield a higher net worth in the long-term, it can also be harder to convert home equity into a liquid asset, compared to other investment vehicles that a client might use to grow their money. Growth and flexibility both need to be considered for clients whose finances fluctuate a lot.

The planner should take extra care in undertaking these assessments with Millennial clients because the changing ecosystem makes the choice between renting and owning less clear-cut. These assessments will also be very helpful in demonstrating to the client why the strategies put forward are the best fit for their situation. Even if the planner's recommendation is the right one, walking the client through alternative strategies that were considered and rejected can help the client to better understand their finances and also to have greater confidence in their plan (as well as their planner)—and this confidence is a key determinant in plans being implemented successfully.

Integrating inheritance into retirement plans

Some clients who lack financial stability may nevertheless stand to inherit a substantial sum.

As noted in the discovery section above, the planner should get any information available from the client about possible wealth transfer from their parents. In this phase of the engagement, that information informs the design of strategies by the planner. For example, a wealthier but more risk-averse Millennial client might be setting aside a considerable sum for retirement and reluctant to dip into these funds to finance a downpayment to buy a home. This approach could be either very shrewd or far too conservative, depending on the inheritance that the client expects to receive from their parents.

If the client should not anticipate much (or even any) inheritance, then they are right to balance their shorter-term desire for homeownership against their longer-term desire to retire. However, if the client anticipates inheriting a considerable amount from their parents, even at some unknown point in the distant future, then the inheritance could close a gap down the road left by withdrawing money for a downpayment now. Even among Millennials with more precarious finances, they might be in line to receive a substantial inheritance.

Other considerations around inheritance

Planners should not assume that because their client is struggling to build a financially stable foundation that their parents have not amassed a considerable nest egg. Whereas for the Boomers and Gen Xers, the middle class was built up with less need for financial support from parents (and inflation made past fortunes less relevant), persistently low inflation and the reaccumulation of wealth are making intergenerational wealth transfer more important again for Millennials, as it has been for most of human history.

When designing strategies, especially around bigger-ticket items such as buying a home and retiring, the planner should integrate anticipated wealth transfer—including large one-time gifts from parents while they are still alive—into the strategies that they are building for clients. Given the social stigma in many cultures around discussing death or money (much less the combination of the two), there will be many unknowns in making these calculations. Planners should therefore be sure to be conservative in their estimates of how much money the client might inherit and when the wealth transfer might happen.

Maintaining client trust

Moving now from plan design to its delivery, planners need to ensure that they are sustaining the trust that they have been developing with their clients. In particular, if any options recommended will trigger financial incentives for the planner personally (or for their employer), it is absolutely essential that this fact be highlighted for the client's consideration when the plan is being presented. Even if this is clearly the option in the client's best interest (and would thus stand up to any legal scrutiny), failing to raise and address a conflict of interest could easily undermine trust. Recall the old wisdom that trust takes years to build, seconds to break, and forever to repair.

For example, suppose that a client is interested in ethical investing, and it just so happens that the ESG fund that best aligns with their values and carries the lowest fees is one offered by the institution where the planner is working. The planner receives a bonus for any investment products purchased by the client. In this situation, even though the fund recommended is in the best interest of the client, it is still important to address the potential perception of a conflict of interest.

With Millennial clients in particular, this proactive approach is especially important. Given that they have lower levels of trust in financial institutions, Millennial clients are less likely than previous generations to give the planner the benefit of the doubt that their recommendations are not self-interested. Furthermore, given that Millennials are eager to learn, they are also more likely to be eager to understand the planner's rationale for the decision.

When the best option for the client is one that aligns with the planner's own interests as well, the easiest way to clarify that point is to present a couple of options that were considered and demonstrate how those alternatives fell short of what was ultimately recommended. This task should be relatively easy, as in theory that is actually the process already accomplished during the analysis stage. This is just "showing the work," not doing new work. Furthermore, planners should approach the topic in good faith and remain open to the possibility that the client might question their recommendation and ultimately decide to go with a different option. This approach will help to preserve and even further develop the bond of trust with the client, which will be essential in getting them motivated about the plan.

Navigating between the "useless upsell" and the "hidden fee"

Finally, if in delivering the plan to the client, the planner offers additional implementation support (over and above whatever might have been included in the original terms of engagement), the planner needs to position their offer as both optional and valuable. That is, the planner needs to avoid the perception that what they are proposing is either a "hidden fee" (it was never actually optional, but wasn't brought up until the client was already committed) or a "useless upsell" (it's optional, but of so little value to the client that it's irrelevant to bring it up).

For example, if the strategies call for engaging a lawyer to draft a will, the planner might offer to help the client engage with the lawyer. If engaging with the lawyer is presented as something so complicated that the client couldn't possibly do it on their own, the planner is emphasizing their own value, but the client might also feel that the financial plan was originally sold to them under false pretenses about how much it would cost. At the opposite end of the spectrum, if engaging with the lawyer is presented as very straightforward, then offering to assist the client can appear as though the planner is just trying to run up their fees by selling the client on services they don't actually need.

Two approaches can help to address such issues. First, the planner can offer a service that's mainly introductory: rather than offering to shepherd the client through the entire conversation with other professionals, the planner can help to introduce the client and get the conversation rolling. The inertia of getting started is the hardest part to overcome, so that's the highest-value portion of the process for the planner to get involved in. This approach supports the idea that the client herself is capable (the service is still optional) while also clearly addressing the most notable pain point (the service is valuable).

Many Millennials are particularly sensitive to being sold to, and to hidden fees.

A second approach is that the planner can position additional support as convenience: the client is perfectly capable of doing it on their own, but they also have the choice to offload that work to the planner if that's what they prefer. Once again, this approach clearly avoids the perception of a hidden fee, while also clarifying what value the option brings. And that's a tidy illustration of why this approach is well aligned to Millennials in particular: more than previous generations, Millennials are willing to pay for convenience. With these generations being "always on," Millennials and Gen Z are very strapped for time, and convenience frees up their time to be spent otherwise. By contrast, Boomers and Gen Z typically were not willing to pay such a premium for convenience.

Second, Millennials are more wary of financial institutions. They have spent years on social media getting bombarded with ads that are tailored to make them more likely to buy, but not with products and services that are tailored to make them more likely to derive real value. Scores of highly mediatized scandals have highlighted that many institutions are still very much operationally aligned towards upselling clients on products that aren't right for them. Similar coverage has been given to the frequency with which consumers are hit with unexpected fees and then put through excessively burdensome processes to get any kind of explanation or repayment. As a result, Millennials have a lower trust in financial institutions, and planners need to adjust in response.

Supporting implementation

When the financial plan has been built and the focus shifts towards putting that plan into action, the planner can still provide enormously valuable service to their client. In fact, working with Millennial clients offers some unique opportunities in addressing one of the biggest challenges facing financial planning: the implementation gap, which is the shortfall between the recommendations that financial planners provide to their clients and the actions that are taken to put those recommendations into practice.

Digital reminders to keep clients on track

In particular, financial planners can support their clients by offering something akin to project management support. What might that look like, in practice? Suppose that a planner is working with a client who needs to set up a line of credit, use it to consolidate debt, and cancel extra credit cards that are supporting bad spending habits. Typically, a planner might convey these strategies in the financial plan, leaving it to the client to manage the execution from there. What a planner can offer as a higher-value service is a set of periodic reminders. For example: every two weeks, the planner can send an email to the client with a list of objectives that need to be met in the coming fortnight. Each item should contain clear instructions about what, where, why, when and how.

- What: open your new line of credit at XYZ institution.
- Where: at this address www.XYZbank.ca
- How: they will ask you for the information that's shown on page 4 of your financial plan
- When: by June 24
- Why: to consolidate debts, making payments easier and reducing your interest payments

Planners can make clients' lives a lot easier—and increase the odds of success—by keeping an implementation schedule and sending the client timely reminders (along with key information).

Two weeks later, the next email can follow, applying the same approach to transferring outstanding credit card balances to the line of credit, then the next one about closing the unneeded cards, and so on. This approach is likely to be especially powerful with Millennials for a couple of reasons. First, because it focuses on ease of use: given Millennials' greater interactions with FinTech, online banking, and mobile apps in general, their expectation in receiving service is that the experience will be smooth and straightforward. These kinds of emails promote just such an experience, which Millennials value more than previous generations.

Second, this strategy resonates strongly with the desire of Millennials to receive a service that integrates human and digital elements. The emails create pivot points that integrate the human experience of working with the planner into the digital elements of implementing the recommendations.

Showing short-term progress towards goals

The project management email strategy above also hints at further opportunities for planners to offer a tailored service for Millennials. By including details about why each strategy is important, the planner is tapping into the client's inherent motivations, helping them to persevere in implementation even when it feels like there is a lot of work to do. These emails can also serve as an opportunity to demonstrate progress to the client, showing them that their work is paying off. For short-term goals, the planner can include details about financial progress; such progress is not always easy to show, because progress towards long-term goals can look and feel very small, whereas there are short-term wins to show towards short-term goals.

For goals that are years in the making, planners can help sustain motivation by showing clients that their work is tracking towards the plan.

For example, suppose that a client with more precarious finances wants to fund a buffer account and stop dipping into their TFSA. Because a buffer account can be funded much more quickly than (say) a retirement fund, the planner can show the client more tangible progress: "Your buffer account is 50% funded. Keep it up!" Later on, when the account is completely funded, the planner can check in about how effectively it's working. "The last time you sent over a snapshot of your finances, I noticed that you haven't had to dip into your TFSA to bridge any gaps in 3 months. Great job! Your effort is really paying off."

Among wealthier clients, some of whom outspend even their significant earning potential, some shorter-term goals might relate to consolidating debt and aggressively paying it down. The impacts in terms of interest costs avoided can be impressive, even in the short term.

Because Millennials, especially those with more precarious finances, have shorter-term goals they're looking to achieve, the planner has an opportunity to provide more impactful financial updates than they might with clients whose goals are mostly on longer timelines. By clarifying this financial progress, the planner can help the client to feel good about their progress (and themselves!) and stay motivated to continue implementing the remaining strategies.

Growing client confidence

Now that the plan is starting to be put into operation, the planner can highlight to the client the progress they are making in their money mindsets. They can do so by asking clients to assess their financial confidence and the achievability of their goals, and comparing against previous self-assessments.

In addition to showing short-term progress towards dollars-and-cents goals, the planner can also measure and highlight progress in financial attitudes. In the discovery section above, it was noted that the planner should consider asking the client to conduct some short self-assessment quizzes, including a question about their sense of financial control. During the implementation period, the planner can ask clients to answer some of these questions again, referring back to the initial benchmark to demonstrate progress.

For example, coming back to the client described above who is funding a buffer account and avoiding dipping into their TFSA, the planner might ask the client to reassess their sense of financial confidence. Feeling that their confidences are more stable, the client may find themselves worrying less and less about how they will manage volatility—will they earn enough this week, what bills might they push if they need to, which expenses must be prioritized, etc. All of those what-if scenarios are very stressful and can consume a lot of mental energy for the client. As their finances stabilize and they don't need to worry as much about juggling so many what-ifs, there's a good chance that their attitudes towards their money will improve. This improvement in attitudes is something that the planner can highlight to the client as well over and above the dollars-and-cents improvement that have made this change in attitude possible.

Such an approach is especially well suited to Millennial clients because a sense of financial control is so highly prized among this cohort. Highlighting these improved attitudes (especially with numbers collected through these short check-in quizzes) will help Millennials to stay motivated through implementation—and to demonstrate the value of financial planning. In fact, the improvement in how clients feel towards their money (and their life) is probably the value that's hardest for any digital application to offer. This is truly a space where the human touch to planning, considering the client's overall financial and life situation as opposed to just one slice of it, offers its greatest and most distinct value.

Goals within reach

In addition to a sense of financial confidence, Millennials are also seeking the sense that their financial goals are realistically achievable for them. Once again, the quiz administered during the discovery phase lays the foundation for an impactful strategy that can be deployed now in implementation. For instance, suppose that a planner is working with a client who had no savings and was initially feeling discouraged about the possibility of achieving a comfortable retirement. The client had read about how retirement was becoming a more and more distant prospect for her generation, and worried that it would be forever beyond her reach. However, after working with the planner, and seeing the plan that they produced, the client now feels like it might be possible after all. The client learned about how much support is available, worked through some important decisions about retirement lifestyle with the planner, and now has a blueprint in hand for what she needs to do to stay on track.

As the planner checks in periodically with the client, gets details about how well the client is doing on her monthly savings goals, and so forth, the planner can show the client that she is on track to meet her retirement goals. The sums might seem small now (relative to covering an entire cost of living), but the planner can provide valuable service showing the client that even these small sums are actually exactly in line with the longer-term plan. Crucially, the planner can also prompt the client to reassess her sense of achievability of various goals, notably (in this case) retirement.

By showing the client that she is both on track to meet her goal financially and feeling that her dreams are more within reach, the planner can promote the client's motivation and clarify the value that they bring. Sustaining motivation is important for all clients. With regard to Millennials specifically, though, because so much of the Millennial narrative is focused on traditional markers of success being out of reach, such clients deeply value the feeling that their dreams actually might be realisable. This is a value that Millennial clients will therefore prize more highly than other older clients, who didn't feel that their objectives were so out of reach.

Showing social impact

Even if redeeming investments is years in the future, the planner can help the client to stay motivated by highlighting for them the social impact their investments are already supporting.

When it comes to investments, it can sometimes be hard to show much financial progress towards longer-term goals. Hence the focus in the preceding paragraphs has often been oriented towards the client's financial attitudes, the way that they feel about their money. With Millennial clients, there is also another angle that can be explored here: the social impact of investments.

For example, suppose that a Millennial client was already invested in some index funds, but didn't feel comfortable investing in extractive industries that they knew were part of the mix that their money was going to. If the planner has helped them to shift their investment portfolio into more impact-oriented funds, then part of what the planner can highlight for the client is the impact that their money is having. If the client has moved a portion of their investments into micro-financing for small businesses in developing economies, the planner might be able to report back some statistics about the impact that the client's money has had. This can be complicated, but there are some reasonable proxies that can be used. For instance, funds may indicate that the average micro-loan is $500, and that the companies taking these loans employ on average 3 people for a year. If the client is investing $500 per month, then they are supporting (approximately) 3 wage earners for an entire year each time they make their monthly investment.

That kind of tangible outcome can feel very impactful for a client seeking to promote social and economic development around the globe. Millennial clients are seeking more and more to harmonize their personal objectives for their own finances with their wider objectives for promoting a healthy, equitable and fair society. Bringing forward these storylines can help the client to stay motivated and to see very tangibly the value of working with a planner who helps them to make and implement decisions that align with their values.

The strategies outlined above have focused primarily on helping the client to stay organized and helping the client to stay motivated. Such strategies are useful for promoting implementation of the plan as it currently stands, but another line of discussion in the implementation support phase is about the ongoing adequacy of the plan itself and whether some course-corrections might be in order.

As the client's financial reality and financial mindset continue to evolve, planners can assess the ongoing suitability of the financial buffering strategy.

Buffering as situations change

Coming back to the notion of the buffer fund, a topic that the planner can discuss with the client is whether the fund is buffering enough. One ironic consequence of an effective financial plan is that, once the client has succeeded in stabilizing their financial situation, the subsequent reduction in anxiety can lead the client to take a more relaxed approach to working, such as putting in fewer hours of overtime to wring out every last drop of earnings.

For example, a client with more precarious finances might be using a buffer fund to even out the ebbs and flows of weekly income. The fund may be paying out the necessary biweekly amount, and bills are covered, but perhaps now that the client does not feel the urgency that they previously did about their finances, they've started working more reasonable hours in their gig employment. This changes the underlying equation, and now the buffer fund is slowly being depleted. The planner can help to identify such an issue, diagnose its causes, and propose some fine-tuning to get things back into balance.

This type of service is particularly valuable to Millennials because their finances (and their employment) show a lot more volatility and elasticity than those of previous generations. It can be hard to predict what lifestyle changes might come with a change in financial management and financial attitudes, and because there's more room for adjustment with Millennial clients, it's even more important with this segment to check in about changes to their underlying situation. Buffer funds are a useful focal point for those conversations, and these conversations can turn up useful course corrections to ensure the client is on a firm, stable footing.

Debt habits

Buffer funds are one useful starting point to assess continued adequacy of the plan. Debt is another. Is the client on track for paying down their debts? Are they dipping into debt more than anticipated in the plan (and if so, was this a one-time shock or is it systematic)? These kinds of questions can highlight new or previously unresolved tensions in the client's financial life.

For example, a client with more precarious finances might not be on track to achieve their debt repayment goals for a number of reasons. The client might have needed to repair their car unexpectedly in order to continue working. They might have a family member who has fallen ill, and therefore the client has additional financial responsibilities that were not factored into the initial plan. Or it might be simply an issue of putting intentions into practice; the client might benefit from setting up automated payments so that they do not forget to make the payments, and so that they do not mistakenly assume that they are more flush than they actually are.

Once again, this is good advice across the board, working with any client. However, with Millennial clients, it's especially pertinent because of the outsized role that debt plays in the finances of this consumer segment. Once the planner has investigated the client's updated debt situation, the planner will be in a position to counsel the client on what adjustments might be worth making (if any) in order to compensate for these changes. Even just showing the client that the planner is keeping tabs on these kinds of issues can help to reassure the client that their finances are on track and being well looked after—and that the client is not alone! These are all values that Millennial clients are seeking.

For clients dealing with precarity and volatility first, as they start to feel more confident and find their footing in their new financial situation, conversations can shift towards longer-term goals.

Readiness for bigger goals

Many of the approaches above have focused on checking for negative outcomes—canaries in the coalmine, portents of bad things to come if the situation is left unchecked. But there's room for optimism as well. As noted above several times throughout this report, it is important to construct a solid financial base before building up to bigger goals. If, during implementation support, the planner sees that the client is progressing very well on their short-term goals, it might be appropriate to raise the question of what long-term goals they might be starting to think about.

For example, suppose that a client has been struggling with student debt and erratic income. Before starting to work with the planner, he felt trapped in short-term loops. In leaner weeks, he would be very frugal and worry about how he would pay his next bills. In flusher weeks he would pay down accumulated expenses, treat himself to nights out, and generally just be less mindful about his spending. The planner helped the client to arrange a buffer fund that evens out the ebbs and flows, and the client is now paying down his debts consistently. With a "stable income" paid out of the buffer, he has stopped mindlessly overspending and set himself a sustainable entertainment budget. The client feels confident about his money, and is well on his way to achieving his short-term goals.

Managing short-term finances used to be all that he could think about. Now that he's got a system setup that works for him and keeps his worries at bay, the client has the mental bandwidth to start thinking about what the longer-term might look like for him. It's a good time for the planner to get a sense of what new financial and life goals are emerging for the client, to see whether he is ready to start building on the solid foundation they've poured together. Millennials are particularly occupied with short-term financial goals. This is the natural outgrowth of increased volatility, which can make it difficult or even impossible to give much thought to longer-term goals. Once the planner has helped the client to sort out these shorter-term concerns, Millennial clients are likely to want to tackle their next major preoccupation: how to make progress towards longer-term goals that can feel hopelessly out of reach.

Checking-in in this way has several clear benefits. First, it's an opportunity to help the client celebrate their accomplishments. These are the moments that call many financial planners to the profession: those moments when the client's life has clearly been improved by the work done with their planner. Second, it's an opportunity to clearly demonstrate value to the client (which can lead to referrals and future business). Third, identifying new objectives can highlight opportunities to undertake additional work with the client, supporting them as they embark on their next adventure.

Discussion

This study has examined several years' worth of recent evidence on Millennial finances in Canada. The approach has primarily been to explore "the" Millennial experience, namely in relation to homeownership, retirement, and other elements of middle-class existence. As articulated early on and discussed throughout, the history of the concept of a middle class is invaluable for interpreting the findings presented here. But the history of the middle class is a history of income and wealth inequality, and how those inequalities have evolved (and continue to evolve) over time.

Differences among Millennials

Seen from that perspective, is it really appropriate to speak of "the" Millennial experience? Are not differences of income and wealth extremely important to consider here, even within the Millennial cohort? Indeed they are, and in two ways.

First, where a given Millennial lies on the income and wealth distributions will contribute enormously to their experience of the history and cultural concepts discussed here. The smaller the overall inequalities are, the less power such inequalities hold as a determining factor of one's experience. But with inequality on the rise, it is, more and more, a dimension that we must contend with. The fallout of the COVID-19 pandemic is both illustrating and exacerbating the different experiences of the haves and the have-nots (Tal, 2021). And those differences extend well beyond just finances (Public Health Ontario, 2020).

Beyond cohort experience, which dimensions should we be looking at in order to understand a given client? Ongoing research about financial wellbeing at The Decision Lab (publication forthcoming) shows that three of the strongest determinants of a sense of financial control are income level, employment status, and credit score. These findings are consistent with the picture painted here that the Canadian Millennial experience is strongly defined by success in finding stable, well-paid work, and keeping debt under control.

Gender, race, educational attainment, geographic location, and even urban/rural differences: these dimensions (individually, not as a set) have proportionately smaller impacts on a sense of financial control. However, it must also be emphasized how strongly those dimensions contribute to one's opportunity to find stable, well-paid work, to afford a good education without incurring insurmountable debt, and so forth.

The research presented here has endeavoured to synthesize the knowledge base on Canadian Millennials and their finances. The "middle class" concept is a powerful one to make sense of these findings. However, it also opens up questions of income and wealth inequality in Canada. These turn out to be very important dimensions to consider; but a full exploration of those dynamics remains beyond the scope of the present work.

Planning for Millennials

But if finances, race, gender, education and other dimensions have such important roles to play in determining the unique makeup of a client, does this not speak against the viability of using the Millennial lens when working with actual clients? Certainly not. There is a Millennial experience of finances just as well as there is an experience of finances that is unique to women relative to men, just as there is an experience unique to people of colour relative to white people. Cohort, gender, race and other dimensions are complementary, not mutually exclusive. Indeed, what we should stop seeking is a single overarching logic that exclusively determines the financial experiences and needs of real individuals.

Rather, what we need is a palette from which to draw all of the shades and hues that help us to fill in the vivid colours of clients' actual lives. In that respect, the Millennial narratives outlined here form a valuable addition to the existing knowledge base.

But that tool must be used appropriately. The Millennial narrative is not one used for scientific classification; all Millennials are not any one way or another, simply by virtue of their birth year. The Millennial narrative is a tool to help us empathize with clients, to understand the experiences of people with whom that narrative resonates. The narratives (and the strategies built out from those narratives) that are presented in this report do not remove the need to ask questions or get to know clients individually. Instead, the material outlined here provides a basis for asking more insightful questions, and thus getting to know clients more deeply.

This is especially important when considering the client base that financial planners have traditionally served: predominantly the wealthier members of society. In recent years, financial planning has expanded towards more of the mass market, building a service offering to address the middle class. As the middle class evolves, so too will the tools and the practice of financial planning have to evolve in lockstep.

A look at the six areas of financial planning is instructive here: Financial Management, Investment Planning, Insurance and Risk Management, Tax Planning, Retirement Planning, Estate Planning and Legal Aspects. Even these six areas show the impacts of the history of the profession and of the middle class. They assume that a substantially large segment of the mass market has funds to invest, has flexibility about shifting income and other dynamics to "plan" for taxes, and that they will retire and have an estate to leave to the next generation. In brief, four of the six areas focus only on wealth accumulation: they are contingent on the idea that enough people will be accumulating enough wealth that it will be worth hiring a professional to help them sort out what to do with it.

By contrast, managing (various kinds of) debt, managing precarious cash flow, and managing consumption—areas of intense need for Millennials—live somewhere within (and between) financial management and insurance and risk management. And several new risks need to be conceptualized along new time horizons. Policy frameworks and private offerings already exist to cover micro risks (sick days, personal days) and macro risks (long-term disability, death). But the meso-risk space in between is covered principally by employment insurance, which is ill-adapted to a gig economy, as COVID-19 has demonstrated (The Canadian Press, 2020).

Middle-class existence always hangs in a balance, suspended between accumulation (which leans upward towards the wealthier class) and precarity (which leans downward towards the working class). The iconic, 20th-century ideal of the middle class lies closer to the accumulation end of that spectrum. But the reality is now retreating back towards precarity. Our ideals need to catch up with our reality. And financial planning must keep pace as well.

That a profession is shaped by its client base and its history is no surprising fact. Nevertheless, an understanding of that history helps to illuminate areas where the practice itself bears the imprint of its genesis, which in turn can generate ideas about where adjustments can be made to provide better service to a new generation of clients. And in that respect, a diverse membership of professional practitioners can also be incredibly valuable, as such a group will be better able to identify what resonates well or badly with a richer diversity of clients.

Once again, the history of financial planning is beyond scope here. The topic is merely indicated as being relevant to understanding how the practice and tools of the profession embed that history, at a time when the profession is seeking to reach entirely new segments of the market. Moving to address the Millennial cohort represents one new segment. Along with this, issues of economic inequality, gender, race, education, and others also press to the fore.

COVID and Millennial finances

As noted above, COVID-19 will have a major impact on finances (including but not limited to those of Millennials in Canada). While the study period for this analysis is not adequate to capture these early results, some patterns do seem to be emerging.

COVID has deepened the growing chasm between those who are better off and those who struggle—economically, socially, professionally, and beyond. The Canada Emergency Response Benefit (CERB) provided a financial bridge for many who lost their jobs during the pandemic. However, many essential workers continued to work (in some provinces, at a minimum wage that was below the level of CERB), which exposed them to increased risk of infection.

Savings rates in Canada soared during the pandemic, in part because of benefits like CERB increasing the take-home pay of the least well paid in society, in part because opportunities to spend were so severely limited by lockdown measures. Given that non-discretionary spending is much harder to decrease than discretionary spending, it stands to reason that those who had the most opportunity to save during the pandemic were those who also had the most disposable income to start with.

These differences have exacerbated the inequality in Canadian society. And look no further than the housing market to see the intense impacts of that inequality—and how it is driving the middle-class dream further and further from the grasp of Millennials who can only glance upwards from the lower rungs of the economic ladder.

Even so, what will happen in the future is not yet known. In fact, it is not yet even decided. There will be important policy responses (from both government and private-sector actors) in response to the pressures that COVID-19 has exerted on our society. Those decisions are just starting to be made, and their impacts will unfold over the course of many years to come.

For financial planners, this ecosystem in rapid evolution means that they will need to keep abreast of changes to government and employer programs, as well as other broader societal shifts. Not the least of these shifts is a potentially accelerated movement in client expectations around impact investing, on topics from climate, to ESG, to corporate social responsibility (CSR).

Conclusion

The aim of this work has been to produce and socialize accessible, actionable content for financial planners across Canada, helping them to promote the financial wellbeing of Millenials through improved professional practice. This goal is accomplished through several resources presented here:

- The bibliography below offers a vast inventory of primary literature on Millennial finances in Canada, covering the last 5 years.
- The Knowledge Synthesis section above distills that knowledge base into an historically-informed interpretation of the Millennial experience with money.
- The Knowledge Application section translates those insights into actionable takeaways that a planner can bring to their practice starting Monday morning.
- The Practitioner Vignettes offer an at-a-glance view of the most powerful recommendations from the Knowledge Application section, in narrative form.

In brief, the Millennial experience is one of grappling with an evolving macroeconomic reality, of trying to make sense of a concept of "middle class," and of doing so in such a way that this ideal both resonates with their aspirations and feels realistically within their grasp. Managing economic precarity and debt are their biggest challenges. Flexibility and the pursuit of self-actualization are their most novel contributions. And planners can deliver the best service to Millennials by establishing trust, integrating their service seamlessly with digital tools as well as other professionals, and putting the Millennial experience squarely at the centre of their value proposition.

Once again, TDL thanks the FP Canada Research Foundation for its generous support of this research. We at TDL hope to continue supporting better and better financial planning across the country, and the wellbeing of all Canadians.

Appendices

Methodology

Document collection

The research documents covered in this study were collected using a stepwise approach. First an initial set of keywords was established, and then manual sampling was used to determine the quality of results that each keyword returned. The queries all took the following form:

cohort + theme + doc type + geography [23]

The very first query was "Millennial financial planning study Canada," and the results obtained with this query helped to round out the individual keywords used in the final document collection protocol. For example, many of the results of this initial query highlighted the potential relevance of "financial attitudes" and "financial education" as thematic keywords to include in the study.

Building out from this kernel, a long list of potential keywords was built out. Manual inspection of the results identified which keywords were retained and which ultimately rejected. For example, "financial attitudes" returned many relevant results over and above the initial query, leading to its inclusion in the final set of keywords. By contrast, "financial education" returned many relevant results that were already being captured with other keywords, and the novel items returned by this query covered (for example) sample educational materials used to teach Millennials about financial literacy, rather than primary research data about the finances of Millennials.

The final set of keywords retained for this project is shown in the table below.

Cohort	Theme	Document	Geography
Millennials	Financial planning	Experiment	Canada
Gen Y	Financial advice	Focus group	
Generation Y	Financial attitudes	Measure	
	Financial behaviours	Poll	
	Financial intentions	Questionnaire	
	Financial management	Report	
	Financial services	Research	
	Investing	Review	
	Personal finances	Sample	
	Retirement	Study	
	Savings	Survey	

[23] *The 2015–2020 timeframe was used, but this was implemented either through automated exclusion rules (e.g., publication years as listed on 1findr, Google Scholar, etc.) or manually based on the results. The years were not used as part of the query string, though they represented an important bound on the results collected.*

Searches with individual queries were halted when additional results obtained were:

- Repetitious with already collected results;
- Beyond the scope of relevance for this research (either thematically extraneous or just opinion pieces rather than original research); or
- Published before 2015, and therefore older than our timeframe of focus.

This query approach yielded 105 unique results. As noted in the results section, approximately 80% of the studies discovered were industry research, with the remaining items split between academia, government, and nonprofits. Some items included cross-cohort comparisons (e.g.: comparing Millennials to Gen X) or cross-border comparisons (comparing Canadian to American Millennials). These were retained so long as Canadian Millennials were among the comparator groups.

This collection process did not uncover much multi-dimensional analysis looking at how the Canadian Millennial experience was perceived differently across differences of:

- Income and/or wealth
- Credit rating/credit behaviour
- Employment status or industry
- Education
- Gender
- Race/ethnicity
- Citizenship/immigration status
- Physical/psychological disability

Document tagging

An unstructured reading of such a large body of literature can leave a subjective impression that diverges from the weight of evidence. For instance, some particularly lengthy or interestingly-written studies could carry disproportionate weight in one's subjective impression. The first and last studies read are also likely to end up more salient in one's final interpretation[24]. Accordingly, a structured approach to results analysis was applied here.

Initially a small set of studies was manually reviewed in order to extract key findings piecemeal and in a highly detailed manner. A comparative analysis of these initial findings was conducted, leading to the identification of topic areas. These topic areas provided column headers for a spreadsheet. This proto-structure was tested by applying it to more and more studies in the document set created previously. Through this iterative process, column headings were revised, consolidated, etc. The final set of topic areas is encoded as the structure of the Results section above, covering savings & investments, debt, and employment & earnings (later organized under Financial position), and so on. With the stable, finalized set of topics, an exhaustive document-tagging exercise was undertaken, extracting from each study all findings relevant to these topic areas.

[24] *See for instance: The Decision Lab. (n.d.), How do our memories differ from our experiences?*

Analytical approach

With the structured database complete, the analysis proceeded section by section, identifying where the weight of evidence lay. As noted in the introduction, there are large volumes of research available on Canadian Millennial finances. What's missing is a synthesis of these findings. This weight-of-evidence approach enabled the identification of patterns across the whole set of literature consulted.

In addition to *aggregating* the findings across this body of literature, the present report situates that aggregated result within its historical context, making the findings both representative of the underlying literature as well as meaningful to a reader seeking to understand the lived experience of Millennials who find themselves in the financial situations described here.

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Engaging the client

Managing Precarity

Kai feels that money runs his life. His finances are very unpredictable to him, and he often worries about how he's going to make ends meet – though there always seems to be just enough at the end of the month.

He's educated but hasn't found stable, full-time employment in his field, even after years of contracts. Kai drives for Uber and Lyft to supplement his income.

The planner offers to help Kai establish the financial foundation and the good habits to get his finances stabilized and build his confidence.

Defining Success

Mira and her husband both earn comfortable salaries working in the corporate sector. But they feel that their professional and financial lives don't represent their values.

With their daughter now out of daycare, they feel that they have the flexibility to explore how they can use their money to create a better future for society. They want to leave a legacy.

The planner offers to help identify options that help Mira and her family to balance promoting their values with securing their longer-term future.

Conducting discovery

Learning their values

In working with Kai, the planner learns that he typically rolls his Uber earnings into his general budget. Kai always has a little bit of gig income, but he drives more (and sometimes goes into debt) when his main contract work is sparse.

Kai's contract work isn't covered by employment insurance, and he doesn't have any paid sick leave. These are the main sources of financial shocks for Kai, creating gaps in earnings.

The planner learns that Kai's parents own a house in a very expensive neighbourhood, though they aren't very wealthy outside of that equity. Kai is so preoccupied with his financial worry that he doesn't think about the long term.

Seeing their reality

During the discovery session, the planner learns that Mira's investments are mostly in low-risk assets. However, in conversation it becomes clear that she has a strong appetite for risk, especially if she thinks that her investments can make a real difference.

The planner asks Mira about the values she would most like to promote in society, and learns that women's participation in the workforce is an issue she cares deeply about She's willing to take below-market returns if she knows her money is working for others while it also works for her.

Developing recommendations and the financial plan

Building Resilience

The planner analyses Kai's finances and concludes that his books consistently balance over 3-month time horizons. The problem is that there are small week-to-week pressures that lead to very short-term cash crunches.

The planner designs a buffer fund strategy: all of Kai's earnings will go to a dedicated account, out of which he will pay himself a steady biweekly "salary." The buffer will level off the short-term crunches, including those caused by brief bouts of sickness and gaps in employment.

Designing for Impact

The planner identifies a range of options for micro-finance investing, including some that focus specifically on offering loans to women entrepreneurs. Those options offer a lower return than Mira had been hoping for.

Ultimately, the planner identifies a complementary microfinance fund that offers higher yields, along with higher risks. The planner integrates these two microfinance funds into the plan, creating an asset mix that aligns with Mira's higher risk tolerance and allows her to put her values squarely at the centre of her investment decisions.

Supporting implementation

Growing Confidence

The planner helps Kai to set up the buffer account and to fund it (through one extra Uber shift per week, for two months). The planner checks in with Kai every three months after the plan has been fully implemented.

Time after time, Kai shows strong progress. The buffer is evening out the ebbs and flows of his finances, and he isn't scrambling to make ends meet anymore. Kai's confidence about his finances is stronger than ever, which is improving his outlook on life more broadly.

Kai feels ready to start thinking about longer-term goals, and wants to start building financial literacy for managing his inheritance when the time comes.

Moving the Needle

The planner helps Mira to transfer her investments into the new funds that the planner proposed. They agree to have a check-in call twice a year to see how Mira's financial situation is evolving.

After 18 months, Mira's investment portfolio is down. The planner arrives for the discussion prepared. First, the decreased value of the portfolio is notable, but still within projections based on the volatility of some of the impact investments. Mira has time to wait it out. Furthermore, her investments have helped hundreds of entrepreneurs– mostly women – to build their businesses and futures for their families. Mira feels positive about her impact and confident about her financial future.

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