



LET'S TALK ABOUT Y

Introduction

Generation Y, echo boomers, millennials – call the current generation of young adults whatever works for you, they are increasingly commanding attention. Understanding the latest adult generation and what makes them tick is fundamental for all future looking societies, governments and organisations.

There is a certain amount of thinking around that too much attention is paid to the emerging generations – “Aren't they just like every other generation when it was young?”

Research suggests that this change goes well beyond the usual generation clash and that anyone reliant on this age group for their income will need to have a firm grip on the attitudes, behaviours and preferences of Ys. Understanding the genuine ways in which they differ from past generations will be the key to fashioning effective social policy, determining marketing initiatives and designing employee retention strategies among other things.

Who is Y?

Put simply, this is the generation that is reaching adulthood and entering the adult workforce right now, with some interesting results from their clash with the older generation. Actually, it would be fairer to say that an intergenerational culture clash is occurring as four generations come together in workplaces and communities around the world¹. To put it in perspective, they are:

- **Traditionalists** - born before 1945;
- **Baby Boomers** – post-war, usually given as being born in the post-war baby boom of procreation and wealth from 1946 to 1960 at least, and many studies, especially in the USA, include up to 1964;
- **Generation X** – following the baby boom up until 1977, and this is a substantially smaller generation than those before or after; and
- **Generation Y** – following Generation X (usually starting somewhere between 1977 and 1982) up until 2000, alternately known as echo boomers (because many are the children of boomers), Generation Y (comes after X), Net gen (because of the impact of the internet on their lives), and even "generation why," because they never stop questioning the status quo.

A great deal of energy can be put into arguing the exact delineation of these generations, but this is social science, not laboratory work. For the purposes at hand, the most common prevailing usage has been adopted as shown above.

What about X?

Possibly the most important issue is that for every X, there are several Ys – Generation Y is a much larger group in the population for a range of reasons and, accordingly, could be expected to have a more significant impact on social norms and related consequences. With this type of generation labelling applicable principally to the western economies, it is profoundly important to the global economy that social demographers are recognising Y as present in China and India (following the liberalisation of those economies and freer communications with the west).

What is Y?

As part of her recently published book *The World According to Generation Y*, Rebecca Huntley interviewed a diverse group of 18-26 year old men and women who fall squarely within Generation Y². Huntley posits that Ys are characterised by genuinely different attitudes, behaviours and preferences as a result of their upbringing in the 1980s and 1990s by late Baby Boomer parents. “They are described in study after study as optimistic, idealistic, empowered, ambitious, confident, committed and passionate”³.

These attitudes are formed partly by their upbringing and the circumstances surrounding their parents' unprecedented wealth, and partly by the globalisation that has occurred during their lifetime aided by the technological revolution which has made email, mobile phones, and other technical devices “indispensable tools” for Generation Ys to maintain their social networks⁴.

Relationships and friendships replace the family as the most important social structure Ys, and so word of mouth recommendations from friends are becoming the key means by which information is received and trends proliferate.

There appear to be some inconsistencies. On the one hand, Ys exemplify a freedom and sense of positivity that Generation X lacks, but they are also more conformist and concerned about fitting in with the norm than their X counterparts - as exemplified by the global youth culture⁵.



LET'S TALK ABOUT Y

A recent study of young Australians conducted by Saulwick Muller Social Research "Fearless and Flexible: Views of Gen Y" noted rather conservative and limited aspirations for the future, preferring manageable goals such as earning enough income to buy a house and a car and to raise a family.⁶ It begs the question: will the idealism which characterised the boomer generation as young adults be seen again in the near future?

The life view – optimism reigns supreme

Neither Generation X nor Generation Y looks forward to secure job futures or financial prosperity as the Boomer generation did. But Generation X has come to this realisation the hard way, while Generation Y has known no different. They have grown up watching the diligence of their parents rewarded with retrenchment. "Yers were never promised security (like Xers were) and so they deal with insecurity with far less self-pity and anger than Xers did".⁷

Ys have also seen the 'workaholism' of the boomer parents play out in endemic tiredness and grumpiness, so it perhaps should be no surprise that they remain studiously disinterested in parental urgings to 'get a real job'. It does prompt questions, though, about whether they yet perceive the pleasures derived by their parents from interesting work (even if in too large quantities). Indeed, Saulwick Muller's study found that 'very few of the young people we spoke with got a real buzz out of their work'.⁸

While taking this uncertainty in their stride, Ys are reaching milestones of adult life much later if at all. Careers are not characterised by the classic ladder and obvious promotions, but by zigzags between different industries, roles, companies, countries and work commitment level (part-time, full-time, job share etc).

It is interesting to note that Ys have grown up in an age of unprecedented economic wealth and prosperity, but threats to their ability to share in it do not dampen their spirits. Generation Y in Australia in particular still sees home ownership as a worthwhile endeavour, but as a "distant, almost unreachable goal".⁹ So, unlike their Generation X counterparts who have slaved away to achieve these dreams, Ys do not waste their time worrying about tomorrow and instead focus on achieving their current goals which include work/life balance in careers, saving to afford the next overseas trip and ensuring they have as much time as possible to

devote to their friends and social networks. The "long term" for Ys is 5 years as opposed to decades for past generations.¹⁰

According to Huntley and others, Ys passions are focused on their search for meaning in life – through various means of self-discovery. While Ys are involved much less in organised religion, they do identify with a strong sense of spirituality. While this search for meaning may seem inconsistent with their voracious consumerism, the result has been more responsible consuming and attempts to hold corporations to higher standards of organisational, environmental and social responsibility. This search for meaning also cuts across relationships and careers where both the achievability of work/life balance, and corporate values of sustainability and corporate social responsibility, are essential criteria in any job they would consider.

This optimism and forthright approach is exemplified in Ys attitudes to employers. According to Danielle Sacks, "millennials are fearless and blunt. If they think they know a better way, they'll tell you, regardless of your title".¹¹ Huntley notes that Ys are often derided for their self-absorption and sense of entitlement, but she points out that "they have been brought up in the user-pays world – if they are paying for everything, who can blame them for demanding value for money and wondering what's in it for them?"¹²

What's in it for them?

Answering this question will be the key for employers and marketers as Ys become their employees and their customers. Understanding buying behaviour and their priorities and choices is fundamentally important for companies wishing to reach Ys around the world.

The consumer generation

In Huntley's view, Generation Y is the first truly consumer generation – these young adults have been marketed to and targeted by advertising since they were children and this has influenced their buying behaviour: "they have learned to shop early and often."¹³ For the most part, this insatiable appetite as a consumer is restrained only by their financial position.

Locally, Australian Ys have large HECS debts and pay relatively high rental for housing in desirable locations. Nonetheless, they are spending at the



LET'S TALK ABOUT Y

same speed as the Baby Boomers, with none of the assets to support such voracious spending.¹⁴

Consistent with the general trend towards conformity with the global youth culture, global brands have been successful at attracting Ys. Ys are extremely brand conscious and believe that the branded product is of greater quality and they are aware what that brand implies about their identity.¹⁵

Of profound interest to product managers and bankers alike, there is a sense amongst Ys that although they may not have the savings to justify spending on luxury brands, such brands have almost become 'necessities'. Huntley's research showed that the "go on, you deserve it" attitude outweighs the consideration as to whether they can afford it.¹⁶ The consumer power Ys exhibit is based on their general view that they control what succeeds in the market; that they decide what is cool, rather than being influenced and manipulated by the advertisers¹⁷.

Because of the high buying power of this generation, marketers are desperate to understand how to cut through to Generation Y. Ys' buying priorities are characterised by spending on the "now"; they buy clothes, technology, music and experiences like entertainment and travel.¹⁸ Although there is a small contingent within Generation Y who identify as "anti-brand", they are overwhelmed by the conformist Ys worshipping the global brand.

Interestingly, however, worship of a particular brand may be fleeting as Ys are also characterised as being less brand loyal than other generations. According to Huntley and other writers such as Naomi Klein, author of bestseller, *No Logo*, some of this is associated with the general lack of trust of large corporations,¹⁹ but others argue this is a symptom of their current life circumstances. Hugh Mackay argues that lack of brand loyalty is symptomatic of the transience of everything in their lives – if they won't stick to one job, one career or one partner, why would they stick to one brand?²⁰

Ys' affinity with technology has meant that alternative channels of marketing are emerging. Viral marketing, peer-to-peer marketing and other forms of word of mouth marketing are used to cut through to Ys who value authenticity and treat traditional forms of marketing and advertising with suspicion. These marketing modes utilise two key characteristics of Generation Y to advantage – love of new technology and the importance of friends to help determine "what is cool". Advertising and/or

marketing through instant messaging, blogs and chat web sites (such as My Space) is the intersection of the latest technology and authentic recommendations from like-minded friendship groups.²¹

Have money, will travel

Travel is one of the key experiences that Ys consider a necessity. Overseas travel is no longer a luxury that is a distant aspiration; it is considered a rite of passage that the majority aspire to and once experienced for the first time, many continue to prioritise overseas travel in determining their discretionary spending.

Huntley posits that Generation Y favours "mobility and movement", which is exemplified by their penchant both for travelling for adventure and for living and working overseas, as well as their willingness to shift companies, careers and jobs.²² Her research found that Ys will prioritise travel before settling down with partners, children and careers.²³ In particular, girls will prioritise overseas travel as it is crucial to understanding themselves and their identity.²⁴

The perfect tool for this generation is therefore the mobile phone which enables Ys to stay connected at all times to their social networks while remaining free agents, giving them both freedom and security. The mobile phone also allows them to make decisions and commitments at the last minute²⁵, a trait that carries over to purchasing decisions in a range of areas.

It is interesting to note that a US study, one year after the September 11 terrorist attacks, found that the vast majority of Generation Y respondents retained their optimism about the future and only a very small percentage believed they would be the victim of terrorism.²⁶ An Australian study has confirmed that Australian Ys show similar attitudes to terrorism: they are largely unconcerned about terrorism and take it in their stride as with all forms of uncertainty that characterise their lives.²⁷ This has important implications for travel and safety that may be relevant to other generations but is not a concern for Generation Y at this stage.

Xs are known for extensive independent travel, backpacking around the world, Lonely Planet guide in hand. Generation Y may prove to be more inclined to use organised tours, including coach and rail tours, if they provide a sufficient mix of leisure time and adventure. Y is also the first young



LET'S TALK ABOUT Y

generation to take up travel with a purpose, combining travel to an underprivileged part of the world with the opportunity to improve their circumstances through charitable work (although many boomers and Xs are also undertaking this type of travel in similar numbers). Tour companies like Earthwatch and World Expeditions have Community Project Travel tours which combine travel, community interaction and undertaking a community project like building an orphanage or installing a drinking water system.²⁸ Although there is no statistical evidence to support any firm statements about the increase in these types of holidays, there is some anecdotal evidence that their popularity has increased.²⁹

The ethicists?

Bernard Salt, respected Australian demographer and PwC consultant, calls Generation Y “the ethicists”, because they will make life decisions based on ethical considerations: Is it green? Is it clean? Does it meet social ideals? and so forth.³⁰ If this proves to be the case over the long term, and there is other evidence to suggest so, this will impact upon not only decisions about how they allocate their discretionary funds (including what they buy, how and where they travel, what causes they support, etc) but also on their career choices.

While Generation Y is taking to volunteerism in numbers previously not seen, Generation X should be given credit for paving the way for this increase in “episodic” volunteerism. Over the past decade, Generation X has expanded community involvement from the traditional charities engaging in large scale fundraising and corporate sponsorship, to smaller, grassroots causes being supported by hands-on work and creative shorter term projects³¹.

While this is important for Generation Y and their search for meaning in everything they do, the beneficial spin-offs are career benefits, expanding necessary skills like leadership³², other skills development and work experience.³³ Although some may view this as opportunistic and manipulative for personal benefit, their search for authenticity and identity is consistent with truly caring about their role in the community and engagement with it. The fact that Ys are aware of the personal benefits should not lead one to conclude that it is their main motivation for engaging in these activities.

While the 2002 Australian Social Trends study from the ABS showed that the younger portion of

Generation X and adult members of Generation Y engaged in volunteer work at similar rates (27% for 18-24 year olds and 28% for 25-34 year olds)³⁴, earlier research showed that a much lower proportion of Generation X contributed to volunteer work when they were a similar age (ie. when they were 18-24)³⁵. Similarly, Huntley found that Ys are active in community service and civic life at a grassroots level, in contrast to Xs who were associated more with membership in traditional political parties and mainstream politics.³⁶

The ‘portfolio’ career

Differences in their work ethic comprise a fundamental distinction between Generation X and Generation Y. Xs were generally brought up to believe that, if they sought education and followed a career path, they would have success and satisfaction, this has not necessarily been delivered, leading to disillusionment. For Ys, a job for life was never a viable proposition in a working world where retrenchment is common place, but just as well because they are repelled by the idea of it!

The hallmark of Y is optimism and short term orientation that leads them to feel assured that although they may meander in and out of full-time and part-time work, working and living abroad and even volunteer work, they will achieve success, satisfaction and the supreme goal - work/life balance. The portfolio career, as it has been called, is less a ladder and more like a “mosaic”.³⁷ It may be that this is not an entirely willing choice, but it is accepted as reality. Locally, it is probably just as well, since 37% of Australia’s workforce across all generations was casualized (even before the recent workplace relations changes), supporting the trend towards an increasing number of “free agents” in the workforce.

As many commentators have said, Generation Y truly intends to work to live not live to work. Being ‘free agents’ will enable Ys to take on jobs that will provide the income to do what they want to – to travel, spend and have fun.³⁸ Peter Sheahan warns that free agency is not for everyone: “to be a successful free agent, you must be organised, entrepreneurial, unafraid of uncertainty and able to quickly learn and use multiple skill sets. Generation Y share many of these traits and are particularly suited for this type of work.”³⁹

While there is some evidence that they are willing to do a number of jobs as a means to an end, there is still extensive focus on career development among



LET'S TALK ABOUT Y

Generation Y. The constant movement in their lives and their experience with education into their twenties has meant that Ys perform better become comfortable continuing to move on⁴⁰. Ys want to move on to new opportunities regularly and do not want to become stagnant in a position. Viewed by traditionalist employers, or even boomers, this is characterised as a lack of loyalty but it is more a response to the expectation of variety, challenge and change and the opportunity for lifelong learning⁴¹.

According to Huntley, employers are going to have to accept the portfolio career plan and give Ys "a long leash" or risk losing them altogether.⁴² In order to retain Ys, employers will be challenged to establish workplaces characterised by:

- **Flexibility** - provide sufficient opportunities to enable a true work/life balance.
- **Inclusive culture** - establish a workplace that supports collaborative learning, diversity, teamwork, consensus decision-making and has a value set that is consistent with Generation Y aspirations.
- **Variety** - enable variety in roles, look for opportunities for advancement internally.
- **Feedback, feedback, feedback** - ensure that the management style is inclusive, consensus driven, transparent and involves providing feedback to the team.
- **Ongoing training and mentoring** - support ongoing training in all areas specifically communication, presentation, leadership and other skills, not necessarily technical skills.⁴³

Is the future so bright?

Huntley is concerned that the overwhelming conformity of Generation Y may be one of the downsides to the optimism and empowerment its members experience. Other cracks in the bright future may start to appear as more Ys face the reality of adulthood and the unavoidable choices that it brings.

A recent bestseller in the US was the book "Quarterlife Crisis" which focused on navigating the minefield of career options for Ys in their twenties⁴⁴. The fast pace of job change and career progression and the choices available can be overwhelming and career advisors to Ys propose certain career management options such as setting goals, discovering passions, making a whole of life plan

that includes career, and seeking out mentors for all aspects of life⁴⁵.

An interesting recent research project has tried to understand the downside of too much choice. Professor Barry Schwartz of Swarthmore College in the United States undertook this research when he noticed his students, almost all Ys, feeling unhappy even depressed at the overwhelming choices regarding careers after graduation. He found that some decided to work in Starbucks and similar jobs for a while until they could see the path forward. Conducting a simple jam tasting experiment, he showed that:

- when people were given the option to taste test 24 jams, very few were sold although many people tried some of the jams;
- when only 6 jams were available for trying, fewer people tasted the jams but ten times as many jams were sold.

This research challenges the viewpoint that more choice is always better.⁴⁶

Huntley also found that too many choices can lead to 'options paralysis' for Ys when they have lived a fast paced life in which they have been constantly pressured to keep moving forward and achieve⁴⁷.

Moving forward...

The seemingly opposing needs of freedom and security are overcome by the choices Generation Y makes as individuals. Mobile phones, instant messaging and other forms of technology enable them to both have the freedom to move around and make decisions at the last minute, while simultaneously maintaining a feeling of security knowing that their important friendship network is just a thumb or mouse click away. Likewise, they have the freedoms that accompany the portfolio career, interspersing work of various forms with overseas travel and volunteer work, based on the security of knowing that they can live at home longer with their parents, ensuring that much of their income is "disposable".

Understanding Generation Y and their characteristics is of fundamental importance, particularly because they differ so markedly from previous generations. While Generation X also displays some of these desires, their background and upbringing has been distinctive and there is a divide in mindset. Baby boomers and Generation X employers, marketers and politicians will need to



LET'S TALK ABOUT Y

take on board these distinctions to ensure that they engage effectively with Generation Y in the coming years.

The trend to watch is the extent to which Generation Y chooses to have children, and whether a pro-children choice ultimately is found to be concentrated in some socio-demographic sub-set(s). For example, choosing not to at a higher rate across the board than earlier generations will again change the nature of society in a profound way because it will defer the limitations imposed on daily choices by the various responsibilities consequent upon having children (financial, time, etc). It is clearly too early to call that result, but definitely one to watch.

Another interesting development is the extent to which some of these attitudes and traits are shared by Australians in older generations. A recent study by Ross Honeywill and Verity Byth "NEO Power: how the new economic order is changing the way we work and live"⁴⁸ provides a vivid snapshot of a growing group of 4 million or so Australians who are full of apparent contradictions: they are well educated and well paid, but will only stay in a job that they love, they are consumers looking for a unique experience rather than being beholden to brands with traditional images of success, and they are economic rationalists but social liberals, with the intellectual and financial clout to make politicians of all flavours take notice.

It may be a matter of debate as to whether Ys typify the core characteristics of NEOs or whether the Y attitudes and behaviours are rubbing off on Xs and Boomers, but either way, the attitudes and behaviours of these groups regarding work and life choices will have a profound impact on employers, marketers and governments in how they fashion their near term policies.

¹ Sacks, Danielle, "Scenes from the Culture Clash," **Fast Company**, Issue 102, January 2006, p.72

² Huntley takes the start of Generation Y to be 1982, however she acknowledges that most commentators start Generation Y between 1978 and 1982.

³ Ibid., 14

⁴ Ibid., 35

⁵ Ibid., 17

⁶ Saulwick Muller Social Research "Fearless and Flexible: Views of Gen Y", Report Prepared for the Dusseldorf Skills Forum, October 2006, 8.

⁷ Ibid., 15

⁸ Saulwick Muller op.cit., 8.

⁹ Ibid., 147

¹⁰ Ibid., 177

¹¹ Sacks, op. cit.

¹² Huntley, op cit, 190

¹³ Ibid., 145

¹⁴ Ibid., 146

¹⁵ Ibid., 154

¹⁶ Ibid., 148

¹⁷ Ibid., 152

¹⁸ Ibid., 147

¹⁹ Ibid., 152

²⁰ Ibid., 151.

²¹ Ibid., 155

²² Ibid., 16

²³ Ibid., 82

²⁴ Ibid.

²⁵ Ibid., 39

²⁶ Harris Interactive, "One year after 9-11 Attacks, America's Youth say Individual Rights and Freedoms is top social concern, September 4, 2002, www.harrisinteractive.com

²⁷ Huntley, Rebecca, ABC Radio National Perspective, 5 September 2005, <http://www.abc.net.au/rn/talks/perspective/stories/s1453560.htm>

²⁸ Generation Global: Where we go and how we get there, Qantas Magazine, September 2005 & www.worldexpeditions.com.au

²⁹ Levere, Jane, "Volunteer vacations: contributing while on holiday, 21 November 2005, World Volunteer News, <http://www.worldvolunteerweb.org/news-views/news/volunteer-vacations-contributing-by-1132564783/lang/en.html>

³⁰ Weekes, Peter "Good Intentions", Sydney Morning Herald, 17 August 2005, <http://www.smh.com.au/news/investment/good-intentions/2005/08/15/1123957999331.html>

³¹ Trunk, Penelope, "Grassroots volunteering draws more young people", Boston Globe, 29 May 2005 <http://bostonworks.boston.com/globe/climb/archives/052905.shtml>

³² Ibid.

³³ Volunteering NSW statistics, <http://www.volunteering.com.au/statistics/index.asp>

³⁴ Australian Social Trends 2002, Australian Bureau of Statistics, 9 May 2002.

³⁵ Peter Sheahan, www.petersheahan.com.au

³⁶ Huntley, op. cit., 113

³⁷ Stevens, Paul "Portfolio Careerism: are you ready?", Worklife International Pty Limited <http://www.worklife.com.au/resource/index.htm>

³⁸ Huntley, op.cit., 99

³⁹ "Free Agencies on the rise in the workplace," Franchise Council of Australia, <http://www.franchisebusiness.com.au/articles/79/0C03BD79.aspx>

⁴⁰ Ibid., 171

⁴¹ McCrindle, Mark "Generation Y at Work", http://www.mccrindle.com.au/wp_pdf/NewGenerationsAtWork.pdf

⁴² Huntley, op. cit., 98

⁴³ McCrindle, op. cit.18

⁴⁴ Robbins, Alexandra and Abby Wilner, *Quarterlife Crisis*, Tarcher, May 2001.

⁴⁵ Hansen, Randall, PhD, "Navigating the quarterlife crisis to career and personal success: five strategies for fulfilling your dreams", http://www.quintcareers.com/quarterlife_career_crisis.html

⁴⁶ Catalyst, 13 April 2006, <http://www.abc.net.au/catalyst/stories/s1615006.htm>

⁴⁷ Huntley, op. cit., 170

⁴⁸ Scribe Melbourne, 2006.