

The Millennials are coming?

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Together we'll go far



Aging Government Workforce

Industry	Median Age Rank	Median Age	% Workers Age 45+
Postal Service	1	52	72
Funeral homes, cemeteries and crematories	1	52	66.1
Other general government and support	4	51.4	70.7
Bus Service and urban transit	6	51.2	62.7
Libraries and archives	10	49.4	60.5
Sewage Treatment Facilities	14	49.2	63.6
Public Finance activities	17	48.9	61.1
Public Administration – economic programs	19	48.7	61.9
Public Administration – executive offices & legislative bodies	19	48.7	59.2

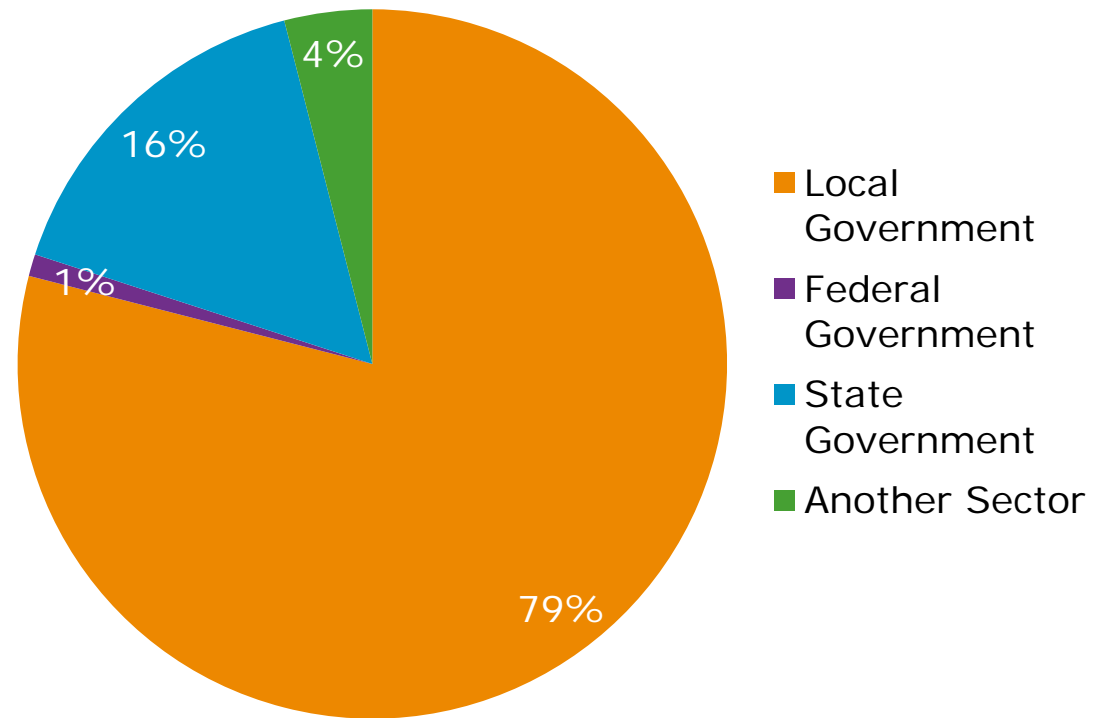
Source: Council of Economic Advisors, Bureau of Labor Statistics, October 2014

Aging Government Workforce

State and Local Government Survey

54% reported retirements were higher in 2015 than in 2014

Versus 46% in 2009, only 21% of retirement eligible employees are delaying their retirements



Source: Center for State & Local Government Excellence, State and Local Government Workforce: 2016 Trends (May 2016)

The Millennials are coming?

- Trends
- Who are “they”?
- Why should I care?
- Considerations?

Who are you?

1981 -
2005

2020

80
million

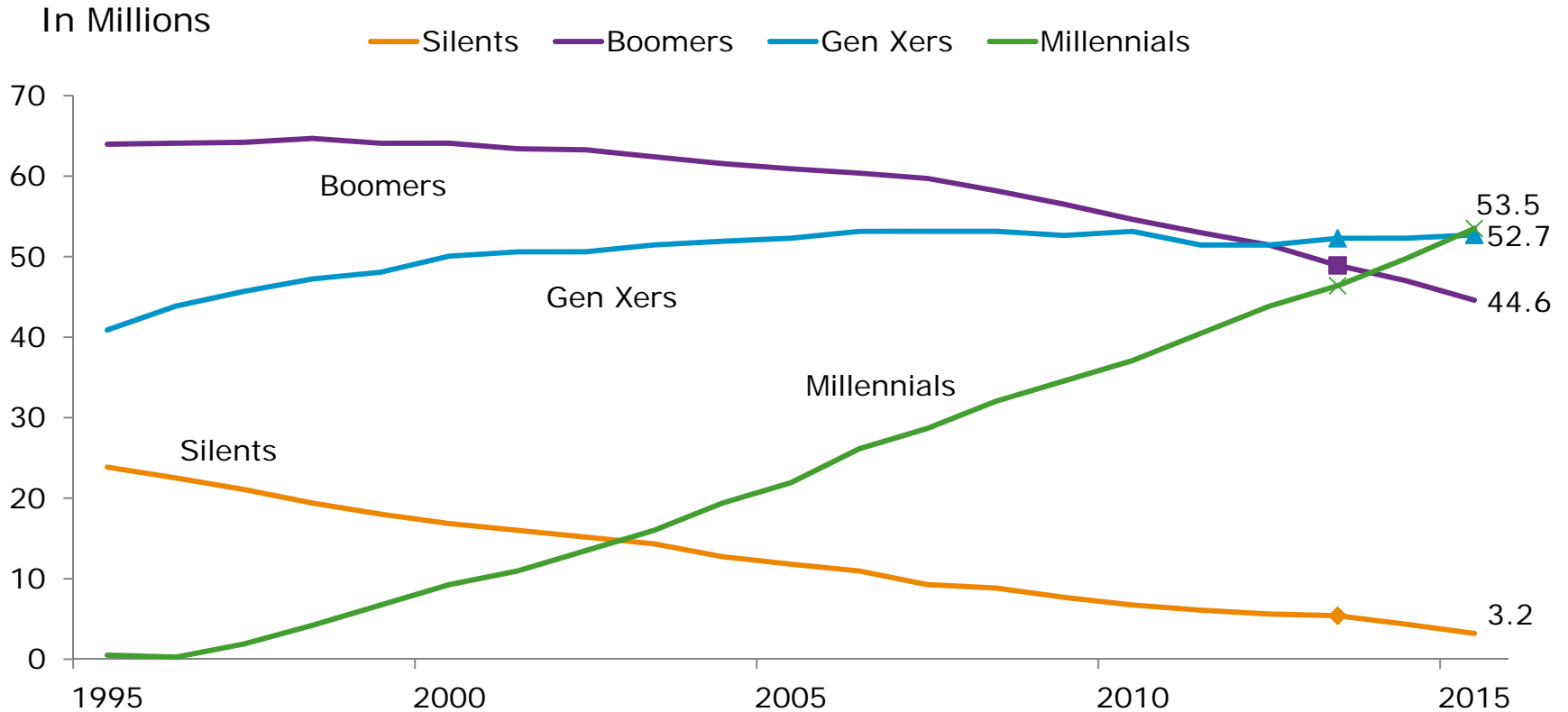
34

46%

Source: First Data Corporation, There's No Slowing Down Millennials, A First Data White Paper (2015)

Emerging no more...

U.S. Labor Force by Generation, 1995-2015



Note: Annual averages plotted 1995-2014. For 2015 the first quarter average of 2015 is shown. Due to data limitations, Silent Generation is overestimated from 2008-2015.

Source: Pew Research Center

Composition



Largest generation in the U.S.

Represent 1/3rd of the U.S. population



Most diverse and educated generation to date

Raised during most child-centric time of our history



Last recession helped shape outlook



Digital native versus digital immigrant

Millennial Payment Practices

21%

have never written a check to pay a bill¹



91%

have at least one debit card²



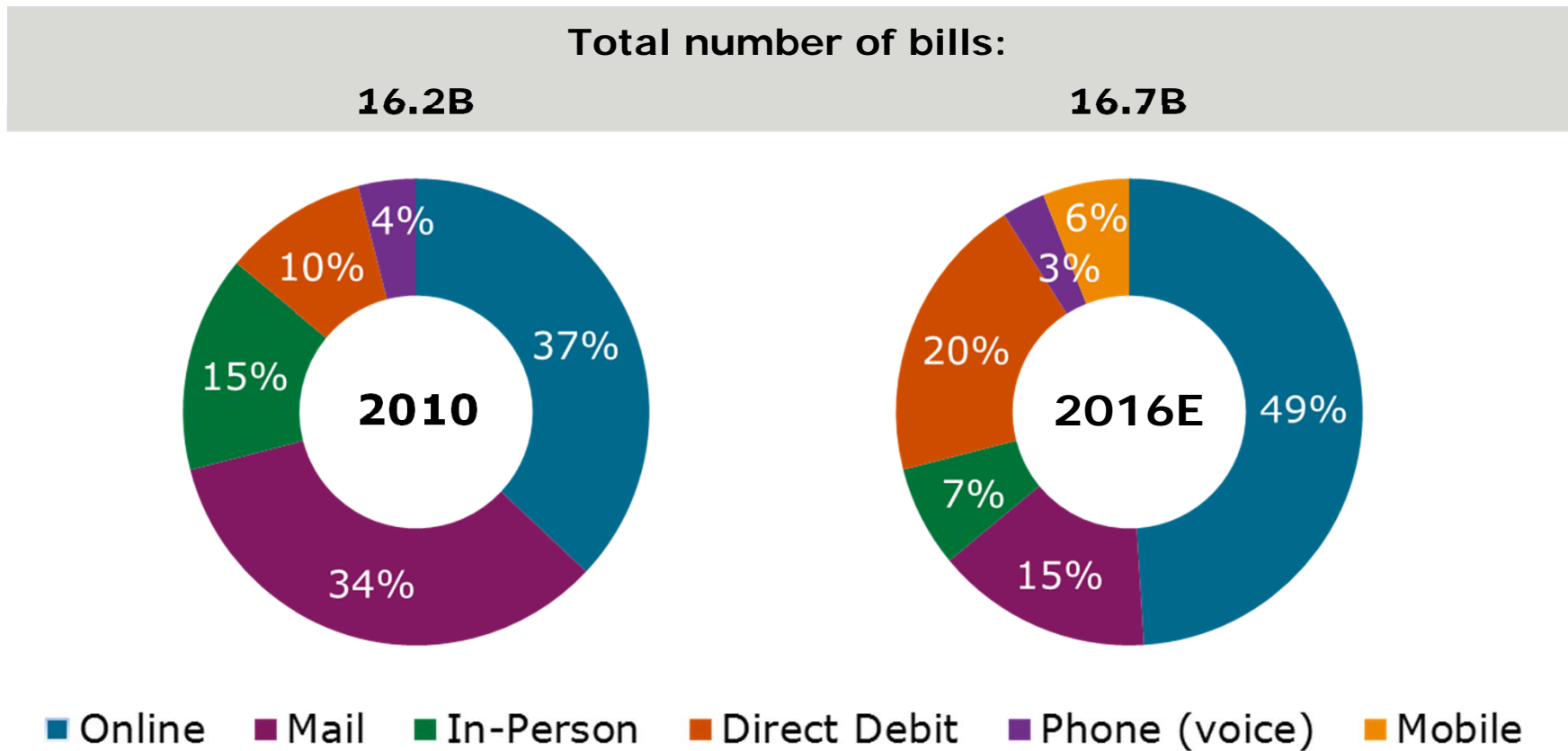
62%

are comfortable connecting payment info to a retailer or service app they use often³



1. "There's no slowing down millennials, A First Data White Paper," First Data Corporation, 2015.
2. Steven Anderson, "Are Millennials Not Interested in Mobile Payments?" Payment Week, July 15, 2015.
3. "The Future of Payments and Currency," JWT, October 2014.

...from checks to electronic bill payments



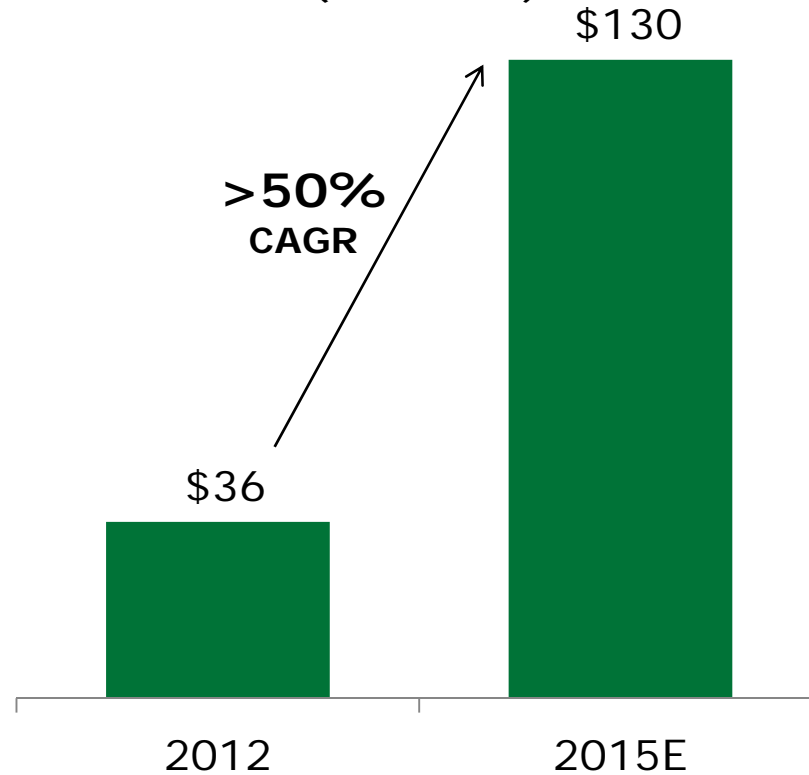
Source: Aite Group, How Americans Pay Their Bills, September 2013

...with the smartphone as the key catalyst

One Billion
smart
phones sold
in 2013

Half
of all e-bills
were delivered via a
biller website
or mobile app

U.S. mobile payments
(Billion \$)



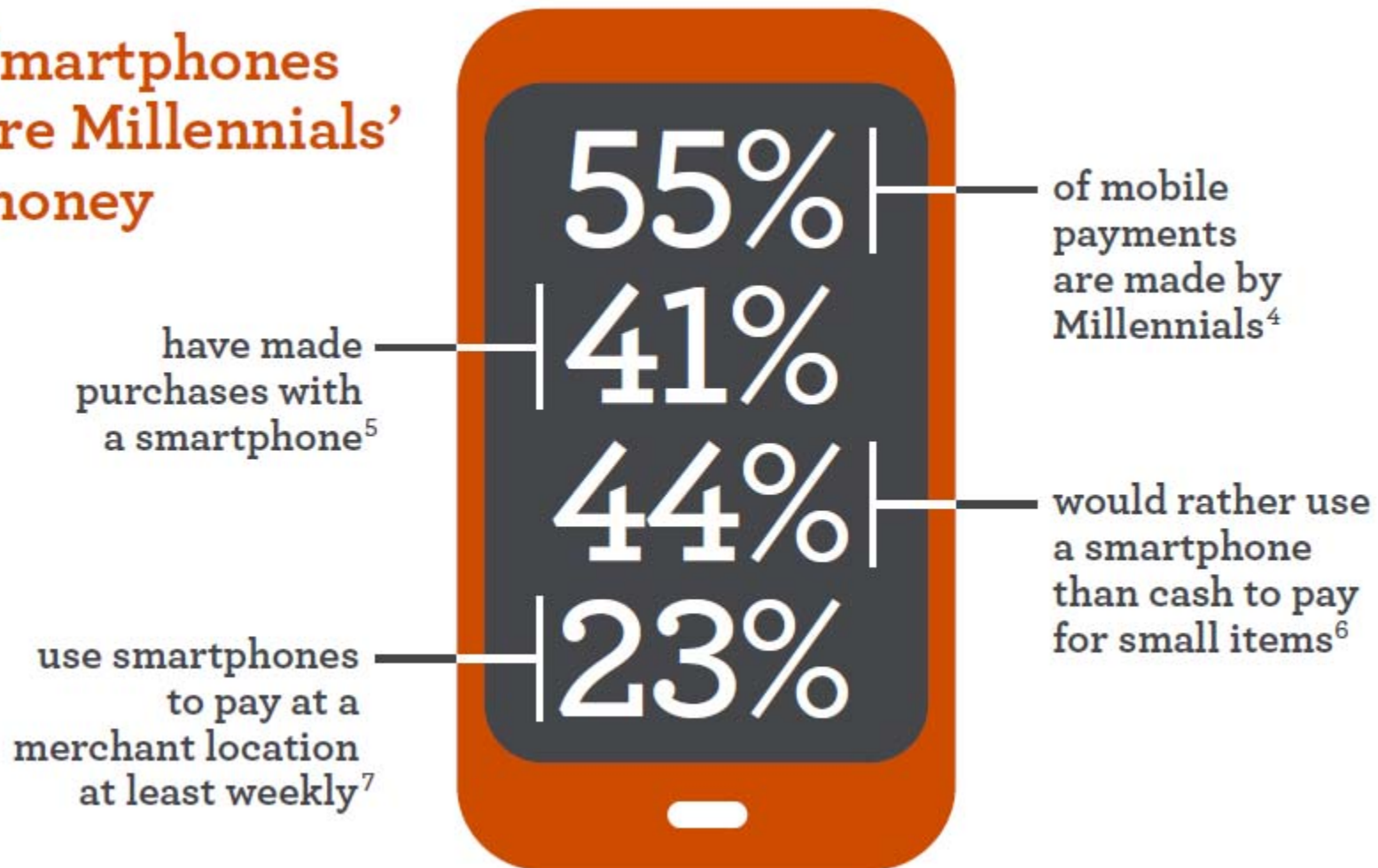
Nearly 50%
of businesses plan
to optimize their
mobile commerce site

16%
of smartphone
owners have made
a mobile bill payment

Sources: First Data, Carlisle & Gallagher Consulting Group, Square, Intuit, internal analysis

Millennials and Mobile

Smartphones are Millennials' money



4. "The Modern Wallet: Mobile Payments Are Making Life Easier," Nielsen's Mobile Wallet Report, July 10, 2014.

5. Cleveland Brown Pay Scout, "Millennials Lead The Charge On Mobile Payment Adoption," Payments Journal, April 5, 2016.

6. "The Future of Payments and Currency," JWT, October 2014.

7. "2015 North America Consumer Digital Payments Survey," Accenture

IT Spending Trends

Budget Spend

+

-

**50% on
Consumer
Applications**

**Doubled in the
last 10 years**

**50% on
Business
Applications**

**82% =
maintenance**

**Security
Cloud
Analytics
Applications
Mobile**

**Hardware
Legacy Systems
Data Center
Software
Storage &
Communications**

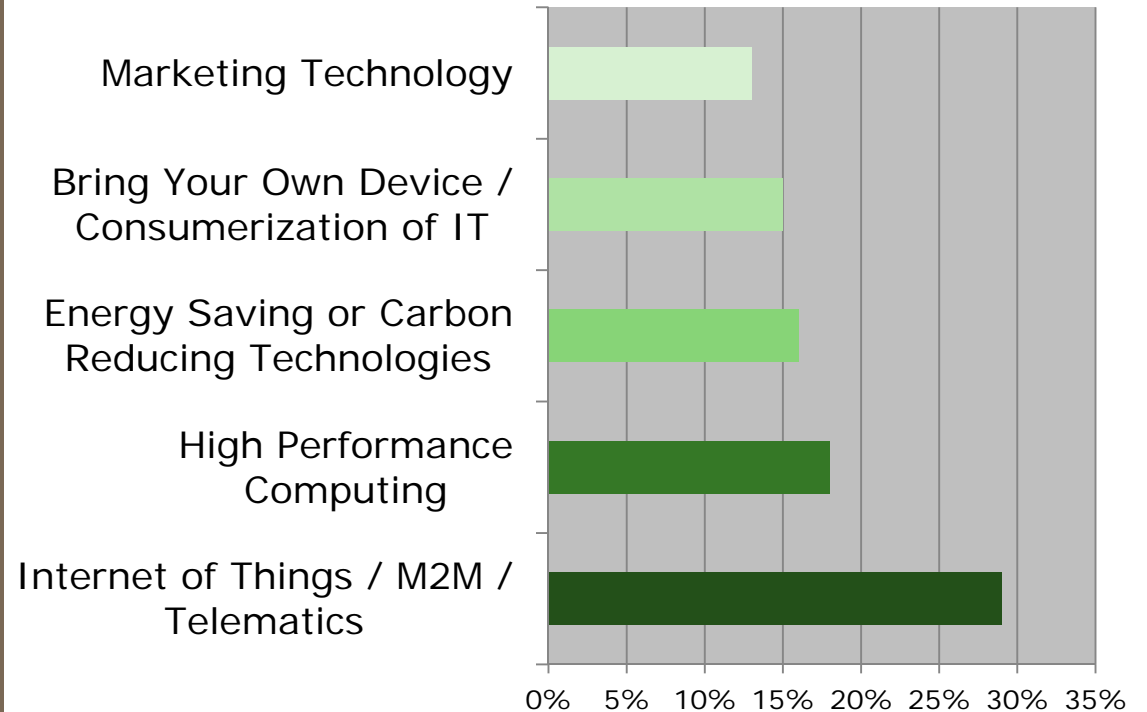
Source: Oracle Corporation; Computerworld 2015 Forecast Survey, May/June 2014, 194 IT Respondents

Internet of Things

Almost half (46%) of respondents' IT spending will increase in 2016

+14.7% on average

Internet of Things is commanding the most attention



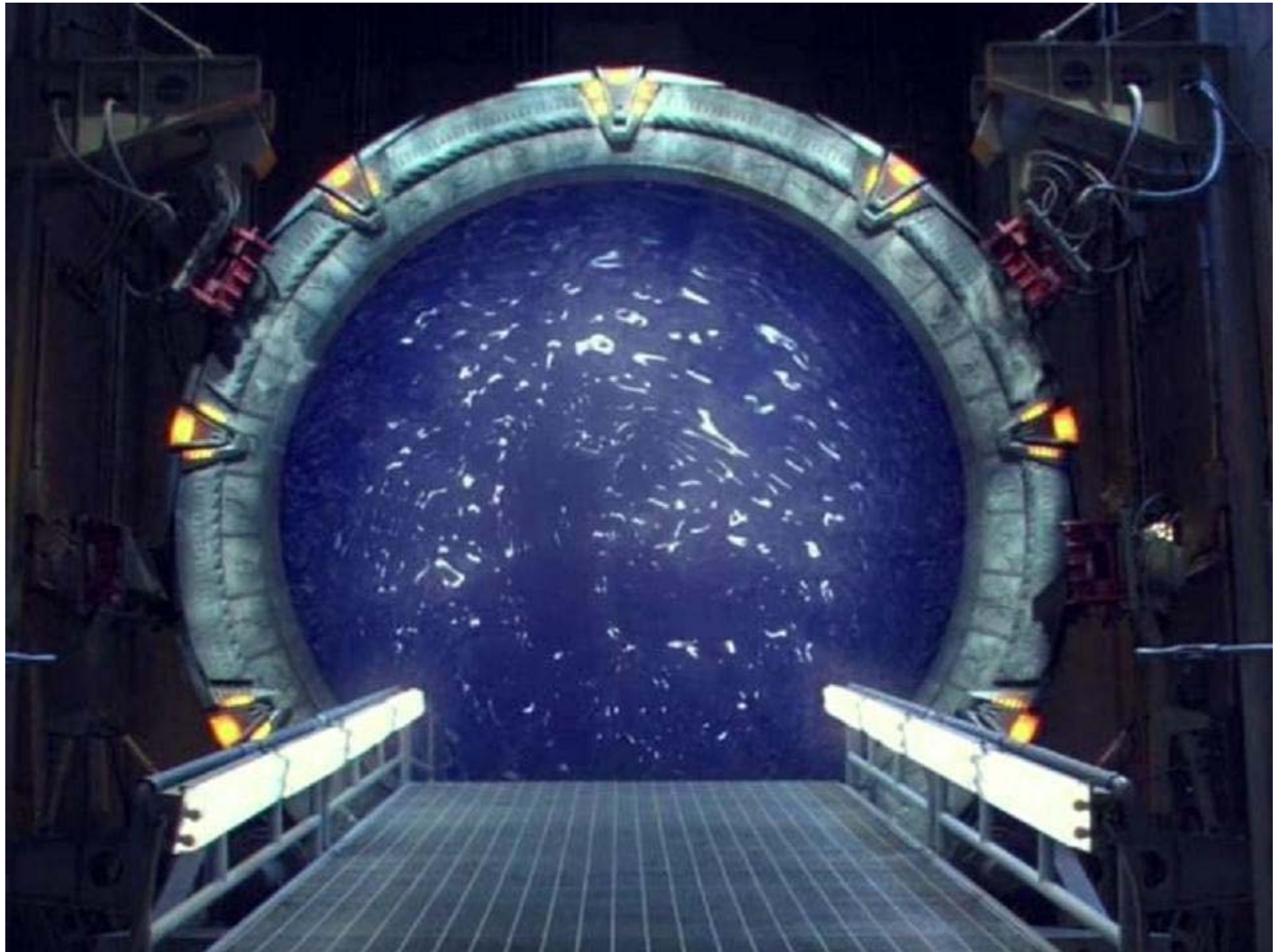
Source: Computerworld, 2016 Forecast Survey, 182 IT Professionals, December 21, 2015

Why care?

- Millennials will
 - comprise more than one in three adult Americans by 2020
 - make up as much as 75% of the U.S. workforce by 2025
 - account for more than \$1 trillion in U.S. consumer spending
- Millennials have a different view of dealing with issues
- Millennials care about technology
 - 86% of Millennials 18-24 own a mobile device
 - Over 30% of web browsing is mobile

Where are you?

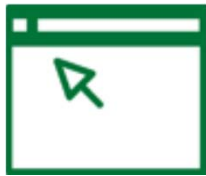
- Your constituents are changing, are you?
- How will you meet the Millennials focus on technology and client experience?
- Where is your organization placing it's spending bets?
- How are you monitoring your user experience?
- What is your electronic collection strategy?



Electronic collection vision and strategy



Best-in-class on-line payment platform where electronic payments and the web serve as the primary methods to receive and process constituent payments for taxes, licenses, tickets, applications and bills?



Web site provides a broad spectrum of taxpayers with the ability to conduct virtually all of their tax and fee payments online, becoming the preferred payment channel for constituents?



High quality user experience?



Development and maintenance handled in-house or outsourced to a Third Party?