



Industry Trends & Dynasty Guidance

Q2 2023

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Overcoming Money Avoidance in the Next Gen

Millennials and Gen Z tend to **avoid** or **disengage** from personal finance matters more so than older generations.



Next Gen Snapshot

- As the aggregate borrowing levels increase in the 2030s, Gen Z may account for a third of all U.S. consumer debt by 2040.
- Nearly 1 in 4 millennials is concerned about having adequate funds, while 69% are uneasy about making that money last a lifetime. (Morgan Stanley investor Pulse Poll)
- Gen Z are busy starting a family or paying down student loans and they simply don't have the money to worry about retirement.

From **March 2022 to March 2023**, NextGen **average credit card balances** have dramatically **increased**:

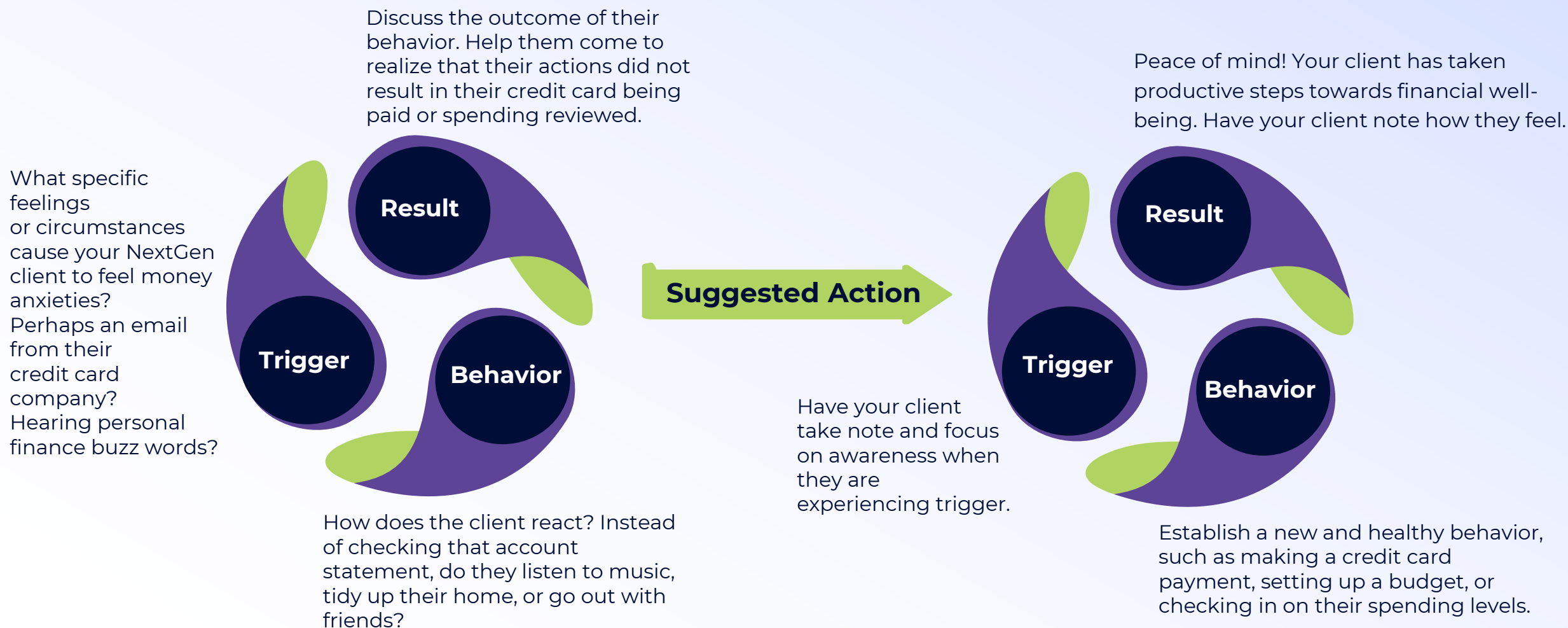
Millennials	\$5,800	(29% increase)
Gen Z	\$2,800	(40% increase)

Psychologists note that **avoidance** is a known **coping mechanism** for anxiety and stress. Unfortunately, ignoring spending levels, credit cards, and bank balances has led to increased debt in the Next Gen. This issue has been compounded by the **challenges of the COVID-19 pandemic**, with some Millennials and Gen Z turning to 'retail therapy' or frequent delivered meals to deal with restlessness and uneasiness.

Dynasty Recommends:

1. Position yourself as a Whole Family Advisor. Address this topic with your clients to determine and offer to work with their adult children if it's an issue they struggle with.
2. Understand the root cause by mapping out a 'habit loop' with the Next Gen. Then, help them establish a new habit loop, shifting focus to the result of peace of mind.
3. Turn to creativity as a mindfulness strategy. Brainstorm free or lower-cost activities that will bring enjoyment without the financial pain.

Overcoming Money Avoidance in The Next Gen: The Habit Loop



Retaining Employees

Hiring and retention are no longer about how you pay people, it's about the entire work experience you deliver.

RIA firms have expressed concerns about wage pressure, high turnover, difficulty finding talent and benefit packages.

RIA increasingly challenged to fill less experienced and more portable roles such as operations and CSA.

94%

Of firms match employee contributions and **29%** of firms add profit sharing into 401k on top of matching

42%

Of firms offer fringe benefits including gym memberships, cell phones, or lunches in the office.

40%

Of firms do not offer LTIP or equity to the team

Immediate

- Ensure proper onboarding
- Wellness offerings: Mental, physical, financial
- Over communicate about company strategy
- Develop immediate recognition practice. EX/ Birthdays, anniversaries, etc.
- Offer team building / culture days – Casual Fridays & theme days
- Ensure office is presentable – Clean, modern, access to tools.

Short term

- Mentoring program
- Develop culture of feedback and open communication
- Develop performance / tenure rewards & recognition.
- Offer & act on employee satisfaction survey with regular cadence
- Volunteer / team building days

Long term

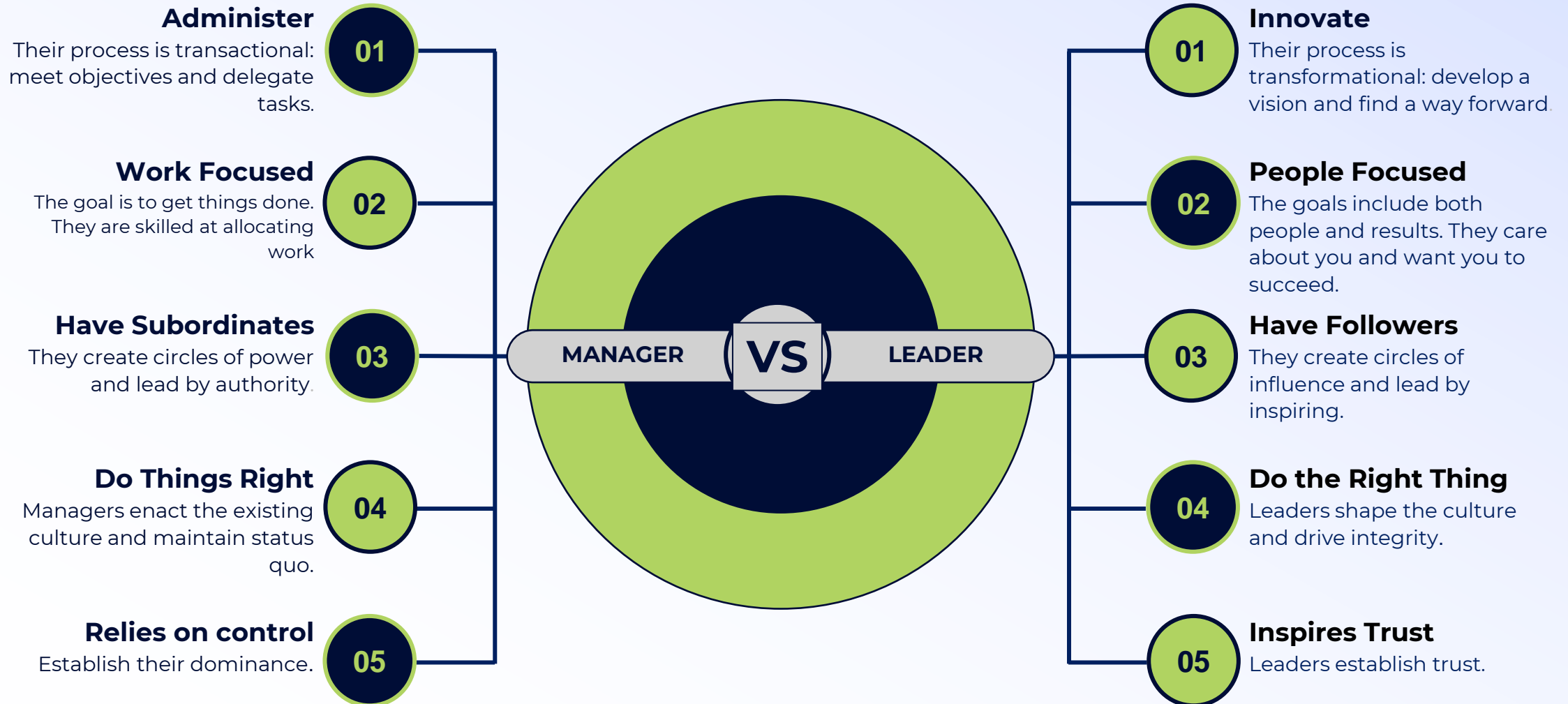
- Explore work life balance against business objectives and offer Hybrid, WFH, Unlimited PTO.
- Compare compensation against market at least bi-annually – be transparent.
- Explore fringe benefits – Childcare, gym, auto insurance, employee discounts, etc.
- Conduct exit interviews.

Dynasty Recommendation:

Talk to your Dynasty Relationship Manager about an internal survey to establish a baseline and how it can help with the implementation of these firm-wide initiatives.

MANAGERS VERSUS LEADERS

Great managers are often great leaders, and vice versa, but they are not always one in the same.
What's the real difference?




Concerned about capacity? Do an Energy Audit.

Instead of finding more energy generating activities, nix energy draining ones.

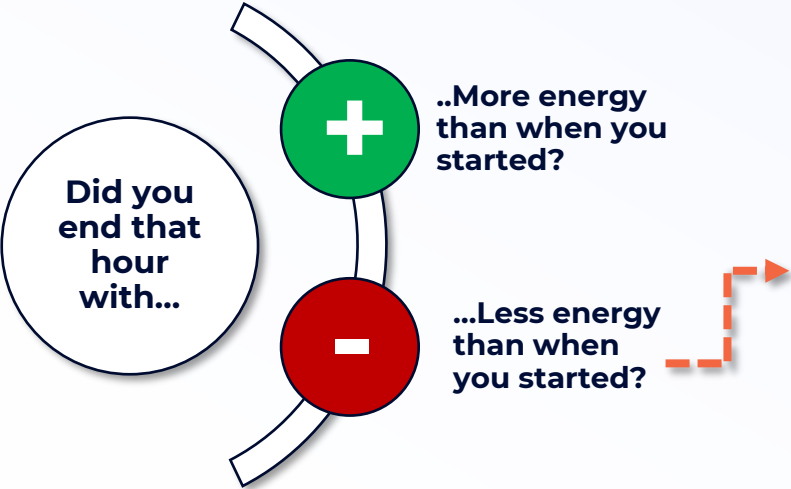
STEP 1.

Dissect Your Calendar.
Look at one week of your calendar. Examine and record how you spend each hour, week by week, day by day.
Then, ask yourself:

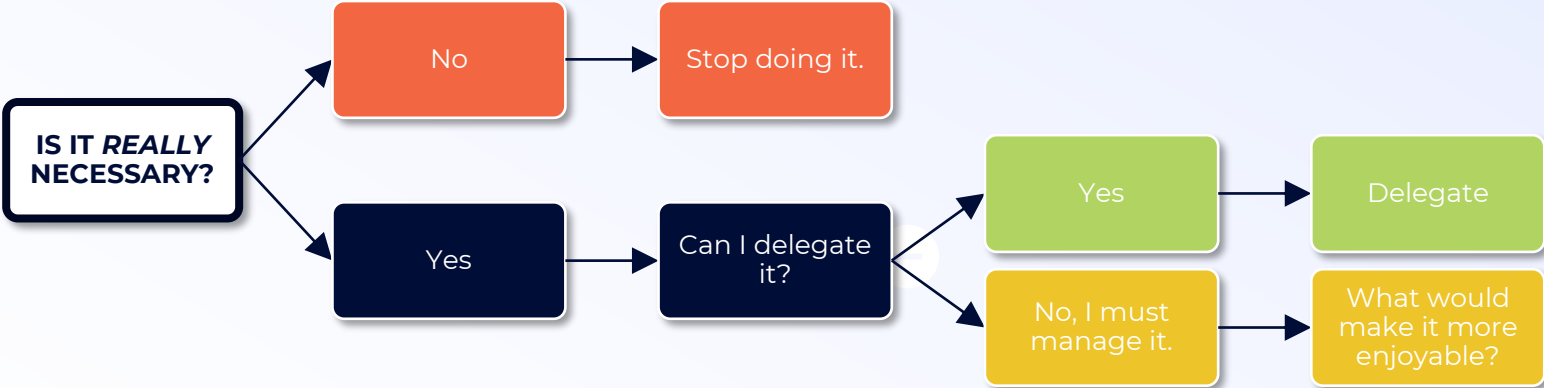


DYNASTY'S RECOMMENDATION:
Talk to your Dynasty Relationship Manager about how we can administer an energy audit for you, both individually, as well as across your firm. This exercise should be offered in conjunction with our Delegation Module.


STEP 2.



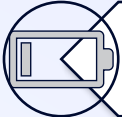
STEP 3.



IS IT A MATTER OF....

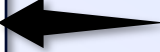


LIMITED TIME?



LIMITED ENERGY?

OR



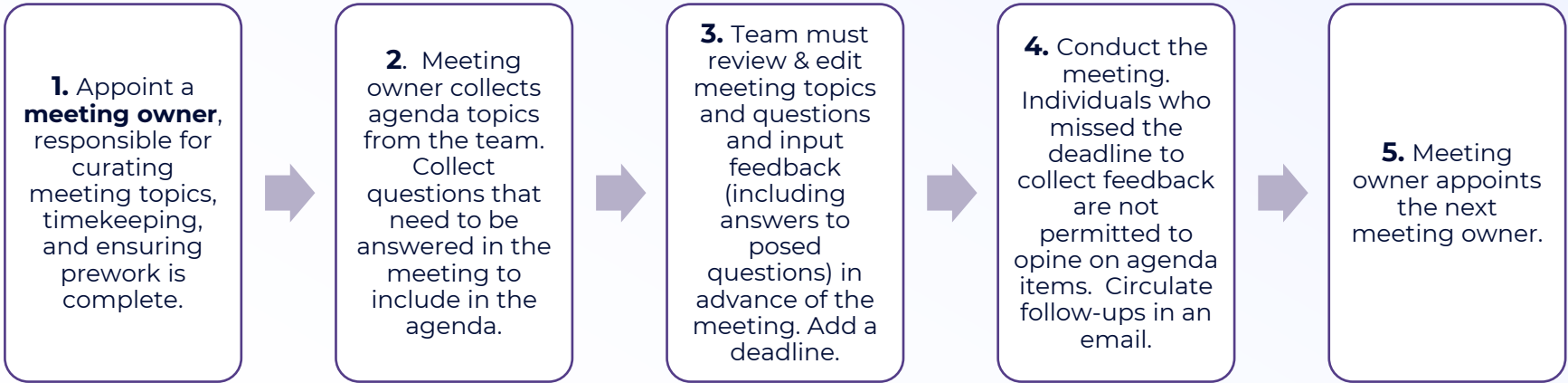
Concerned about capacity? Do an Energy Audit.

Instead of finding more energy generating activities, nix energy draining ones. If you can't eliminate them, then find a way to make them enjoyable – **like meetings**.

DYNASTY'S RECOMMENDATION:
Talk to your Dynasty Relationship Manager about how we can help you institute an effective meeting strategy and meeting audit.



Try this instead. Present this meeting structure to your team first. Would they be energized by it?



“Effectiveness of meetings **correlates with employees’ general satisfaction or dissatisfaction with their jobs**, even after controlling for personality traits and environmental factors such as work design, supervision, and pay.”

- STEVEN ROGELBERG,
ORGANIZATIONAL
PSYCHOLOGIST & PUBLISHED
AUTHOR

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