

Report on Existing Millennial Research

Leveraging current research to
meet the needs of the Insurance Industry

November 21, 2011

EXECUTIVE SUMMARY

Overview

This report will identify, gather and organize shareable industry research on Millennials as it relates to recruiting them into the insurance field. Determination of themes in existing research will lead to recommendations regarding best use of this information in order to recruit and retain Millennials to the industry. This report will also identify opportunities for future research related to the overall initiative.

Key Findings

Significant findings from existing studies note common characteristics of Millennials.

This generation is:

- Extremely comfortable with technology and have the ability to use multiple devices simultaneously (Price Waterhouse Cooper, 2008; Johnson Controls, 2010; Pew Research Center, 2010; Pew Research Center, 2010; Shaw and Fairhurst, 2008).
- Use social media as a primary forum for communication and informational purposes (Price Waterhouse Cooper, 2008; Johnson Controls, 2010; Pew Research Center, 2010; Pew Research Center, 2010; Shaw and Fairhurst, 2008).

Regarding employment, Millennials expect to:

- Change employers two-five times during their career (Price Waterhouse Cooper, 2008; Pew Research Center, 2010).
- Change vocations at some point during their careers (Price Waterhouse Cooper, 2008; Pew Research Center, 2010).

In terms of ideal employment, Millennials are looking for:

- Meaningful, satisfying and challenging work they will enjoy (Johnson Controls, 2010; Shaw and Fairhurst, 2008; Ohio Insurance Institute, 2011).
- Collaborative work environments (Johnson Controls, 2010; Shaw and Fairhurst, 2008; Ohio Insurance Institute, 2011).
- Employers who demonstrate social responsibility through workplace efforts (Price Waterhouse Cooper, 2008; Johnson Controls, 2010).

Millennials expectations regarding employers' investment in them include:

- Ongoing training and development (Price Waterhouse Cooper, 2008; Johnson Controls, 2010; Shaw and Fairhurst, 2008; Ohio Insurance Institute, 2011).
- Continued learning, including mentoring (Price Waterhouse Cooper, 2008; Johnson Controls, 2010; Shaw and Fairhurst, 2008; Ohio Insurance Institute, 2011).

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Recommendations

Based on existing research, the industry needs to first address the image issue. A coordinated effort to reach Millennials should include:

- Presence on social media sites
- An industry website providing information on careers, educational opportunities and other materials useful to parents, students, teachers and counselors
- Investment by the industry in mentorships and internships
- Examination of onboarding trends across the industry

More specific research is necessary regarding:

- Perceptions of the insurance industry
- Awareness of industry opportunities within the industry

Research results will help determine specific messaging needed not only for Millennials but for the key influences in their lives. Research emphasis should center on specific actions the industry can take to make the field more attractive to this generation. This research falls into two distinct areas, messaging and future initiatives.

Regarding messaging, future research should focus on obtaining additional information on:

- Verification of general traits and characteristics as identified in prior studies
- How students and professionals identify web-based resources useful in making decisions about majors and careers
- What type of information is most useful in making decisions about majors and careers

In terms of actionable initiatives, recommendations include collecting information regarding Millennials preferences regarding workplace:

- Facilities
- Employer environment/culture
- Technology
- Professional development
- Work/life balance

INITIATIVE BACKGROUND

As the Baby Boomer generation begins to retire, concern is growing across industries regarding the forecasted lack of talent with the essential knowledge and skill sets to meet workforce needs. In the insurance industry the gap and potential impacts are likely more acute as the current number of workers 55 and older is almost 30 percent higher than the rest of the economy (McKinsey, 2010).

In response to the industry's struggle with how to address the impending talent gap, The Griffith Foundation hosted an Insurance Education and Career Summit in September of 2011. The Summit brought together nearly 110 representatives from across the insurance field including industry and association leadership, educators, and students, all with the goal of identifying barriers to attracting talent and brainstorming initiatives to recruit the next generation.

Three efforts that came from the Summit were the need to:

- Compile existing market research and identify any additional research needs
- Establish a mechanism for centralized information and
- Create a unified industry message

The first of these efforts is the focus of this report.

GOALS OF REPORT

Gathering and organizing existing market research on Millennials attitudes, values, influencers, preferred communication styles and other relevant characteristics is a first step linking to the vision of creating a coordinated industry-wide effort to recruit the next generation into the insurance and risk management field. This report will explore ways to leverage existing research as well as opportunities for future research. Recommendations from this report will serve as a key component of the road map necessary to advancing the larger effort.

CURRENT RESEARCH FINDINGS

Of eight studies found, five related to general characteristics, expectations and wants and needs of Millennials; the other three studies were industry focused. A table showing source data including study origin, sample size, sample demographics and date undertaken is available in Appendix A of this report.

Research findings fell into three broad categories: general traits and characteristics of Millennials, their expectations and their wants and needs. Within each of these categories, consistent themes were identified.

INITIATIVE BACKGROUND

General Traits and Characteristics

This generation gives new meaning to the phrase “tech savvy”. Millennials have the ability to use multiple digital devices congruently and simultaneously allowing them to navigate through massive amounts of data as well as process multiple stimuli. They are always connected and view technology as a means of making life easier by helping them work more efficiently and keep more in touch with others (Price Waterhouse Cooper, 2008; Johnson Controls, 2010; Pew Research Center, 2010; Pew Research Center, 2010; Shaw and Fairhurst, 2008).

Millennials are extremely involved in social media for social and networking purposes and have the ability to work in sociable environments with others (Price Waterhouse Cooper, 2008; Johnson Controls, 2010; Pew Research Center, 2010).

Two studies reviewed showed that Millennials are highly political. They were strong Obama supporters in the 2008 election (Pew Research Center, 2010; Institute of Politics, 2010). However, they have concerns regarding the trustworthiness of American institutions such as the military and the courts (Institute of Politics, 2010).

Expectations

In terms of careers, Millennials estimate they will have two to five employers during their lifetimes and they expect to change employers or vocations at some point during their career (Price Waterhouse Cooper, 2008; Pew Research Center, 2010).

Employment Wants and Needs

In terms of ideal employment, Millennials have a clear idea of what they are looking for in an employer. They want meaningful, satisfying and challenging work as well as work that they will enjoy (Johnson Controls, 2010; Shaw and Fairhurst, 2008; Ohio Insurance Institute, 2011). Collaborative work environments are also perceived as important to this generation (Johnson Controls, 2010; Shaw and Fairhurst, 2008; Ohio Insurance Institute, 2011).

Millennials have high expectations in regards to employers’ investment in them. Training and development and continued learning, including mentoring, are significant to this generation as they want to remain marketable (Price Waterhouse Cooper, 2008; Johnson Controls, 2010; Shaw and Fairhurst, 2008; Ohio Insurance Institute, 2011).

Millennials believe their employers should demonstrate social responsibility. Millennials want to see sustainability efforts in their workplace such as recycling, water saving devices and sharing of printers (Price Waterhouse Cooper, 2008; Johnson Controls, 2010).

INITIATIVE BACKGROUND

Existing Industry-Specific Research

Very little research is available regarding Millennials and the insurance industry. However, existing industry research does support the findings of surveys of Millennials regarding their needs and wants relating to employment (Deloitte, 2007; Insurity/Microsoft, 2008; Ohio Insurance Institute, 2011):

- Career development/training/mentoring
- Meaningful work
- Work/life balance
- Tech-savvy work environment
- Open social networks/collaborative work environments

Further, a survey of high school students in Ohio yielded some interesting insight. While the survey found the majority of students knew someone working in the insurance industry, more than 40 percent of the students indicated they had no interest in pursuing a career in insurance and nearly 40 percent indicated they were not interested in learning about insurance careers (Ohio Insurance Institute, 2011). In looking at some of the specific comments, it was noted while students generally considered insurance to be important and were exposed to the variety of careers available within the industry (through parents, friends, guest speakers, teachers, relatives, and school guidance counselors), they thought the work was “boring” and “uninteresting” (Ohio Insurance Institute, 2011). Other studies suggest one of the main obstacles facing the industry is that of perception/reputation (e.g. Deloitte, 2007) with 65 percent of the respondents of one survey indicating that “the insurance industry has a poor public image” (Insurity/Microsoft, 2008).

RECOMMENDATIONS

Recommendations from this report fall into two distinct categories, leveraging existing research and opportunities for future research.

Leveraging Existing Research

Based on existing research, the industry needs to first address the image issue. Given that Millennials are always connected and do much of their research related to future careers via university websites and online searches (Ohio Insurance Institute, 2011), a coordinated effort to reach Millennials should include:

- Presence on social media sites
- An industry website providing information on careers, educational opportunities and other materials useful to parents, students, teachers and counselors
- Investment by the industry in mentorships and internships
- Examination of onboarding trends across the industry

Social media can be leveraged to share experiences of younger workers in the industry as well as showcase positive news stories and topics of current interest as reported in trade press and other media outlets. Using social media in this way will ultimately positively impact industry perceptions as well as highlight employment opportunities and successes of younger workers in the insurance field. Additionally, it will demonstrate the importance of insurance to businesses, individuals, and government entities as well as the dynamic nature of the industry.

A website with information about the diverse career opportunities in the insurance industry can assist students and current Millennial professionals in other industries by:

- Demonstrating how their strengths and skills can lead to successful and rewarding careers in the insurance industry.
- Providing access to educational opportunities via links to universities with insurance curriculum and additional information
- Providing additional resources for high school and college, parents, school teachers and counselors

Several other countries maintain such websites and these can be used as a guide for a similar such website in the United States.

Examples include:

<http://www.discoverrisk.co.uk>

<http://www.careersininsurance.com.au>

<http://www.insuranceinstitute.ca/Default.aspx?l=English>

RECOMMENDATIONS

Investing in Millennials early through mentoring and internship opportunities can reap dividends as this generation makes decisions regarding college majors and employment opportunities. These efforts not only raise awareness of opportunities in the insurance industry but also increase desire to work in an industry which invests in them at this point in their lives.

A white paper detailing more specific recommendations regarding mentoring and internship programs is available from the Griffith Foundation.

Opportunities for Future Research

More specific research regarding perceptions of the insurance industry as well as awareness of opportunities within the industry is needed. Results from this research can be used to help determine specific messaging needed not only for this generation but for the key influences in Millennials lives. Research should focus on specific actions the industry can take to make the field more attractive to new graduates as well as current professionals working in other industries.

As it relates to messaging, future research should focus on obtaining additional information on:

- Verification of general traits and characteristics as identified in prior studies as they relate to United States Millennials
- How students and professionals identify web-based resources useful in making decisions about majors and careers
- What type of information is most useful in making decisions about majors and careers
- How students feel about employer expectations of them

In terms of future initiatives, the central theme of research should focus on how the industry can overcome its negative image and adapt the work environment to make the field more attractive. Recommendations include collecting information on:

- Facilities (including work space, lighting, and overall feel of work environment with a focus on modernization; individual and collaborative work spaces, and amenities available on-site and nearby)
- Environment/Attitude (including ‘green efforts’ and community service efforts of primary interest)
- Technology (including tools considered necessities, laptops versus desktops, and virtual work environments)
- Training, Professional Development, and Opportunities for Growth (including importance of mentoring, cross-training/movement across areas, promotion policies)
- Onboarding practices across the industry
- Work/Life Balance Issues (including flexible work schedules and benefits which support/manage family issues)

The recommendations from this study are a starting point for future research and initiatives for attracting Millennials to the insurance industry. By taking action on opportunities for future research as well as leveraging existing research the industry has a solid foundation for a successful effort.

APPENDIX A

General Research on Millennials			
Study Origin	Sample Size	Sample Demographics	Sample Date
Price Waterhouse Cooper (2008)	4271 graduates, majority were new employees of PwC (only 144 were not)	44 countries	September 2008
Johnson Controls (2010)	5375	80% were 18 – 25 while 24% were 26 – 34; 5 countries; 5 industries	Began in July 2008
Pew Research Center (2010)	2020	Oversampling of Millennials (41%); US only	January 2010
The Institutes of Politics (2010)	3117	18 and 29; 50% male; US only	Unknown
Hanks, Odom, Roedl and Blevis (2008)	435	Undergraduate students, mainly between the ages of 18 and 21; US only (specifically, Indiana University)	Unknown

Industry Research on Millennials			
Study Origin	Sample Size	Sample Demographics	Sample Date
Young Producer Study (2010)	200 agencies across the country regarding their producer hiring activity 54 agencies and 91 producers took part in the in-depth portion of the study	“Young producers” defined as those individuals who were under the age of 30 when hired. US only	Unknown
Insurity/Microsoft ‘Millennials in Insurance Survey 2008’	704	18-27 years old A total of 503 in U.S. and 201 in Canada.	April 21 – March 27, 2008
The Ohio Insurance Institute High School Immersion Exercise Results	21 participating school 23 classrooms surveyed	High School Students - Majority of classes surveyed focus on business/finance/insurance	April 29 – May 27, 2011

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The Griffith Insurance Education Foundation

**623 High Street
Worthington, Ohio 43085**
www.griffithfoundation.org

info@griffithfoundation.org

Phone (614) 880-9870

Fax (614) 880-9872