

Millennials come of age

ConsumerSpeak series





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Selfie Nation: Understanding Millennials coming of age

Never before has the United States seen a generation that is so diverse, so informed and so well connected as Millennials. The generation is so unique that even the name evokes the image of an exotic plant that blooms only once every one thousand years. Millennials are the generation immediately following Generation X with the first members born in 1980 and celebrating their 34th birthday this year.

As the leading edge of Millennials move into their mid-30s, we'll examine the demographic profiles of Millennial adults, their lifestyles, attitudes and motivations as well as their need for connectivity and explain what it means for marketers trying to court the most influential generation since the Baby Boomers.

Millennials are largely optimistic about the future despite the fact that many came of age during the Great Recession, suffering disproportionately higher levels of unemployment just as they were supposed to be building the foundations of their careers. They're less religious than any other generation and while they hold largely progressive values, there are some important contradictions that are worth noting. Millennials own smartphones at rates exceeding every other generation and account for one out of every two minutes Americans spend using a these devices.

While the rest of adults see smartphones and the Internet as revolutionary, for Millennials, they're just part of the natural order of things. As such, they have expectations about how things should work that may seem unrealistic to those who grew up without such technologies.

Thomas Prendergast, the chairman and CEO of the Metropolitan Transit Authority in New York, an institution responsible for public transportation networks dating back centuries, nailed it on the head during a recent news conference when he said, "The Millennials' expectations are really things that we thought were luxuries when we first rode the system, but they think are entitlements—and they are our customers." Prendergast added, "Countdown clocks in stations, more timely information, improved technology is not a want, it's a need."

All marketers need to adopt this mindset — being cognizant of the way that Millennials view the world — and adapt accordingly. They need to harness the power of customer data and leverage technology to connect with this incredibly diverse generation in a way that feels personal and authentic. Companies that don't operate or communicate in a way that Millennials expect risk being passed over as irrelevant. Those that embrace the demands of this generation have the opportunity to build loyal brand advocates for years to come.





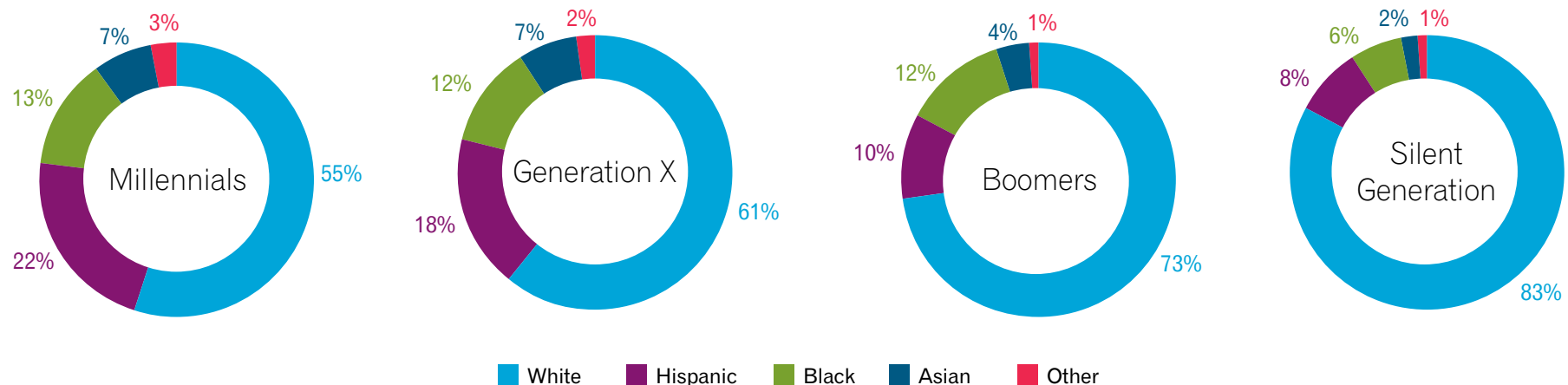
Millennials: The most diverse generation

Millennials are the most diverse generation in the history of the United States. In fact, among those who are adults today, barely half (55 percent) are non-Hispanic and white meaning the remaining 45 percent are racial or ethnic minorities. By comparison, 39 percent of Generation X, 27 percent of Baby Boomers and just 17 percent of the Silent Generation identify as Hispanic and/or a race other than white. As diverse as Millennials are, they are likely to be the last generation in which a majority of individuals are non-Hispanic and white since future generations will only be more racially and ethnically diverse.

Among the various minority groups, Hispanics make up the largest share and in no other generation is the influence of the Hispanic population more evident than among Millennials, where nearly one-in-four individuals are Hispanic. Furthermore, it's important to note that a majority of Hispanic Millennials (55 percent) were also born in the United States making them the first generation of Hispanics to be predominantly American from birth. To help marketers keep an eye on this influential subset, we'll break out Hispanic Millennials throughout this report where most relevant.

In addition to racial and ethnic diversity, Millennials are also 2.5 times more likely than the Silent Generation, 1.8 times more likely than Boomers and 1.7 times more likely than Generation X to identify as gay, lesbian, bisexual or transgender. Millennials from the political left, right and center largely support expanded rights of gays and lesbians and legal recognition of their relationships.

The diversity and open-mindedness of this generation means that marketers should worry less about offending or shocking Millennials if they break from traditional imagery and run campaigns embodying messages of inclusiveness and diversity, either overtly or passively. In fact, Millennials may not even notice nuances that jump out at older generations. For example, when Cheerios produced an ad featuring a biracial couple and their mixed race daughter many older consumers cried foul. Meanwhile, a popular online video captured the reactions of young consumers after seeing the commercial and found that most viewers couldn't spot the controversial element even when asked.



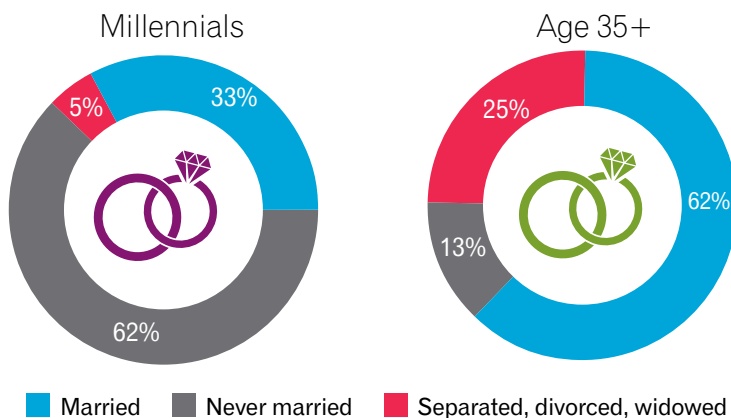
Note: White, Black, Asian and Other races are also non-Hispanic



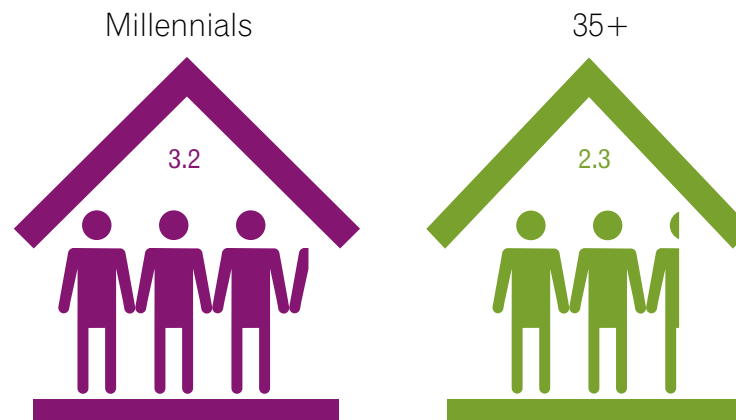
Lifestyle

Millennials are at a point in their life when big things start to happen, such as graduating from college, landing a first job, buying a home, getting married and having kids. Even with the leading edge of the generation turning 34 they still look starkly different from older generations when it comes to checking off the major life milestones.

Marital status



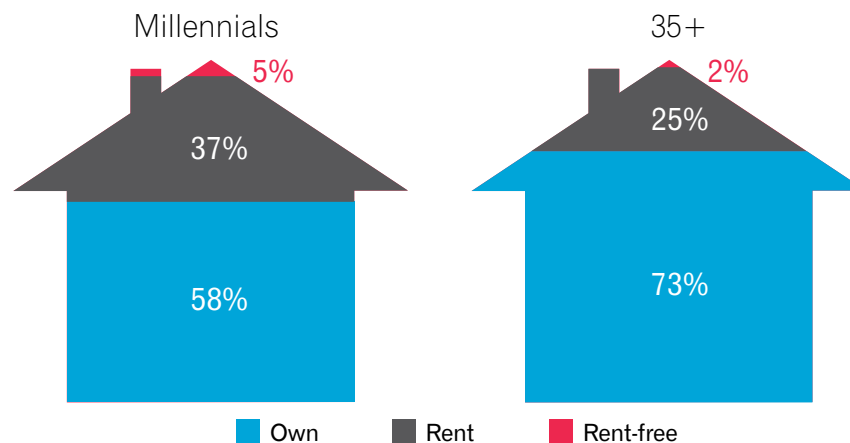
Average number of adults per household



Parents with kids in the home

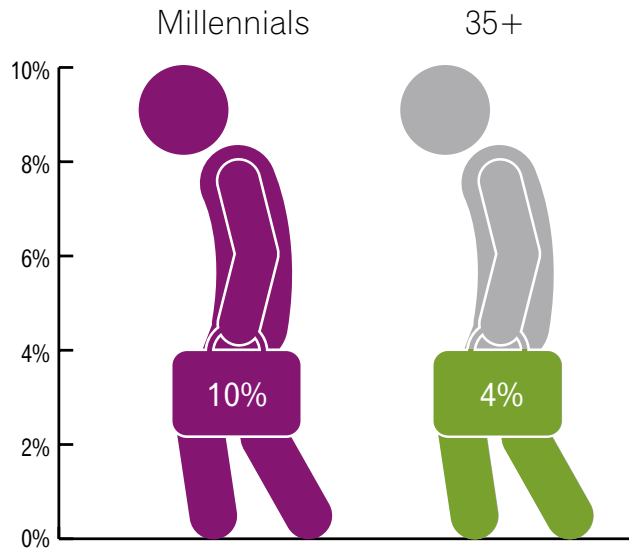


Home ownership

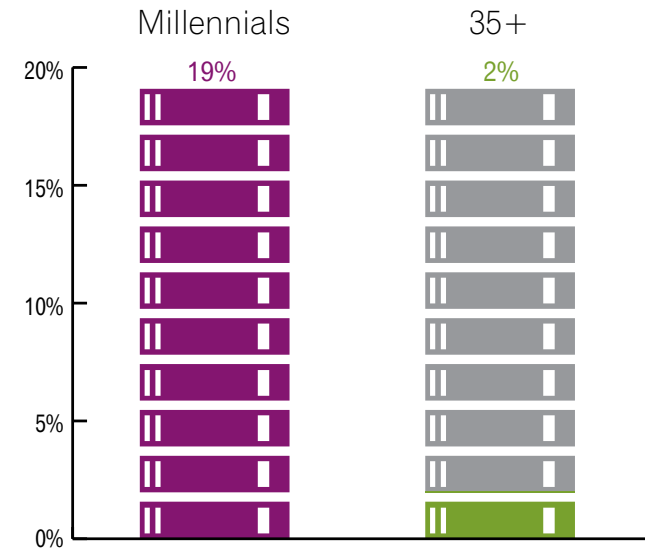




Temporarily unemployed



Students (full- or part-time)





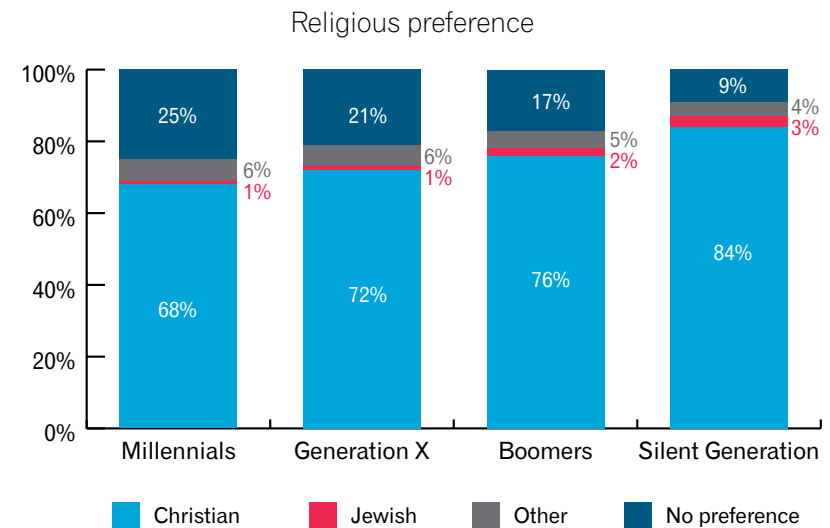
Values and motivations

Religion and family

Millennials are less likely to be religious than any other generation and fully a quarter of Millennials have no religious preference. Hispanic Millennials, while less likely to be religious than Hispanics of other generations, are more religious than their non-Hispanic generational brethren. For instance, 79 percent of Hispanic Millennials identify as Christian compared with 65 percent of non-Hispanic Millennials. Likewise among Millennials, 42 percent of Hispanics believe it is important to attend religious services versus 38 percent of non-Hispanics.

Millennials as a whole also place less value on family at this stage in their lives, though that's likely to change as they settle down, get married and have kids. In fact, older Millennials already resemble Gen Xers and Boomers when it comes to the importance they place on spending time with family. Interestingly though, Hispanic Millennials, a sub segment that one might presume to be more family-oriented, are actually five percent less likely than non-Hispanic Millennials to say that they enjoy spending time with their family and 62 percent more likely to say that they are willing to sacrifice time with family in order to get ahead.

It should come as no surprise that Millennials are fairly progressive in their general outlook, especially compared with other generations. For instance, they are more likely to say that marijuana should be legalized, less likely to identify as “pro-life” and less likely say that pornographic establishments should be shut down. Yet Millennials can also be unexpectedly traditional when it comes to their views on the role of women. Specifically, 16 percent of non-Hispanic Millennials and 20 percent of Hispanic Millennials say that a woman's place is in the home, putting Millennials on par with the Silent Generation when it comes to this issue. Just 11 percent of Boomers and Gen Xers agree that a woman's place is in the home.





Money and work

Millennials are optimistic about their personal economic future as well as that of the United States overall. Forty-four percent of Millennials say that in the next year they expect to be better off financially than they are now compared with 34 percent of all adults. Likewise, 40 percent say that they think the American economy will be better in the next year compared with 36 percent of all adults.

For all the media coverage and pundits who say that Millennials lack ambition, our data shows that Millennials are quite driven. Among those who are employed, 53 percent say that they want to get to the very top of their career, a rate much higher than observed among Generation X and Baby Boomers, only 38 percent and 25 percent of whom, respectively, want to get to the top of their career. Furthermore, 28 percent of employed Millennials are self-described workaholics, which is on par with both Boomers and Gen Xers. The entrepreneurial spirit is also strong among Millennials, especially Hispanic members of the generation. Forty-six percent of all Millennials and 52 percent of Hispanic Millennials express a desire to one day start their own business.

Money is a major motivator for Millennials, more so than other generations. Overall, Millennials are 19 percent more likely than average to say that money is the best measure of success. Hispanic Millennials — the ones who want to have their own business — are 44 percent more likely to use money as a barometer for success. A third of all Millennials also say that they only go to their current job for the money.

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International outlook

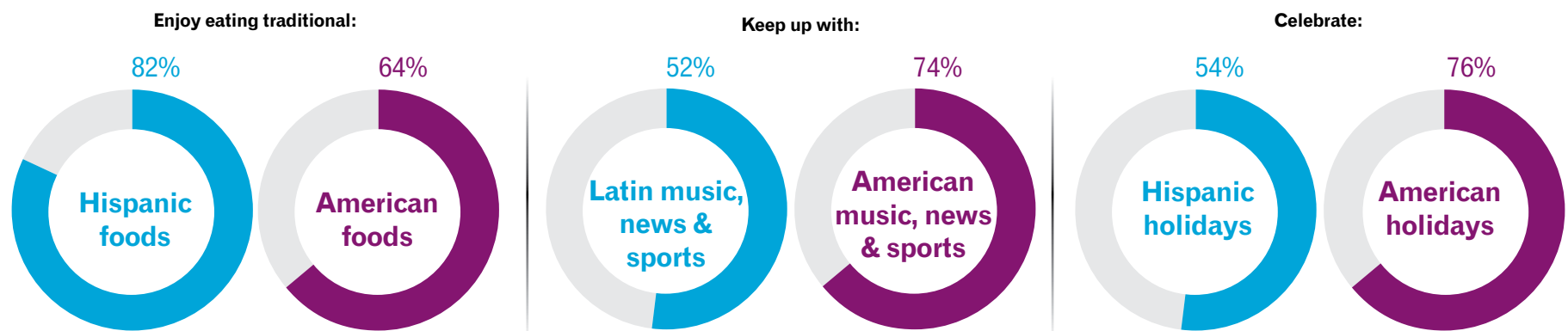
Millennials have lived their entire lives in the jet age and love the idea of traveling abroad more than any other generation. In fact, four-in-ten Millennials have taken a trip abroad at some point in the last three years. Yet interestingly, they're the generation least interested in international events and have only average interest in learning about other cultures—though they are tied with Generation X when it comes to their enjoyment of ethnic foods. This imbalance seems to suggest that while there is potential for Millennials to grow into the role of responsible global citizens, they are currently playing the part of global tourist instead. However, that's likely due to their youth and something that will change as they become more independent.

Hispanic Millennials are ahead of their non-Hispanic counterparts in terms of international awareness and interest due to the fact that many are working to achieve a balance of cultural identity between America and their personal or familial country of origin. Among Millennials, Hispanics are more interested in international events than non-Hispanics, but they are less likely to love the idea of traveling abroad even though 43 percent

have recently traveled outside of the U.S. In addition, Hispanic Millennials — despite being the generation most likely to be U.S. born— are more likely than Hispanics of any other generation to say that they often celebrate holidays from Latin countries and just over half keep up with Latin music, news and sports.

With a quarter of all Millennials being Hispanic, it's safe to assume that Hispanic foods, music, culture and traditions influence even non-Hispanics. Marketers can tap into this to expand marketing opportunities that will resonate with Hispanics and non-Hispanics alike. For instance, marketers looking to move beyond traditional holiday sales events (e.g.: Memorial Day, Thanksgiving, Mother's Day, etc.) can create campaigns around holidays widely celebrated by Hispanics, such as Cinco de Mayo or Three Kings Day. Likewise, companies like Cover Girl and Anheuser-Busch who use Hispanic celebrities Sofia Vergara and Pitbull, respectively, as spokespeople for their products are able to engage the celebrity-focused Millennial generation and highlight diversity at the same time.

Culture cues
Percent of Hispanic Millennials who:



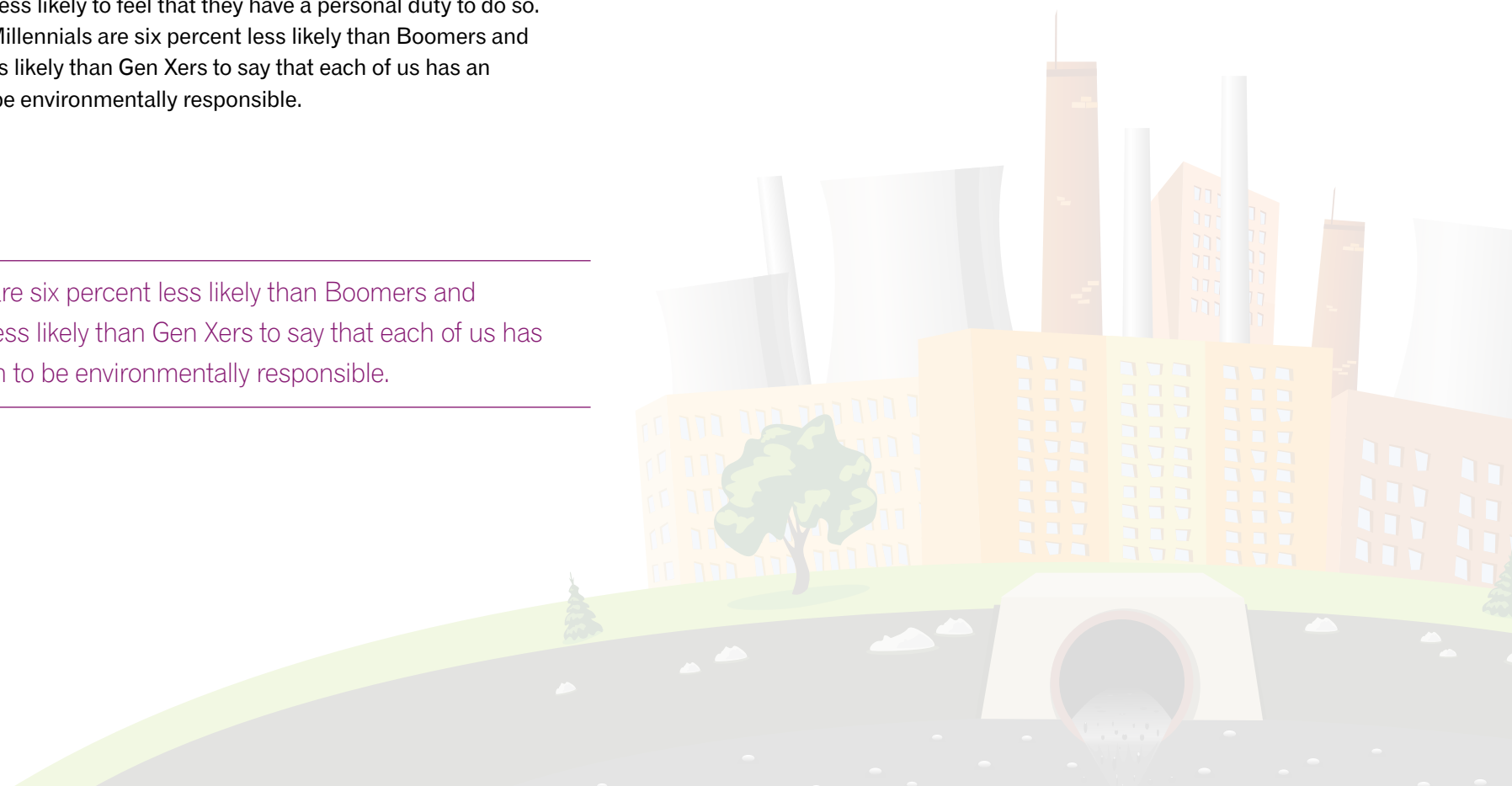


Corporate ethnics and the environment

Millennials may be perceived as an activist generation, but they are not as critical as their reputation suggests. Nor, surprisingly, are they as green when it comes to the environment as one may expect. For instance, Millennials are less likely than any other generation to say that it is important that a company acts ethically. In fact, while 74 percent of non-Millennials say it's important that a company acts ethically, only 64 percent of all Millennials and even fewer Hispanic Millennials (54 percent) hold this belief. Likewise, Millennials are less likely than both Generation X and Boomers to say that companies should help consumers be more environmentally responsible. Not only are they less likely to believe that companies ought to play a role in protecting the environment, they also are less likely to feel that they have a personal duty to do so. Specifically, Millennials are six percent less likely than Boomers and 11 percent less likely than Gen Xers to say that each of us has an obligation to be environmentally responsible.

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One thing to keep in mind regarding the environment is that Millennials grew up in an era where recycling bins were in virtually every household, classroom and many public places. Recycling to them is normal and may not be seen as overtly “green” whereas other generations see this as a major personal contribution to protecting the environment. Companies don't have carte blanche to ignore the environment under Millennials. In fact, in order to earn a green reputation among this generation, they need to move beyond the basics and set a new standard for other companies to follow. Millennials may also be willing to pay more for green products and services once their careers are on more solid footing and they have greater financial security.





Money and Finance

Employment and income

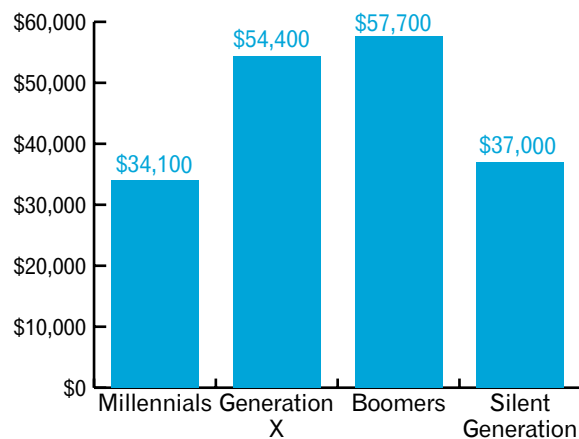
Despite the fact that Millennials are 13 percent more likely than the average adult to be employed (68 percent have a job), they are less likely to be employed full-time. In fact, 37 percent of employed Millennials work less than 40 hours a week versus 29 percent of all employed adults. Combine this with the fact that one-in-five Millennials (19 percent) are still either full- or part-time students and it's clear why the wages and salaries of this generation are 30 percent lower than average.

The individual earnings income of a typical employed Millennial is \$34,100 a year compared with the average employed adult who earns \$48,400. Hispanic Millennials are employed at roughly the same rate as non-Hispanics, but they are 10 percent less likely to hold a full-time job. As such, the average annual earnings of Hispanic Millennials are about \$10,000 less than that of non-Hispanics (\$26,200 versus \$36,400, respectively).

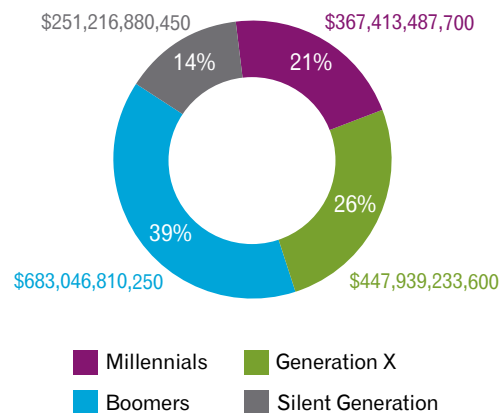
Given that Millennial employment levels and earnings are so much less than average, it's interesting that the amount they spend on non-essentials, such as dining out, apparel and entertainment, is only nine percent lower than the U.S. average. Last year, for instance, the typical Millennial household spent \$13,514 on discretionary purchases compared with the average U.S. household that spent \$14,791. In aggregate, Millennial households were responsible for \$367.4 billion in discretionary spending in 2013 or 21 percent of the nation's total spend, which was \$1.7 trillion.

Among Millennial households, Hispanics controlled 15 percent of total discretionary spending or \$15.6 billion, despite the fact that Hispanic Millennials make up 22 percent of the Millennial population. Specifically, the typical Hispanic Millennial household spent \$10,445 last year on non-essentials compared with non-Hispanic households that spent \$14,228.

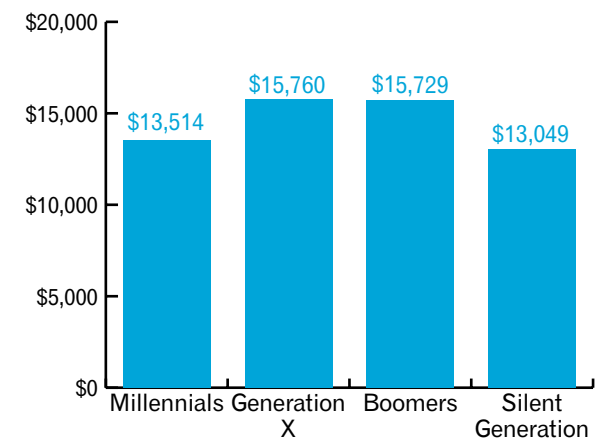
Average Individual Earnings Income, among employed adults



Aggregate annual spending on non-essentials



Average household annual spending on non-essentials





Connectivity and Technology

Douglass Adams, author of the classic *The Hitchhiker's Guide to the Galaxy*, had a set of rules to describe human reactions to technology.

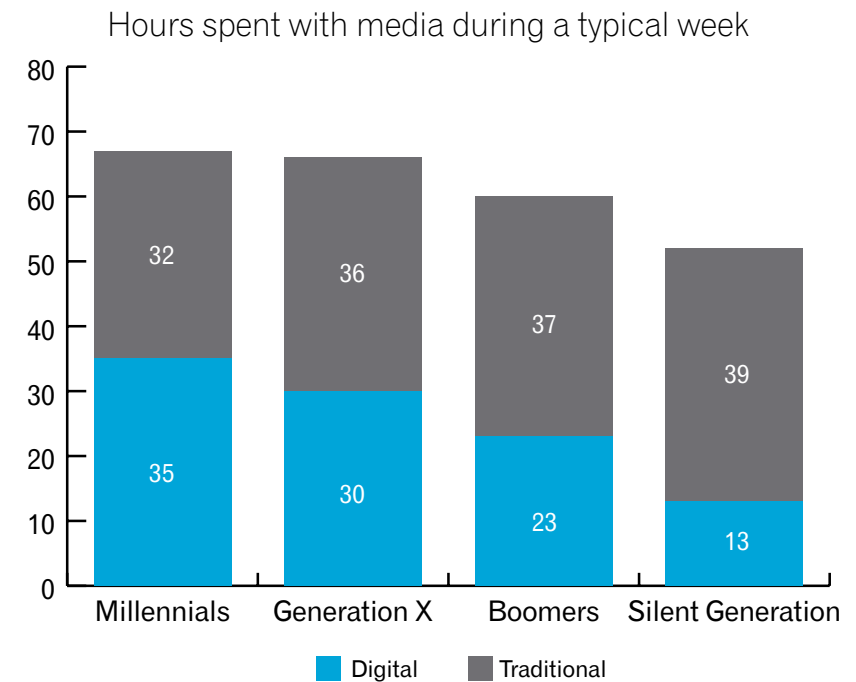
They are:

1. Anything that is in the world when you're born is normal and ordinary and is just a natural part of the way the world works.
2. Anything that's invented between when you're 15 and 35 is new and exciting and revolutionary and you can probably get a career in it.
3. Anything invented after you're 35 is against the natural order of things.

If this is true, then there's nothing in existence today that Millennials view as against the natural order of things. In fact, Millennials are true digital natives having grown up in the age of the Internet and mobile phones, which means they see both as normal and ordinary and a natural part of the way things work. It's important to keep this in mind when targeting Millennials. So don't overhype something that a Gen X or Boomer marketer thinks is "revolutionary" or "exciting" because Millennials will not be nearly as impressed.

Media consumption: Digital versus traditional

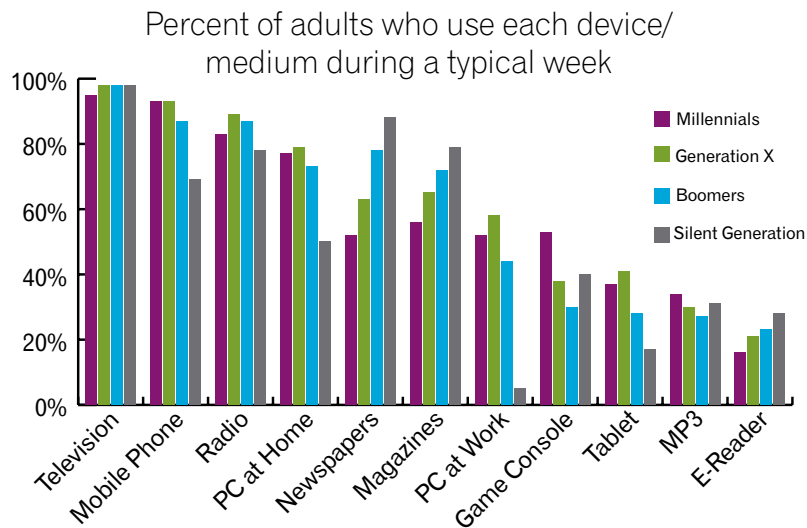
During a typical week, Millennials spend 67 hours using media which works out to approximately 9.5 hours a day. That's more than most Americans sleep! This generation is also the first to devote the majority of their media time to digital devices, including computers, tablets, game consoles, mobile phones, e-readers and MP3 players. Specifically, Millennials spend 35 hours a week with digital media and only 32 hours with traditional media, which includes television, magazines, newspapers and radio. In fact, collectively, Millennials spend 2.4 billion hours a week using digital media, which is more than a third (38 percent) of the time that all U.S. adults spend using digital devices.





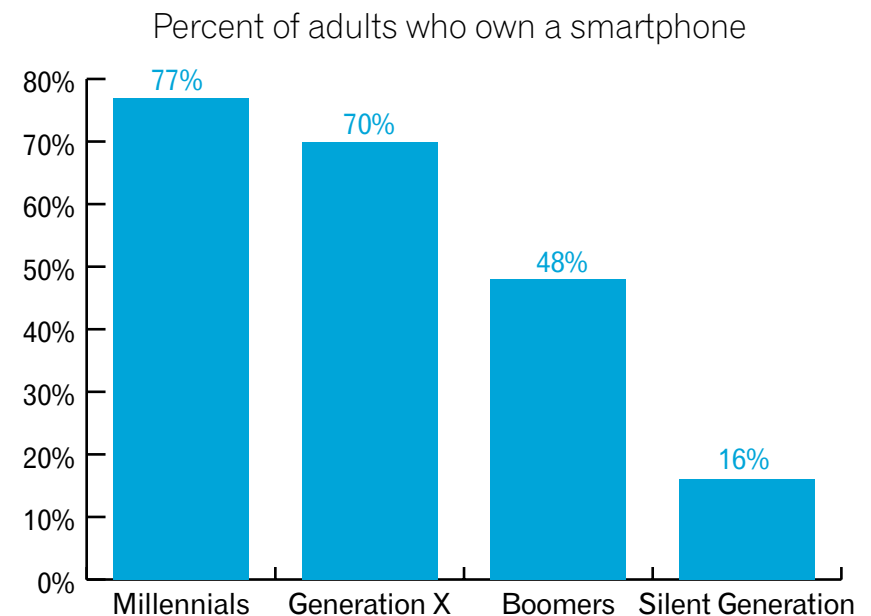
Of the individual devices measured, television still accounts for the largest share of total time spent (42 percent) among adults of all ages. It also has the largest reach with 97 percent of all adults watching at least some TV each week. Even among Millennials, the generation that spends the least amount of time watching TV, television accounts for more than a third (37 percent) of their total weekly media time or about 25 hours, so don't discount the power of television for reaching this generation. If anything, their tendency to multi-task on other connected devices while watching TV brings the potential to make television content and advertising more interactive and actionable.

Hispanic Millennials spend less time with media than non-Hispanic Millennials, including both digital and traditional media, making them harder to reach. During a typical week, Hispanic Millennials spend 58 hours with media compared with 69 hours spent by non-Hispanic Millennials. Unlike non-Hispanics, Hispanic Millennials still spend the majority of their media time with traditional media. Specifically, only 48 percent of their time is spent using digital media compared with non-Hispanics who spend 53 percent of their time with digital devices.



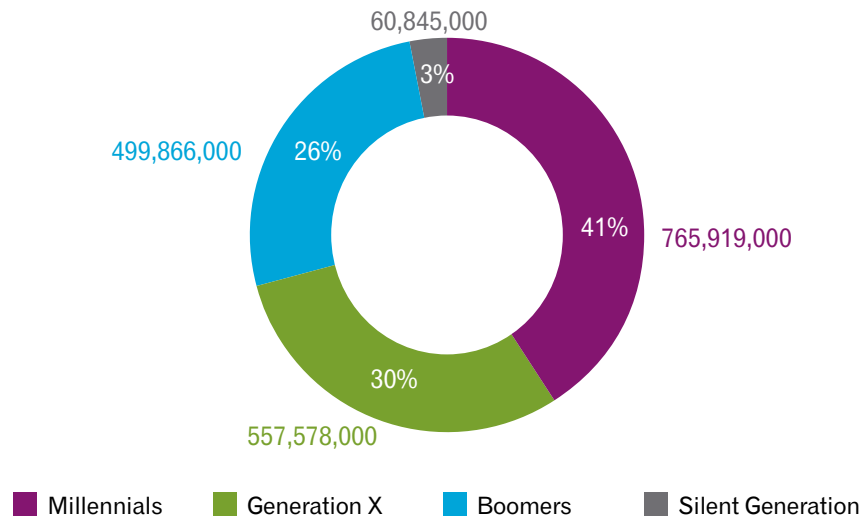
The smartphone generation

Millennials are sometimes referred to as the Selfie Generation because of their penchant to take pictures of themselves with their mobile phones, but a better name would be the Smartphone Generation because this generation is leading the way on smartphone adoption and incorporation into their daily lives. Seventy-seven percent of all Millennials and 83 percent of Millennial cell phone owners have a smartphone today. And on average Millennial smartphone owners spend about 14.5 hours a week—just over two hours a day—using their phones. In fact, Millennials spend so much time on their smartphones that they account for 41 percent the total time that Americans spend using smartphones, despite making up just 29 percent of the population. During a typical week, Millennial smartphone owners in aggregate spend 765.9 million hours talking, texting, accessing social media, etc. on their smartphone, more than any other generation.





Total time spent, in hours, using smartphones during a typical week and share of total



Base: Smartphone owners

A majority of Millennials (54 percent) say that they like the idea of cell phones moving beyond voice and text capabilities. And while the vast majority of Millennials still use those core functions of a phone, they are noticeably more likely than other generations to use their smartphones to engage in activities like social networking, watching video, IM/chatting and using mobile GPS. Likewise, when it comes to mobile app categories, Millennials are much more likely to use those types of apps that are relatively less common among users overall. For instance, Millennials are 1.7 times more likely than smartphone owners ages 35 and older to use travel apps, 1.5 times more likely to use VOIP apps such as Skype, 1.4 times more likely to use sports apps and 1.2 times more likely to use classified apps such as Craigslist and Yelp. They're also more likely to access music and video apps, gaming apps and shopping apps.

Percent of smartphone owners who engage in smartphone activities during a typical week

	Millennials	Generation X	Boomers	Silent Generation
Talk	92%	92%	92%	91%
Text	91%	92%	92%	94%
Mobile browsing	89%	90%	87%	84%
Email	82%	83%	80%	83%
Social networking	74%	69%	67%	58%
Download apps	63%	63%	60%	65%
Camera	54%	50%	50%	56%
Play games	52%	49%	50%	53%
Watch video	46%	39%	32%	33%
GPS	43%	40%	34%	35%
Listen to music	35%	30%	27%	31%
IM/chat	27%	26%	23%	19%
Read news	18%	17%	15%	13%

While Hispanics overall are slightly more likely to own a smartphone, Hispanic Millennials are actually eight percent less likely than non-Hispanic Millennials to own a smartphone, something that may be driven by their lower earnings. However, those who do own a smartphone spend more time using it. The average Hispanic Millennial smartphone owner spends 15.4 hours a week using their phone compared with non-Hispanics who spend 14.3 hours on average with their smartphone. Hispanic Millennial smartphone owners also engage in most smartphone activities at rates higher than non-Hispanics. For instance, they are 62 percent more likely to IM or chat on their smartphones than non-Hispanics, 36 percent more likely to watch video and 22 percent more likely to listen to music. In fact, there is only one activity that Hispanic Millennials engage in at rates at least five percent below that of non-Hispanics and that's email. But given this group's high rates of IM and chat, it's understandable that fewer would email on their smartphones.



Given that Hispanic Millennials spend less time with media overall, the above average time they spend using smartphones presents marketers with a great opportunity for reaching this highly coveted demographic via a medium that is highly personal and actionable. Marketers should target mobile video content, music and IM/chat apps to engage Hispanic Millennials due to their increased likelihood of using these types of apps.

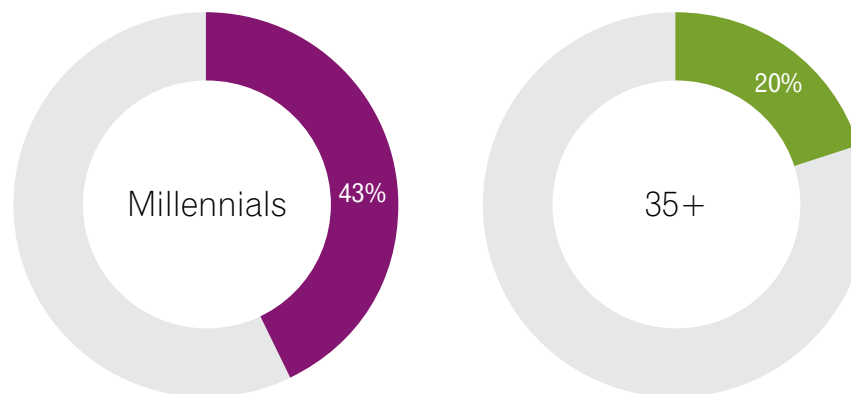
Always-on

Millennials are so connected that half (50 percent) say that they need constant Internet access even on-the-go (compared with 38 percent of all adults). Smartphones are a natural solution to this need and 43 percent of Millennials say that they now access the Internet more through their phone than through a computer compared with just 20 percent of adults ages 35 and older. Hispanic Millennials are even more likely to be mobile dominant with 46 percent accessing the Internet more through their phone than a computer.

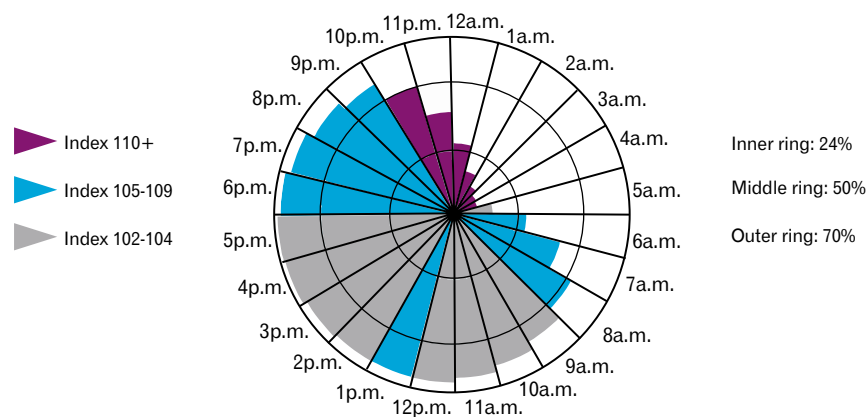
Millennials use their phones at above average rates around the clock. During a typical day, usage among Millennials peaks between 4:00 and 6:00 PM when 69 percent of smartphone owners are using their phones. Usage among those ages 35 and older also peaks at this time, but with 66 percent of smartphone owners using their devices. Millennials, especially Hispanic Millennials, are even more likely to use their smartphone during the overnight hours. For example, between midnight and 1:00 AM, Millennials are 15 percent more likely to be using their phones. During that time, 28 percent of Millennial smartphone owners (including 32 percent of Hispanic Millennials) use their phone compared with 24 percent of non-Millennials.

The increased use of smartphones around the clock by Millennials gives marketers the ability to reach this generation virtually anytime and anywhere. Marketers putting any efforts into courting Millennials need to adopt a mobile-first approach for their Millennial-targeted campaigns.

Percent of adults who are mobile dominant when going online



Share of Millennial smartphone owners actively using the device throughout a typical day



To learn more about how to engage your Millennial customers, visit experian.com/marketing-services or email consumerinsight@experian.com.



Sources

The data cited in this report is based on the [Fall 2013 Simmons® National Consumer Study \(NCS\)](#) and the [Fall 2013 Simmons Connect Study](#). The Simmons NCS is a comprehensive survey of 23,689 U.S. adults measuring in-depth consumer lifestyles, attitudes, brand preferences and more providing marketers with a complete view of the consumer. Simmons Connect takes almost 60,000 variables measured in the Simmons NCS and adds insights into consumers' comprehensive cross-platform media use. Simmons Connect measures 11 platforms, including smartphones, digital tablets and home computers. Generations were defined as follows: Millennials: ages 18 to 34; Generation X: ages 35 to 49; Baby Boomers: ages 50 to 69; Silent Generation: ages 70 and older.

About Experian Marketing Services

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