Recruiting Millennials to the Hospital Board

Addressing a missed opportunity for governance

BY PAUL H. KECKLEY

The effectiveness of hospital boards is a major factor in the success of the organization. “Good governance” requires boards to provide informed and independent input in the hospital’s strategies and performance assessment.

The composition of a board is a major factor in its effectiveness. Diversity is considered a strength, so the addition of female and minority directors is considered “best practice” by the National Association of Corporate Directors (NACD) and others. But the recruitment of younger directors has not been a focus: in the two most recent surveys by NACD, the age distribution of boards is not reported (though ethnic and gender composition are). What about the make up of hospital boards?

Per the AHA 2019 National Health Care Governance Survey Report, only 2 percent of hospital board members are under the age of 36, and 22 percent under 51. According to 2018 data from the American Hospital Association, recruitment of younger members to hospital boards is not a primary focus: only 12 percent of respondents indicated recruitment of millennials was a specific objective, and 73 percent indicated it was not on their radar at all.

The Case for Recruiting Millennials to Boards

Should hospital boards consider age and specifically pursue millennials in
recruiting members? A strong case can be made that it is advisable.  

**Millennials represent a large, diverse and important health care market.** Millennials are those born between 1981 and 1996. Some call them Gen Y. They are between the ages of 23 and 38 today, and the Census Bureau counts 73 million in this age cohort. They are well educated, ethnically diverse, urban, digitally connected and active. The youngest are just now starting their careers, and the oldest are raising young families or living life as an active single adult.

They are 23 percent of the population, 21 percent of total discretionary spending, and 35 percent of the workforce. They use online resources for the majority of their purchases; purchase goods and services from brands associated with “causes” they support; and apply their retail shopping habits in choosing physicians, hospitals, health insurance and over-the-counter medications. For instance, 51 percent check hospital quality ratings online before use, and 28 percent use a price shopping app in their search process.

Their annual spending is $47,112.48, of which $2,324.77 (4.9 percent) is spent out of pocket for health care products and services. Cumulatively, they represent a market that’s accountable for 12 percent of total health care spending, increasing at an annual rate of 2.7 percent. Health matters to millennials: 60 percent work out on a regular basis; they smoke less, exercise more, and eat healthier than any prior generation.

So, millennials are a large, diverse and growing market. For hospitals, it’s an opportunity to expand the scale and scope of the programs and services offered.  

**Millennials think the health care system is broken.** Millennials were between 5 and 20 years of age when the 9/11 attacks occurred, and between 12 and 27 when a young senator from Illinois became the country’s first black president. They have grown up with Google, YouTube and iPhones, and have normalized social media, Amazon and Uber in their ways of life.

They hold a decidedly different view of the mission and role than others.

**Millennials are economically stressed; health care affordability is a complicating factor.** In November 2018, the Federal Reserve noted: “Millennials are less well off than members of earlier generations when they were young, with lower earnings, fewer assets, and less wealth. For debt, millennials hold levels similar to those of Generation X and more than those of the baby boomers. Conditional on their age and other factors, millennials do not appear to have preferences for consumption that differ significantly from those of earlier generations.”

Between 1988 and 2016, their household spending for health care increased 74 percent, second only to their education costs (+146 percent), while expenditures for food (-10 percent), transportation (-9 percent) and other categories decreased. They were particularly hard hit by the recession of 2007-2009, when many were entering the workforce or starting families. As a result, financial stress is
a constant to most millennials. To cope, millennials choose cost-effective solutions: they are less inclined to buy brand-name merchandise, more inclined to shop for discounts, and juggle their debts. Sixty-nine percent have unpaid credit card debt, 33 percent have student loan debt, and 54 percent delayed care due to out-of-pocket costs in the past year.

Managing financial stress is a constant for millennials. Hospitals, physicians, insurance and prescription drugs are not immune to this pressure: millennials are willing to use a competing hospital if more economically feasible.

A Few Considerations in Engaging Millennials

The recruitment of qualified millennials to a hospital board should be a priority: it is vital to board diversity because millennials bring a unique perspective to the role played by the hospital in the community. Some action items:

• The board should adopt specific plans to target millennials for recruitment.
• The board should develop a millennial advisory council/committee to gather their input on key programs, strategies and opportunities.
• The board chairman should be attentive to the interpersonal dynamics in board and committee meetings, encouraging millennials to be forthright in offering their opinions.
• The board’s strategic planning process should include analysis of generational differences in the health care needs, values and opportunities each present.

Final Observations

The addition of millennials to the hospital board is necessary to its long-term sustainability. This generation holds views about and uses the health care system in a unique way: boards must be attentive and responsive. It’s an important opportunity hospitals can ill afford to miss.

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Resources for Further Reading


Kurz, Christopher; Li, Geng; and Vine, Daniel J. “Are Millennials Different?” Finance and Economics Discussion Series, Federal Reserve Board (Divisions of Research & Statistics and Monetary Affairs), Washington, November 2018: www.federalreserve.gov.

