INTRODUCTION

This report provides a summary of the research done on the Millennial generation since 2009. Generational cohorts are just one way to categorize a group of people with similarities—in this case, the era in which individuals were born and when they came of age. We will use the birth years of 1980 to 1999 here to define the Millennial cohort. However, sources are inconsistent, with as many as 21 different birth spans referenced.

<table>
<thead>
<tr>
<th>Today’s Generations</th>
<th>Born</th>
<th>Age (in 2012)</th>
</tr>
</thead>
<tbody>
<tr>
<td>GI Generation</td>
<td>1901–1924</td>
<td>88–111</td>
</tr>
<tr>
<td>Silent Generation</td>
<td>1925–1946</td>
<td>66–87</td>
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<tr>
<td>Baby Boom Generation</td>
<td>1946–1964</td>
<td>48–65</td>
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<tr>
<td>Generation X</td>
<td>1965–1979</td>
<td>33–47</td>
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<tr>
<td>Generation Z</td>
<td>2000–</td>
<td>12 and under</td>
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</table>

Like every other generation, Millennials display generalized and unique traits. Economic, political, and social background influences the culture and creates a lasting impact. Changes cannot be fully understood for some time, usually around the time that the unique characteristics of the next generation become recognized. Imprints move through the life cycle of individuals, making more significant impressions on youth when they are forming their core values.

Of course, these societal events affect other generations, though they are often interpreted differently through the lens of maturity and experience. Eventually, the young adults of one generation become the elders, carrying elements of their generational influence with them and making a lasting impact on society.

If each generation has a personality, you may say that the baby boomer is the idealist, shaped by Woodstock, JFK, RFK, and MLK. Generation X is the skeptical independent, shaped by latchkeys, Watergate, and the PC. Generation Y is the connected, diverse collaborator, shaped by 9/11, texting, and the recession.

It is therefore understandable that the stereotypical ambitious boomer workaholic may be critical of one who does not share the same ethics and values. The independent Gen Xer may not appreciate the team orientation and desire for seemingly constant feedback. At the same time, the social-minded Millennial may not understand the priorities of other generations.
GENERAL

Millennials are likely the most studied generation to date. According to U.S. Census Bureau statistics, there are plenty of them to study—80 million plus (the largest cohort size in history). There are data to find most of what you are looking for, as the data are varied and sometimes contradictory. In fact, Millennials are full of contradictions, which, of course, may explain the youth of any generation. Most consistent is that this generation is technically savvy, almost as if it has a digital sixth sense. A wired, connected world is all that Millennials have ever known.

They are considered optimistic, with 41% satisfied with the way things that are going in the country, compared with 26% of those over 30. Optimism abounds despite the many tragic events that have shaped this generation, such as 9/11, terrorist attacks, school shootings like Columbine, the 2004 Southeast Asian tsunami, and Hurricane Katrina. Political, economic, and organizational influences include the 2000 election, the impeachment of a president, the recession and the fall of Enron. As kids, they were tightly scheduled and many would say overindulged by helicopter parents. They were products of NCLB, reality TV, and an “iWorld,” where Starbucks is usually just a short walk away.

For the purposes of this report, this cohort will be called Generation Y, Gen Y, or with more frequency, Millennials, as they reportedly prefer. There are at least 30 other labels for this generation.

MOST DIVERSE GENERATION

Young people are more tolerant of races and groups than older generations (47% vs. 19%), with 45% agreeing with preferential treatment to improve the position of minorities. This may be attributable to the diversity of the generation itself, which recalls that of the silent generation. The shifting population is evidenced with 60% of 18–29 year olds classified as non-Hispanic white, versus 70% for those 30 and older. This reflects a record low of whites, with 19% Hispanic, 14% black, 4% Asian, and 3% of mixed race or other. Additionally, 11% of Millennials are born to at least one immigrant parent.
MULTITASKING REDEFINED

Millennials are considered multitaskers extraordinaire, though brain science tells us that multitasking is a myth. More likely, they are apt to switching tasks quickly enough to appear to be doing them simultaneously. When it comes to heavy media multitasking, studies show greater vulnerability to interference, leading to decreased performance. Some studies suggest that this generation is rewiring the brain with extensive multitasking training, evidenced by the teenager who can simultaneously play video games, watch TV, and do homework. They are retraining the brain to reduce the performance deterioration of multitasking by increasing the speed of information the brain processes. This rewiring enables multiple tasks to be processed in more rapid succession. This activity and research suggest that our brains are evolving.

SELF

Popular opinion is that Millennials are more caring, community oriented, and politically engaged than previous generations. Psychologist and Gen Y researcher Jean Twenge contradicts these assumptions. She and her colleagues find that today’s youth are more interested in extrinsic life goals and less concerned for others and civic engagement. They are described as overly self-confident and self-absorbed.

This generation masters self-expression, with 75% creating a profile on a social networking site, 20% posting a video of themselves online, 38% with one to six tattoos, and 23% with a piercing in some place other than an earlobe. There is also a trend toward personal branding, which, on its surface, appears self-promoting. Looking a bit deeper reveals a method for young people to identify their passions and determine the most expedient path forward, rather than having others set a path for them.
MORE SIGNS OF THE TIMES

Millennials’ main sources for news are television (65%) and the Internet (59%). Lagging behind are newspapers (24%) and radio (18%). Different from the youth of the two previous generations, parents have considerable influence on Millennials’ political views. In one study of young American leaders, 61% listed parents as most influential, far in advance of public leaders (19%) and the media (12%). Faith leaders and celebrities ranked as having minimal or least influence.

Millennials are never far away from their next text, with 80% sleeping with their cell phone next to the bed. For some, this bed is in their parents’ homes, as 13% have “boomeranged” back because of the recession after living on their own. Thirty-six percent say that they depend on financial support from their families.

Many Millennials have grown up with parental support and encouragement and have experienced relatively comfortable lifestyles. Approximately 20% of American Millennials living in poverty have not been so privileged.

Nearly half of Millennials feel that they may be worse off than their parents. Health trends indicate that Millennials could be the first generation in more than a century to see their life span level off and even decline, with obesity becoming epidemic.

WHAT’S THE SAME

For the most part, the priorities of being a good parent and having a successful marriage are most important to Millennials, similar to those held by Gen Xers at a similar stage of life. Similarly, helping others in need is as important to the youth of both generations. Differences in the order of life’s priorities are that older generations are more likely to place a higher importance on a very religious life (21% vs. 15%) and a lower importance on being successful in a high-paying career (7% vs. 15%).
EDUCATION SUMMARY

Millennials have and will continue to influence education. First, as students, these digital natives have forced learning institutions to communicate and educate in new ways.

They bring a new generational personality—done of optimism, structure, team orientation, and a confidence bordering on entitlement.

Instructors are figuring out how to manage the amount of involvement and feedback these students demand.

Some institutions are adapting their space to a less formal learning environment that combines structured learning with preferred group-based practical learning.

Millennials are also entering the teaching ranks. Like their corporate peers, they prefer frequent feedback, fairness, recognition, and peer learning.

Parents of Millennials influence the environment as they continue their active involvement in their children’s educational experience.
EDUCATION—Key Findings

THE NUMBERS

Educators are celebrating the high school graduation rate, which now stands at 72%. This is the highest level of high school completion in more than two decades. Of those graduates, 68% enrolled in college. Approximately 58% of those entering a four-year institution will receive a bachelor’s degree within six years.

While education is expensive, education levels had more effect on earnings over a 40-year span than any other demographic factor. Earnings increase incrementally for those with some high school, with a high school diploma, with a bachelor’s, to those with an advanced degree. The difference in earnings over the 40 years by level of education can be in the millions of dollars. This helps Millennials with their average $25,000 student loan debt. For the first time in America, there is now more student loan debt than credit card debt.

College prices are rising more rapidly than the prices of other goods and services. Despite the fact that more students and families struggle to pay for higher education, enrollment continues to increase. As students recognize that more education leads to higher earnings throughout life, they are finding ways to finance their education. Sustaining enrollment will require postsecondary institutions to find more cost-effective methods to offer high-quality education.
THE STUDENT

Millennials score high on IQ tests. They also score higher on such traits as extraversion, self-esteem, self-liking, high expectations, and assertiveness. These traits are purported to often lead to narcissism and entitlement. Two-thirds of students predict that they will perform in the top 20% of the population in their adult jobs. Self-esteem cannot deliver their expected success, and this mathematical impossibility leads many to experience frustration. They are showing measures of stress, anxiety, and symptoms of depression and are receiving lower scores on self-reliance.

Millennials want a clearly structured academic path. They look for special treatment and ask specifically what knowledge is required for exams. College professors sense that students want to be entertained by the instructors. These instructors also experience Millennials challenging them on grades and the relevance of assignments.

QUID PRO QUO

This generation has a transactional relationship to education, seeing higher education as a necessary and expensive consumer good. This commodity mind-set translates tuition into a college degree. The average Millennial student expects professors to be accessible and approachable and to connect lessons to real life.

LOOK MOM, NO LECTERN

Millennial’s parents uniquely close (and hovering) relationship has given rise to increased staff levels in family engagement centers. Institutions are also modifying learning spaces to combine straight instruction with the applied team learning Millennials prefer. This less formal learning environment will also need to accommodate the twin trends of students increasingly feeling the need for remedial course work upon entering college, which runs as high as 40% upon admission, and a rising number of entering college students who took Advanced Placement courses in high school (now at 71%).
MORE SIGNS OF THE TIMES

Notable shifts in support of same-sex marriage, affirmative action, and access to higher education for undocumented students are some examples of the greater tolerance of freshmen entering college campuses.

Though not all students are on campus as colleges and universities build online education, an effort they consider a critical part of their successful strategies. Virtual learning is on the rise, with 31% of all higher education students now taking at least one course online.

The average age of college faculty is now around 50. Yet as Millennials enter college not just as students but also as teachers (currently, one in five Millennials become teachers), they will have a greater influence on curriculum, learning space, and the college experience.

WHERE THEY ARE GOING

Millennials are sizing up to be the most educated generation in history. Bachelor degrees conferred were predominantly in business, the social sciences and history, health sciences, and education.

After commencement, 29% of top college graduates intend to seek employment in the private sector, while 17% have set their sights on the nonprofit field or teaching. Only 2% of respondents plan to work in the federal government after leaving school. Some 27% are looking at graduate school, and the rest are looking at the military and other options.
ENTREPRENEUR SUMMARY

The question might not be how Millennials have influenced entrepreneurship, but perhaps how the economy has dealt an unfortunate hand to a generation considered one of the most promising for business ownership to date. Many to most desire to start their own businesses. They have the ideas and innovative qualities of successful entrepreneurs. With more guidance, funding, and encouragement, this entrepreneurial spirit may just run free and do its part in creating more jobs and helping rescue the economy.
ENTREPRENEUR—Key Findings

ENTREPRENEURIAL GENERATION

Millennials have witnessed instability in the workplace, business scandals, and their parents’ jobs being downsized after loyal years of service. These market conditions and unemployment rates, almost twice that of all workers, are leading many to become entrepreneurs.

The young entrepreneur has achieved star status—think Mark Zuckerberg of Facebook or Andrew Mason of Groupon. Small business is regarded as a driver of the U.S. economy, providing jobs for the nation’s private workforce. Starting a business can look very appealing.

Though research varies, one-half to two-thirds of Millennials are interested in entrepreneurship, and more than one-fourth (27%) are already self-employed. Males, blacks, and Latinos are most inclined toward starting their own businesses; females are more likely to be interested in starting nonprofits.

In 2011, many took the leap. Millennials launched almost 160,000 startups each month, and 29% of all entrepreneurs were 20 to 34 years old.

Startups are essential to job creation in the United States. The entrepreneurial mind-set of Millennials could support the economic recovery, helping reverse a declining trend of business startups.

OBSTACLES

Millennials say that the ability to get a loan or credit is the biggest challenge to starting a business, with almost two-thirds saying that they do not receive enough support from banks. Another obstacle is the lack of education and resources to run a small business.

Millennials would also like to see Congress make it easier to start a business by providing increased access to education, training, and student loan relief.

Observers note another challenge for Millennials. While they are great at multitasking, it often results in turning clients away because of a lack of engagement. Certain traditional elements of business interactions, particularly revolving around the human element and customer interactions, are skills to be developed.
ENTREPRENEURSHIP 101

An entrepreneurship curriculum has been added to more than 2,100 U.S. colleges and universities, though more than half the students offered these classes say that they don't feel the course work prepared them to start a business. The curriculum has been evolving quickly, trying to develop more relevant offerings reflective of today's trends. According to Belmont University, 40% or more of the freshmen that come into their entrepreneurship program have already started businesses.

The workplace values business ownership and education on an applicant's resume. Employers recognize the creative, innovative skills that bring an “intrapreneurial” spirit within a firm that keeps their organizations up to date.

STRENGTHS

Author Donna Fenn's book on Gen Y Upstarts! suggests that this generation approaches entrepreneurship as a way of life. She also believes that starting a business in today's digital age is cheaper and less risky. She predicts that in 20 years Millennials will prove to be the most seasoned, experienced generation of entrepreneurial leaders yet.

That may be true, especially with the abundant support from parents, teachers, and older entrepreneurs. Members of this generation are also regarded as serial entrepreneurs, who will likely sell their successful businesses or hone their skills on the less successful ones as they go along.
MARKETPLACE SUMMARY

This generation is large, and with their numbers come substantial buying power, both through their own increasing earnings as they age and through the financial support of their baby boomer and Gen X parents. Not only do Millennials contribute to the market directly, but they also contribute as vocal consumers and early adopters to influence the purchases of others. They are also changing the means and speed by which marketplace information is exchanged. Millennials add content through constant connectedness and the popularity of social media, keeping marketers on their toes. This generation’s connectedness also demands that brands ensure or influence positive user experiences. Additionally, this generation will continue to change the marketplace through the blurring of traditional gender roles. Savvy marketers will broaden their reach across gender lines to take advantage of the larger, more diverse potential market for their products.
MARKETPLACE—Key Findings

MARKET POTENTIAL

Reports on Millennials’ annual purchasing power range widely between $125 billion and $890 billion. A more consistent estimate is $200 billion of direct purchasing power and $500 billion of indirect spending, largely due to the influence on the spending of their mostly baby boomer parents. With Millennials’ peak buying power still decades away, marketers would do well to establish relationships with this consumer force.

GR8 WZ 2 rEch gnr8n Y

The biggest lesson when marketing to Millennials is that organizations must know and use social media. As referenced earlier, more than three-quarters of Millennials have created a profile on a social networking site. In an eight-hour workday, people spend approximately one hour on social media sites. This seems like a large percentage of the workday, but it is even larger for Millennials who spend about 1.8 hours on social media sites.

The majority of Gen Yers use social media to connect with brands, though most firms still allocate a disproportionate percentage of marketing budgets to nondigital channels. Gen Yers also connect to a brand through affiliation with a cause. This is more important to Gen Y than to previous generations. A brand that shows it cares is attractive to this generation.

To be effective, advertising should be placed around engaging content. On average, engagement is higher among Millennials than other generations for television and websites; on a percentage basis, it is greater on the Web than on TV. It appears that Millennials are highly engaged with content they choose to view online and on TV, which amplifies the effectiveness of ads for Millennials.
A TWO-WAY STREET

Millennials’ relationship with technology has completely changed their relationships with most everything. With brands and services, what used to be a one-way conversation is now a multifaceted, 24-hour-a-day, seven-day-a-week dialogue between brands and their customers and among their customers. Millennials have the confidence to stand up for what they believe and the confidence, technology, and network to voice their opinions. With Millennials, brands know where they stand, sometimes even minute to minute. According to one survey, 86% of Millennials are willing to share information about their brand preferences online, making it a top personal identifier.\textsuperscript{M6}

Millennials are 2.5 times more likely to be early adopters of technology than are older generations. They are more likely to use the Internet, broadcast thoughts, and contribute content. Millennials stand out when it comes to producing and uploading online content (60%) compared with non-Millennials (20%).\textsuperscript{M1} In 25% of searches for the top 20 brands, results are linked to user-generated content.\textsuperscript{M8} This has huge implications for brands to become aware of others’ experiences with their product or service and ensure that it is in harmony with their brand strategy.

RELATIONSHIPS

Tapping into the Millennial generation as they begin their adult lives, as with previous generations, is important for brands hoping to establish lifelong relationships with their customers. This is also important with Millennials because they help set trends through social media. It all comes down to trust for brands. The trust is deeper and more intense with this group, but the greater availability of information can also destroy it faster. Once Millennials lose faith in a brand, it’s nearly impossible to win them back. Keeping positive relationships are critical.\textsuperscript{M6}

Much of the research shows that Millennials are open to new experiences and new brands. They are eager to interact with brands and interested in building relationships with them. They have the self-assurance to stand up for their beliefs. It is critical to determine how to get hurried Millennial consumers to spend time developing a relationship with a brand.
LIKE

With the Internet and social media, the number of sources for information has increased dramatically. When gathering information and making buying decisions, Millennials rely on recommendations from peers and friends more than from experts. They use mobile devices to read user reviews and explore information on social networks. Having grown up with mobile and digital technology as part of their everyday lives, they switch their attention between media platforms 27 times per hour. This tells advertisers that they need to engage Millennials quickly before they lose their attention.

Millennials also seek peer affirmation. Seventy percent of Millennials are more excited about a decision they’ve made when their friends agree, compared with 48% of non-Millennials.

GENDER ROLES

All along, Gen Yers have been told that they can do anything they want to do and be anything they want to be. This is proving to be true across genders. For example, the number of stay-at-home fathers in the United States has tripled in the past 10 years up to 154,000, according to the most recent Census (although not all by choice with the recession). Some experts argue that the real figure could actually be in the millions if the definition is broadened to include dads who work part time while remaining the primary caregivers. Women can control their reproductive health as they advance in their careers, providing more work and family options—with or without a male partner. Meanwhile, the working Millennial male does not have the same experience of having a woman at home to support his career as did the husband of previous eras.

What this means for marketers is that gender distinctions are no longer set in stone. The NFL is targeting women, and ESPN has launched a new website, espnW, targeted toward female audiences. The number of men who are the primary household grocery shopper increased to 31% in 2011, up from 14% in 1985. Some estimates are even higher. A nationwide survey of 1,000 fathers said that 51% were the primary grocery shoppers in their households. Marketers should take advantage of a broader market across genders with Millennials and create appropriate content.

A study shows that the biggest objective for young adults today, both male and female, is happiness. This is an important shift: It appears men and women are moving away from what used to be the be-all and end-all—money and power—in favor of love and friendship. It will be noteworthy to see how this evolution affects this and future generations.
PROFESSIONAL ASSOCIATIONS SUMMARY

There has been an uptick in professional association membership, reversing an overall downward trend. Associations have been exploring ways to become more relevant, particularly to the Millennial generation that considers traditional association services not as necessary with the advent of the Internet and social media. Economic reasons due to the recession also influence their membership decisions. As in other areas of their lives, Millennials expect timely, meaningful, and relevant communications and programs from the organizations they opt to join.
PROFESSIONAL ASSOCIATIONS—Key Findings

DOWN (AND MAYBE BACK UP?) MARKET

Many professional membership organizations and associations had been experiencing overall declining membership, but recently they have seen an uptick in membership. Research shows an upward trend, with 36% of responding organizations showing an increase in membership in 2010; 49%, in 2011; and 52%, in 2012. Many member-based organizations showed an unchanged level or decline in membership over this time frame, with 62% unchanged or declined in membership in 2010; 50%, in 2011; and 45%, in 2012.\(^1\)

Renewing existing members and attracting new ones is key to maintaining and increasing membership in associations. The percentage of organizations with declining renewal rates has also trended down: In 2009, 31% of associations reported that renewal rates for their organizations had declined; in 2010, 44%; in 2011, 24%; and in 2012, 22%.\(^1\)

Specifically, two of the largest associations in the United States have shown overall declining memberships and are considering ways to reverse this trend.

The American Bar Association (ABA) has seen a decline in membership between 2,000 and 4,000 members per year since 2008, when membership stood at 408,000. ABA membership isn’t growing at the same rate as the profession, according to former ABA President Carolyn Lamm.\(^2\) While the ABA expects membership to increase as the economy improves, Patricia Refo, chairwoman of the ABA’s Standing Committee on Membership, says that the organization also realizes that it must appeal more to younger lawyers and is working on “an aggressive social media component to promote membership and is constantly looking for new channels.”\(^3\)

The American Association’s 2011 annual report shows decreasing membership totals for 10 of the last 11 years, only recently experiencing an increase of 1,000 new members to bring its total to 217,000. This is still lower than the 2007 membership of 241,000, which includes 8,577 free memberships given to first-year residents who had been student members the previous year.\(^4\)
REDEFINE VALUE PROPOSITION

The primary responsibilities of associations and the services they provide have historically included industry research (71%), ongoing education opportunities and accreditation (95%), publications of periodicals (62%), legislative lobbying (40%), and political action committees (35%). Percentages are based on the number of associations that provide this service.\textsuperscript{P5}

In a 2012 study, the primary reasons association executives gave as to why members join continue to be networking (22%), access to specialized and current information (12%), and advocacy (12%).\textsuperscript{P1}

With the advent of the Internet and social media, people and organizations have the means for doing their own research and sharing information and have vehicles for organizing around social and political issues. Millennials (and increasingly other generations) use Facebook, Twitter, and other tools to self-organize and participate in causes they care about. They simply are not as interested in joining established member-based organizations.\textsuperscript{P6}

This is evidenced by the continued downward trend since 2009 in networking and access to specialized and current information regarding the reasons people join associations. This contrasts with the upward trend in advocacy and continuing education as the reasons individuals join associations.\textsuperscript{P1}

Associations with more than 5,000 members report what their greatest challenges are in attracting and keeping young members.\textsuperscript{P1} Going forward, associations may need to retool their offerings to attract members. One example is a program created by the Minneapolis Regional Chamber called Emerging Leaders. It hosts six events per year and monthly roundtables for younger members with content of interest to this group and leadership opportunities. It has also enhanced its online presence in response to what this generation knows best.\textsuperscript{P7}
COMMUNICATIONS

For member-based organizations, as well as for companies and other organizations, the complexity of managing communications and the speed in which information is available are increasing. With the addition of social media (e.g., social networks, blogs, video sharing, and online ads) to mainstream media communications (e.g., websites, email, and direct mail), integrating messaging and content is a challenge. Millennials have little patience for the speed to which things get done and may not see the value in becoming a member of what they see as inefficient organizations.

THE MILLENNIAL DONOR

In the area of fundraising, Millennial donors seem to blend their preference for technology with a desire for personal, traditional giving requests. They use online tools to make their donations, but they need to trust the organizations to which they’re donating and feel that they have a compelling mission or cause. Millennials tend to give smaller donations to a number of organizations versus fewer larger donations and tend to give one time for a specific cause or event versus annually. One study found that 20-somethings donated on average to 3.6 different groups.
WORKPLACE SUMMARY

This generation experiences a paradoxical world that is both expanded and shrunk. Technology has blurred borders all within an accessible connected generation. The lines between work and life are ill-defined in a literal 24/7 world—further motivating Millennials toward work-life balance. The workday is no longer 9 to 5.

Intergenerational conflicts can be most noticeable in the workplace. Ideologies and cultures clash, making “other” people harder to understand. It is helpful to know that Millennials work best with clear guidelines, frequent and immediate feedback, context, clarity, and independence. They prefer to work in teams and make group decisions. They do not deal well with ambiguity and slow processes. They value trust and transparency.

The corporate ladder has become more of a career lattice, with Millennials often preferring job rotation to a more time-demanding job promotion. The most creative programs use the best talents of each generation, with an end benefit of improved understanding and communication. Improved working relationships also increase productivity and allow mutual knowledge transfer. Welcoming this generation into the workforce takes effort from managers. The benefits will be plentiful, as the delivered needs of this generation bring out the best talents in each employee.
WORKPLACE—Key Findings

ROOM FOR MILLENNIALS

With positivity and optimism, 80 million Millennials have begun entering the world of work, and other generations are taking notice. The recession and globalization influence this workplace as do changes in the composition and size of the population, mostly due to slower population growth, an aging workforce, and immigration. The United States is also experiencing an increase in minorities, particularly Asian and Hispanic populations.\(^1\)

Cyclical factors are also affecting youth labor force participation. In weak job markets, the young adult workforce is usually the last to be hired and the first to be fired. In down markets, when jobs are harder to find, many Millennials make the choice to stay in school, lowering the participation rate.\(^1\)

The recent trend of companies to outsource some traditional entry-level jobs may also be shifting the types of jobs offered, affecting employment rates for younger, less experienced candidates.\(^2\) As well, there is greater competition from more experienced workers for those companies that are hiring. More than half of baby boomers nearing retirement have delayed doing so, making it harder to find space for new workers.\(^3\) Once Millennials understand and experience firsthand the severely restricted job market, they are forced to compromise their anticipation of landing that perfect job.
RECESSIONARY EFFECTS

A weakened job market can lead entrants to taking jobs that are not a good match, usually ones offering lower average wages, especially at smaller firms. Wage losses can amount to about 9% of annual earnings at first. Research suggests that even after recovery, college graduates who enter the workforce during a weak economy will continue to experience a relative wage loss for at least 15 more years.

All agree that it’s much harder to be a young adult today than it was even just a generation ago. The defining moment of the recession hit during a vulnerable life stage. More than a third of young adults admit to being distracted on the job or having taken time off because of personal financial issues. Many are taking any job to pay their bills. As noted earlier, for 25–29 year olds, 34% have boomeranged back to living with their parents and perhaps have taken an unpaid job to gain work experience. They are postponing marriage and family.

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VALUE OF A COLLEGE DEGREE

Higher education is appearing essential for economic security, as more and more jobs are requiring postsecondary education. Only workers with a bachelor’s degree experienced an increase in earnings over the last generation.

The median earnings for young women with at least a bachelor’s degree rose 20% over the last 30 years, evidence of the advancement of women in the workplace. Millennial women fare better than their mothers did at the beginning of their careers, though their salaries still lag behind those of their male counterparts.

Also, the erosion of the union movement makes it more difficult for those with blue collar jobs to rise to the middle class. Males with high school diplomas in 2010 actually made less money than their counterparts in 1980: $30,000 versus $39,750 in annual salary adjusted for inflation. Since 2010, just 54% of young adults aged 18 to 24 have been employed, the lowest level since 1948, when the government began keeping track.

UNDEREMPLOYED OR UNEMPLOYED

As one may expect, underemployment (people who are either unemployed, inadequately employed, or dropped out of the labor market altogether) shows a bleaker picture for Millennials and minorities compared with the total population.

2011 Underemployment Rates, By Age, Race, and Ethnicity

<table>
<thead>
<tr>
<th>Age</th>
<th>All</th>
<th>White only, non-Hispanic</th>
<th>Black only, non-Hispanic</th>
<th>Asian only, non-Hispanic</th>
<th>Hispanic, any race</th>
</tr>
</thead>
<tbody>
<tr>
<td>18–24</td>
<td>28.6</td>
<td>24.5</td>
<td>42.6</td>
<td>22.4</td>
<td>32.6</td>
</tr>
<tr>
<td>25–34</td>
<td>16.6</td>
<td>13.0</td>
<td>27.7</td>
<td>12.0</td>
<td>20.7</td>
</tr>
<tr>
<td>35 and older</td>
<td>12.8</td>
<td>10.8</td>
<td>18.6</td>
<td>11.8</td>
<td>19.0</td>
</tr>
<tr>
<td>Total population</td>
<td>15.9</td>
<td>13.1</td>
<td>24.8</td>
<td>13.0</td>
<td>22.1</td>
</tr>
</tbody>
</table>


Despite the underemployment statistics, minority Millennials feel more optimistic than whites. Only 12% of whites believe that their generation would be better off than their parents, versus 31% of African-Americans and 36% of Latinos.
FLEXIBILITY AND SECURITY

More than half of Millennials (56%) say that a quality benefits package influences their choice of employers, and 63% say that benefits are an important reason for staying with an employer. While managers believe that Millennials put the highest priority on salary, research indicates salary has become a threshold issue for this generation of workers.

Economic conditions have shifted young workers’ attitudes toward employee benefits. More than four out of five indicate a preference for financial guarantees over greater risks. This makes income protection benefits more important, not traditionally valued by the young worker. They look for stable, even if it means lower, returns more than older workers.

More than half of Millennials (56%) prefer benefits they can choose, and 62% are willing to bear most of the cost, rather than lose a benefit. In addition to health, other benefits of interest are auto and home insurance as well as dental, vision, life, and disability insurance. Other benefits preferred by Millennials are paid vacation time, retirement savings plans, and a flexible work schedule. They also look for interesting and challenging work, personal development, a custom career plan, and an organization that reflects their values.

FOR WORK-LIFE BALANCE

Gen Xers tried to achieve work-life balance; Millennials demand it. At almost twice the size of Gen X, Millennials may just get it with three out of four saying that work-life balance drives their career choices. Many organizations have shifted their benefits and environments accordingly. Most notable is Google, the consistent top mention of places Millennials would like to work, which offers many perks and “balance enhancers.”
A FLIGHT RISK

Millennials expect close relationships and frequent feedback from their managers.\(^{12}\) They view their managers as coaches or mentors. These bosses—not the corporation—can earn the loyalty of Millennial employees by keeping commitments. Positive relationships with bosses help manage Millennial retention risk. The No. 1 reason that this age group leaves a job is directly related to a boss.\(^{6}\)

Millennials want an employer that offers a “democratized” nontenured workplace, where authority is earned in a collaborative, casual office. Ideas matter more than experience, and work output is valued more than the time put in.\(^{14}\) Creative engagements provide value to both Millennials and other generations. For example, initiatives such as mentoring programs, have had success in both shared learning and employee retention.

In a Sun Microsystems mentoring program, participants had a retention rate 23% higher than nonparticipants, and the mentors had a retention rate 20% higher than nonparticipants, saving Sun an estimated $6.7 million.\(^{15}\) Sun also found that mentoring programs increased the level of trust in organizational leadership.

Still, more than half of Gen Y workers agree that given the choice, they hope to be working for another employer in 2012,\(^{6}\) perhaps reflecting their short-term focus and different idea of a job and career.
ALTRUISM, VOLUNTEERISM, AND OPTIMISM

Millennial employees who frequently participate in workplace volunteer activities are more likely to feel positive, loyal, and satisfied than those who rarely or never volunteer, and they are more likely to recommend their companies to friends. Volunteering shows more ambition than altruism, with 51% saying that volunteerism needs to benefit them professionally. More than half of Millennials volunteer, proportional to that of Gen X.

Millennials are an optimistic group. Those with full-time jobs may just be the happiest workers in America. Among Millennials aged 25 to 29 who work full time, 42% say they are “very happy” with their lives. While most say they don’t earn enough money to lead the kind of lives they want, they believe that they will earn enough in the future. Those not working are also confident that they will have enough income in the future.

SKILLS SET SUPPLY AND DEMAND

Qualities employers want to see in candidates are those considered tried and true. Managers are seeing the desired teamwork, analytical, and computer skills demonstrated by Millennials. Key skills that managers would like to see developed are those around communications, work ethic, initiative, interpersonal, and adaptability.

Both Millennials and their bosses see necessary growth in areas such as communications as well as the ability to give and receive criticism. Another area for improvement mentioned by managers is enhancing professional workplace etiquette.
ABOUT ‘JESSICA’

A summary of Millennials, told in short story form Titled “About ‘Jessica’” as it is one of the most popular names given to girls born in the 1980s and 1990s1

Jessica earned her first soccer trophy while she was in nursery school. The soccer trophies and medals kept on coming, as did the ones for swimming, karate, basketball, Girl Scouts, and debate. She has been encouraged to be anything she wants to be. Because of the almost constant support she receives and her full schedule, she craves lots of attention in the form of praise and feedback. Her baby boomer parents shower her with attention and consult her about what restaurants the family visits and where they will go on vacation.

Jessica has a full collection of Beanie Babies. She and her parents would discuss which were the most coveted ones when they would drive her to school in the morning. Then, her parents would surprise her with these collectibles after purchasing them online, some at hefty prices! They are now neatly stored in her parents’ attic for the time she has a child or house of her own.

Upon college, she expects a return on the investment in her tuition to be a minimum of a 3.6 GPA. Her Gen X+ professors want her to earn it. The transactional perspective on education typical of her generation is a harsh disconnect with her instructors.

Her college’s family engagement center enlightens instructors of this new student philosophy and encourages instructors to provide students more leeway than past cohorts. Professors endeavor to relate to and educate this new student and are humored by the continuing reminders of not using Wikipedia as an annotation source.

Jessica thinks that she will be in the top 20% of graduates in her class. The problem is that 66% of her peers think so too. That expectation leads to some anxiety and a bit of depression, which concern her parents. They continue to support her and with the school’s help, find her a therapist to build up her usual hopefulness.

Jessica has a hard time finding a paying professional job upon graduation and wonders how she will afford her shared apartment and pay her remaining student loan debt. After her unpaid internship does not result in a job, she moves back in with her parents.
Jessica acts quickly to a text from her friend Michael (the name given to more babies born in the 1980s and 1990s than any other1) that his organization is hiring. Happily, she interviews and receives an offer with a fine starting salary. She verifies with her potential employer that she can still make her Wednesday late afternoon volleyball games and consults with her mom about the offer before accepting.

Her manager, who is 49, appreciates her enthusiasm and energy. Jessica clearly wants to be competent and successful. And while she can manage multiple tasks at one time, her manager sees her missing some important information in meetings and wants her to improve her client relationship skills.

Lucky for Jessica, her manager has received training on how to coach his employees, particularly Gen Yers. Jessica has appreciated her manager’s support, and their relationship is positive. Jessica told her parents the company is OK, but her manager is great, so she plans to stay awhile. She is enjoying the feeling of stability.

Her manager invests extra time in providing more context, interim goals, and plenty of feedback. The payoff is that Jessica is receptive and very open to developing her skills and is looking forward to her mentoring relationship with a director in another department. The director is also looking forward to a fruitful and informative alliance.

Many of Jessica’s friends are still looking for jobs, so she feels lucky. A few are going back for a master’s degree. She’d like to further her education one day as well. She texts her friends about her volleyball win and tweets that her company just launched a great new product and suggests they try it out.

1. Social Security Administration, Top Names (5/14/2012) http://www.ssa.gov/oact/babynames/top5names.html
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### E5

### E6

### Sources—Marketplace

<table>
<thead>
<tr>
<th>Source</th>
<th>Reference</th>
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<td>M2</td>
<td>Met Life Mature Market Institute (2009) <em>Demographic Profile American Baby boomers</em></td>
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| M10 | U.S. Census Bureau (September 2011) Source: U.S. Census Bureau, “Families and Living Arrangements, Table SHP-1. Parents and Children in Stay-At-Home Parent Family Groups


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Dear Reader:

Every generation gets to write a page or two in the history books. For the people born from 1980 to 1999, those pages will undoubtedly be digital. Called Generation Y or Millennials, this generation is wired unlike any of its predecessors. Millennials have an almost innate mastery of technologies and how to use them in business, education, and everyday life.

Technology is only one part of what makes this generation what it is. The unique personalities, values, and collaborative nature of Millennials also make them different in how they engage the world. These changes impact many different aspects of our lives, but in terms of commerce, the rules of the road are being changed.

That's why the National Chamber Foundation (NCF) decided to take a closer look at Millennials and how they are impacting business. Much research already exists about this generation. Assembling this research into a concise format was a tool NCF aimed to share with others. NCF’s commitment to exploring emerging issues and examining “what’s next” is a mission that it believes in. When you see that mission personified and driven by Millennials as described in this research review, it is easy to declare that “the future is now.”

Thanks to the work of Sally Seppanen, the author of this work, NCF is providing this research to help business leaders of all generations better understand the force, talent, and promise that Millennials bring to the workplace, marketplace, C-suite, and beyond. The report also delivers perspective on the “generational mindset” that can be critical when building relationships, partnerships, a client base and a productive team.

If you look closely, you will find members of this generation in every one of these locations, changing the way we do business. Casual observers of these changes may disregard their impact, but it would be a mistake to write off Millennials or expect their absolute conformity with the way things have been done in the past.

As this research review shows, Millennials will challenge us with new means, metrics, markets, and possibilities. Speed and change will be the primary drivers going forward. NCF’s advice is fairly straightforward: Buckle up and be ready… it’s going to be an amazing ride.

Sincerely,

Rich Cooper
Sally Seppanen is a certified leadership coach and consultant in Washington, D.C. Seppanen, the principal of Sepp6, delivers programs designed to strengthen communications skills, presence, emotional awareness, and self-management. She holds degrees in communications and psychology, is a Georgetown-trained coach, and a credentialed member of the International Coaching Federation. Seppanen’s research on generational dynamics helps organizations engage the potential of Generation Y and build an understanding of differing priorities. Her interest in leveraging individuals’ talents promotes organizational goals and personal fulfillment.

Wendy Gualtieri provides consulting and research services to organizations looking to understand potential new markets. Gualtieri has led consulting projects for major consumer product manufacturers and retail clients in the areas of process improvements and strategic sourcing. Her research in generational trends and desire to build Gen Y skills paves the way for preparing an optimal workforce in an ever-changing economic environment. Gualtieri holds an M.B.A. from the University of Michigan and a bachelor’s in finance from Miami University in Ohio.

The U.S. Chamber of Commerce is the world’s largest business federation representing the interests of more than 3 million businesses of all sizes, sectors, and regions, as well as state and local chambers and industry associations.

The National Chamber Foundation, a nonprofit affiliate of the U.S. Chamber of Commerce, is dedicated to identifying and fostering public debate on emerging critical issues. It provides business and government leaders with insight and resources to address tomorrow’s challenges.