

A new understanding of Millennials

Generational differences reexamined



Are Millennials really so different from the generations that came before? In some ways, yes—most significantly in the large amounts of student debt they carry—but in other ways, they look very similar to the Gen Xers who preceded them.

Millennials Start

Adverse circumstances have shaped Millennials' choices...

In 2014, there were more Millennials in the labor force than any other generation.



Labor force composition in 2014¹

Younger workers were hit harder by the Great Recession

Although unemployment rates among Millennials have improved since 2009, they remain high at 9.1% for 20- to 24-year-olds.



Unemployment rate²

October 2009
September 2015

More Millennials have student debt, and more of it, than older generations

During the 1995-96 school year, the approximate midpoint of when the Gen Xers were in college, 25.6% of all undergraduates at two- and four-year colleges had student loans.

For the most recent school year, 2012-13, the proportion expanded to 49.4%.



Percent of Millennials with student debt compared to Gen X³

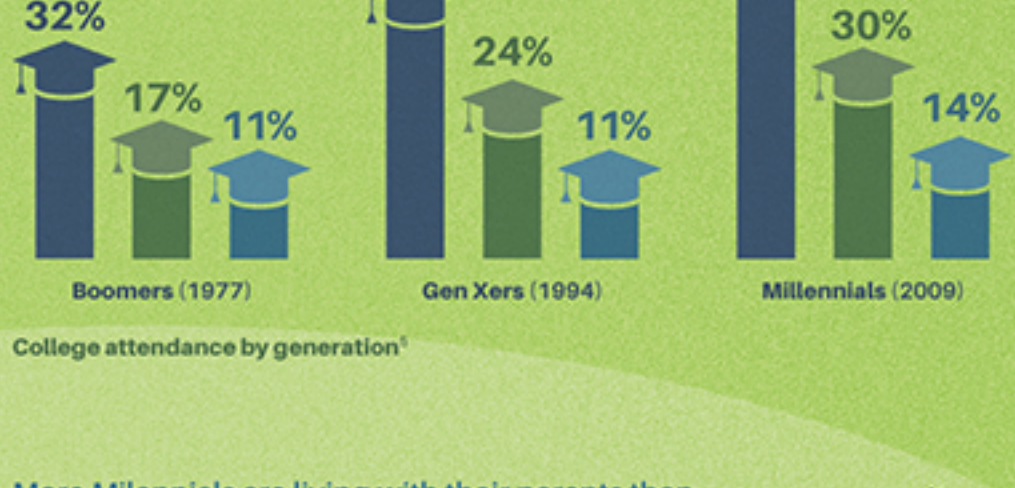


Student loan size among Millennials compared to Gen X⁴

Gen Xers (2001-2002)
Millennials (2012-2013)

... giving them a slower start than older generations ...

More Millennials are going to college and staying in school until later ages.



College attendance by generation⁵

More Millennials are living with their parents than older generations did.



Percentage of young adults living with their parents⁶

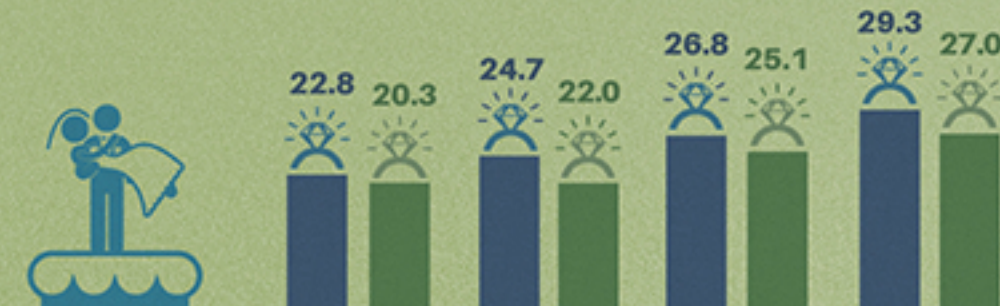
... but in other ways, Millennials' behavior largely parallels that of Gen X when the latter were the same age.

Gen Xers in 2001 display a similar pattern by age group as did Millennials in 2010 in purchasing their first home.



Median age of first-time home buyer⁷

Millennials are marrying later, but this is part of a longer-term trend toward later first marriages.



Median age at first marriage⁸

Millennials in 2013 have less credit card debt than Gen Xers did in 2001—but this pattern holds true for older age groups as well.



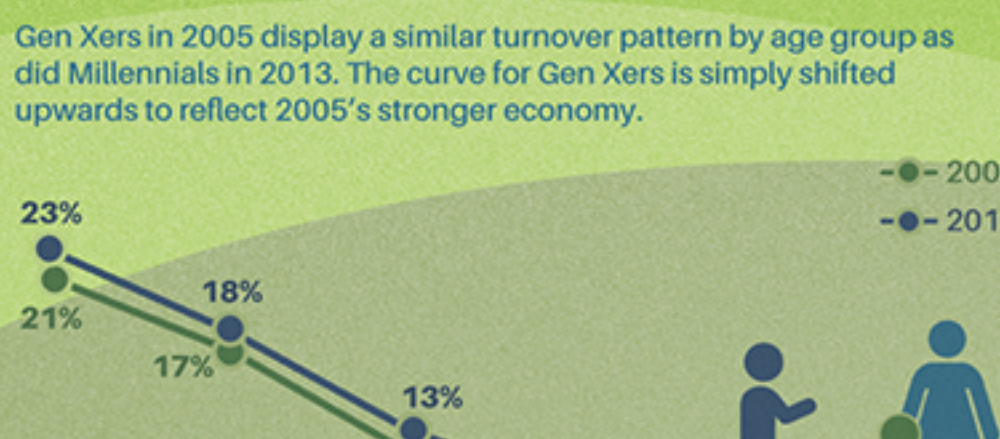
Proportion of age groups with credit card balances, 2001 and 2013⁹



Under-35 households today are even more likely to own vehicles than were under-35 households in 2001.

Percentage of households headed by individuals under 35 holding vehicles as an asset¹⁰

Gen Xers in 2005 display a similar turnover pattern by age group as did Millennials in 2013. The curve for Gen Xers is simply shifted upwards to reflect 2005's stronger economy.



Private sector turnover rates by age group¹¹

Employers could help cultivate Millennial loyalty by...

Segmenting the Millennial workforce by life stage

Creating targeted programs for each segment

- Student loan repayment assistance
- Housing purchase assistance
- Transportation incentive programs (e.g., carpooling)



Boomers and Gen Xers Start