Reclaiming the investor home base:

How banks can win back the multi-platform generation

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Younger investors are more app-driven and multi-platform than any generation before them. While 65% of Gen Z now use investing apps, they're scattered across fintech platforms that offer convenience but lack the deep financial guidance they crave.

"This market has been largely overlooked, so far, because Zillennials don't constitute the bulk of wealth yet," says Jared Robinson, SVP, Director of Fintech at Legend Bank, N.A., FDIC-Insured. "But times are changing: Zillennials are now firmly in the workforce, and they're starting to become high earners with additional income to invest outside of their standard company-sponsored retirement programs."

If that opportunity isn't seized, those deposits and revenue opportunities will escape to mainstream platforms, Robinson says. And as investing platforms seek to expand their portfolio of retail banking solutions, banks need to leverage their expertise and resources to retain these investors — or risk losing their role as the primary banking relationship for these consumers.

Conversely, banks able to meet the moment and attract Zillennial investors stand to reap significant rewards: The opportunity to win over young investors and create deep, lifelong relationships.

In this playbook, we'll explore how banks can attract and retain Zillennial investors through "all-in-one" investment platforms that meet their needs. We'll discuss what makes Zillennial investors different, what it takes to provide a meaningful investment experience for these upwardly-mobile generations, and how banks can evaluate their options to find a platform that suits young investors' needs.

Roughly

7 in 10

say they trust their bank more than third-party investment apps

As many as

72%

say they'd transfer their assets to their primary bank or credit union if they offered flexible investment options[1]

Getting to know the investors: What makes Zillennials different?

Like the generations that came before them, Zillennials are well aware of the benefits of investing. However, they differ significantly in how they approach investing, where they choose to invest their money, and how they prefer to manage their portfolios.

They're focused on active, even opportunistic, trading

For earlier generations, 'set it and forget it' investing had become the norm. Prior to online platforms, statements — and thus visibility — into a brokerage or 401(k) account were often delivered only monthly or quarterly, says Robinson.

"But Zillennials grew up with instant access to bank accounts, an abundance of information, and real-time visibility to their positions and market activity directly on personal devices," says Robinson. "And instant visibility and 24/7 access have changed how they invest."

Nearly four in 10 Millennials and Gen Z describe their investment style as "opportunistic," according to InvestiFi's survey. And they're actively trading assets to realize short-term gains.[1]

75%
of Gen Z

67%
of Millennials

said they had sold assets in the last six months[1]

They've taken alternative investments mainstream

Young investors don't just differ in how they manage their portfolios; they're also open to a broad range of investment opportunities.

"Zillennials are also more comfortable and aware of digital assets, cryptocurrencies, alternative investments, and even day trading," says Robinson. "Remember: It was largely this generation that rose to infamy with meme coins, GameStop, AMC, and other stock hypes."

Crypto, in particular, has captured Zillennials' attention. One in four Zillennials point to trading crypto as a path to achieve "quick wins," and one in three say it's an "easy way to make quick cash."[1]

Among Zillennial investors that sold assets in the last six months

40% of Millennials

37% of Gen Z

had sold stocks

33% of Millennials

26% of Gen Z

had sold crypto

When asked, “What offers, if any, would entice you to engage with new services or transfer assets back to your financial institutions?”[1]

Gen Z

42% - Cash back

38% - Free or discounted stock

37% - Reduced fees

Millennials

45% - Cash back

42% - Reduced fees

40% - Monetary incentives

40% - Free or discounted stock

They’re focused on fees and incentives when evaluating providers

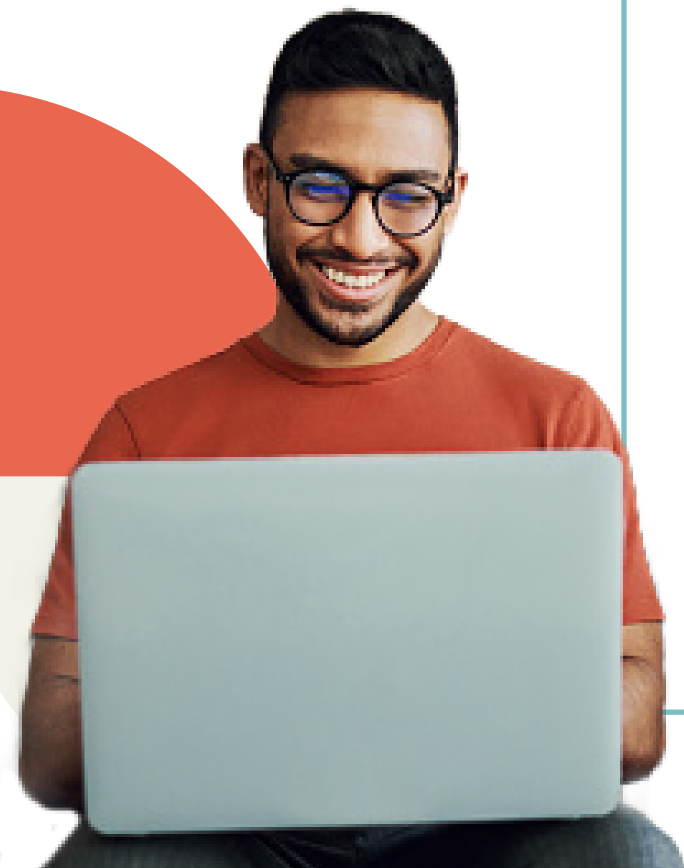
For ‘set it and forget it’ investors, the fees associated with managed funds were well worth the peace of mind and reliability that came along with them. But for budget-conscious Zillennial active investors, fees are top of mind when deciding where to invest their money.

Millennial and Gen Z investors cited low transaction costs as the top factor that would make them more likely to trade with their financial institution, rather than a third-party app[1]. And they’re also looking for perks for transferring their assets.

They're looking to consolidate financial management — with the right provider

Finally, Gen Z and Millennial investors are seeking simplicity, and they want to be able to manage their holistic financial health in one place.

"Zillennials know that keeping money under one roof is more convenient: Investing with their financial institutions means they can quickly deposit and withdraw funds, without needing to wait days to trade the assets they're interested in," says Christian Ruppe, Chief Innovation Officer at Colony Bank. "By and large, they're not investing with third-party apps because they prefer to. They're doing it to access the assets they're interested in."



74%

of Millennials and Gen Z say they prefer banking consolidation[1]

But, despite this preference,

33%

of Millennials

42%

of Gen Z

said they use 3 or more platforms to manage their investments

Banks have an opportunity to win over young investors with holistic, user-friendly investment platforms

With Millennials and Gen Z reporting higher levels of trust in their bank than third-party investment platforms, as well as the desire to consolidate their finances, banks that offer modern investment platforms are poised to reap significant rewards.

Ease of use is critical

To do this well, though, banks must keep user-friendliness top of mind, says Ruppe. "UX is critical: Customers can tell when a platform was built with care and when it's maintained and upgraded," he says. "Young investors, in particular, grew up online, and they expect their digital banking and investment experience to feel intuitive and modern."
Customers must be able to easily open new accounts, deposit and withdraw funds, trade the assets they're drawn to, as well as check in on the value of their portfolios in real time.

Here, consolidation offers a significant advantage: Banks can adopt a consistent interface across their online and mobile investment and retail banking options, so customers can begin investing through a UX they're likely already familiar with.

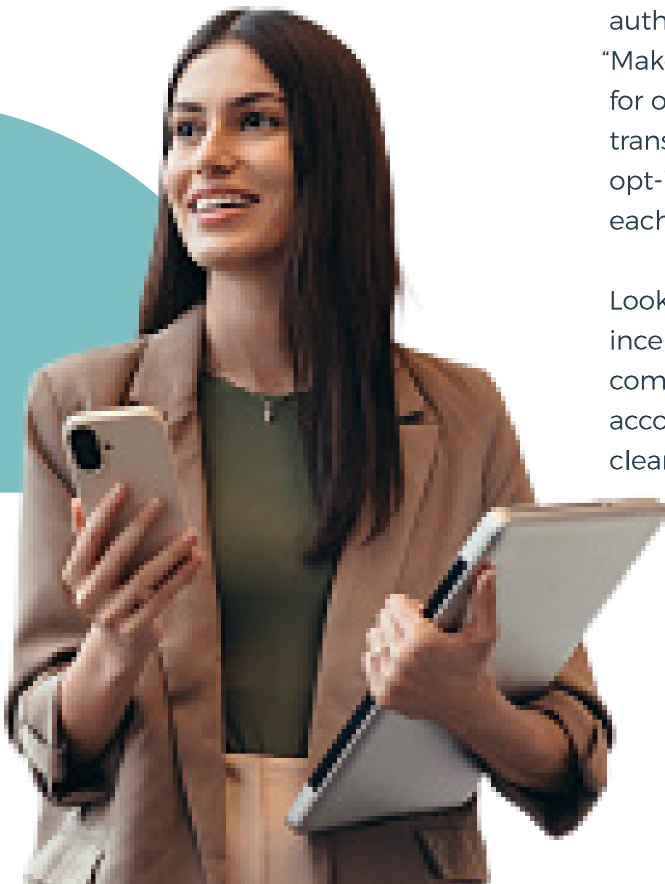
What does ease of use look like in practice?

- Follows modern UX design principles (e.g., responsive designs, whitespace)
- Integration between the investment platform and core online banking technology
- Real-time visibility and updates
- Ability to open new accounts online
- Simple transfer of funds across banking and brokerage accounts

Focus on the assets most important to young investors

While ease of use is table stakes for any investment platform, it's equally important to support trading across a broad range of assets to provide the "one-stop shop" that young investors expect.

"This doesn't necessarily mean your platform needs to be able to do everything, but it does need to support the trading activities that matter most to your customers," says Ruppe. He recommends that banks leverage their internal data to understand which platforms customers are using to invest — and, by extension, what they're seeking in an investment platform.



"Analyzing withdrawal patterns helps you identify where customers' money is going — so if your audience is particularly interested in day trading, you can select a platform and a fee structure that supports that," he explains. "Tracking these data also helps you forecast ROI from offering an investment platform: It gives you a baseline for how much money is leaving your institution for other platforms, and what you stand to gain by bringing that business back."

Put fee transparency first

As young investors flock toward lower-fee investment vehicles, fee transparency must be top of mind for banks. "Customers value authenticity, and hidden fees can quickly erode trust," says Ruppe. "Make the fee structure easy to access and understand and look for opportunities to trim costs — for example, by offering no-fee transactions for certain ETFs, or allowing high-volume traders to opt-in to an annual membership rather than paying a fee with each trade."

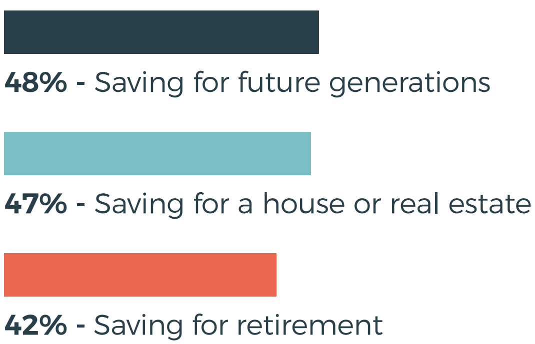
Look for opportunities to entice young investors with promotional incentives or bundled offers. For example, institutions may combine products and services at a discount — such as checking accounts, credit cards, and brokerage accounts — so users see a clear net benefit.

Market with young investors in mind

Millennials and Gen Z don't invest like the generations that came before them — and they're having different conversations about money, too. As banks roll out investment platforms, it's critical to market these offerings with Zillennials' needs in mind.

Rather than focusing exclusively on retirement-readiness, Robinson recommends focusing more holistically on financial freedom. "Retirement is still decades into the future for these investors, and they're looking to balance those long-term goals with quick wins today," he says. "Focusing on financial freedom allows you to connect with customers with a range of goals: They're not just on track to a secure retirement; they're investing to take control of their entire financial future."

Gen Z's top 3 reasons for investing



3 Best practices for marketing to Zillennial investors

1. Center communications around life milestones

Younger generations crave financial freedom to pursue the goals that are most important to them. Consider creating marketing materials that highlight how investing can help consumers purchase a home, expand their family, and provide for future generations.

2. Go “phygital” to market to young investors in-branch

While many young investors prefer to complete their day-to-day banking online, they’re still likely to stop into a branch for significant milestones, like securing a mortgage. Consider training branch associates to discuss the bank’s investment platform during branch visits — and empower associates with tailored marketing communications to follow up after these meetings.

3. Invest in multi-channel communications

As digital natives, Zillennials are used to consuming content across multiple channels, from podcasts to infographics to short- and long-form video. Consider distributing materials across several marketing channels to reach a broad audience.

Finding the right external partner to power integrated investments

Attracting and retaining young investors with an integrated investment platform unlocks exciting business opportunities for banks. But building a platform from the ground up is simply beyond the reach of many institutions.

"Most of the time, banks are dealing with legacy cores, siloed data, and disparate systems, which make it exceedingly difficult to build and maintain a platform on top of the other innovations required to stay modern and compliant," says Robinson. "So having a ready-to-partner vendor to avoid spending millions in software development is a no-brainer."

However, it's important to evaluate platforms with the unique needs of your customer base top of mind. The ideal platform should integrate seamlessly with your existing mobile online banking technology, providing an intuitive user experience for convenience-minded investors. It should also allow customers to trade the assets most important to them, offer competitive fee and rate structures, and continually iterate as new alternative investments emerge.

More than that, though, the ideal partner should support your marketing efforts. As a baseline, they should provide insights into how best to market the platform to your audience. However, the ideal provider should go a step further and provide your teams with tailored, multi-channel marketing communications, so you can court investors without increasing the burden on your marketing team.

How InvestiFi can help

InvestiFi's digital investing solution is designed to keep account holders — and their assets — with your institution as you help them build a financially secure future. It integrates seamlessly into your existing digital banking platform to help retain deposits and existing Account Holders while attracting new ones.

- Users can buy and sell investments directly from their checking, eliminating the need to move money to an external party to invest
- Investors can trade stocks, ETFs, crypto, and Stablecoins, as well as access guided investing.
- Institutions can power awareness campaigns with tailored marketing materials supplied by InvestiFi.

To learn more about how we can help your institution attract and retain Millennial and Gen Z investors, visit us online.

References:
1. https://www.cuinsight.com/wp-content/uploads/2025/04/InvestiFi_Serving_The_Underserved_Investor_WP.pdf

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