



Understanding patients' money motivations

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How a person chooses to spend, invest and save money is a very personal decision. So, too, is the decision about how to use credit.

Many factors influence these decisions, including income, needs and values. Understanding these factors can provide insight into patients' behaviors toward money and make the financial conversation a bit easier for the OMS team.

Generational differences

First, take a look at the different generations and their key differences. A generation can be defined as all of the people born and living at about the same time. The social, political and economic events that happen during the formative years of each generation help shape that generation's beliefs and behaviors.

The youngest generation today is Generation Z. Born between 1997 and 2015, Gen Z comprises 26 percent of the U.S. population, according to Nielsen. Many members of this generation grew up in the aftermath of 9/11 and the Great Recession. They are the first generation raised with smartphones in their hands, giving them instant access to information. They live in a digital world and consume information in sound bites. Many are still young enough to be financially dependent, so they make relatively few money decisions, especially when it comes to their oral health.

The next generation – millennials – accounts for 22 percent of the population. The millennials were born between 1980 and 1996 and are currently between the ages of 22 and 38. This generation watched the economy falter, and many of their parents struggled during the Great Recession. They may be establishing credit and prefer to rely on debit and mobile payment options, according to Bankrate.

Millennials are at the age when significant changes in life may occur. For example, the average age for marriage in the

United States is 28, the first-time homebuyer is 33 and the first-time parent is 26, according to Pew Research Center. New life stages are accompanied by new needs and wants for products and services. Of older millennials, 83 percent use credit cards (and may use three or more), whereas only 67 percent of younger millennials do.

Born between 1965 and 1979, Generation X is one of the smallest generations, making up about 16 percent of the population. Currently ages 39 to 53, many Gen Xers may be in their peak earning years and peak spending years. Financially, Gen X may have borne the brunt of the housing collapse that happened during the Great Recession.

As a whole, this generation has the most credit card debt. They often use credit cards for their day-to-day purchases as part of their money management philosophy. Many may own homes and have school-age or college-age kids. They may be planning graduations, weddings or retirement. Some are even grandparents.



People in the baby boom generation are now ages 53 to 71. This portion of the population grew up during a time of economic growth and helped fuel the growth of the credit card industry.

Before boomers came of age, the only credit card available was Diners Club. Boomers have the best credit scores, the

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most cards and the largest total credit limit, according to Consolidated Credit. Boomers may be empty nesters. Many may be part of the so-called sandwich generation, caring for both aging parents and teenage children. They may be planning, entering or already in retirement, which may mean traveling, grandparenting, continuing to work or turning hobbies into businesses.

Finally, people in the oldest of the generations, often called the greatest generation or silent generation, are age 72 or older. They were shaped by two very significant events: the Great Depression and World War II. Members of this generation are characterized as self-sacrificing and frugal. This group is of retirement age, and its members may be managing budgets on fixed incomes.

Life stage = purchase needs, wants

Spending may be impacted when someone experiences a major life event, such as graduating, getting married, buying a first home, welcoming a child into the family or retiring. These events may require additional financial resources.

It's important to remember that a person's life events can be a good predictor of buying needs. The need for products and services changes with marriage, homeownership, growing a family and raising college-age children. Needs again change when children leave the nest, or someone enters retirement.

For example, the birth of a new baby brings with it necessities that weren't on the shopping list nine months prior, and a new homeowner's fix-it list may require more trips to the local hardware store.

OMS care + cost = flexible payment options

For all patients, the most-often-cited barrier to dental care is cost, according to results of an ADA survey. Creating a dialogue that helps the team identify key life events can provide a framework for the patient's current financial responsibilities, needs and wants.

This information can help the team better understand the patient and help create the foundation for a long-term patient relationship by giving the team ways to connect with the patient on a personal level. And, truly, it is simply getting to know what's happening in your patients' lives.

Because patients may view savings, spending and credit differently – and have the added complexity of different life event purchase needs and wants – the practice should provide payment options to all patients. Understand that patients may have other financial needs and wants they could easily prioritize over oral care. Offering a wide range of payment options – including cash, checks, debit cards, general purpose credit cards and a healthcare credit card with promotional financing available – may be appreciated.

An OMS team wants to give patients every opportunity to get healthy. Providing several payment options, including a healthcare-specific credit card, may be the solution that enables patients to enjoy life events and oral health; buy the new house and get the new implant; plan the wedding of their daughter's dreams and get the oral and maxillofacial surgery they have always wanted; travel the world in retirement and be able to keep their smile for life. ■



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