

It's Time To Focus on the Millennials: The Generation We Love to Hate

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After having taken a short hiatus from writing due to increased time in a classroom and some much needed R&R with my 87 year old grandmother touring the eagle speckled glaciers of Alaska, I came home ready to face the hurdles surrounding, and potentially stifling, the medical device and technology sector. Yet, as I opened up my laptop, ready to write, I came across a magazine article that discussed all the things Millennials won't spend their money on.



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I went into reading with the mentality that the article would focus on things this up-and-coming generation would choose not to spend their money on because the items were unrealistic for a standard middle-of-the-road income (think Ferrari and luxury homes in exclusive area codes). And in many ways, the article matched my expectations as it detailed that many Millennials will not spend money on luxury items such as cable TV, cars,

and fast food. These items match many of the life style options that Millennials have. For example, why pay for cable TV when you have access to nearly all mediated programming through services such as NetFlix, which is free and answers to the 'immediate satisfaction' clause that many Millennials demand. Car ownership is also down for Millennials as it appears regardless of the marketing standards, Millennials opt for driving and car services such as Zipcar, Uber and Car2Go because, like the TV option, they are flexible, less expensive and answer to immediacy without commitment. Millennials are also the first generation to reject fast food options that have been historically powerhouses. This health conscious generation demands foods with healthier choices if, and when, they choose to eat out. The underlying mentality is that if they are going to invest money in eating out, the food needs to be quality. If it isn't, Millennials prefer to spend less by preparing food at home.

However, although the article did discuss many of the expenses that are more driven by lifestyle choice than economy, the majority of the items the article focused on some of the larger picture items that young adults might like to purchase, but are unrealistic for the Millennials. Houses, new cars, investment accounts and traditional retirement accounts were all discussed. Even for a college-educated, full-time working Millennials, the idea of purchasing a house, a new car or investing aggressively in the traditional modes for retirement is just unrealistic. Much of this is due to the fact that most Millennials are strapped with the burden of paying student loans that are at unprecedented balances due to the increasing cost of a college education. Compounding the need to pay off student loans, cars, homes and traditional investments are things Millennials strive for, but just can't afford. As the cost of a college education has increased, so have the costs of homes, new cars and investment capital. In fact, some data banks are predicting that college educated Millennials who maintain fulltime positions will not be able to purchase a house until they are in the mid -fifties.

Here is where the article took a surprising twist. The author concluded that outside of the overriding expense of retirement investments, houses, cars and insurance, Millennials are hiding their hard-earned cash in a proverbial shoe box because even when they scrounge up enough to pay for something, there is an overarching lack of trust in the systems that support these markets. Logically, this makes sense. Millennials were born somewhere in the realm of the early 1980s to the early 2000s. They all lived, and survived, a period of austerity and extreme financial uncertainty that has defined many of their parents' economic standings. There is little question as to why this generation would want to play it safe when they were witness to their parents' and grandparents' financial struggles. I think this leads us to conclude that financially, Millennials are a unique population that does not fit into the economic models of earning, spending or saving that has previously defined U.S. generations.

Those of us who have been treading the waters of the financial crisis in the medtech industry need to start taking the Millennials financial mindset and economic capability into consideration when we begin to seek funding. Within the industry, we know that the traditional models of funding, through angel investors or venture capitalists, just are no longer productive for business startups. We also are learning that new strategies for gaining capital through crowdfunding or new government grants is not always productive or viable, depending on where our business is in the process of research and development or in transition to marketing and sales. This begs to question of where, or how, can we fund our business and bring our technology to market.

Let's build a bridge between Millennials and the medtech industry.

Due to the stories that have flooded the media about Millennials being the first generation who will not have a

better quality of life than their parents, it is easy to assume that Millennials are not the answer to the medtech industry's financial desert. However, our assumptions are seemingly incorrect.

Millennials are spending less. But, much of the decrease in discretionary spending is due to lifestyle choice, not because of a complete inability to pay. Big ticket items are outside of the reach of many, but there is a financial grey area that we are neglecting to recognize. Somewhere between being able to purchase a house and a choice of not purchasing a car, Millennials are saving their money. They are not willing to invest traditionally, but they are still stashing away cash in non-conventional ways. The question I've found myself asking is where is all of this saved money going? If this younger generation is not spending as freely as previous generations, but is not saving money in traditional ways, where is their cash?

Many reports are that due to mistrust in current financial systems, Millennials are saving their money in shoeboxes under their beds and in coffee cans in their kitchens. In my eyes, this generation just turned into an untapped source of financing that we have overlooked due to misconceptions about money.

Currently, there is a river of money that is not being put to work in our financial systems in the U.S. We also know that in the medtech sector, financing has been an overwhelming burden as old ways of funding just are not so applicable today. This begs the question, what are we doing in the medtech sector to harness some of the cash Millennials are squirreling away almost unnoticed.

The number one task we should be focusing on in our start-ups is our business plan. Does our finance and funding plan discuss strategies for funding our businesses that reach a Millennial population? Do Millennials know we exist and are looking for funding?

Do we have marketing plans in place that speak to the Millennials in a manner they both can appreciate and understand? Is our small business and our technology relevant to this generation? Are we working for a cause? And if so, is it something the Millennials would get behind? If we do not have clear cut answers that connect our businesses and technology to the Millennial generation, we need to go back and revise our business plan and our overall organizational strategies.

Millennials make up about 33% of the U.S. population (according to 2013 census reports) and outnumber the once dominating Baby Boomer generation. The most recent data from the Census Bureau reports that the Millennials are also the most diverse generation the U.S. has ever had (which is predicted to be overshadowed by children who are now five or under). Millennials also make up about 21% of the consumer discretionary purchases in the U.S., which is estimated to be over a trillion dollars in direct buying power, giving Millennials power in the economy and that movement of the economy that has yet to be recognized. We also know that Millennials are more likely to support an organization if a company supports a cause and if company and individual's causes align, the individual will have incredibly strong brand loyalty. Moreover, we know that 37% of Millennials say they are willing to make a purchase or make an investment in a company that supports a cause they believe in, even if it means paying more. We also know that Millennials report having over 200 Facebook friends (compared to about 19% of individuals from other generations) and are 2.5 times more likely to be early adopters of technology over other generations. In fact, over 50% of Millennials report being one of the first to try a new technology or part of the first group of people to try a new technology.

Millennials are also known as content creators and users and nearly 50% report posting original videos or pictures of themselves online that they have created. When it comes to brands, Millennials are very practical and to earn the title "cool," new technology must be considered useful for it to be adopted. Perhaps even

more interesting, when it comes to technology that Millennials adopt, about 80% of people say they want a brand that entertains them while 40% say they want to be a part of the creation of the products and brands... which is done through social media engagement and over 70% feel it is their responsibility to share feedback and experiences with a company.

As small businesses in an industry centered on technology, how are we using this information to get our technology to market? We know Millennials have money and are not willing to spend it, or save it, in ways our economists have historically defined spending in the U.S. We also know that this new generation wants to be part of the organization, whether it is through feedback, engagement on social media, or sharing their love or knowledge of a company, product or new technology through videos or other original content they share through various social media outlets such as Facebook, Twitter or Instagram. Millennials want to be part of a movement that makes the world a better place, and perhaps, a more efficient place. As members of the medtech industry, it is our job to learn how to harness the spending power and garner the interest of a generation that we have previously overlooked as being relevant. With the power of the Millennials, it is time we learn to embrace them and their ideologies if we want our start-ups and businesses to be successful. Millennials are the generation that will shape our economy for generations to come. To extend our opportunities in medtech, it is time we extend our hand to Millennials as their guidance, and cash, may lead us out of the financial abyss of medtech finance.