

Four Trends Shaping Financial Services

Continuum's NXT Group looks at the changes in culture, technology, and business impacting financial services.

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As consumers, our behavior is often shaped by trends—shifts in culture, technology, and business that impact how we approach our lives. While our relationship with money can be highly personal, it too is affected by larger changes happening in the world around us.

If you work in the financial services industry and are thinking about keeping your business relevant to tomorrow's consumers, your first consideration might not be the latest social media fundraising craze or the growing population earning money through sharing-economy side jobs at start-ups like Uber or Instacart. But these consumer behaviors are important to think about, because they do have an effect on your business.



#cash sourcing

Raising money is easier than ever, and it's not just for good causes. Social media allows individuals to connect directly with the people and causes they care about, whether it's to help someone pay for a new kidney or record a new album.

Read more:

- “Websites such as *Honeyfund*, *GoFundMe*, and *Honeymoon Wishes* make it easy to raise cash for a post-wedding getaway... more have warmed up to the idea of a honeymoon registry as people marry later in life and already have the toasters, towels and other goods found in a traditional registry.” ([Huffington Post Canada](#))
- “...the viral ‘Ice Bucket Challenge’ continues to dominate social media and has now raised more than \$40 million for amyotrophic lateral sclerosis, commonly known as Lou Gehrig’s disease.” ([NYT](#))
- Facebook Rolls Out Its “Donate Now” Button To Non-Profits ([TechCrunch](#))
- “Some dude named Sam Crowder really needed some financial help getting his drink on. His solution?...Hundreds of strangers flooded Crowder’s account with beer money donations.” ([Daily Dot](#))



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Image: [Anthony Quintano](#)



#fear of debt

Millennials came into the workforce during the financial crisis and witnessed a lot of banks screw over a lot of people. Now, they don't want anything to do with them and the products they're peddling. Lives are on pause because of student loans, and concern about credit scores has invaded the first date.

Read more:

- “[Millennials are] spooked by the temptation that credit cards offer to spend beyond one’s means.” ([NYT](#))
- “I think coming out of [the financial crisis], millennials have a massive distrust of existing financial services.” ([Business Insider](#))
- “Because of these losses, and the way they affected my family, I was terrified about buying a home.” ([Inc.](#))
- “At a time when even people with no graduate degrees, like Ms. Eastman, often end up six figures in the hole and people getting married for the second time have loads of debt from their earlier lives, it should come as no surprise that debt can bust up engagements.” ([NYT](#))



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#fin-dependent

People are aspiring to go off the grid, financially, both through generating passive income and radically slashing lifestyle expenses. They usually want to live out their days doing work they care about in a Vermont homestead.

Read more:

- “I don’t want to go out and buy, buy, buy, even though that is what society wants me to do... I want to save for the long term.” ([NYT](#))
- “I had two months of school remaining... and started to take my finances very seriously and within three years I paid off that debt.” ([Washington Post](#))
- “...working beyond the age when you can afford to retire means having more funds, both to enjoy life, and to serve as a cushion in case of a financial upheaval such as occurred in 2008.” ([Inc.](#))
- “As the stock market seesaws... more older Americans are turning to a variety of methods to earn extra money...” ([NYT](#))
- “The central tenet of Mustachianism is ‘financial freedom through badassery.’” ([The New Yorker](#))



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#paid to live

When machines take over, the government will pay us all to write poetry—AKA the idea of a universal basic income is catching on (again).

Read more:

- “When people learn that I want to replace the welfare state with a universal basic income, or UBI, the response I almost always get goes something like this: ‘But people will just use it to live off the rest of us!’ ‘People will waste their lives!’ Or, as they would have put it in a bygone age, a guaranteed income will foster idleness and vice. I see it differently. I think that a UBI is our only hope to deal with a coming labor market unlike any in human history...” ([WSJ](#))
- “These days, among younger thinkers on the left, the U.B.I. is seen as a means to ending poverty, combatting rising inequality, and liberating workers from the burden of crappy jobs. For thinkers on the right, the U.B.I. seems like a simpler, and more libertarian, alternative to the thicket of anti-poverty and social-welfare programs.” ([The New Yorker](#))
- “And even if free money were proven to make people lazy, the productivity of a few might outweigh the inactivity of everyone else. That’s the belief of Sam Altman, the president of the incubator Y Combinator, which is now funding research on universal basic incomes.” ([The Atlantic](#))



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