

Why I'm Bullish on the Next Gen in Finance

A few weeks ago I [wrote](#) that I'm optimistic about the future of the finance industry. Maybe this is the value investor in me talking because expectations are so low following the financial crisis but I'm especially bullish on young people in finance.

My views could be clouded by my personal experience but the up-and-comers in finance that I've interacted with (giving talks to students, on the job, through email, at conferences, etc.) make me hopeful for the future of this industry.

Here's why:

They're more evidence-based. Josh Brown gave the opening remarks at our EBI West Conference in late-June and discussed the changing landscape in the financial advice business when dealing with younger clients. As Josh so eloquently put it, "This next generation, they look shit up."

For decades, many businesses operated under the premise of, "Trust us, we got this." That's not enough anymore. It's not enough to just give a good sales pitch these days under the guise that you're all-knowing. People want evidence to back up your arguments and philosophy. Young people want to know what you're doing but also why. This is a good thing.

They grew up using better technology. Everything that can be automated will be at some point as technology continues to improve. Some assume this means the robots will make humans obsolete but I think it will mean those who know how to use, interact with, integrate and explain new technologies will have a leg up on the competition. Much of the tech the older generations had to learn on the fly, younger people have been using for as long as they can remember.

They have a desire to do things their own way. I saw an interview with Scott Galloway recently where he said Don Draper is dead, meaning we don't need advertising agencies to tell us what to buy anymore. Name brands don't matter as much as they used to. People don't care about the name on the door as much as they once did. Young people don't trust institutions like their parent's generation does. They care more about personal brand than name brand.

They seem to care about their clients. Finance is full of mostly good people with poorly aligned incentive structures. Millennials get taken to task for their safe spaces and being snowflakes but I think this sensitivity will come in handy in certain situations. This could certainly change and this is purely anecdotal but I get the sense that young people want to do the right thing by their clients as opposed to looking for ways to simply make money off them. They still want to make money but they want to do it the right way.

They want to change the culture. "Wall Street" is a fictional place that all of finance gets lumped

into and people tend to assume it's a place full of terribly greedy people looking to rip off your grandmother. Those people do exist but it's few and far between in my experience. Most people are just trying to do their job. The biggest problem with most of the bad actors in finance is the wrong incentives and destructive organizational cultures.

I get the feeling these cultures will slowly start to evolve as the older generation retires and younger people step into roles with more responsibility. Changing culture is very difficult so this may not happen as much as I hope it will but I would love to see these firms change the way things have always been done. And if they don't I'm guessing upstarts founded by the next generation will start nipping at their heels.

Last week I spoke to the Young Bankers Association to expand on these thoughts and offer some ways in which young people can succeed in finance. Here's my slide deck for the presentation:

[Why I'm Bullish on the Next Gen in Finance](#) by [Ben Carlson](#) on Scribd

Further Reading:

[My Letter to Young Analysts](#)