

Millennials Value Branch Locations Over Online Services And ATMs

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Nearly one in three adults in the US today are defined as Millennials, (consumers aged 18-35) and this group could be a lucrative target for financial services companies.

While Millennials are known for their willingness to adopt new technologies, they still value brick-and-mortar financial institutions, as latest Mintel research finds that 31% of 18-34-year-olds who switched banks in the past 12 months did so for more convenient branch locations, compared with the 27% who changed for better online services and the 28% who did so for more access to ATMs.

“Millennials are an excellent target audience for financial products,” says Susan Menke, vice president and behavioral economist at Mintel. “They are interested in learning more about how best to handle financial issues, and express the greatest interest of any of the generations in acquiring a number of financial products, such as life insurance, annuities, mutual funds, ETFs, stocks and other investments. However, willingness to purchase is hampered by a challenging economy.”

Indeed, the economy has been a cause of concern for Millennials, since about twice as many expect that they will be required to provide financial assistance for their Boomer parents, than those Boomers expect to provide for their own parents. Some 35% of those 18-24 and 27% of 25-34s expect to provide at least some financial support to their parents during their retirement, and a similar number expect to be a primary caregiver for a parent at some point. Meanwhile, 38% of Millennials are concerned about paying off existing student loans.

“A large percentage of 18-34-year-olds do not expect to receive Social Security upon retirement, nor are they very likely to think Medicare and Medicaid will be available in their futures to meet their healthcare needs,” notes Susan Menke. “All of this is influencing conservative financial behavior.”

However, it’s not all bad news, as 55% of Millennials report that they expect their household’s financial situation to improve in the next year.

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