

UNDERSTANDING THE MILLENNIAL INSURANCE GAP



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Growing numbers of millennials at work means there's also a growing need for brokers to understand this generation and their unique insurance needs.



In 2015, millennials became the largest generation in the work force.¹



By 2030 millennials are expected to make up 75% of the work force.¹

So, what's the outlook for millennials when it comes to their finances and insurance?

FEW MILLENNIALS HAVE SAVINGS



51.8% of millennials have less than \$1,000 in savings.²



It's not just a matter of income. Over 25% of millennials making more than \$100,000 per year have less than \$1,000 in savings as well.²



DESPITE NOT SAVING, MILLENNIALS ARE CONCERNED ABOUT THEIR FINANCES



Those aged 25-34 show the highest level of concern across all generations for common financial planning issues.³



Half of consumers age 25-34 (52%) state they are very or extremely concerned about having sufficient funds for a comfortable retirement.³

A lack of knowledge when it comes to common financial planning options may be holding millennials back. The same concerns were present when asked about life insurance:

COST



When asked the price of a life insurance policy for a 30 year-old, the median estimate given by millennials was nearly 10 times the actual cost.³

AMOUNT OF COVERAGE



A majority of millennial consumers believe they need more life insurance but less than 20% said they are very likely to buy life insurance.⁴



Even if they do have life insurance, chances are they don't have enough. Nearly one-third (30%) of all people who have life insurance feel they don't have enough.⁵

PRIORITIZING INSURANCE



60% of millennials feel that paying for expenses such as internet, cell phones or cable is more important than purchasing life insurance.⁵



29% of Millennials cited saving for vacation as a priority over purchasing life insurance.⁵

AVAILABLE RESOURCES



Just 16% of millennials use a financial advisor.⁶



69% of millennials are either actively disengaged or indifferent to their insurance carriers - the highest percentage of any generation.⁷

So, what's the solution? Education. Here are some tips for reaching millennials to make sure they have the communication they need:

IN TERMS OF COMMUNICATION THEY PREFER:

Instant messaging

Text messaging

Email or social media

NOT to be contacted by phone

MILLENNIALS ARE MOTIVATED BY:

Recommendations from peers

Personalized attention

Instant interaction

A variety of testimonials to make decisions

Source: "Generational Marketing and Selling" Trustmarksolutions.com. July, 2015.

USING TECHNOLOGY HELPS, BUT FACE-TO-FACE IS STILL MOST EFFECTIVE.



More than half of millennials choose face-to-face meetings as their preferred form of communications.⁸



95% of millennials say that friends are the most credible source of product information.⁹

Millennials already make up a large part of the workforce and their numbers will only grow. As a group, they face a number of financial challenges which can be addressed through insurance education. Talk to your Trustmark Voluntary Benefit Solutions sales representative to get the right resources in place to help understand and engage millennials.

¹ "Millennials surpass Gen Xers as the largest generation in U.S. labor force". Pew Research Center. May, 2015.

² "How much have millennials saved up?". Howmuch.net. Dec, 2015.

³ "Millennials, younger Americans continue to show more anxiety about common financial planning issues than older generations" LIMRA.com. April, 2014.

⁴ "LIMRA Study Finds Majority of Gen X and Y Consumers Believe They Need More Life Insurance, But Few Will Buy" LIMRA.com. March, 2015.

⁵ 2015 Insurance Barometer Study. LIMRA. 2015.

⁶ Millennial Report. U.S. News & World Report. 2014.

⁷ "Insurance companies have a big problem with millennials". Gallup.com. March, 2015.

⁸ "Even Millennials Want Face Time at Work" Time.com. Sep, 2014.

⁹ "How to connect with millennials - 3 new stats shed light". Socialchorus.com. Aug, 2013.

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