Millennials at Work:

THE PURPOSE-DRIVEN GENERATION

In partnership with:

I. Executive Summary

According to the Chamber's [May 2019 Business Forecast](), nearly two thirds (64%) of San Diego businesses think it is important to consider the priorities and desires of millennials when it comes to employee attraction, retention, and productivity. This report examines the trends of the millennial generation in the workforce and provides San Diego employers best practices for engaging this generation of employees.

The greatest demographic distinctions of the millennial generation nationwide are that they are better educated and more racially/ethnically diverse than previous generations. Higher levels of education paired with increased tuition have resulted in a generation with substantially higher student debt. As a result, millennials are making different personal life decisions, such as living with roommates for longer, delaying buying a home, and postponing marriage. Particularly in San Diego, with a nearly 34 percent Hispanic millennial population, diversity is a major identifying feature of this generation.

The millennial generation perspective is shaped by economic, political, and social events that occurred when they were growing up and entering the workforce. These events partially explain higher propensities of particular attributes and characteristics. Resulting perceived strengths and weaknesses as a generation include:

Perceived Strengths:	**Perceived Weaknesses:**
• Purpose-driven	• Disengaged
• Development seeking	• Willing to job hop
• Direct	• Putting in fewer hours
• Redefined work/life integration	• Reliance on technology
• Collaborative	• Lack of attachment

From April 17th, 2019 to April 30th, 2019, we surveyed a diverse sample of 397 San Diego County's millennials on their values in the workplace. Over 65 percent of millennials in the workplace were satisfied with their current job. When asked about what was driving their satisfaction at their current job, the top responses were work hours/schedule flexibility (57%), wages/salary/incentive pay (41%), interest in the field of work (27%), and commute (26%). These factors driving satisfaction are similar to those of other generations during the early days of their careers.

As millennials enter and advance to leadership positions within the workforce, employers must understand the realities and myths about millennials, and they must ensure their workplace culture is deliberately designed to attract and retain these younger workers: strengths, weaknesses, and all.

Create a purpose-driven organizational culture. A purpose-driven organizational culture is one in which employees understand how an organization is making a difference, giving employees a sense of meaning. People who find meaning in their work redirect their energy and dedication to the employers' goals. When goals align, both the employer and the employee are more productive.

> *In San Diego:* Just over 90 percent (90.5%) of San Diego millennials find their job at least "somewhat" meaningful, with 46.4 percent finding their job "very" meaningful. Despite the vast majority of San Diego millennials finding meaning in work, over half (51.9%) are considering leaving their current employer within the next six months. Of the millennials that are not considering a job change, meaning is not an often cited factor when asked about what is driving their level of workplace satisfaction (15.6%). However, it appears lack of meaningfulness is a primary reason for considering leaving a job (30.6%) suggesting that millennials themselves may not understand how much they value meaning until they don't feel they have it. The only more commonly cited factors are schedule flexibility (51.0%) and wages (38.3%).

Encourage quality and frequent communication. Millennials want to talk with their managers often. They seek ongoing feedback, clear goals, transparency and collaborative goal setting. Frequent and informal check-ins with managers help employees to better see how their day-to-day work is linked to the organization's goals.

> *In San Diego:* Nearly 78 percent of San Diego millennials describe themselves as engaged either "most of the time" or "always" at work. San Diego millennials whose supervisors regularly communicate the reasons for the tasks and responsibilities assigned are 36.8 percent more likely to be engaged. The millennials whose supervisor often communicates the reason for their tasks and responsibilities are over 61 percent more satisfied with their jobs than millennials whose supervisors never communicates the reason.

Recognize the importance and changing understanding of work/life balance to be more of a work/life integration. Millennials are entering a workforce in which expectations have dramatically shifted as technology has allowed for employees to always be connected. Millennials, more than other generations, have embraced the no-bounds nature of the new workplace, and find balance through integration. Work can be done at work or on the go at any hour, and there is no longer the same value in being physically at a desk for eight hours, five days a week.

> *In San Diego:* Over 77.7 percent of San Diego millennials identify as "somewhat" engaged. Over 65 percent are satisfied with their job. While it wasn't even a question we would have posed decades ago, only 71 percent of

San Diego millennials think it is reasonable to be expected to log eight hours per day in the office. Over 53 percent of working millennials think it is "fairly" or "very" reasonable to be expected to regularly check and respond to emails, phone calls, and/or text messages outside of regular business hours. This shift towards integrating work and life is incredibly important for employers to understand as "work hours / schedule flexibility" is cited more than anything else as the top factor driving workplace satisfaction (30.0%) and more than twice as often as pay (13.2%). When supervisors regularly communicate the reasons for tasks and responsibilities, millennials are 36.8 percent more likely to be engaged and 61.9 percent more satisfied with their jobs.

Support with coaching and professional development. More than previous generations, millennials grew up being told they were capable of achieving anything. The confidence that instilled has resulted in an emboldened generation seeking responsibility early in their career. They believe they can succeed, but with limited experience they crave guidance to better understand how they can advance professionally. Although the stereotype of millennials is that office perks like stocked snack cabinets and kombucha on tap are important to them, they actually value a supportive supervisor much more. They appreciate bosses that coach and access to professional development programs to help build on their strengths. A supportive culture is a key driver for engaging this generation.

> *In San Diego:* For the most part, San Diego millennials feel supported at work. Nearly 89 percent feel their immediate supervisor is at least "somewhat" supportive. When an immediate supervisor is "very supportive," millennials are nearly 30 percent more likely to be engaged on a typical work day compared to when they are not supportive. Only 5.8 percent of millennials cite perks as a top driver of satisfaction, compared to 22.1 percent who cite professional development opportunities.

Public Policy Recommendation

Incentivize more housing. Millennials are and have been facing a number of economic pressures such as high student loans and underwhelming wage growth over the past decade. The ever-increasing cost of housing is the major driver of affordability that many large cities in California and throughout the nation are struggling with. As population grows faster than housing stock each year, particularly urban areas are falling farther and farther behind as the housing shortage and resulting affordability crisis worsens.

> *In San Diego:* Forty-four percent of San Diego millennials are considering leaving San Diego County in the next two years. Of those who were "very likely" to leave, the most cited reason was lack of affordable housing options. Over two-thirds (68.3%) identify affordable housing options as one of the top three reasons they were considering a move. Other top reasons for considering a move included higher pay, limited career advancement opportunities, and state taxes.

Conclusion

Talent attraction and retention efforts, now more than ever, hinge on our employers' relationship with millennials as will employee morale, culture and productivity. Our regional economic success will be determined by our ability as employers to understand, respect, and engage this generation.

At 39.6 percent of San Diego's workforce, and with more millennials in the workforce than any of our competitor metropolitan areas, San Diego is currently facing an unprecedented opportunity to redefine the region as a world-class place to work.

Fortunately, the best practices of improving attraction, retention, and productivity among a millennial workforce are the same techniques that prove effective to accomplish these goals for employees of all generations. Become a great place to work for millennials, is becoming a great place to work period.

III. How Millennials are Defined and their Lifestyle

Twenty-three to Thirty-Eight

Most young employees of today's workforce are from the millennial generation. The only age group that is defined by the Census Bureau is the Baby Boomers. The definitions and cutoffs for other generations were set based on the definition of Pew Research Center. Pew defines millennials as born between 1981 and 1996.[1] The following lists the boundaries for generational cohorts as of 2019:

- iGen: 18 y/o – 22 y/o
- Millennials: 23 y/o – 38 y/o
- Generation X: 39 y/o - 54 y/o
- Baby Boomers: 55 y/o - 73 y/o
- Greatest Generation: 74 y/o+

Figure 1. Generational Workforce Cohort
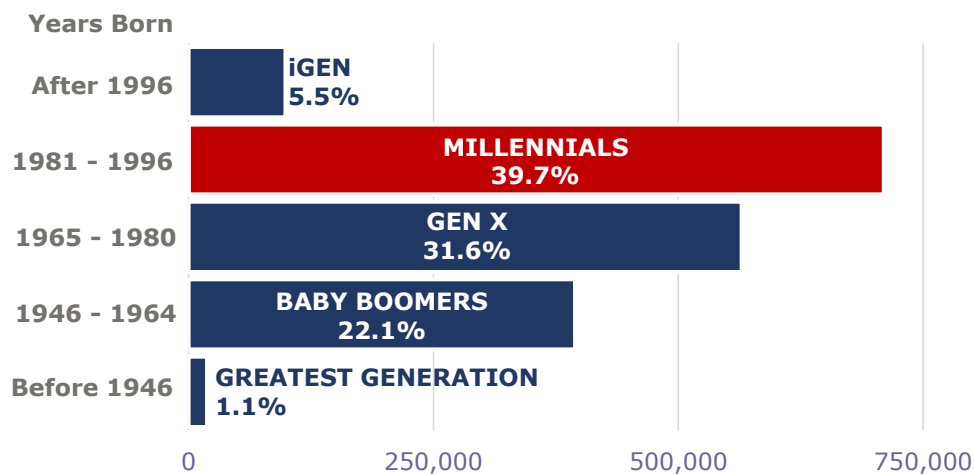
Source: 2017 ACS Public Use Microdata Samples data

The source of data for this analysis came from the 2017 American Community Survey Public Use Microdata Samples (PUMS). Data by county are represented by Public Use Micro Data Area (PUMA) Codes, which are statistical geographic areas defined for the dissemination of PUMS data. Workforce is defined as someone who is civilian employed at work, civilian employed with a job but not at work, unemployed, armed forces at work, and armed forces with a job but not at work.

The following table ranks the concentrations of millennials in the workforce with comparable metros using the definition described above as being born between 1981 and 1996. According to the 2017 American Community Survey Public Microdata Samples, the table indicates that San Diego has the highest concentration of millennials in the workforce.

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[1] "Defining generations: Where Millennials end and post-Millennials begin." Dimock, Michael. Pew Research Center. March 2018.

Figure 2. Millennials in Workforce

Percent Millennials		
Metro	**Rank**	**Percent**
San Diego, CA	**1**	**39.7%**
Austin, TX	2	39.6%
Los Angeles, CA	3	37.8%
Seattle, WA	4	37.6%
Denver, CO	5	37.3%
San Jose, CA	6	36.8%
San Francisco, CA	7	36.5%
Boston, MA	8	36.3%
Portland, OR	9	36.2%
Raleigh, NC	10	34.6%

Source: US Census PUMS Data

Millennials have been shaped and defined by many current events during their lifetime. Tragic events include 9/11, terrorist attacks, school shootings, the 2004 Southeast Asian tsunami, and Hurricane Katrina.[2] Political, economic and organizational influences include the 2000 election, the impeachment of the President, the Great Recession, and the fall of Enron.[3] They are products of the No Child Left Behind Act, reality TV, and an "iWorld" where "Starbucks is usually just a short walk away."[4] These events have been instrumental in shaping the lifestyle and personal views of millennials. At the same time, the racial and ethnic make-up of the country has changed, college attainment has spiked, and women have greatly increased their participation in the nation's workforce.[5] Despite these national trends, the local San Diego labor force has less women millennials than the non-millennial women. This should be seen as an area of opportunity in San Diego where we can improve the culture of our workforce to be more inclusive.

Highly-Educated

The millennial generation is also substantially highly-educated. The Great Recession greatly impacted millennials. They saw their parents lose their jobs and struggle to find work, and even entered the job market only to face the same problems.[6] The impact of the crisis is evident in how they spend, save, and manage their money.[7]

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[2] "The Millennial Generation." US Chamber of Commerce. 2012.
[3] Ibid.
[4] Ibid.
[5] "How Millennials today compare with their grandparents 50 years ago" Fry, Richard, Igielnik, Ruth, and Patten, Eileen. March 2018.
[6] "Millennials after the Great Recession." Berridge, Scott. *Monthly Labor Review.* September 2014.
[7] "Merrill Edge Report" Bank of America Corporation. Fall 2017.

Overwhelmingly millennials are delaying major milestone purchases such as real estate, cutting back on discretionary spending, and taking an aggressively self-sufficient approach to their money.[8] There is evidence that these decisions are in direct response to the financial crisis, as shown by a Bank of America survey that found 80 percent of millennials predict they will see another recession in their lifetime.[9]

This has resulted in millennials placing a higher value on job security. One way in which many millennials have acted to increase job security, is by pursuing further education. Compared to older generations at the same relative time in young adult life, millennials have attained higher levels of education, which, for their generation more than others, is tied to higher future earnings and well-being.[10]

But by pursuing college degrees and higher levels of education, they are faced with costly student loan payments. For decades, the cost of a college education has been skyrocketing, while incomes have grown much more modestly.[11] The explosion of student debt is making it increasingly difficult for millennials to save for a home.[12] A study by the Federal Reserve Bank of New York found having student loans dampens homeownership rates at every level of education, and higher debt balances are associated with even lower homeownership rates.[13] Students are lured into higher education by the promise of greater future earnings.[14] The fact that students feel increasing pressure to attend college to compete in today's economy, coupled with the growing cost of a college education, has important implications for the housing market, as millennials with student debt burdens face increased difficulty in saving for homeownership.[15] Apartmentlist.com found that, in San Diego, one-fourth of millennials without a college degree would need more than 20 years to save enough for a down payment.[16]

The following figure represents the educational attainment of San Diego County's workforce using the 2017 American Community Survey PUMS data. For comparison purposes, only the workforce 24 years or older is included here as we are primarily looking at percentage of college educated adults. The following figure displays millennials, age 24 to 36 years old in 2017, on the left, and the educational attainment of the non-millennial labor force on the right, over the age of 38.

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[8] "How the financial crisis affected Millennials, 10 years later." Bahney, Anna. CNN Money. December 2017.
[9] "Merrill Edge Report." Bank of America Corporation. December 2017.
[10] "The Millennial Generation: A demographic bridge to America's diverse future." Brookings. Frey, William. January 2018.
[11] Ibid.
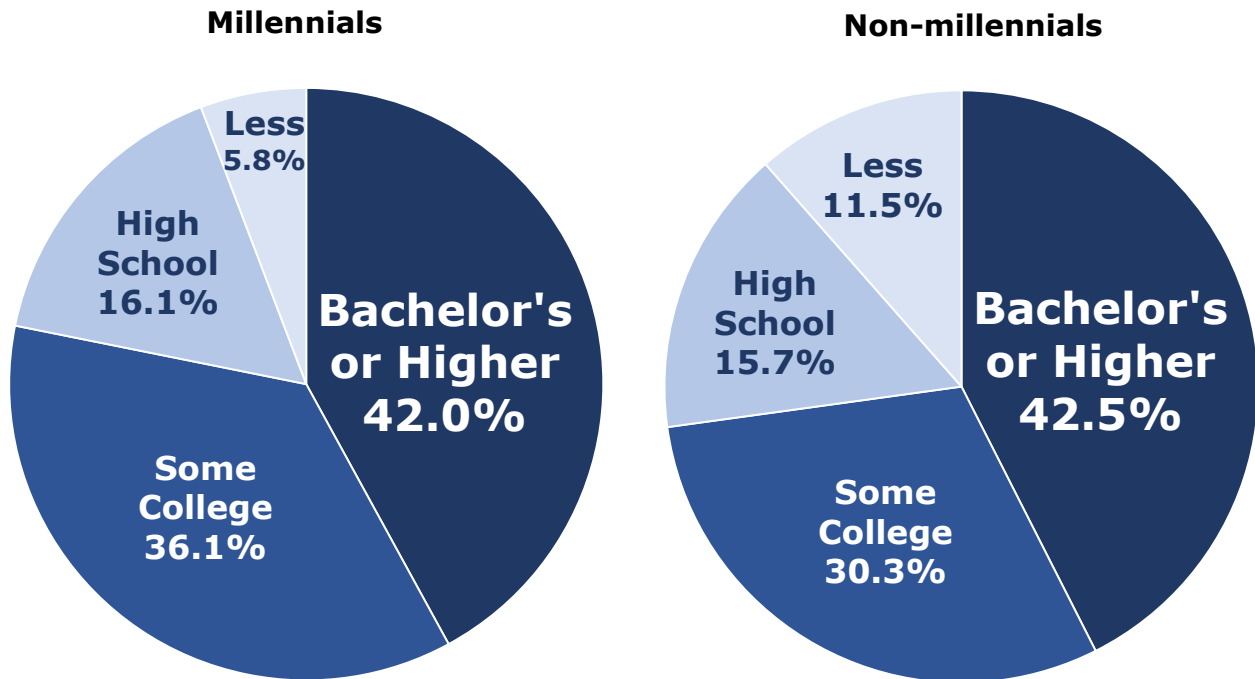[12] "Student Debt and Millennial Homeownership" Apartmentlist.com. Salviati, Chris. January 2018.
[13] "Household Borrowing, Student Debt Trends and Homeownership" Federal Reserve Bank of New York. April 2017.
[14] Ibid.
[15] Ibid.
[16] Ibid.

Figure 3. San Diego Labor Force Education

Millennials

Less 5.8%
High School 16.1%
Bachelor's or Higher 42.0%
Some College 36.1%

Non-millennials

Less 11.5%
High School 15.7%
Bachelor's or Higher 42.5%
Some College 30.3%

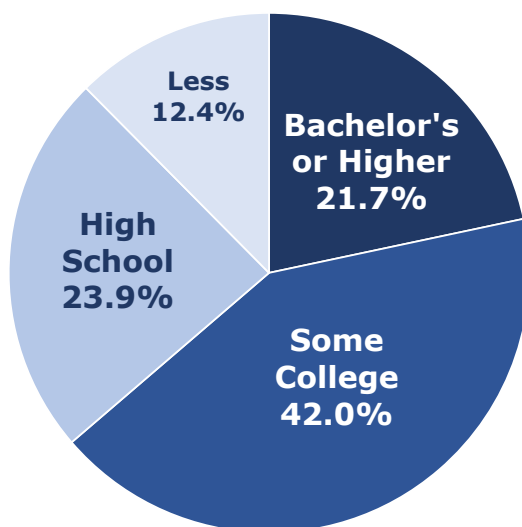| Education	Millennials	%	Non-Millennials	%
Bachelor's or more	248,054	42.0%	416,160	42.5%
Some College	213,161	36.1%	296,210	30.3%
HS	94,785	16.1%	153,722	15.7%
Less than HS	34,036	5.8%	112,246	11.5%
Total	590,036	100.0%	978,338	100.0%

The millennial generation has slightly more college educated employees in San Diego, with over 78 percent of millennials having some or more college education. Only 22 percent of millennials have a high school diploma or less education. The pie chart on the right demonstrates nearly 73 percent of San Diego's non-millennial labor force having some college degree or higher. It is important to note millennial employees might not have had the opportunity to return to higher education due to their young age. Therefore, while the educational attainment of San Diego millennials are similar to non-millennials, some may not have had the opportunity to return to school yet. Overall, the trend in the United States includes higher educational attainment for millennials.[17]

While San Diego does not see a dramatic increase in millennial education, it might be explained by the low percentage of Hispanic millennials achieving Bachelor's degrees or higher. The following figure, using 2017 ACS PUMS data, represents the educational attainment of Hispanic millennials in San Diego's labor force. Hispanic is

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[17] "The Millennial Generation: A demographic bridge to America's diverse future." Brookings. Frey, William. January 2018.

defined as those who answer the American Community Survey and selected Hispanic/Latino along with another race. Only 21.7 percent of San Diego's Hispanic millennials in the labor force have received a Bachelor's degree or higher. San Diego's Hispanic population is the fastest growing and will become the region's largest group by 2030.[18] Preparing the region's workforce of the future means ensuring minorities, like Hispanics, are competitive, especially through education.[19]

Figure 4. San Diego Hispanic Labor Force Education

As mentioned, rising education levels are pushing student debt onto young adults, ultimately affecting the personal lives of young millennials. Millennials are not buying houses like young people used to.[20] They are living with roommates or parents.[21] More young adults today are living with their parents, delaying marriage, and facing higher rates of unemployment than older generations did at their age.[22] In fact, according to the US Census Changing Economics and Demographics of Young Adulthood Report, more young people (under 35) today live in their parents' home than in any other arrangement.[23] Of young people living in their parents' home, one of four neither go to school nor work. Additionally, more young men are falling to the bottom of the income ladder while the share of young women homemakers has substantially decreased.[24] More millennial women are entering the

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[18] "Future of Growth in San Diego: The Economic Case for Inclusion." San Diego Regional EDC. February 2018.
[19] Ibid.
[20] "How Student Loans Are Killing Homeownership." CityLab. Holder, Sarah. January 2018.
[21] Ibid.
[22] "The Changing Economics and Demographics of Young Adulthood: 1975- 2016." US Census. Vespa, Jonathan. April 2017.
[23] "The Changing Economics and Demographics of Young Adulthood: 1975- 2016." US Census. Vespa, Jonathan. April 2017.
[24] Ibid.

workforce, partially due to high college attendance numbers.[25] The following figure compares educational attainment in San Diego's labor force by gender of millennials' age 24 to 36 years old in 2017. Over 49 percent of female millennials in the labor force have a Bachelor's degree or more, while 36 percent of male millennials have obtained a Bachelor's degree or more. This high level of education leaves room for a notably large gap in earnings between millennials who have a college education and those that do not.[26]

Figure 5. San Diego Millennials in Workforce Education

| Female Millennials | Male Millennials |
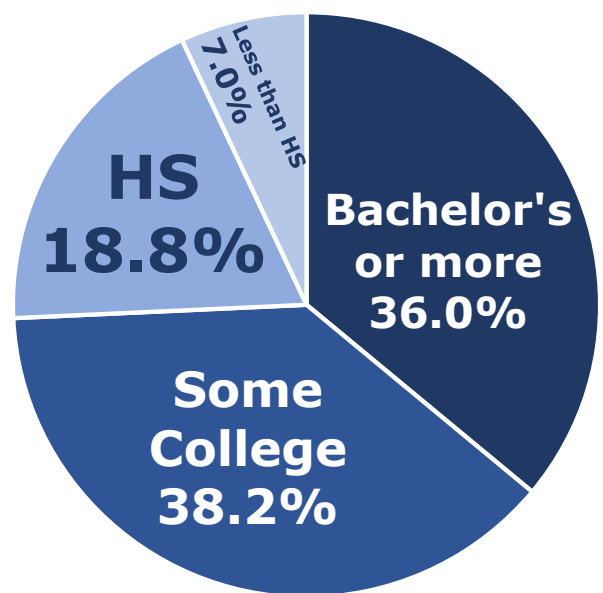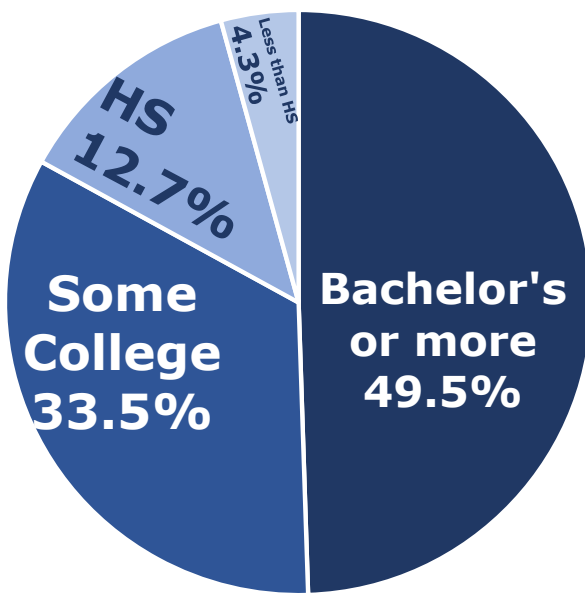
The following represents the educational breakdown of San Diego millennials between the ages of 24 and 38 in 2017 by gender. More female millennials are receiving Bachelor's degrees, while male millennials outnumber female millennials in all other education levels.

[25] "Data Shows Millennial Women Are Dominating the Current Job Market." Pianin, Eric. Inc.com. May 2017.
[26] "Millennial life: How young adulthood today compares with prior generations." Pew Research Center. February 2019.

Figure 6. San Diego Labor Force Educational Breakdown by Gender
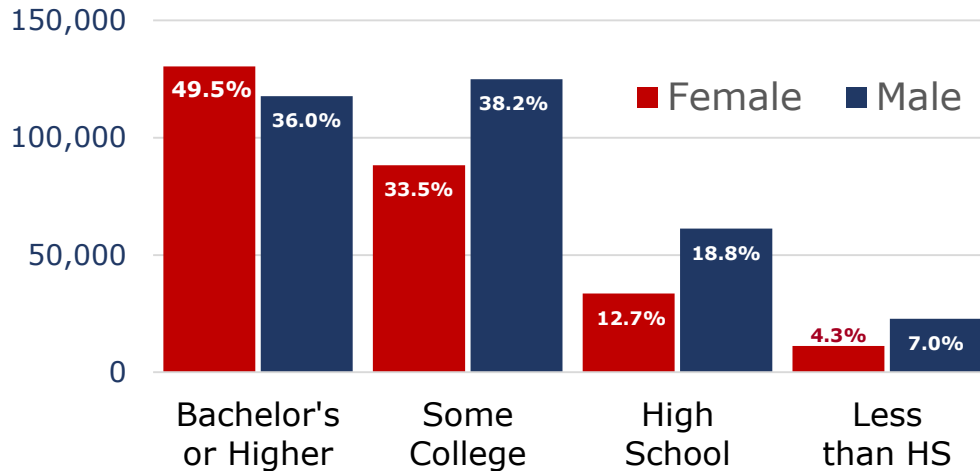
Diverse

Aside from their higher education and home ownership declines, millennials' racial and ethnic diversity sets them apart from other generations.[27] The Brookings Institute found millennials' unique attributes reflect their diversity. Many millennials are immigrants or the children of immigrants who arrive in the United States as part of the upsurge in immigration that began in the 1940s.[28] The millennial generation can potentially be the "demographic bridge" to the nation's diverse future.[29]

The following figure represents the racial and ethnic makeup of San Diego's workforce using 2017 ACS PUMS data. For consistency purposes, Hispanic includes those that checked Hispanic/Latino along with another race. All racial identifications, aside from Hispanic, are non-Hispanic. San Diego millennials are 42.0 percent white and nearly 34 percent Hispanic.[30] In the United States between 2000 and 2015, there was a net loss of one quarter-million white young adults as more whites are being aged out of the young adult definition than aged into it.[31] This is important for the future of San Diego's labor force.

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[27] "The Millennial Generation: A demographic bridge to America's diverse future." Brookings. Frey, William. January 2018.
[28] "15 Economic Facts about Millennials." The Council of Economic Advisers. October 2014.
[29] Ibid.
[30] "The Millennial Generation: A demographic bridge to America's diverse future." Brookings. Frey, William. January 2018.
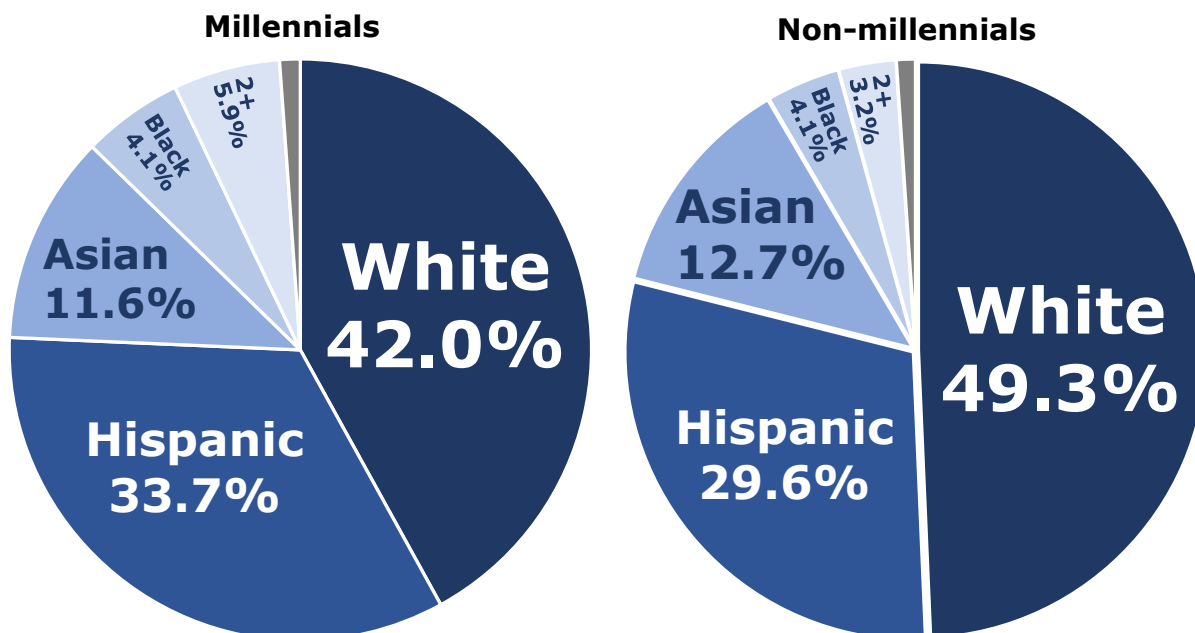[31] Ibid.

Figure 7. San Diego Workforce Diversity

Millennials

Black 4.1%
2+ 5.9%
Asian 11.6%
White 42.0%
Hispanic 33.7%

Non-millennials

Black 4.1%
2+ 3.2%
Asian 12.7%
White 49.3%
Hispanic 29.6%

Figure 8. San Diego Labor Force Diversity

Race/Ethnicity	Millennials		Non-millennials	
	Total	Percent	Total	Percent
White	298,124	42.0%	531,419	49.3%
Hispanic	239,309	33.7%	318,869	29.6%
Asian	82,535	11.6%	136,373	12.7%
2 or more	42,162	5.9%	34,622	3.2%
Black	39,828	5.6%	44,671	4.1%
Native Hawaiian	2,776	0.4%	5,991	0.6%
American Indian	3,031	0.4%	2,862	0.3%
Other	2,306	0.3%	2,584	0.2%
Total	710,071		1,077,391	

While San Diego has achieved success in diversifying the workforce, an area for opportunity is college education for Hispanic millennials. Overall, diversity in the workforce creates strong companies that foster community while also challenging different ways of thinking and sharpening performance.[32] More diverse companies are better able to win top talent and improve their customer orientation, employee satisfaction, and decision making, which leads to a virtuous cycle of increasing returns.[33] The San Diego Business Journal's July 30- August 5, 2018 issue even noted the importance of age becoming an issue for boardroom diversity.

IV. Strengths and Weaknesses of Millennials

As previously discussed, millennials were substantially impacted by the Great Recession. They are highly educated and more diverse than previous generations. This has impacted their identity and their expression of that identity in the workplace.

Strengths of millennial employees include the following:

1. **Purpose-driven**: They look to work in meaningful jobs where they can make an overall contribution to the bottom line of the organization while feeling like they are really helping employers meet their overall objectives and goals.[34] Harvard Business Review found employees to be more engaged when employers believed in the power of higher organizational purpose.[35] Millennials do not just work for a paycheck, they want purpose.[36] While their compensation is important and must be fair, they are motivated more by mission and purpose than a paycheck.[37]

2. **Development seeking**: Most millennials do not care about the perks within the workplace such as pin pong tables, fancy latte machines and free food that companies offer to try to create job satisfaction.[38] Millennials are not pursuing job satisfaction, but rather they are pursuing development.[39] Most millennials prefer their bosses to be coaches. Millennials care about having managers who can coach them, who value them as both people and employees, and who help them understand and build their strengths.[40] Gallup has discovered that weaknesses never develop into strengths, while strengths develop infinitely.[41] Employers should minimize weaknesses, and maximize strengths, especially for millennial satisfaction.

3. **Direct:** Millennials want to talk to their managers often. They seek ongoing feedback, clear goals, and collaborative goal setting.[42] While managers may not be well-versed in providing this type of communication, ample research

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[32] "Why Diverse Teams Are Smarter." Rock, David and Grant, Heidi. Harvard Business Review. November 2016.

[33] "Why diversity matters." McKinsey & Company. Hunt, Vivian, Layton, Dennis, and Prince, Sara. January 2015.

[34] "The Changing Economics and Demographics of Young Adulthood: 1975- 2016." US Census. Vespa, Jonathan. April 2017.

[35] "Creating A Purpose-Drive Organization." Harvard Business Review. Quinn, Robert and Thakor, Anjan. July 2018.

[36] "What Millennials Want Is Good for Your Business" Robison, Jennifer. Gallup. March 2019.

[37] Ibid.

[38] Ibid.

[39] Ibid.

[40] Ibid.

[41] Ibid.

[42] "Millennials in the Workplace: A Communication Perspective on Millennials' Organizational Relationships and Performance." Myers, Karen and Sadaghiani, Kamyab. *Journal of Business and Psychology.* June 2010.

has demonstrated that additional communication is paramount to building stronger organizations and high-performing teams. More frequent, informal check-ins with managers allow employees to better see how their day-to-day work is linked to the organization's goals.[43] What can be seen as millennials needing constant acclaim and driven by helicopter parents demanding participation trophies for everyone, is a matter of perception.[44] When asked to describe their perfect boss, millennials said they want a manager who is ethical, fair, and transparent more than one who recognizes their accomplishments.[45] They appreciate structured, supportive work environment with personalized assignments and interactive relationships with their supervisors to help them feel more confident and supported. They value trust and transparency and work best with clear guidelines, frequent and immediate feedback, context, clarity, and independence.[46] Annual reviews are too infrequent and focus too much on the recent, millennials need feedback on their current performance, not incidents in the past.[47]

4. **Redefined Work/Life Integration:** Unlike baby boomers, who did not have a choice in what work/life balance looked like for them, millennials are entering a workforce in which they are expected to be always "on", and they are mostly okay with that. Today, work has shifted from a place to a space.[48] The technology shift from fixed communication to mobile communication has redefined how and where employees work.[49] Randstad's Employment engagement study found millennials were the generation most inclined to remain "on" during off hours.[50] While Gen Xers strived to turn off their mobile devices at the end of the work day, millennials top priority is to get the work done when they feel most productive. Millennials define success as control over how and when they work.[51] Technology has blurred the lines between work and home, so current employees prefer work life integration over work life balance. Employers have said it is more productive to see work and life as two integrated parts, and as a circle instead of balance.[52] While many employers see perks such as game rooms and beanbags as important, many millennials report that they do not care for these type of perks.[53] Millennials

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[43] "Millennials in the Workplace: A Communication Perspective on Millennials' Organizational Relationships and Performance." Myers, Karen and Sadaghiani, Kamyab. *Journal of Business and Psychology.* June 2010.

[44] Ibid.

[45] Ibid.

[46] "7 Ways Millennials Are Changing the Workplace for the Better." Steinhilber, Brianna. NBC News. May 2017.

[47] "What Millennials Want Is Good for Your Business" Robison, Jennifer. Gallup. March 2019.

[48] "About Work Life Balance." Jenkins, Ryan. Inc.Com. July 2018.

[49] Ibid.

[50] "Engagement: out of office, but not away from work." Randstad Holding. June 2014.

[51] Ibid.

[52] "Top execs in banking, retail, and tech are saying they don't practice work-life balance — because they found something better" June 2018. Business Insider.

[53] "The Evolving Definition of Work-Life Balance." Kohll, Alan. Forbes. May 2018.

are more interested in finding a career path that supports their lifestyle and furthers their work/life integration.[54]

5. **Collaborative**: Millennials prefer to work in teams and make group decisions.[55] Millennials' desire to connect drives them into workplaces that encourage teamwork. They like to be involved and included. They work well in a team because they tend to communicate regularly and openly. Having a high level of tolerance towards differences, they are more likely to accept other's opinions and willing to try new methods.[56]

6. **Technologically savvy**: Millennials possess an intuitive sense in understanding technology due to the environment in which they have grown up.[57] Technology has given millennials the tools to get things done faster, making them resourceful and innovative in a new way.[58] Millennials grew up using the Internet and computers and therefore are very savvy about how to leverage these resources. Technology has allowed this generation to collaborate and thrive efficiently.[59]

7. **Educated**: Millennials have attained higher levels of education compared to older generations at the same relative time in young adult life.[60] For their generation more than others, education is tied to higher future earnings and well-being. Notably, postsecondary education attainment has risen for all racial and ethnic young adult groups.[61]

While millennials provide value through strengths to the workforce, they also possess weaknesses that vary among the elder generations. These weaknesses include:

1. **Disengaged:** According to a Gallup study, only 29 percent of millennials are engaged, meaning they are emotionally and behaviorally connected to their job and company. The majority of millennials are not engaged, at 55 percent, leading all other generations in this category of workers.[62]

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[54] Ibid.
[55] "Millennials in the Workplace: A Communication Perspective on Millennials' Organizational Relationships and Performance." Myers, Karen and Sadaghiani, Kamyab. *Journal of Business and Psychology.* June 2010.
[56] "The Millennial Generation." US Chamber of Commerce. 2012.
[57] "The Millennial Generation: A demographic bridge to America's diverse future." Brookings. Frey, William. January 2018.
[58] Ibid.
[59] "Understanding Millennials and The Opportunities They Bring to the Workplace." Impraise Blog. March 2018.
[60] "The Millennial Generation: A demographic bridge to America's diverse future." Brookings. Frey, William. January 2018.
[61] Ibid.
[62] "How Millennials Want to Work and Live." Gallup. 2016

2. **Putting less hours in**: Millennials report working less hours than Gen X and Baby Boomers.[63] Technology and the internet are making millennials more productive and changing the pace of work. Millennials are interested in leaning into technology to work smarter and to find a work/life integration.[64]

3. **Reliance on technology**: Millennials' high reliance on technology has resulted in less developed interpersonal skills.[65] Soft communication skills are incredibly important because businesses rely on internal and external relationships for success.

4. **Lack of attachment**: The housing bust and the Great Recession have affected millennials' short-term, and potentially long-term, ability to buy homes.[66] Even more so than the generations before them, millennials are more likely to rent a home than own one resulting in less attachment to a certain area.

5. **Entitlement**: Millennials' expectations with respect to responsiveness, advancement opportunities, and compensation among other employment characteristics is often viewed as impatient and disrespectful. The Reason-Rupe Poll found 71 percent of American adults think of millennials as selfish and entitled.[67]

V. Recommendations for Employers

As identified by the Chamber's Regional Jobs Strategy, millennials in the workforce are an area of opportunity for the San Diego region. As millennials enter and advance to leadership positions within the workforce, employers must adapt and make changes to their business model to attract and retain these younger workers.

Best practices for employers of millennials include:

- **Create a purpose-driven organizational culture.** A purpose-driven organization creates a culture in which employees understand how an organization is making a difference, giving employees a sense of meaning.[68] Employers should learn their story, create trust, and build solid relationships

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[63] "The Top 8 Millennial Weaknesses and How to Overcome Them." Inc.com. Jenkins, Ryan. June 2016.
[64] "Millennials in the Workplace: A Communication Perspective on Millennials' Organizational Relationships and Performance." Myers, Karen and Sadaghiani, Kamyab. *Journal of Business and Psychology.* June 2010.
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[66] "The Millennial Generation: A demographic bridge to America's diverse future." Brookings. Frey, William. January 2018.
[67] "Reason-Rupe Public Opinion Survey." Reason- Rupe Poll. August 2014.
[68] "Creating A Purpose-Drive Organization." Harvard Business Review. Quinn, Robert and Thakor, Anjan. July 2018.

to create this type of culture.[69] People who find meaning in their work redirect their energy and dedication to the employers' goals. When goals align, both the employer and the employee are more productive. Harvard Business Review, in a recent article by Robert Quinn and Anjan Thakor, outlines a framework for developing a purpose-driven organization including steps such as turning an authentic message about the employers' purpose into a constant message, stimulating individual learning, turning midlevel managers into purpose-driven leaders, and connecting the people to the purpose.

> *In San Diego:* Just over 90 percent (90.5%) of San Diego millennials find their job at least "somewhat" meaningful, with 46.4 percent finding their job "very" meaningful. Despite the vast majority of San Diego millennials finding meaning in work, over half (51.9%) are considering leaving their current employer within the next six months. Of the millennials that are not considering a job change, meaning is not an often cited factor when asked about what is driving their level of workplace satisfaction (15.6%). However, it appears lack of meaningfulness is a primary reason for considering leaving a job (30.6%) suggesting that millennials themselves may not understand how much they value meaning until they don't feel they have it. The only more commonly cited factors are schedule flexibility (51.0%) and wages (38.3%).

- **Encourage quality and frequent communication**. Millennials want to talk to their managers often. They seek ongoing feedback, clear goals, transparency and collaborative goal setting. Frequent and informal check-ins with managers allow employees to better see how their day to day work is linked to the organization's goals.[70]

> *In San Diego:* Nearly 78 percent of San Diego millennials describe themselves as engaged either "most of the time" or "always" at work. San Diego millennials whose supervisors regularly communicate the reasons for the tasks and responsibilities assigned are 36.8 percent more likely to be engaged. The millennials whose supervisor often communicates the reason for their tasks and responsibilities are 61 percent more satisfied with their jobs than millennials whose supervisors never communicates the reason.

- **Recognize the importance and changing understanding of work/life balance to be more of a work/life integration.** Few employees can give maximum effort for years on end. Even employees who do thrive under those expectations often burn out. Millennials are entering a workforce in which expectations have dramatically shifted as technology has allowed for

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[69] "Become, Attract, Create, and Retain the Worker of the Future!" Negroni, Dan. February 2019.
[70] "7 ways millennials are changing the workplace for the better." NBC News. Steinhilber, Brianna. May 2017.

employees to always be connected. Millennials, more than other generations, have embraced the no-bounds nature of the new workplace, and find balance through flexibility. Work can be done at work or on their mobile devices at any hour, and there is no longer value in being physically at a desk for eight hours, five days a week.

> *In San Diego:* While it wasn't even a question we would have posed decades ago, only 71 percent of San Diego millennials think it is reasonable to be expected to log eight hours per day in the office. Over 53 percent of working millennials think it is "fairly" or "very" reasonable to be expected to regularly check and respond to emails, phone calls, and/or text messages outside of regular business hours. This shift towards integrating work and life is incredibly important for employers to understand as "work hours / schedule flexibility" is cited more than anything else as the top factor driving workplace satisfaction (30.0%) and more than twice as often as pay (13.2%).

- **Support with coaching and professional development.** As the generation that has grown up being told they are capable of achieving anything, millennials seek responsibility early in their career. They want to be communicated with by their supervisors about how they can advance within the organization and develop professionally within the workplace. They prefer their supervisors act as coaches who understand and build their strengths. A clear path for progression and communicating this potential are a key drivers for attracting and retaining this generation.[71]

> *In San Diego:* For the most part, San Diego millennials feel supported at work. Nearly 89 percent feel their immediate supervisor is at least "somewhat" supportive. When an immediate supervisor is "very supportive," millennials are nearly 30 percent more likely to be engaged on a typical work day compared to when they are not supportive. Only 5.8 percent of millennials cite perks as a top driver of satisfaction, compared to 22.1 percent who cite professional development opportunities.

VI. Public Policy Recommendation

Incentivize more housing. Millennials are and have been facing a number of economic pressures such as high student loans and underwhelming wage growth over the past decade. The ever-increasing cost of housing is the major driver of affordability that many large cities in California and throughout the nation are struggling with. As population grows faster than housing stock each year, particularly urban areas are falling farther and farther behind as the housing shortage and resulting affordability crisis worsens.

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[71] "Attracting and Retaining Millennial Professionals." Robert Walters Whitepaper.

In San Diego: Forty-four percent of San Diego millennials are considering leaving San Diego County in the next two years. Of those that were "very likely" to leave, the most cited reason was lack of affordable housing options. Over two-thirds (68.3%) identify affordable housing options as one of the top three reasons they were considering a move. Other top reasons for considering a move included higher pay, limited career advancement opportunities, and state taxes.

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About the San Diego Regional Chamber Foundation

The San Diego Regional Chamber Foundation is a 501(c)3 foundation. The Foundation's mission is to create the most business-friendly region in California through investment in research, education, and leadership. The Foundation focuses its research, education, and leadership cultivation around the issues that influence San Diego's business climate: workforce development, cross-border business, veterans employment, infrastructure, and quality of life.