

How Millennials Want to Work and Live

Purpose • Development • Coach • Ongoing Conversations • Strengths • Life

THE SIX BIG CHANGES LEADERS HAVE TO MAKE



GALLUP®

“We change the world one client at a time through extraordinary analytics and advice on everything important facing humankind.”

– JIM CLIFTON, CHAIRMAN AND CEO

About This Report

HOW MILLENNIALS WANT TO WORK AND LIVE provides an in-depth look at what defines the millennial generation as employees, people and consumers. The findings in this report are based on accumulated Gallup data derived from the Gallup Panel, Gallup Daily tracking, Gallup's employee engagement and customer engagement databases, and the Gallup-Healthways Well-Being Index. From this research and discovery, Gallup offers a current and historical perspective on the behaviors, attitudes and beliefs of young people in America and on what millennials today want from the workplace and marketplace.

ABOUT GALLUP

Gallup delivers analytics and advice to help leaders and organizations solve their most pressing problems. Combining more than 80 years of experience with its global reach, Gallup knows more about the attitudes and behaviors of employees, customers, students and citizens than any other organization in the world.

Gallup works with leaders and organizations to achieve breakthroughs in customer engagement, employee engagement, organizational culture and identity, leadership development, talent-based assessments, entrepreneurship and well-being. Our 2,000 professionals include noted scientists, renowned subject-matter experts and best-selling authors who work in a range of industries, including banking, finance, healthcare, consumer goods, automotive, real estate, hospitality, education, government and business-to-business (B2B).

For more information about Gallup solutions for optimizing business performance, please visit www.gallup.com/contact.

From the Chairman and CEO



PEOPLE OFTEN ASK GALLUP, “Are millennials really that different?”

The answer is yes — profoundly so. Millennials will change the world decisively more than any other generation.

As this report shows, millennials will continue to disrupt how the world communicates — how we read and write and relate. Millennials are disrupting retail, hospitality, real estate and housing, transportation, entertainment and travel, and they will soon radically change higher education.

Millennials are altering the very social fabric of America and the world. They’re waiting longer to get married and have children, and they’re less likely than other generations to identify with specific religions or political parties.

Defined by their lack of attachment to institutions and traditions, millennials change jobs more often than other generations — more than half say they’re currently looking for a new job.

Millennials are changing the very will of the world. So we, too, must change.

Gallup is recommending that our client partners change their organizational cultures this year from *old will* to *new will*. There are six functional changes that we call the “Big Six.”

The Change in Leadership

Past

My Paycheck
 My Satisfaction
 My Boss
 My Annual Review
 My Weaknesses
 My Job



Future

My Purpose
 My Development
 My Coach
 My Ongoing Conversations
 My Strengths
 My Life

1. *Millennials don't just work for a paycheck — they want a purpose.* For millennials, work must have meaning. They want to work for organizations with a mission and purpose. Back in the old days, baby boomers like me didn't necessarily need meaning in our jobs. We just wanted a paycheck — our mission and purpose were 100% our families and communities. For millennials, compensation is important and must be fair, but it's no longer the driver. The emphasis for this generation has switched from paycheck to purpose — and so must your culture.
2. *Millennials are not pursuing job satisfaction — they are pursuing development.* Most millennials don't care about the bells and whistles found in many workplaces today — the pingpong tables, fancy latte machines and free food that companies offer to try to create job satisfaction. Giving out toys and entitlements is a leadership mistake, and worse, it's condescending. Purpose and development drive this generation.
3. *Millennials don't want bosses — they want coaches.* The role of an old-style boss is command and control. 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.

4. *Millennials don't want annual reviews — they want ongoing conversations.* The way millennials communicate — texting, tweeting, Skype, etc. — is now real-time and continuous. This dramatically affects the workplace because millennials are accustomed to constant communication and feedback. Annual reviews no longer work.
5. *Millennials don't want to fix their weaknesses — they want to develop their strengths.* Gallup has discovered that weaknesses never develop into strengths, while strengths develop infinitely. This is arguably the biggest discovery Gallup or any organization has ever made on the subject of human development in the workplace. Organizations shouldn't ignore weaknesses. Rather, they should minimize weaknesses and maximize strengths. We are recommending our client partners transition to strengths-based cultures, or they won't attract and keep their stars.
6. *It's not just my job — it's my life.* One of Gallup's most important discoveries is that everyone in the world wants a good job. This is especially true for millennials. More so than ever in the history of corporate culture, employees are asking, "Does this organization value my strengths and my contribution? Does this organization give me the chance to do what I do best every day?" Because for millennials, a job is no longer just a job — it's their life as well.

A handwritten signature in black ink that reads "Jim Clifton". The signature is written in a cursive, slightly stylized font.

Jim Clifton, Chairman and CEO

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MILLENNIALS AS EMPLOYEES

As employees, millennials' wants and needs are not all that different from those of the generations that preceded them. But unlike members of those earlier generations, millennials have instantaneous and far-reaching opportunities to research companies and jobs. They behave as consumers of the workplace, weighing their options and continually looking for roles and organizations that enable their best performance. Leaders and managers must understand what millennials expect from their jobs, managers and companies.

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MILLENNIALS AS PEOPLE

Are millennials really that different from members of other generations? Millennials differ in a few significant ways from their older counterparts; some of these differences are authentic, unique traits, while others reflect the technological world in which millennials matured. But millennials also have plenty in common with Gen Xers, baby boomers and traditionalists.

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MILLENNIALS' ECONOMIC IMPACT

Millennials are an influential force in today's economy, and their economic strength increases with each passing year. However, businesses are largely failing to connect with millennials as consumers and brand ambassadors. If companies want to strengthen millennials' customer engagement, they must recognize what defines and drives this generation's ideal customer experience.

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MILLENNIALS

1980–1996

GEN XERS

1965–1979

BABY BOOMERS

1946–1964

TRADITIONALISTS

1900–1945

Executive Summary

IN THE U.S., ROUGHLY 73 MILLION MILLENNIALS were born between 1980 and 1996. Like those in every generation before them, millennials strive for a life well-lived. They want good jobs — ones with 30-plus hours of work a week and regular paychecks from employers. They also want to be engaged in those jobs — emotionally and behaviorally connected to them. In addition to finding a steady, engaging job, millennials want to have high levels of well-being, which means more than being physically fit. Yes, millennials want to be healthy, but they also want a purposeful life, active community and social ties, and financial stability. Regarding that financial stability, millennials want to be able to spend money not just on what they need, but also on what they *want*.

However, Gallup has found that millennials struggle to find good jobs that engage them. Millennials have the highest rates of unemployment and underemployment in the U.S., and only 29% of employed millennials are engaged at work. Half of millennials say they feel good about the amount of money they have to spend, and less than 40% of millennials are what Gallup defines as “thriving” in any one aspect of well-being. Their overall well-being nearly matches that of Gen Xers and baby boomers, meaning that millennials have not been able to forge better paths for themselves than many Americans have before them. While it is every parent’s dream to have their children lead a better life than their own, not all millennials are positioned for such success.

Why does any of this matter? Because the strength of the workplace and marketplace depend on what the millennial generation can accomplish. If millennials cannot find good jobs, the economy will continue to lag. If they are not engaged in those jobs, companies’ profitability, productivity and innovation will suffer. And if they are not thriving in their well-being, they will struggle in life, affecting how they perform as citizens, consumers and employees.

In nearly every corner of the U.S., business executives, community and civic leaders, marketers and managers are talking about millennials and their behaviors, attitudes and beliefs. They want to understand how this generation is similar to and how they differ from their predecessors, as well as how to apply this knowledge to create more engaged employees and consumers and healthier, happier citizens.

Gallup has taken on a significant and wide-reaching research effort aimed at helping institutions, businesses and employers understand the millennial generation. Gallup gathered the data in this report from a variety of sources, including the Gallup Panel, Gallup Daily tracker, Gallup-Healthways Well-Being Index, and Gallup's employee and customer engagement databases. Through this extensive research effort, Gallup analyzed and uncovered the most important findings related to millennials, including how they present themselves as people, consumers and employees. From millennials' demographic makeup to their spending habits to their ideal employers, this report addresses everything that matters most to the U.S. economy as it pertains to America's largest — and least understood — generation.

UNATTACHED, CONNECTED, UNCONSTRAINED AND IDEALISTIC — UNDERSTANDING THE MILLENNIAL MINDSET

Millennials are a notably large and diverse group, so it is important to note that they cannot be homogenized. However, there are common characteristics of this group that can encourage an understanding of millennials' behaviors and attitudes.

In the course of its research, Gallup has found four themes that collectively describe millennials: unattached, connected, unconstrained and idealistic.

Unattached. More so than the generations before them, millennials are a group without attachments. They do not feel close ties to their jobs or the brands to which they give their money. Millennials are waiting longer to get married, and they are less likely than other generations to feel pride in their communities or to identify with particular religious affiliations or traditional political parties. None of this implies that millennials do not want to get married or find groups with which they can relate. However,

it does suggest that millennials view certain institutions differently than their predecessors do, and those views have shaped their decisions to engage — or to not engage — with those institutions.

Connected. Although millennials are generally hesitant or reluctant to embrace brands, employers, their local communities or specific institutions, they are highly connected with the world around them. The introduction and evolution of the Internet, Wi-Fi, laptops and smartphones have enabled millennials to instantly and constantly access entertainment, news, friends, strangers and nearly anything else. Millennials' hyper-connectedness has helped them gain a unique global perspective and transformed the way they interact, consume content, shop and work.

Unconstrained. Millennials are pushing for change in the world — including in the marketplace and the workplace. They don't accept “that's the way it has always been done” as a viable answer. Millennials continue to encourage new definitions of “family” and break down gender and social divides. They demand that businesses approach them differently and adjust the customer experience to meet their needs. The same goes for employers — millennials want to be free of old workplace policies and performance management standards, and they expect leaders and managers to adapt accordingly.

Idealistic. Millennials are a largely optimistic group, and they believe that life and work should be worthwhile and have meaning. They want to learn and grow and to understand how they fit in with their jobs, teams and companies. Millennials look for work that fuels their sense of purpose and makes them feel important. As a highly educated and technologically connected group, they get to approach the workplace with the mentality, “What's in it for me?” Millennials want more out of life, and they believe they can obtain it.

GALLUP'S IMPORTANT FINDINGS INCLUDE:

Millennials as Employees

- Millennials change jobs more often than do those of any older generation, and six in 10 say they are currently looking for new employment opportunities.
- Millennials and non-millennials have the same expectations of their managers: constant communication, accountability and clearly established expectations.
- Millennials are less engaged in the workplace than are their older counterparts, and they are more likely to be categorized as “not engaged.” Millennials’ lack of engagement costs the U.S. economy hundreds of billions of dollars annually in lost productivity.
- Opportunities to learn and grow at work are highly important to millennials when seeking out new jobs or deciding to stay in current ones.
- Millennials want to talk with their managers — and not always just about work. However, they are less comfortable approaching their managers to talk than are their older counterparts.

Millennials as People

- Millennials are the most racially and ethnically diverse generation in U.S. history.
- The plurality of millennials identify as politically independent and moderate.
- Millennials are the least likely of the four generations to be registered voters.
- Three in 10 millennials do not identify with a particular religion, and the majority of millennials say they “never” or “seldom” attend a church, synagogue or mosque.
- Millennials are a highly educated generation. They also carry far more student loan debt compared with older generations.

Millennials' Economic Impact

- Millennials view the economy positively and are far more optimistic about its general direction than are any other generation.
- Millennials' spending in 2015 trailed that of the 19- to 35-year-old age group in 2008, accounting for hundreds of millions of dollars the U.S. economy loses daily in revenue.
- Millennials are the most trusting — but least engaged — generation of consumers in the marketplace. In the industries Gallup studied, millennials are much more likely to be actively disengaged consumers.
- As consumers, millennials look for fun and entertaining experiences.
- The top drivers of customer engagement for millennials are not unusual or unique compared with those for other generations, but millennials place more value on the online customer experience.

55%

OF MILLENNIALS

are not engaged at work.

Millennials as Employees

GALLUP'S MEASUREMENT OF WORKING U.S. adults shows that millennials — those born between 1980 and 1996 — make up 38% of the workforce. In the coming years, as more members of this generation transition into the workforce, that percentage will only increase.

Leaders understandably feel a sense of urgency surrounding millennials. They see their baby boomers retiring from key positions and as the U.S. job market regains its strength, their HR departments face an increasing number of open positions to fill.

However, leaders also know the millennial “issue” isn’t just about filling vacancies; it’s about the viability and competitiveness of their organization. Leaders are questioning their company’s readiness to meet these new workers where they are. They are unsure of whether they are offering millennials what they want out of a job or company and whether they have the right performance culture to engage, develop and retain these workers.

Confusion clouds most of the conversations about millennials in the workplace. While leaders recognize the importance of the millennial cohort, they are nonetheless mystified by how to connect with this group. But it's not just business leaders who feel perplexed. Many managers lack confidence that they are meeting millennials' workplace needs and are unsure of how to maximize their performance. And, in all likelihood, many millennial workers feel misunderstood and discouraged because of the ambiguity that surrounds them.

Leaders and managers want to understand their millennial workers and are trying hard to do so. They have the best intentions and are not ignoring this group, but they seem to miss the mark in their approach. In the absence of concrete answers or solutions, they tend to fall back on their existing policies and performance management systems, or they try to rapidly change their work environment to create what they think millennials want. They put pingpong tables and free snacks in every corner of the office and try to organize trendy recruitment events to appeal to this group.

But most millennials care little for the bells and whistles found in many workplaces today. They want more than amenities designed to boost their satisfaction.

MILLENNIALS LEADING WORKPLACE CHANGE

The millennial generation is the driving force behind workplace change. In their relatively short tenure as employees, millennials have led the charge to break down traditional organizational structures and policies and have pushed companies to rethink their work environments. Leaders are reimagining their human capital strategies — from attraction to development — to meet this generation's wants and needs.

Of course, it would be fair to say that every generation before millennials wanted to bring about change in the workplace and has also helped break down certain barriers, especially those related to diversity and equality. Technology has also played an essential role in enabling change. People often take laptops and Wi-Fi for granted, but these resources have made it possible for employees to work remotely and from home, transforming the way work gets done and how teams interact, communicate and collaborate.

But something is happening in the workplace now that companies have never encountered. In the past, people accepted a job and stuck with it, largely without complaint, because they received a paycheck and some benefits; that was the status quo. Workers did what their bosses told them to do and many likely felt rather unattached to their job, leaving it behind at 5 p.m. without much of an afterthought.

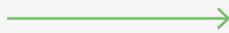
That scenario does not reflect the workplace today. Employees choose careers for more than a paycheck — they want a sense of purpose. They see their jobs and lives as closely integrated. Employees look for and stay with companies that emphasize their development, not their

satisfaction. They expect managers to go beyond the role of “boss” and serve as coaches, holding ongoing conversations with them focused on their strengths. Employees do not want communication and progress conversations relegated to once-a-year reviews focused on what they’ve been doing wrong.

The Change in Leadership

Past

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Organizations cannot overlook millennials’ influence in all of this. While a few factors have propelled workplace change, millennials have been instrumental in pushing companies to see and manage their workforces differently.

MEET THE MILLENNIAL WORKER

Gallup has discovered that millennials have the second-highest level of full-time employment (54%) behind Gen Xers (63%). However, they also have the highest rates of both unemployment and underemployment. Gallup defines “underemployment” as the percentage of adults in the workforce who are unemployed and those who are working part time but desire full-time work. Seven percent of millennials are currently jobless, and another 10% are employed part time, but would prefer to find a full-time job.



Millennials' earnings are substantially lower than those of all other generations and they are the most likely generation to fall under the federal poverty line. While they are a highly educated group in the workforce, millennials are having a hard time landing the jobs they want. And, in some cases, they are overqualified for the jobs they can find — jobs that do not require a college degree and have lower wages. This reality might be leading some millennials to continually seek new and better roles.

Lower wages, coupled with unemployment and underemployment, have caused financial constraints for more millennials. Add to that their high levels of student loan debt, and it is no surprise that this generation is increasingly staying with — or returning to — their parents for housing options. According to Gallup data, three out of 10 U.S. adults younger than 35 live at home with their parents. For this generation, finding good jobs is not only about having purposeful careers, but it's also about their ability to provide for themselves and live fulfilling lives.

Millennials are delaying the purchases of their first homes as well as their "I do's." They are far more likely to be single than any other generation — a finding that is even more dramatic when comparing millennials with other generations at the same ages. Their reasons for postponing marriage vary, including their finances, their goals and their personal beliefs. More millennials have chosen to pursue higher education, perhaps leading them to prioritize their careers before their personal lives.

Millennials are largely untethered, yet highly connected. A strong majority of this generation (85%) accesses the Internet from their phones. Millennials live their lives online, using the Web to conduct research; gather information and news; stream music, movies and television; keep in touch with friends; and make new connections. They have instant access to the world and a universal platform for sharing and hearing stories. Millennials are always plugged in, creating an opportunity and a need for companies to adjust their communication strategies — both in how they attract potential employees and how they send messages to their existing employees.

The millennial generation has instant and constant access to technology, allowing them to become consumers of everything, including the workplace. They can seek and find information on jobs and companies with greater ease than any generation before them. Millennials recognize that they have options and they don't feel the need to stay with a job that isn't the best fit for them. And without ties to responsibilities such as marriage and home ownership, millennials can more readily pursue those options; they can be mobile. Millennials get to ask, "What's in it for me?"

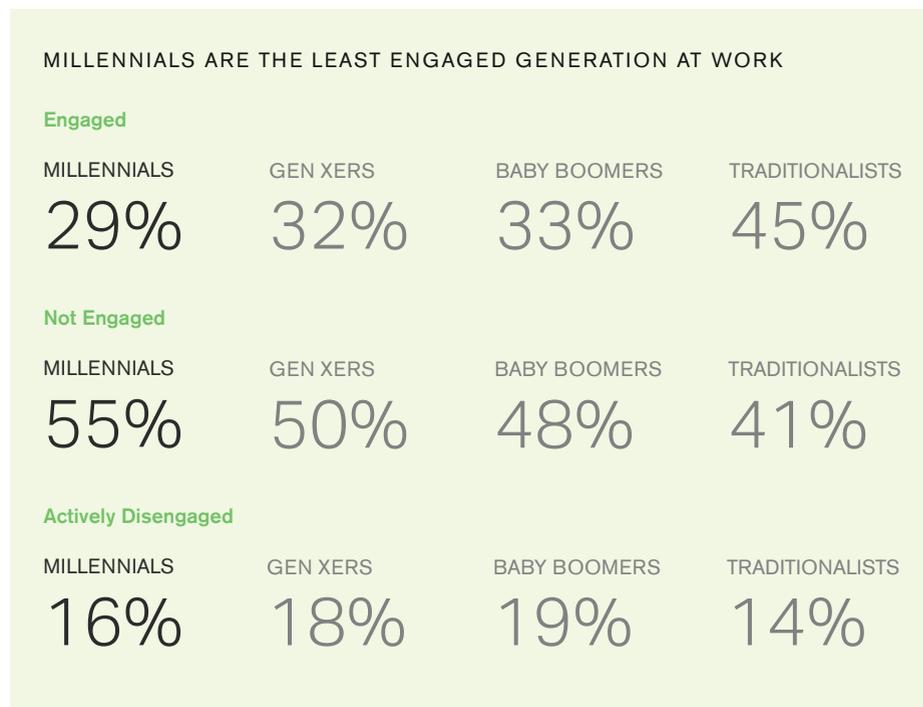
Millennials' overall well-being is comparable with that of Generation Xers and baby boomers. However, fewer than 40% of millennials are "thriving" in each of the five elements of well-being: purpose, social, financial, community and physical. In terms of leading a life well-lived, millennials are not doing any better than their parents' generation. However, millennials increasingly see life and work as one entity and are drawn to companies that care about their individual well-being and encourage them to focus on their whole selves. While their well-being may not currently be any better than that of Gen Xers and baby boomers, they want it to be.

Who millennials are as people matters. It matters in how they want to be treated in the workplace, how they go about choosing roles and companies, and in their performance. When companies fail to understand and value the millennial mindset, they fail to create work environments that attract and retain this group.

MAJORITY OF MILLENNIALS NOT ENGAGED

Here's what Gallup knows about millennial employees today: They are the least engaged generation in the workplace. Millennials' lack of engagement costs the U.S. economy \$284 to \$469 billion annually in lost productivity.

Only 29% of millennials are engaged, meaning they are emotionally and behaviorally connected to their job and company. Another 16% of millennials are actively disengaged, meaning they are more or less out to do damage to their company. The majority of millennials (55%) are not engaged, leading all other generations in this category of workers. Not engaging millennial workers is a big miss for organizations. The millennial workforce is predominantly "checked out" — not putting energy or passion into their jobs. They are indifferent about work and show up just to put in their hours.



This is not a characterization of millennials in general, but a characterization of all workers who are not engaged. The reality is that millennials *want* to feel connected to their work and workplaces. They don't want to just "get by" — they want to contribute. Their ultimate goal is to find a good job that fuels their sense of purpose and enables them to lead a life well-lived. As they put off getting married and buying homes, more millennials are making their careers their No. 1 priority or investment.

Often, millennials are characterized as entitled job-hoppers, but the reality is that 55% of this group is not engaged at work. They feel indifferent about their job and company — and *indifferent* and *entitled* are not synonymous. Many millennials likely don't want to switch jobs, but their companies are not giving them compelling reasons to stay. When they see what appears to be a better opportunity, they have every incentive to take it. While millennials can come across as wanting more and more, the reality is that they just want a job that feels worthwhile — and they will keep looking until they find it.

MILLENNIALS MOST LIKELY TO LEAVE, SEEK NEW OPPORTUNITIES

While "entitled" is an unfair label for all millennials, "job-hoppers" is a reasonable one — at least compared with other generations. Gallup data reveal that 21% of millennials report changing jobs within the last year, which is more than three times the number of non-millennials.

Gallup estimates that millennial turnover due to
lack of engagement costs the U.S. economy

\$30.5

BILLION ANNUALLY.

Millennials also show less willingness to stay in their current jobs. Half of millennials — compared with 60% of non-millennials — strongly agree that they plan to be working at their company one year from now. For businesses, this suggests that half of their millennial workforce doesn't see a future with them.

As many millennials don't plan on staying in their jobs, it makes sense that they are hunting for new positions. A Gallup study found that 60% of millennials say they are open to a different job opportunity; this is 15 percentage points higher than the percentage of non-millennial workers. Millennials also report the greatest willingness to act on better opportunities, with 36% reporting they will look for a job with a different organization in the next 12 months if the job market improves, compared with 21% of non-millennials.

Millennials may be more apt to pursue new jobs for various reasons. As this group has the highest rates of underemployment in the U.S. and the lowest wages, it is understandable that they would seek roles that make better use of their qualifications and increase their income. They have student debt to pay down and they want to begin making larger purchases and investing in their futures.

However, many millennial workers are likely looking to switch jobs because of their lack of engagement. The majority of the millennial workforce (55%) feels unattached to their existing role and company. And when it comes to issues of turnover, employee engagement becomes even more essential to retaining employees. A Gallup analysis reveals that 47% of actively disengaged millennials strongly agree that they will switch jobs if the job market improves in the next 12 months, compared with 17% of engaged millennials.



Millennials are a flight risk, making it absolutely vital for organizations to understand how to engage and retain these employees. On the flip side, millennials' enthusiasm to find better opportunities means organizations have to enhance their attraction or recruitment strategies. The strongest companies will understand how to both recruit *and* retain millennials.

To help leaders and managers better understand how to optimize their millennial workforce, Gallup conducted extensive research into what this generation looks for when selecting or deciding whether to stay in jobs. Gallup found that leaders and managers can best understand millennials by focusing on three major areas: attraction, performance and workplace connections.

ATTRACTING MILLENNIALS

MILLENNIALS ARE CONSUMERS OF THE WORKPLACE

Millennials are willing to investigate and pursue positions with other companies. Gallup data reveal that millennials are the most likely generation to say they are open to new job opportunities and the most likely generation to say they plan to leave their job. This willingness presents a substantial amount of opportunity for organizations to attract the best millennial candidates. But that opportunity will only manifest itself to organizations that meet a defined set of criteria: They have to 1) actually offer millennials what they want, and 2) effectively message and sell themselves.

Millennials behave as consumers of workplaces, shopping around for the jobs that best align with their needs and life goals. More than ever, employers need to know and act on the factors that make their company appealing to these candidates. They have to make it easy for prospects to *choose* them over their competition.

Justifiably, companies spend a lot of time and money on marketing campaigns that will appeal to loyal customers. But they often neglect to develop an equally strong employment brand to attract the best candidates. This is a big misstep: As consumers of workplaces, millennials need to be convinced of why and how an organization will meet their needs and further their careers.

ATTRACTION DEMANDS A STRONG ONLINE PRESENCE

A necessary initial step companies need to take to stand out from competitors is to understand the nuances of millennials' job search patterns: the “who, what, where, when and how” behind their job hunts. Considering millennials' digital lifestyles, it isn't shocking that they use websites and online resources to learn about job opportunities more than any other job search avenue.

Millennials prefer to go straight to the sources of companies they are interested in, but they also cast a wide net in their job searches, leaning toward online job sites and general search engines that allow them to explore many options. They are less prone to use professional network sites and even less likely to use social network sites and college career centers or websites.

Millennials most resemble Gen Xers in their online job searches. However, the two generations do diverge on a few points. Millennials are more likely to use search engines and college career sites to seek out new opportunities. Given their age and stage in life, the finding related to college career sites makes sense, but millennials' higher search engine use suggests they may find more value — or are perhaps more at ease — in navigating the Web to conduct blanket, rather than targeted, job searches. Baby boomers overall are less likely to use online sources in their job search, but they do still use them.

Millennials' — and most employees' — preference of online job searches underlines an obvious need for companies to make their online job opportunities easy to find, user-friendly and visually appealing. Their websites should also include compelling content related to what the organization offers employees and what differentiates it from the competition. Considering that 85% of millennials access the Internet from their smartphones, organizations aiming to attract millennials should ensure that their websites offer seamless mobile experiences.

MILLENNIALS MORE AT EASE IN NAVIGATING THE WEB FOR JOB OPPORTUNITIES

Please indicate the extent to which you use or have used the following resources to learn about job opportunities

“Often or Always Use/Sometimes Use”

Websites of the organizations you have interest in

| MILLENNIALS | GEN XERS | BABY BOOMERS |
|-------------|----------|--------------|
| 81% | -3 | -8 |

Online job sites

| MILLENNIALS | GEN XERS | BABY BOOMERS |
|-------------|----------|--------------|
| 63% | -3 | -12 |

General Web search

| MILLENNIALS | GEN XERS | BABY BOOMERS |
|-------------|----------|--------------|
| 62% | -8 | -13 |

Professional network site

| MILLENNIALS | GEN XERS | BABY BOOMERS |
|-------------|----------|--------------|
| 47% | +2 | -2 |

Social network site

| MILLENNIALS | GEN XERS | BABY BOOMERS |
|-------------|----------|--------------|
| 26% | — | -8 |

College career center or website

| MILLENNIALS | GEN XERS | BABY BOOMERS |
|-------------|----------|--------------|
| 23% | -9 | -14 |

Net difference for each non-millennial generation calculated by subtracting non-millennial % from millennial %
Dash indicates no difference occurred

NETWORKS MATTER IN A JOB SEARCH

Along with being consumers of the workplace, millennials are a social and networked generation. When searching for jobs, they are highly likely to seek out referrals from current employees of an organization as well as suggestions from family members or friends. These findings highlight the importance of maintaining a strong employer brand and ensuring that existing employees can clearly articulate, align with and be proud of their company's brand.

Millennials and their Generation X counterparts closely match when it comes to asking for referrals from current employees; however, millennials lead Gen Xers and baby boomers when it comes to asking family and friends for suggestions. Baby boomers trail millennials in both categories.

Less popular job-search avenues among millennials include news media, career fairs and other types of recruiting events, and professional recruiting resources, such as headhunters. Career and job fairs might not appeal to busy millennials, and with their penchant for online interactions, it makes sense that millennials would shy away from print newspapers to find job opportunities. However, Gallup data reveal that among Gen Xers and baby boomers, at least one in four job seekers still use newspapers to locate openings.

Reasonably, millennials who are in the early stages of their careers with fewer financial resources at their disposal are less likely to invest in professional job search resources, such as headhunters. However, these types of job search sources are not used often by any generation.

MILLENNIALS MORE LIKELY TO ASK FAMILY, FRIENDS ABOUT JOB OPPORTUNITIES

Please indicate the extent to which you use or have used the following resources to learn about job opportunities

“Often or Always Use/Sometimes Use”

Suggestions from family members or friends

| MILLENNIALS | GEN XERS | BABY BOOMERS |
|-------------|----------|--------------|
| 75% | -10 | -14 |

Referrals from current employees of an organization

| MILLENNIALS | GEN XERS | BABY BOOMERS |
|-------------|----------|--------------|
| 74% | -1 | -10 |

Career fair, job fair or recruiting events

| MILLENNIALS | GEN XERS | BABY BOOMERS |
|-------------|----------|--------------|
| 33% | -4 | -9 |

News media

| MILLENNIALS | GEN XERS | BABY BOOMERS |
|-------------|----------|--------------|
| 31% | +10 | +17 |

Search firm, recruitment firm or headhunters

| MILLENNIALS | GEN XERS | BABY BOOMERS |
|-------------|----------|--------------|
| 28% | +3 | -1 |

Net difference for each non-millennial generation calculated by subtracting non-millennial % from millennial %

OPPORTUNITY, SUPPORT AND STABILITY DRAW MILLENNIAL JOB SEEKERS

After discovering how to achieve better visibility with millennials, leaders need to know what will attract millennials considering a new job to their company. But what exactly do millennials look for in their job searches?

Gallup asked workers how important particular attributes were to them when applying for new jobs. The most influential factors in their search were those related to how far they could take their knowledge, skills and career, as well as the strength of their support system at work.

TOP FIVE THINGS MILLENNIALS LOOK FOR WHEN APPLYING FOR JOBS

- opportunities to learn and grow
- quality of manager
- quality of management
- interest in type of work
- opportunities for advancement

Opportunities to Learn and Grow

A majority of millennial job seekers (59%) report that opportunities to learn and grow are extremely important to them when applying for a job. Comparatively, 44% of Gen Xers and 41% of baby boomers say the same about these types of opportunities. Millennials assign the most importance to this job attribute, representing the greatest difference between what this generation values in a new job versus what other generations value.

Millennials' overwhelming desire to grow and develop makes sense. These employees are in relatively early stages of their careers, and they want to continuously learn so they can succeed and find stability. Millennials want a work environment that offers challenges and developmental opportunities.

59%

OF MILLENNIALS

report that opportunities to learn and grow are extremely important to them when applying for a job.

As part of their attraction strategy, companies should accentuate their learning and development programs, pointing to tuition reimbursement policies, on-the-job training, means of certification for going from good to great in the same role, participation in conferences and professional organizations, and other learning opportunities. Furthermore, companies should publicize how managers support employees in meeting their developmental goals. When candidates are speaking to recruiters, interviewers or hiring managers, they should come away with a clear idea of what the organization can offer them in terms of ongoing growth opportunities.

Quality of Manager

When considering a new job, millennials are on the lookout for a great boss; “quality of manager” is considered extremely important to 58% of millennial job seekers. Among workers of all generations, “quality of manager” is a vital factor in deciding which jobs to apply for. Fifty percent of Gen Xers and 60% of baby boomers also say this attribute is extremely important to them.

This finding comes as no surprise, since the power of the manager in making or breaking employee engagement is one of Gallup's most powerful insights. It's a simple reality: Millennials want to work for managers who can support, position, empower and engage them, and who care about them as employees and people.

Managers are vitally important to job seekers. During the interview process, companies must ensure that candidates actually meet with the person who will be their manager. This gives both parties an opportunity to interact and get a better sense of a candidate's fit for the role, team and company.

Quality of Management

For 58% of millennials, “quality of management” is extremely important in a potential job. Non-millennials also rate this attribute highly, with 52% of Gen Xers and 60% of baby boomers saying the quality of management is extremely important to them.

Millennials want to work for great managers, but they also take into consideration an organization’s overall management and how this group presents and conducts itself. They want to be able to trust this group and the direction in which it is steering the company.

Quality of management is closely tied to a company’s overall reputation or culture. Through their attraction strategies and materials, companies must demonstrate that their leadership team has a clear sense of direction and purpose. Candidates should leave interviews with an understanding of how their potential role connects to that direction and purpose.



Interest in Work

Interest in the type of work they do is also high on millennials’ lists, with 58% of millennial job seekers indicating this factor is extremely important to them. A similar percentage of baby boomers (57%) rate this attribute as extremely important, while fewer Gen Xers (43%) do the same.

While a paycheck is certainly important to all generations, millennials aspire to find a job that represents more than a paycheck. This is a generation that wants jobs to have meaning; they want to feel invested in and challenged by their work, not bored with it.

When speaking with and interviewing millennial prospects, companies should provide more than a job description. They need to get candidates excited about the role and the work they will be doing, emphasize the potential outcomes of projects and responsibilities, and help candidates understand how their work will help the company reach its goals.

Opportunities for Advancement

As they continue to expand their abilities, millennials want to be rewarded with meaningful opportunities to advance in the workplace. Half of millennial job seekers state that advancement opportunities are extremely important to them. Fewer Gen Xers and baby boomers indicate the same, at 42% and 40%, respectively.

This finding may also relate to age and where millennials are in their career. They are looking to the future, and they want to know that a job will allow them to progress as they hone their skills and extend their career tenure. Older generations might have already met their career goals, or they might not find advancement to be all that desirable. Millennials may be a little more eager to progress.

Much like opportunities for learning and development, millennial candidates need concrete details about how the company makes promotion and advancement decisions. They should walk away with an understanding of how the company handles career pathing and performance management.

50%

OF MILLENNIALS

state that advancement opportunities are extremely important to them when applying for a new job.

Overall Compensation

Where does compensation fall in all of this? Pay, of course, matters to all employees, and millennials are no exception. Nearly half (48%) of millennials say that overall compensation is extremely important to them when seeking new job opportunities. A somewhat smaller number of Gen Xers (46%) say the same, but it is baby boomers (54%) who care the most about compensation in a new job.

Pay is still important to millennials. Understandably, as a generation with high levels of student debt and constrained spending, they want their income

48%

OF MILLENNIALS

say that overall compensation is extremely important to them when applying for a new job.

to be reliable and consistent over time. They need to earn enough to help them chip away at that debt, invest in big purchases such as a home and or car, start a family and prepare for the future.

Compensation is a standard point of discussion in the recruiting process, but millennials pay close — and in some cases, more — attention to other job attributes, including learning and advancement opportunities. Therefore, companies shouldn't solely rest on competitive wages in their attraction strategies. Talk about compensation, but don't believe millennials *only* choose jobs based on the paycheck.

Work-Life Balance, Well-Being and Security

For the modern workforce, the decision to pursue a new job opportunity is often as much about the role as it is the company and the value it places on its employees. As work and life have become closely integrated, millennials increasingly want to work for a company that invests in them as employees *and* people. In another study, Gallup asked workers to rate certain factors that go into their decision to take a job with a different company. Gallup found that millennials care greatly about what a company can provide them in terms of leading a better overall life.



Nearly six in 10 (57%) millennials say that work-life balance and personal well-being in a job is very important to them. An equal number of Gen Xers rate this attribute as very important, while fewer baby boomers (49%) do the same.

The American workforce has increasingly adopted an “hours culture,” where the standard 40-hour workweek represents the bare minimum. This type of culture can be toxic, and plenty of millennials likely witnessed their parents’ stress levels soar or felt the brunt of not having their parents readily available to them because of it. Millennials are not willing to sacrifice life for work. They look to companies that enable them to integrate the two and value and honor them as people, accounting for all of their well-being needs.

Well-being can be a differentiator for a company in its attraction messaging. While many organizations have wellness programs, fewer take a holistic approach to helping each employee lead a life well-lived. As part of their overall messaging, organizations should emphasize their focus on well-being and what they offer employees to help them reach their physical, community, social, purpose and financial goals. Companies should also publicize their flexible work arrangements, highlighting flexible scheduling and work-from-home options.

Millennials also want stability for their job and paycheck, with over half of millennials (53%) stating that job security is very important to them. Compared with millennial responses, this requirement is considered very important to more Gen Xers, but fewer baby boomers. Fifty-six percent of Gen Xers say job security is very important when considering a new job, versus 46% of baby boomers.

All employees want reliable jobs with stable companies. Millennials have higher levels of student debt and lower levels of spending than other generations. Many cannot afford to lose their jobs or have their hours cut back. They need to know a company is going to stick around before they sign on with them.

Companies must integrate a message of stability into their attraction materials. They should demonstrate to prospective employees that they have a solid reputation and a pattern of growth. Candidates will want to know the organization is on firm ground and has a bright future.

WHAT ORGANIZATIONS GET WRONG ABOUT ATTRACTION STRATEGIES

Leaders commonly believe millennials prefer organizations that more closely resemble coffee shops and arcades than office spaces, but this simply isn't true. Gallup finds that an informal work environment is the *least* important job factor among millennial job seekers. Just 15% of millennials state this job factor is extremely important to them when applying for a job.

In similar findings, only 18% of millennials report that a “fun place to work” is extremely important to them when applying for a job and 25% say the same of an organization that encourages creativity. Perks such as on-site rock walls and game rooms are far less likely to attract millennials than businesses might expect. Furthermore, millennials are not all that interested in companies that emphasize a “color outside the lines” mentality. Of all generations in the workplace, baby boomers actually place the highest value on these workplace attributes.



When developing attraction strategies, organizations should be cautious of how much they emphasize a fun, entertaining work environment. Millennials would much rather know that a potential employer wants to invest in their career trajectory, development and holistic well-being.

MAXIMIZING PERFORMANCE

MANAGERS MUST BE COACHES

A strong attraction strategy helps draw millennials to a company, but it does little to keep them there. Engaging, developing and retaining this cohort ultimately comes down to performance management.

For millennials — and all employees — Gallup has found that the quality of the manager is an essential component in a job search. But once millennials actually get to work, what exactly do they expect of their managers?

Ultimately, millennials expect their managers to do more than just manage; they expect them to *coach*.

Managers who can effectively coach employees understand the fundamental factors that motivate each worker's performance and enable him or her to optimize that performance. These managers help employees accelerate their personal and professional growth. They care about their workers as people and want to see them succeed. But more importantly, these managers *take action* to enable that success. They individualize expectations and remove any barriers to high performance.

TOP FOUR THINGS MILLENNIALS WANT MANAGERS TO FOCUS ON

- job clarity and priorities
- ongoing feedback and communication
- opportunities to learn and grow
- accountability

It is important to note that the four needs are not entirely unique to millennials. For example, all employees want to know what's expected of them at work. However, as consumers of the workplace, millennials have been able to place pressure on organizations to ensure that managers understand and deliver on these needs.

MILLENNIALS REQUIRE MORE THAN A JOB DESCRIPTION

Millennials need well-defined expectations and goals to perform with excellence. How managers will assess performance and where they set the bar for goals need to be crystal clear. This means managers must help each employee understand how his or her goals and performance align with team and organizational objectives. Knowing what's expected of them at work and why offers millennials a distinct path to success.

When millennials understand what achievement looks like in their role, their engagement skyrockets.

72%

OF MILLENNIALS

who strongly agree that their manager helps them set performance goals are engaged.

Employee engagement drops by 45 points for millennials who believe otherwise. This is similar to that of non-millennials: 69% of workers from other generations who strongly agree with this statement are engaged, and that percentage drops by 47 points for non-millennials who do not strongly agree.

Managers and employees should mutually agree on expectations, even working collaboratively to define them. Millennials want to understand their work beyond what a job description can supply. Managers must provide them with well-articulated expectations aimed at excellence and individualized to their unique strengths. Too often, managers set the same expectations for all employees, forcing people into the same model or peer-to-peer comparison group. This approach doesn't work; it overlooks and minimizes how each person best contributes. Managers must understand each employee and what he or she does best.

Job clarity for millennials comes down to setting expectations and priorities. However, millennials are significantly less likely than non-millennials to strongly agree that they know how to prioritize their responsibilities at work (54% of millennials vs. 71% of non-millennials). Perhaps understanding how to organize work comes with age and experience, but managers nonetheless have a pressing need to help their millennial employees set short- and long-term priorities. Without a sense of direction, millennial employees will likely feel lost or try to tackle too much at once. Neither scenario leads to great performance.

When millennial workers do understand their work priorities, their engagement flourishes. Nearly seven in 10 millennials (67%) who strongly agree that their manager helps them establish priorities are engaged, compared with only 27% of millennials who do not strongly agree. It's vital for millennials to receive their managers' help with shaping their workload and heading in the right direction.

MILLENNIALS NEED FREQUENT FEEDBACK AND INTERACTIONS

The relationship between manager and employee represents a vital link in performance management. As is often the case, communication is crucial for that relationship to succeed. Millennial workers are more engaged when their managers provide frequent and consistent communication and feedback. Forty-four percent of millennials who report that their manager holds regular meetings with them are engaged, while only 20% of millennials who do not meet regularly with their manager are engaged. This is similar to older generations; 43% of non-millennials who report their manager has regular meetings with them are engaged.

MILLENNIALS MORE LIKELY TO BE ENGAGED WHEN THEIR MANAGER HOLDS REGULAR MEETINGS WITH THEM

Does your manager hold regular meetings with you?

"Engaged"

YES

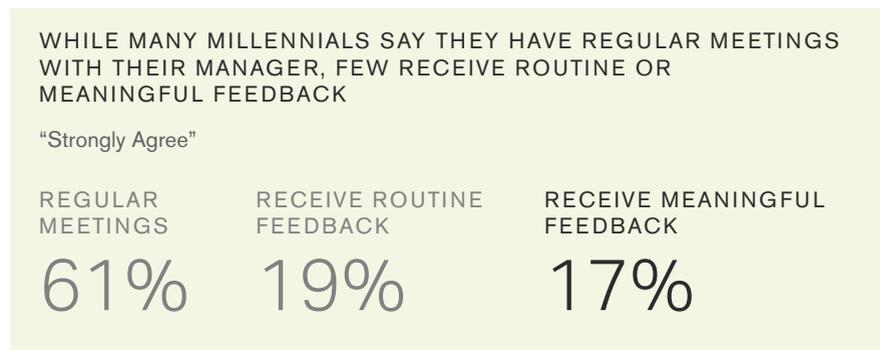
44%

NO

20%

Regular meetings and consistent feedback pay dividends not only in engagement, but also in performance. Employees who meet regularly with their manager generate higher performance for their team and company. They are also more likely to agree that they regularly receive recognition and praise, that someone cares about them as people and that someone cares about their development.

How are U.S. managers doing when it comes to keeping the lines of communication open? Gallup finds that 61% of millennials report their manager holds regular meetings with them — slightly higher than the 55% of non-millennials. However, just 19% of millennials strongly agree that they routinely receive feedback about their work, and only 17% strongly agree that they receive “meaningful feedback” when they make a suggestion about improving performance.



Moreover, it appears that millennials aren't comfortable talking to their managers about their need for feedback. Only 15% of millennials strongly agree that they routinely *ask* for feedback about their work. And 33% of millennial workers strongly agree that they have told their manager the one thing they “need most” to get their work done and why — the lowest of all generations. This makes it even more important for managers to not only initiate conversations with millennial workers, but to also encourage these workers to speak up about what they need.

Effective feedback is rooted in a few essential tenets; chief among them is frequency. While Gallup research indicates that the frequency of meetings is less important to employees than the fact that they happen at all, engagement is *highest* among employees who meet with their manager at least once a week.

The more conversations managers have with their employees, the more engaged their employees become. But Gallup found that only 21% of millennials and 18% of non-millennials meet with their manager on a weekly basis. The majority of employees say they meet with their manager as infrequently as less than once a month (56% for millennials and 53% for non-millennials).

Ultimately, managers should strive to quickly connect with their employees every day. Gallup is not suggesting that managers hold daily progress meetings with their millennial workers in which they go over a checklist of projects, tasks and deadlines. Instead, these ongoing conversations should be treated as coaching conversations, providing employees with an opportunity to tell their manager what they need or what's on their mind and to receive immediate feedback.

Quick connects also do not have to take the form of face-to-face meetings. While all forms of communication are effective, managers who use a combination of face-to-face, phone and electronic communication are the *most* successful at engaging employees. This is good news for managers who increasingly manage employees working remotely or from home, but it still underscores a need to continue having face-to-face conversations — even if that means videoconferencing or using Skype.

Daily connects offer managers and millennials the chance to catch up, but they are not outlets for formalized feedback. Managers should still hold semiannual progress conversations with employees focused on their accomplishments, next steps and growth. But the sticking point here is that millennials need both informal check-ins and formal development conversations with their managers.

THE ART OF CONVERSATION

Daily connects are beneficial for managers to provide feedback and help millennials navigate their roles. But these connects can be — and should be — about more than performance. Managers should use those ongoing check-ins to get to know their employees and what’s going on in their lives, to ensure they are continually using their strengths, and, when authentic and appropriate, to discuss their well-being.

Conversations Must Be About More Than Work

Millennials appreciate and desire communication with their manager, not only about their roles and responsibilities, but also about what happens in their lives outside of work. While conversations about their jobs are absolutely important, they are not enough to meet millennials’ workplace needs.

Millennials are a highly connected and empathetic group; they are social and caring by nature. They look for the same qualities in a manager and want to build a holistic relationship. Unfortunately, slightly less than one in two millennials strongly agree that their supervisor, or someone at work, seems to care about them as a person.

When managers are open and approachable — when they make employees feel comfortable sharing their needs, challenges and questions — their employees are more likely to be engaged. Gallup finds that 59% of millennials who strongly agree that they can talk with their manager about “non-work-related issues” are engaged. Millennial workers who can speak more freely with their managers are also more likely to stay with their company.

Only
29%

OF MILLENNIALS

strongly agree that they feel comfortable discussing life outside of work with their manager.

However,
62%

OF MILLENNIALS

who feel that they can talk with their manager about non-work-related issues plan to be with their current organization one year from now.

Reinforcing these findings, 53% of millennials who strongly agree that their manager responds to their messages within 24 hours say they plan to stay with their current organization for at least one year. The implication for managers is clear: Talk to your employees about their lives and pay attention to them when they reach out.

When managers get to know employees as people, trust develops between them. That trust is vital to helping employees feel safe and supported, as well as to building a productive workplace in which people feel comfortable enough to experiment, challenge, share information and support one another. The outcome of this trust is higher engagement and retention. Despite wanting and needing a trusting relationship with their manager, the sad truth is that a majority of millennials don't feel comfortable bringing concerns to their manager or talking with their manager about work and non-work-related issues.

But managers can do something about this problem. To start, they need to make a concerted effort to get to know their employees and help them feel comfortable talking about any subject, whether it is related to work or not. Managers should strive to understand their individual employees, including how they like to be motivated and how to build genuine relationships with them. Like all employees, millennials deal with various successes and challenges both in and out of the office — and they need to be led by managers who see and understand them as people.

Conversations Must Be About Strengths

Millennials want to do work they can feel good about; over half (54%) say it's extremely important to do what they are “really good at” in a job. This need is reflective of human nature. When employees are mismatched in a role, they can struggle to succeed or become bored and restless. Their days — even their careers — can feel wasted, along with their sense of purpose. For millennials, having a job that enables them to make the most of their knowledge and skills is of the greatest importance.

Millennials are drawn to do what they do best every day — they naturally want to play to their strengths. Managers must talk to their employees about their strengths, helping them identify and capitalize on their talent, skills and knowledge. A strengths-based approach to performance management just feels better for all employees, and it enables their engagement to soar.

Gallup has found that

70%

OF MILLENNIALS

who strongly agree that their manager focuses on their strengths are engaged.

In contrast, 39% of millennials who strongly agree that their manager focuses on their weaknesses or negative characteristics are engaged at work.

By focusing on their millennial workers' strengths, managers also dramatically increase the likelihood that these employees will stay with the company. Gallup found that 62% of millennials who strongly agree that their manager focuses on their strengths or positive characteristics plan to be with their current company for at least one year — 22 points higher than millennials who state otherwise.

However, far too few millennials have the opportunity to do what they do best every day. Only 28% of millennials strongly agree that their manager focuses on their strengths, lower than the 31% of non-millennials who say the same. When managers do not know and cannot leverage their employees' strengths, they essentially undercut their performance, preventing them from doing what they do best and achieving excellence.

Managers must help employees know their strengths, teach them to consistently apply strengths to their roles and encourage them to use their strengths every day. However, while people generally enjoy the process of discovering what they are good at, employees' strengths need a clear purpose. Managers have to know what their team members do best and use the information with intent — aiming it at performance.

Conversations Must Be About the Whole Person

Millennials and their managers must work up to conversations about well-being. Here, “well-being” refers to the whole person and takes into account all of the factors that affect how an individual thinks about and experiences his or her life. Well-being is important to millennial employees, and they want their managers to take an interest in their lives outside of work, but well-being conversations require a certain level of trust between employees and managers. Employees have to feel comfortable talking to their manager about the personal aspects of their life, perhaps including their physical, social and financial goals.

Likewise, managers have to know their employees well enough to understand when it makes sense to bring up well-being as a topic of conversation. They have to gauge what guidance or encouragement to offer and where to point employees to help them reach their goals. Once managers master the work, life and strengths conversations, they can introduce well-being into the mix. The best managers ensure that their employees get every opportunity to excel in their lives outside of work. They do not see these types of conversations as outside their realm of responsibility, but they realize it can take time to build up to them.

Of working millennials, just 5% are thriving in all five elements of well-being (defined in the chart on page 43), compared with 6% of non-millennials. Less than 40% of working millennials are thriving in any one of the elements. Compared with employees in other generations, millennials are more likely to be thriving in purpose and physical well-being. However, non-millennials are more likely to be thriving in financial and community well-being.

MILLENNIALS MORE LIKELY TO BE THRIVING IN PURPOSE AND PHYSICAL WELL-BEING THAN OTHER GENERATIONS

PURPOSE: Liking what you do each day and being motivated to achieve your goals

MILLENNIALS

37%

OTHER GENERATIONS

35%

SOCIAL: Having supportive relationships and love in your life

MILLENNIALS

37%

OTHER GENERATIONS

40%



FINANCIAL: Managing your economic life to reduce stress and increase security

MILLENNIALS

32%

OTHER GENERATIONS

38%

COMMUNITY: Liking where you live, feeling safe and having pride in your community

MILLENNIALS

31%

OTHER GENERATIONS

39%

PHYSICAL: Having good health and enough energy to get things done daily

MILLENNIALS

31%

OTHER GENERATIONS

29%

In many organizations, wellness programs are highly — if not only — focused on physical health. While important, overall well-being encompasses more than physical fitness; it also speaks to an individual's purpose, financial, social and community well-being.

Gallup studied various outcome-oriented metrics and found that, without exception, millennial workers who report high levels of well-being in all five elements outperform millennials who are physically fit but otherwise lacking.

Although all outcomes are striking, it is particularly notable that millennials thriving in all five of the well-being elements are

85%

LESS LIKELY

than those thriving in only physical well-being to say they plan to leave their employer when the job market improves.

WORKERS WHO ARE THRIVING IN ALL FIVE WELL-BEING ELEMENTS OUTPERFORM
THOSE WHO ARE THRIVING IN PHYSICAL WELL-BEING ALONE

Impact on Outcomes

More likely to always adapt well to change

| MILLENNIALS | U.S. ADULTS |
|-------------|-------------|
| +93% | +119% |

More likely to always bounce back after illness

| MILLENNIALS | U.S. ADULTS |
|-------------|-------------|
| +41% | +36% |

Reduction in absenteeism from work

| MILLENNIALS | U.S. ADULTS |
|-------------|-------------|
| -38% | -41% |

Less likely to intend to move to new employer when job market improves

| MILLENNIALS | U.S. ADULTS |
|-------------|-------------|
| -85% | -81% |

More likely to donate money to charity in 12-month span

| MILLENNIALS | U.S. ADULTS |
|-------------|-------------|
| +11% | +23% |

More likely to report volunteerism in 12-month span

| MILLENNIALS | U.S. ADULTS |
|-------------|-------------|
| +30% | +43% |

Gallup-Healthways Well-Being Index
Data are weighted by age, gender, marital status, education, household income, employment status and region

Some managers may feel lost when it comes to talking about well-being with their employees. As a starting point, Gallup data reveal that there is a need within companies to let current employees know well-being programs are available to them. Among organizations that offer well-being programs, 60% of their employees say they are aware of these programs. Furthermore, only 40% of the employees who know about these programs say they participate in them. Managers have an opportunity to both educate their employees on well-being and encourage their involvement.

Managers can also start well-being conversations just by asking employees, “Is there an aspect of your overall life that I can support?” The five elements can then help managers more clearly individualize activities based on each employee’s situation. They can even apply to progress-review conversations in ways that encourage employees to pursue their well-being goals and that deepen the manager-employee relationship.

MILLENNIALS SEEK LEARNING AND DEVELOPMENT OPPORTUNITIES

Millennials’ optimal performance is rooted in knowing what’s expected of them, consistently communicating with their manager about work and life, and receiving ongoing learning and development opportunities.

Managers should take advantage of what they know about each employee to further his or her development, both by linking to strengths and by truly knowing the individual. A striking 87% of millennials rate “professional or career growth and development opportunities” as important to them in a job — far more than 69% of non-millennials who say the same. But when it comes to developing millennial workers, managers are not fulfilling this need: One in four millennials strongly agree that there is someone at work who encourages their development.



It's noteworthy that millennials' relatively greater emphasis on development may be, in part, related to their stage of life. Gallup has found that among all generations in the workplace, opportunities to learn and grow is one of the top three drivers of retention among millennials and the only factor of retention that separates millennials and non-millennials.

Regardless of the reasons behind millennials' desire to enhance their skills and further their careers, this aspect of employee development is a missed opportunity for managers. Although millennials are most interested in opportunities to learn and grow, only 39% strongly agree that they learned something new in the past 30 days that they can use to do their jobs better. Slightly less than one in two millennials strongly agree that they have had opportunities to learn and grow within the past year. To make matters worse, millennials expect these learning experiences to be valuable, but only one-third strongly agree that their most recent learning opportunity at work was "well worth" their time.

One of the most consistent criticisms aimed at millennials is that they haven't "earned" their right to receive development opportunities. They shouldn't expect a company to invest in them until they can show they are worthy of such an investment. They aren't entitled or owed the opportunity to develop.

Managers need to recognize that millennials do not feel entitled; they feel empowered. They want to expand their knowledge and skills, they want to be useful, and they want their work and workplace to have meaning to them. Millennials' development is paramount to them. They view their jobs as growth opportunities and look to their managers to help them progress. In millennials' eyes, development shouldn't only come through tenure. Millennials want managers to find ways to invest in their futures, hone their skills and coach them to become the best workers they can be — starting today.

Managers are largely not providing the developmental opportunities millennials want, and the opportunities they have offered are missing the mark. Managers should know how each employee best learns and ensure that he or she is learning through various outlets. These outlets could include new responsibilities and tasks that allow employees to expand their knowledge and experience — perhaps planning an event, managing a project

or leading a meeting. But employees should also have an opportunity to take part in more formalized learning through classes or coursework.

Above all, flexibility is a necessity in millennials' learning and development. To accommodate their busy schedules, managers should meet them where they are with diverse learning options, such as emailing pertinent journal articles or offering full-day learning seminars. In addition, with millennials' online, tech-savvy lifestyles, managers should consider sharing on-demand learning opportunities via mobile and social network channels.

Ideally, managers should collaborate with their millennial employees to create concrete plans for their learning and development. This aspect of millennial workers' careers is too important to gloss over or save for annual or semiannual reviews. In their ongoing conversations with millennial team members, managers must focus on growth opportunities. They should ensure that millennials are continuously expanding their knowledge, skills and experience, and help them fill in gaps or take on new challenges that can contribute to their individual development.

MILLENNIALS VALUE ACCOUNTABILITY

Another common misconception about millennials in the workplace is that they want to sidestep accountability and forgo responsibility. However, in examining millennials' collective CliftonStrengths data, Gallup finds the opposite to be true. Millennials have high Responsibility and Achiever, meaning they care greatly about seeing tasks and projects completed. Millennials want managers to hold them accountable and possess an innate sense of ownership of their work. They need to feel productive, and this need resets itself each day. Their accomplishments only fuel them to do more.

Gallup's studies on millennials show that these employees not only need accountability, but they are also more engaged when they get it. Nearly six in 10 millennials (56%) who report that their manager holds them accountable at work are engaged, compared with 48% of non-millennials who say the same.

Millennials respond to managers who hold them accountable, and managers who do so greatly enhance the chances that their millennial employees will stay with them.

59%

OF MILLENNIALS

who strongly agree that their manager holds them accountable for their performance say they plan to be with their current organization for at least one year.

Similarly, 56% of millennials who strongly agree that their manager knows what projects or tasks they are working on also say the same of their expected tenure.

But there is a disclaimer in millennials' need for accountability and responsibility. Millennials' collective strengths data portray them as high achievers. Within this generation, many millennials like to take on work and are driven to get that work done. The challenge for managers is to ensure that these employees don't take on too much. They must help their millennial workers prioritize their projects and tasks to ensure they do not burn out.

STRENGTHENING WORKPLACE CONNECTIONS

MILLENNIALS SHOULD UNDERSTAND HOW THEY FIT WITH TEAMS, ORGANIZATIONS

After establishing a solid basis for performance management, managers must ensure that their millennial employees understand how they connect with their teams and organizations. Millennials don't just see their job as a job; they see it as a representation of their life, and they want that life to have meaning. Millennials' connections to their team and workplace help fuel a greater sense of empowerment, mission and engagement.

MILLENNIALS LACK TEAM ALIGNMENT

Unfortunately, team alignment is mostly absent among millennials. Gallup has found that 43% of millennials strongly agree that they know what their coworkers are expected to do at work, while 57% of the older generations say the same. In addition, 39% of millennials strongly agree that they know the strengths of the people they work with regularly, compared with 46% of non-millennials.

These findings reveal a stark contrast between younger and older generations in the workplace and their awareness of their team members' responsibilities and strengths. Perhaps Generation X and baby boomer employees are more likely to have these types of conversations with their team members. Alternatively, it could be that managers aren't placing enough emphasis on team alignment with their millennial employees, incorrectly assuming this generation doesn't care about working as part of a team.

But millennials do desire team alignment. They want to understand how their role fits in with their larger team or teams. Here, the manager's role again becomes paramount. The best managers know each team member's strengths and weaknesses and have a knack for orchestrating and coordinating each worker's strengths to fit the goals of the team. Furthermore, they communicate and bring to light their team members' strengths.



As a group, millennials show more interest in getting to know their team members as people. Gallup data reveal that 44% of millennials strongly agree that they learned something recently about a coworker's interests outside of work. A much smaller number of non-millennials (32%) say the same — revealing a 12-point difference between the generations. Millennials are just as likely to be aware of their teammates' hobbies as they are of their teammates' workplace goals.

Holistic team connections are ideal — Gallup has consistently found that having a best friend at work is a powerful factor in employee engagement. Yet the fact that millennials generally have relatively lower team alignment is a problem; millennials, like all employees, need to know what's expected of the people around them to achieve optimal team performance. Greater team alignment — concerning both work and non-work-related issues — would substantially benefit millennials' performance and engagement.

Despite their poorer team alignment, millennials are the most likely generation to thrive in a highly connected environment with matrixed teams. Matrixed teams — in which employees work on multiple teams every day with different people but mostly report to the same manager — do not adversely affect millennials' engagement. In fact, among employees who state they work in a matrixed environment, millennials are slightly more engaged than other generations (38% engagement among millennials vs. 28% of Gen Xers and 30% of baby boomers). It is possible that millennials' comfort in the midst of far-reaching organizational connectedness is related to their expansive social networks outside of work. As the most socially connected generation, millennials likely feel at home with broad workplace networks.

To better align their teams, managers should make team meetings regular occurrences, encourage a shared language of strengths, and take strides to ensure that each member of the team understands coworkers' role expectations and how their work fits into the team performance equation. Managers must also enable their team members to get to know each other in authentic ways — not forcing friendships, but creating conditions under which relationships can *naturally* thrive.

MILLENNIALS WANT TO UNDERSTAND THE BIG PICTURE

In addition to wanting a strong sense of team, millennials require an overarching sense of organizational purpose — a connection to the “big picture” of why the company exists and what it brings to the world. When choosing which jobs to apply for, Gallup found that 58% of millennials rate “quality of management” as an extremely important attribute. They look to a company’s leadership to set the tone for the organization.

A company’s purpose is also instrumental in retaining millennials once they are in their jobs. Seventy-one percent of millennials who strongly agree that they know what their organization stands for and what makes it different from its competitors say they plan to stay with their company for at least one year. That number falls to 30% for millennials who strongly disagree. Among non-millennials, 83% who strongly agree with this statement say they will be with their company for at least one year, with that number falling to 40% for those who do not strongly agree.

At its core, a company’s purpose or mission is a bold affirmation of its reason for being in business. But having a strong mission and purpose also instills a sense of pride in employees. As part of a positive and idealistic generation, millennials want to understand how their jobs fit into the grander scheme of things — and they want to feel good about that connection.

A company’s purpose matters to millennial employees — and all employees — but in the workplace, Gallup data reveal that slightly more than one in three millennial workers strongly agree that the mission or purpose of their organization makes them feel their job is important. This percentage puts millennials ahead of Gen Xers and baby boomers on the same measure, but it shows that just slightly more than one in three millennials can connect their work to their organization’s purpose.

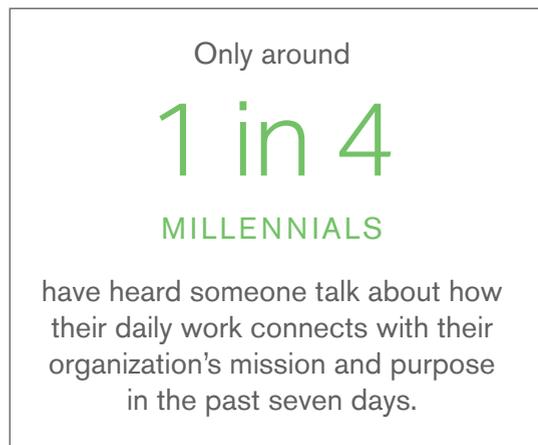
71%

OF MILLENNIALS

who strongly agree that they know what their organization stands for and what makes it different from its competitors say they plan to stay with their company for at least one year.

Organizations must ensure that millennials understand the organization's purpose and how it ties back to their individual work and priorities. Leaders and managers have to talk about mission and purpose on an ongoing basis, encouraging employees to ask questions and providing them with examples of what living the mission looks like. They must also recognize employees when they see them acting on the organizational mission or purpose.

However, Gallup has found that only 26% of millennials say that in the past seven days, they have heard someone talk about how their daily work connects with their organization's mission and purpose. A somewhat higher number of these workers — 34% — say that in the past 30 days, they have heard a story about how their company impacted a customer to improve their business or life. Millennials are only slightly more likely than non-millennials to agree with these statements, indicating that overall, organizations are doing a poor job of rallying employees around a greater purpose and tying it back to day-to-day activities.



Understanding a company's purpose helps employees answer the question, "Do I belong here?" This is a significant question for millennials, who want jobs to have meaning. Leaders and managers have to ensure these employees can answer "yes" to that question. Because mission and purpose are so important to millennials, managers may also want to spend time collaborating with their team members on a shared mission to guide team actions and decisions. This action could also help improve team alignment.

BECOMING MILLENNIALS' EMPLOYER OF CHOICE

Leaders and managers need to recognize that millennial workers are not as enigmatic as they might seem. Gallup research clearly shows that the needs and wants of millennials and non-millennials in the workplace are largely the same.

One true difference between the various generations is that millennials are consumers of the workplace. They are not going to sign on for jobs right after high school or college and dedicate the next 40 years of their lives to them. Millennials are mobile and informed. They get to be choosy. They get to browse before they buy. Companies have to ensure that millennials want what they are selling — that they are an “employer of choice.”

More than half of the millennial workforce are considering leaving or planning to leave their jobs; 60% of millennials say they are open to different job opportunities. This provides an opening for organizations to attract talented millennial candidates, but it also challenges them to retain their existing talent.

An increasingly favorable job market is perhaps motivating millennials to explore their options. Or, it could be that their current employer simply isn't meeting their role and workplace needs. With only 29% of millennials engaged at work, it's likely that many millennials fall into the latter category.

What leaders and managers should be talking about is how to be that employer of choice in both attracting and retaining millennial workers. Perhaps recruiting and managing this group — and maximizing their performance — is not as hard as people believe. Millennials are achievers who aren't afraid of pressure and who expect to be held accountable for their work. But because they are rather new to the workplace, millennials still need and want guidance and encouragement in the form of clear expectations and supportive managers. They see work and life as closely integrated, and because of this, their performance is of the utmost importance to them. Their work speaks to their greater sense of purpose and fuels their ability to lead lives well-lived. The key for organizations that want to understand millennials is to ensure that they optimize their performance management systems to meet these workers where they are.

44⁰%

OF MILLENNIALS

say religion is not important to them.

Millennials as People

MILLENNIALS ARE MAKING THEIR MARK in every arena of public life — from the workplace to the marketplace, from the voting booth to the church pew. At 73 million strong, this generation can dramatically influence and even reshape several important aspects and institutions of American life. Some might say they already have.

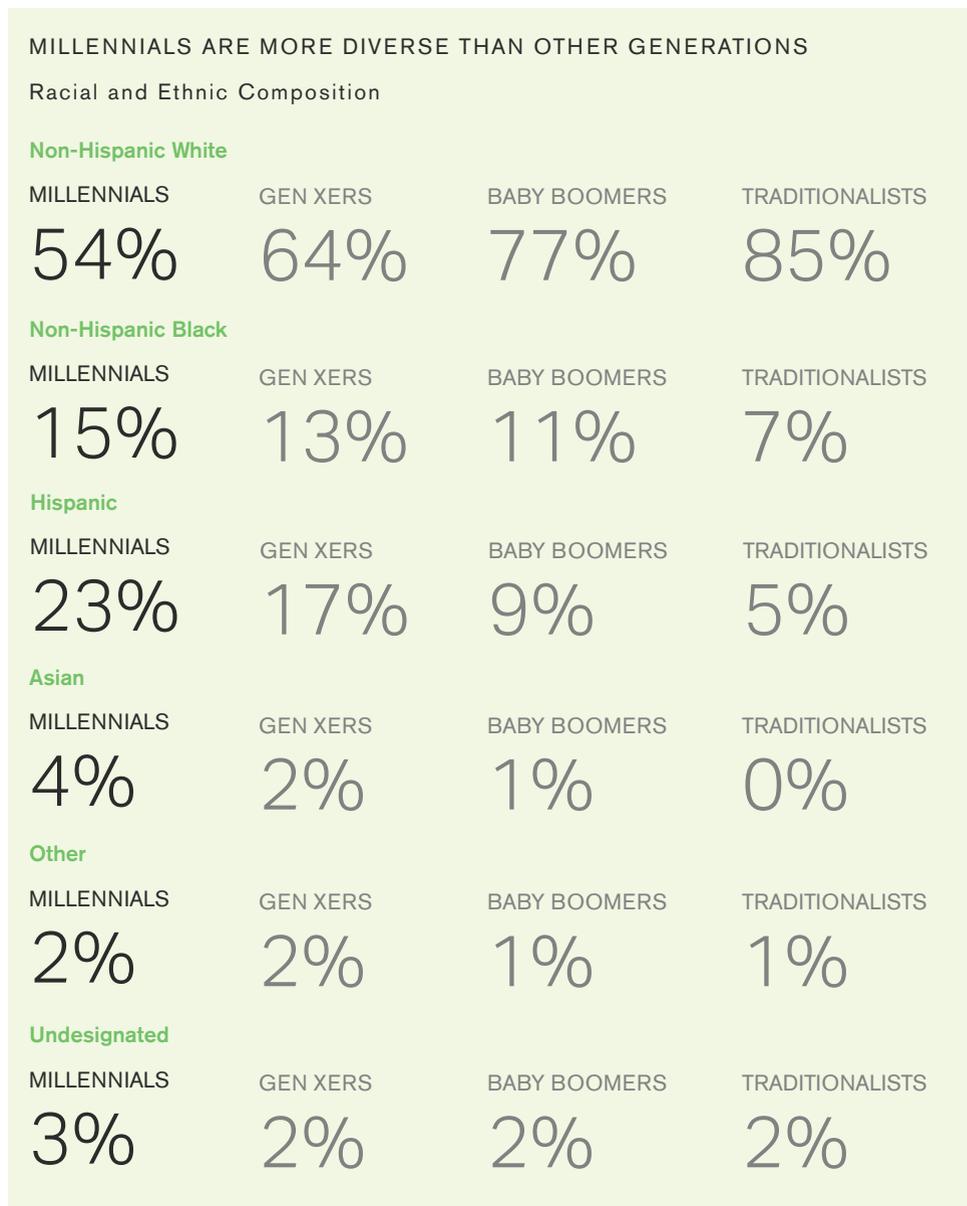
For every generation, early adulthood is a time of dramatic growth and tumultuous upheaval, and it is no different for millennials. However, the time-honored progression of traditional milestones — graduating from college, finding a good job, getting married, buying a home and having children — is unfolding differently for many millennials than it did for their parents. While they may strive for many of these things in their lives, they often attain them in an entirely different order or on a much longer timeline. For the most part, this suits them fine. Millennials appear to rethink and reconstruct social norms to better fit their needs, ready to throw off convention when it no longer serves a compelling purpose.

It is impossible and unadvisable to say that all millennials are “this” or “that.” Members of this generation were born between 1980 and 1996, and are in various stages of their lives, with different needs and priorities. Younger millennials are just entering adulthood, attending college or entering their first full-time jobs, while many older millennials have already spent several years in the workplace. However, Gallup’s comprehensive research reveals widespread social and cultural trends among members of this generation. These findings provide insight into millennials’ defining characteristics, their motivations and connections, and their participation — or lack thereof — in traditional American institutions.

DEFINING CHARACTERISTICS

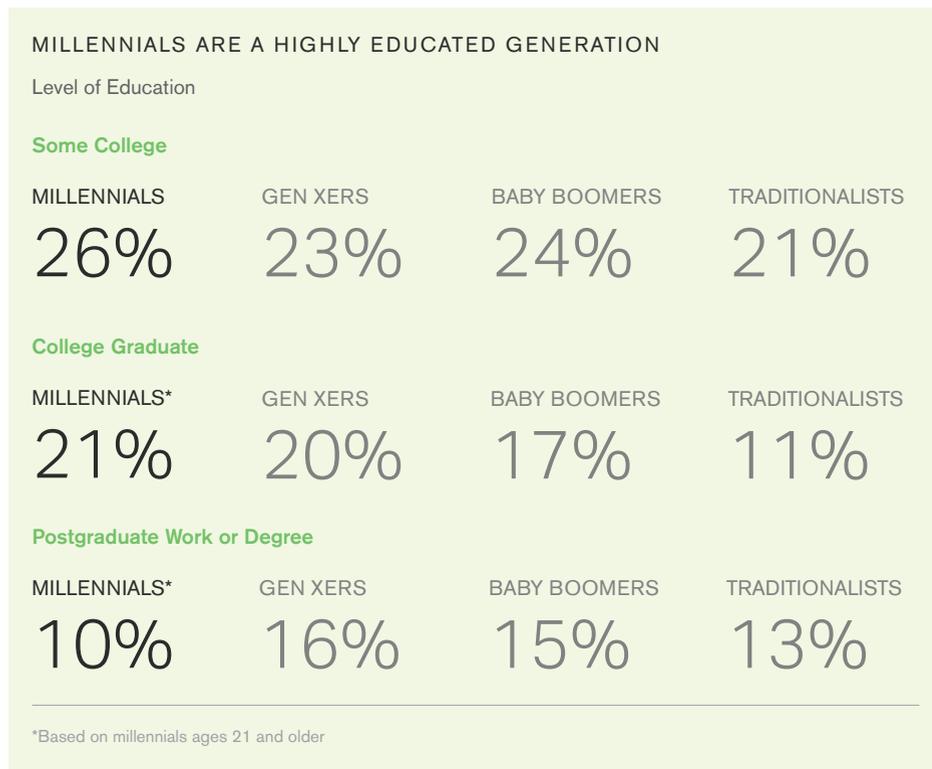
THE MOST DIVERSE GENERATION

As the U.S. has grown increasingly racially and ethnically diverse, millennials have become the poster children for the new America. While large majorities of traditionalists (85%), baby boomers (77%) and Gen Xers (64%) are white, a smaller majority of millennials (54%) fall into the same category. Nearly half of millennials (47%) are not white, representing a trend driven by a surge of immigration that started in the 1940s.



HIGHLY EDUCATED

Millennials are entering the workforce as a highly educated generation. According to Gallup data, one in three (31%) millennials over the age of 21 now hold a college or advanced degree. In comparison, BBVA researchers found — using data from the U.S. Census Bureau — that 7.7% of individuals in 1950 had four years or more of college. Thirty years later, the number had climbed to 22.5% as the last of the baby boomers entered college.



A college degree has increasingly become an indisputable necessity for obtaining higher-paying and better-positioned roles. Millennials have proven they are eager to advance their knowledge and skills and take advantage of opportunities in the workplace, or at least provide themselves with a better starting position.

OPTIMISTIC ABOUT THEIR FINANCIAL STANDING

As the U.S. economy recovers from the Great Recession, millennials are relatively upbeat about their current cash flow. Millennials are an idealistic group; more than half say they are feeling better about their financial situation these days (56%) — 13 percentage points higher than older generations who say the same. Further, half of millennials say they are feeling pretty good these days about the amount of money they have to spend, which is higher than the 45% reported by the three older generations.

In fact, more than two-thirds of millennials say they have enough money to buy the things they need, which is on par with other generations. However, 28% of millennials agree that they have more than enough money to do what they want to do, a statement with which 31% of the three other generations agree.

Still, most Americans are monitoring their spending these days, and millennials are no different. Slightly fewer than nine out of 10 millennials (88%) agree they are watching their spending very closely, while two-thirds say they are cutting back on how much money they spend each week. One-third say they worried yesterday that they spent too much money. These numbers are similar to those of older generations.

The one measure on which millennials fall substantially short compared with other generations is being able right now to make a major purchase, such as a car, appliance or furniture, or to pay for a significant home repair if needed. Just 38% of millennials answer “yes” to this, versus 54% of other generations.

These findings indicate that millennials feel reasonably optimistic about their current financial situation and their spending power to buy the everyday items they need. Still, unlike older generations who have been working — and presumably saving — longer, it would seem millennials have yet to build up the substantial amount of funds needed to purchase big-ticket items.

MILLENNIALS FEEL BETTER ABOUT THEIR FINANCIAL SITUATION THAN OTHER GENERATIONS

"Yes or Agree"

Do you agree or disagree that you are watching your spending very closely?



Would be able right now, to make a major purchase, such as a car, appliance or furniture, or pay for a significant home repair if you needed to?



Are you feeling pretty good these days about the amount of money you have to spend?



Did you worry yesterday that you spent too much money?



Do you agree or disagree that you have more than enough money to do what you want to do?



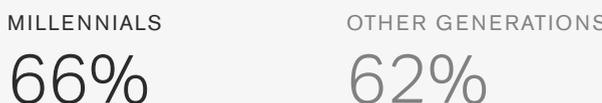
Do you have enough money to buy the things you need?



Are you feeling better about your financial situation these days?



At this time, are you cutting back on how much you spend each week?



UNDEREMPLOYED AND EARNING LESS

Millennials have invested more heavily in their education than previous generations. As they move into the job market in greater numbers, it will be compelling to see what effect this influx of highly educated workers will have on the U.S. workplace and the economy. For now, two important economic trends are working against this generation.

First, millennials have the highest rates of unemployment and underemployment of any generation studied. Gallup defines “underemployment” as the percentage of adults in the workforce who are unemployed and those who are working part time but desire full-time work.

OF MILLENNIALS WHO WANT TO WORK,

7%

are currently jobless, and another

10%

ARE EMPLOYED PART TIME,
but would prefer to find a full-time job.

MILLENNIALS HAVE THE HIGHEST RATES OF UNEMPLOYMENT AND UNDEREMPLOYMENT COMPARED WITH OTHER GENERATIONS

% of "Current Employment"

■ Millennials ■ Gen Xers ■ Baby Boomers ■ Traditionalists



Second, millennials earn substantially less than other all generations: 12% of millennials' household income level falls at or below the 2014 federal poverty level of \$12,316 per year. Nearly four out of 10 earn less than \$3,000 per month — also the highest among all generations. At the other end of the income scale, significantly fewer millennials are currently earning over \$15,000 or more per month compared with all other generations except traditionalists.



As the newest members of the workforce, it is understandable on some level that millennials have the lowest wages of all generations. However, they are a highly educated group, and there are signs of improvement in the job market. Where's the disconnect? In some cases, college-educated millennials are simply overqualified for the jobs that are open. They either choose not to take these jobs, get passed over for them, or end up taking these positions and earning lower wages than they would have expected.

MIRED IN STUDENT DEBT

Millennials' unprecedented educational advances have come at an extraordinary price. Student loan debt burden has grown to crippling proportions for many millennials exiting college and entering the workforce. In 2014, total outstanding student debt reached nearly \$1.2 trillion dollars, according to the Federal Reserve Bank of New York. Total student loan balances have tripled since 2004 and are the second-largest category of borrowing after mortgages.

The Federal Reserve Bank also reports that one-third of student loan balances are held by borrowers younger than 30, and another third is held by those between 30 and 39, meaning millennials are responsible for the majority of the country's student loan debt. In 2014, there were 43 million student loan borrowers in the country, with an average balance of \$27,000 per borrower. These numbers represent increases of 92% and 74%, respectively, since 2004.

These data match Gallup-Purdue Index research that finds almost two-thirds of recent college graduates took out student loans, with a median debt burden of \$30,000. Further findings concluded that nearly half of recent graduates who incurred any amount of student loan debt have postponed further training or postgraduate education because of their student loans. A third or more have delayed purchasing a house or a car because of their debt, and nearly one in five have put off starting their own business. Each of these figures rises significantly among those with a debt burden of \$25,001 or higher from their undergraduate education.

Millennials' student debt obligations have limited their ability to pursue their personal goals and reach some life milestones, and they certainly help explain the generation's cautious spending and minimal savings. Having to pay hundreds of dollars in student loan payments every month can certainly affect an individual's ability to pay other bills, shop for fun, cover unforeseen expenses and make more expensive purchases.

MORE LIKELY TO BE LIVING WITH PARENTS

Millennials have come of age in one of the most difficult economic environments in the U.S. since the Great Depression. The goal of living independently in an apartment or a first home is proving to be unattainable for many millennials. Homeownership among all Americans has fallen to historic lows since the Great Recession, which in turn has driven up the cost of renting. As a result, many millennials might not be able to afford either rent or a mortgage.

Perhaps this is why nearly one in three U.S. adults younger than 35 live at home with their parents. This includes about half of the youngest millennials — which may not be entirely surprising, given that many are college students who likely rely on their parents for housing and monetary support. However, one in seven older millennials between the ages of 24 and 34 find themselves in this situation as well — three-fourths of whom are single and have never been married.

More millennials are living in households with multiple adults compared with other generations. A tough job market, lower starting salaries, the high cost of housing and other expenses likely combine to make it more difficult for millennials to strike out on their own. Furthermore, Gallup-Purdue

Index findings show that a third of recent college graduates have delayed purchasing a house because of their student loan debt. Over one in three millennials (35%) live in homes with three or more adults – including parents or other adult relatives, domestic partners or roommates — compared with 27% of Gen Xers and 28% of baby boomers.

Home ownership might temporarily be out of reach or on hold for many millennials while they pay down student loan debt, build their careers and save money for a down payment and other necessities. For instance, just 38% say they have the money they would need for a significant home repair.

However, after experiencing the housing bubble and subsequent recession, when millennials might have seen their parents lose some or all of their home's value, it is possible that buying a home is not a top priority for this generation. Being tied to a 30-year mortgage may not be desirable for young people who expect to change jobs and possibly relocate for work a few times over the course of their lives.

1 in 7
24- TO 34-YEAR-OLDS
live at home with their parents.

MOTIVATIONS AND CONNECTIONS

GREATER LEVELS OF EMPATHY, ADAPTABILITY

All people have a unique combination of talents, knowledge and skills — strengths — that they use in their daily lives to do their work, achieve their goals and interact with others. Gallup has found that when people understand and apply their strengths, the effect on their lives and work is transformational. People who use their strengths every day are three times more likely to say they have an excellent quality of life. Workers who receive strengths-based development report higher levels of employee engagement and performance, and they are less likely than other workers to leave their organizations.

Though millennials are now the largest proportion of the U.S. workforce, they are the least likely generation to report using their strengths to do what they do best each day. Overall, working millennials report that they use their strengths to do what they do best an average of 6.7 hours a day, slightly lower than workers from older generations.

CliftonStrengths®

CliftonStrengths is an online assessment that measures a person's natural talents within 34 themes and then identifies their top themes. By revealing the ways in which individuals most naturally think, feel and behave, the assessment can help them understand and build on the areas in which they have the most potential to grow and succeed.

As determined by CliftonStrengths, millennials' five most common strengths are Achiever, Empathy, Learner, Adaptability and Responsibility. Millennials have an intense need to feel productive (Achiever), to take ownership of their work (Responsibility) and to continuously expand their knowledge (Learner). They are compassionate (Empathy) and inclined to live in the moment (Adaptability).

Adaptability – which is more prevalent among millennials than non-millennials – has historically been common among younger respondents. This may reflect younger individuals' stage in life. For example, young people who are used to taking direction from others might exhibit greater Adaptability until they begin to think and act more independently.

It is worth noting that CliftonStrengths includes 34 themes. Gallup analysis has found there are 278,256 possible combinations of top five themes alone (independent of order). When examining the millions of members of the millennial generation, it is difficult to assign generalizations given the number of possibilities. However, CliftonStrengths data do reveal certain patterns. In examining these data, Gallup has discovered similarities and differences between millennials' and other generations' most common strengths.

Millennials share three of five top strengths with their generational cohorts: Achiever, Learner and Responsibility. However, millennials are more likely to see themselves in other people's shoes and are more likely to have a go-with-the-flow attitude.

TOP FIVE STRENGTHS BY GENERATION

Based on 250,000 randomly selected respondents from the CliftonStrengths database of 12 million

MILLENNIALS

1. Achiever
2. **Empathy**
3. Learner
4. **Adaptability**
5. Responsibility

GEN XERS

1. Achiever
2. Responsibility
3. Learner
4. Relator
5. Strategic

BABY BOOMERS

1. Responsibility
2. Learner
3. Achiever
4. Relator
5. Strategic

TRADITIONALISTS

1. Responsibility
2. Learner
3. Connectedness
4. Achiever
5. Input

EMPATHY AND ADAPTABILITY ARE UNIQUE TO MILLENNIALS COMPARED WITH ALL OTHER GENERATIONS' TOP FIVE STRENGTHS.

However, strengths are more than just a list of traits. Strengths speak to a person's natural motivations and represent the lens through which he or she views the world. Millennials want to work hard and expand their knowledge and skills. This group came of age at a time when college became more of an expected path. To look attractive to schools, they were pushed to excel in the classroom, encouraged to participate in a range of sports and activities, and motivated to devote time to their communities. They have been multitasking and juggling nearly all of their lives, and they possess a drive to excel in everything they do. They understand deadlines and commitments and might be more likely to say they perform well under pressure. But this also means they may be prone to take on too much or find it difficult to say "no" to people when their plates are already full.

Because they strive to accomplish something every day, millennials do not let change derail them. They want to be productive and are not thrown off by shifting priorities or circumstances. They might actually thrive on a little chaos. Jobs that make them engage in mundane or repetitive daily tasks probably feel rather uninspiring. As change is a normal and expected part of doing business, millennials are well-positioned to navigate the future. The catch here is that millennials can quickly become frustrated by work that is too structured or predictable. They prefer a challenge.

Millennials are an empathetic generation; they recognize and care about people and their feelings. They are not only more diverse, but they also live in a constantly connected world with a 24/7 news cycle and expanded social networks. Millennials have received exposure to an array of different lifestyles and viewpoints. Because of this, they likely have a higher propensity for seeing the world through someone else's eyes. They anticipate and think about the needs of others, which contradicts conventional wisdom about this group. A common misconception of millennials is that they are selfish, self-indulgent or only capable of interacting online. However, this group is highly attuned to what's going on around them.

MOST WIRED GENERATION

Smartphones have become a ubiquitous accessory for millennials. Gallup found that 91% of millennials owned smartphones in 2013, compared with 83% of older generations.

Millennials are first-generation digital natives who feel at home on the Internet. Technology — particularly gadgets like smartphones, but also tablets and laptops — has revolutionized the way they connect and interact with one another and with the rest of the world.

As devices evolve, so do communication options and preferences. More than two-thirds of millennials (69%) say they sent or read text messages “a lot” yesterday, compared with making or receiving a cellphone call (48%) or sending or reading email (47%). One-third (35%) posted to a social media site. Just 5% made a call from a home landline telephone.

In contrast, older generations are less likely to say they send or read email and text messages, use their cellphone to make or receive calls, and interact with social media. However, older generations are more likely to use a landline phone to make and receive calls.

MILLENNIALS MORE LIKELY TO COMMUNICATE THROUGH TECHNOLOGY

Thinking about yesterday, how much did you do each of the following?

“A lot”

Send or read an email message



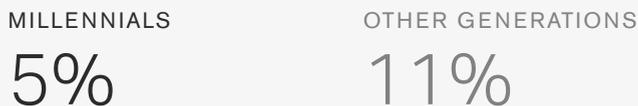
Send or read a text message



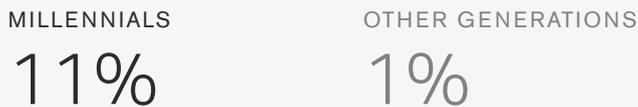
Make or receive a phone call using a cellphone



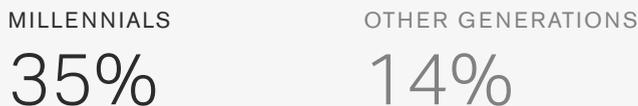
Make or receive a phone call using a home landline phone



Use Twitter, including posting or reading tweets



Post or read messages on Facebook, Instagram or some other social media site



Millennials' preference for smartphones over other gadgets is not surprising, given that they offer speedy access to the Internet in a portable, personal way. While the vast majority of Americans surf the Web from a desktop or laptop computer at home or work, 85% of millennials access the Internet from their phones — more than all other generations.

What are millennials doing online? Millennials get the vast majority of their information and news from the Internet. They are far less likely to watch conventional television to stay up to date. On the other hand, almost half of the members of the older generations get their news and information from TV, and just 34% find it online.

71%

OF MILLENNIALS

use the Internet as their source for
information and news.

FEW MILLENNIALS USE TELEVISION, NEWSPAPERS OR RADIO AS INFORMATION SOURCE

Which one source do you use the most to get news or information about national and international issues?

Internet

| MILLENNIALS | GEN XERS | BABY BOOMERS | TRADITIONALISTS |
|-------------|----------|--------------|-----------------|
| 71% | 51% | 30% | 14% |

Newspaper

| MILLENNIALS | GEN XERS | BABY BOOMERS | TRADITIONALISTS |
|-------------|----------|--------------|-----------------|
| 3% | 4% | 10% | 17% |

Television

| MILLENNIALS | GEN XERS | BABY BOOMERS | TRADITIONALISTS |
|-------------|----------|--------------|-----------------|
| 15% | 31% | 50% | 64% |

Radio

| MILLENNIALS | GEN XERS | BABY BOOMERS | TRADITIONALISTS |
|-------------|----------|--------------|-----------------|
| 11% | 12% | 9% | 5% |

Magazines

| MILLENNIALS | GEN XERS | BABY BOOMERS | TRADITIONALISTS |
|-------------|----------|--------------|-----------------|
| 0% | 1% | 0% | 0% |

But millennials rely on the Internet for far more than news and information. For instance, at least eight in 10 report using it to manage their finances, pay bills, shop online, and watch or listen to online content in the past 30 days. At least half use it for reading blogs, researching health issues, or researching or booking travel plans. Smaller percentages use it for taking classes, participating in online auctions and other activities.

MILLENNIALS USE THE INTERNET FOR SHOPPING, RESEARCH, ENTERTAINMENT

Please indicate whether or not you have used the Internet for any of the following purposes in the past 30 days.

| | % "Yes" | | | |
|--|-------------|----------|--------------|-----------------|
| | MILLENNIALS | GEN XERS | BABY BOOMERS | TRADITIONALISTS |
| Managing finances or reviewing account balances online | 87 | 81 | 71 | 57 |
| Shopping for clothing, books or other retail items | 80 | 77 | 72 | 56 |
| Paying bills or transferring money online | 83 | 80 | 68 | 52 |
| Purchasing, watching or listening to audio or video content online | 87 | 75 | 55 | 33 |
| Researching a health condition | 54 | 55 | 56 | 54 |
| Researching travel options or booking travel online | 50 | 53 | 46 | 37 |
| Reading other people's blogs | 59 | 45 | 31 | 20 |
| Talking to friends or family using sites or apps such as Skype® or FaceTime® | 47 | 33 | 25 | 19 |
| Looking for a job or posting a résumé | 41 | 29 | 17 | 2 |
| Using a coupon-sharing website, such as Groupon® or LivingSocial® | 27 | 25 | 17 | 11 |
| Managing your medical records or making medical appointments | 19 | 21 | 19 | 18 |
| Buying or selling something in an online auction | 19 | 25 | 18 | 9 |
| Donating to a charity | 17 | 21 | 19 | 15 |
| Uploading your own audio or video content | 22 | 20 | 14 | 7 |
| Creating or updating a personal web page or blog | 21 | 14 | 8 | 3 |
| Taking online educational classes | 22 | 11 | 8 | 2 |

Millennials have largely disregarded newspapers, radio and magazines as information sources. They continually turn to the Internet to manage their lives, find entertainment and do their shopping. These findings speak volumes to advertisers and marketers who are still trying to communicate with a younger audience through more traditional mediums. However, millennials' online preferences also tell employee communication teams, leaders, managers and HR departments that the most effective way to grab these employees' attention is through digital channels.

Of course, millennials also rely on the Internet and smartphones or other devices to manage their social lives online. In this way, they are no different from older generations. The vast majority of all Americans say they use social media to connect with friends and family, including 93% of millennials and 84% of older generations.

32%

OF MILLENNIALS

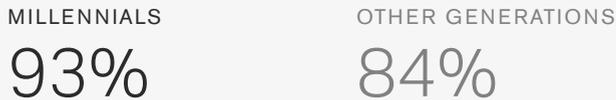
use social media to network or search for a job.

MAJORITY OF MILLENNIALS USE SOCIAL MEDIA TO CONNECT WITH FRIENDS, FAMILY

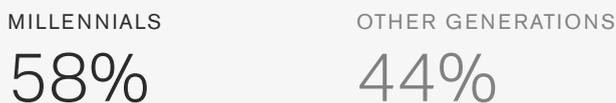
Please indicate whether or not you use social networking websites, such as Facebook, Twitter and LinkedIn, for any of the following purposes.

“Yes”

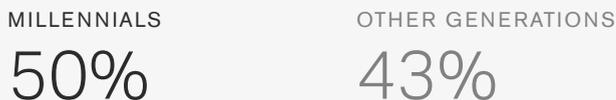
Connect with friends and family



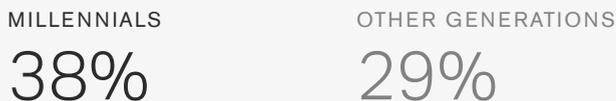
Share with others what you know



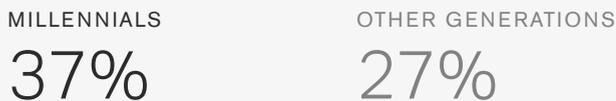
Find out information about a company or organization



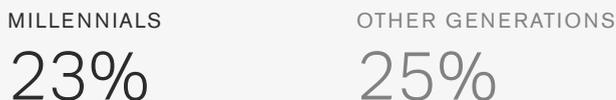
Follow trends/find user reviews or information on products or services



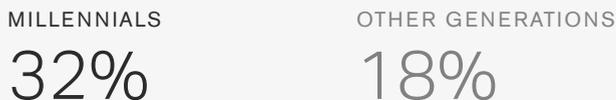
Find others who have similar interests or careers



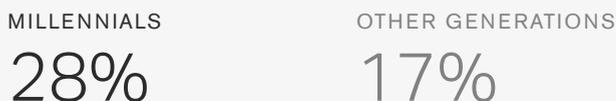
Play games



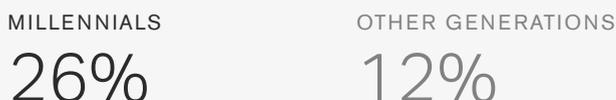
Network or search for a job



Comment on what's hot or new/write reviews of products or services



Build your own reputation or brand



As digital natives, millennials navigate cyberspace with ease and seem to integrate their real and virtual worlds effortlessly. Their high social connectedness also means that millennials must cope with a lesser degree of privacy than earlier generations had in their youth. As they share their personal and professional experiences with their social media circles — from posting recent vacation photos to updating their lists of work skills — millennials' lives are more open to those around them.

While millennials' digital networks may be vast, they are not necessarily truly social. Digital media position millennials to carefully present themselves to the world as they interact with hundreds of social contacts via 140-character sound bites and selfies. This potentially calls into question whether millennials' expansive social interactions online truly facilitate personal human connections.

MILLENNIALS' WELL-BEING

LESS THAN HALF THRIVING IN ANY GIVEN ELEMENT OF WELL-BEING

Well-being encompasses all the ways people think about and experience their lives. Although there are various definitions of the word, Gallup and Healthways define it in terms of five elements: purpose, social, financial, community and physical well-being.

- **Purpose:** Liking what you do each day and being motivated to achieve your goals
- **Social:** Having supportive relationships and love in your life
- **Financial:** Managing your economic life to reduce stress and increase security
- **Community:** Liking where you live, feeling safe and having pride in your community
- **Physical:** Having good health and enough energy to get things done daily

37%

OF MILLENNIALS

are thriving in purpose well-being.

Gallup categorizes individuals as “thriving,” “struggling” or “suffering” in each element according to how they rate their current and future lives on a ladder scale with steps numbered from zero to 10, based on the Cantril Self-Anchoring Striving Scale.

Well-Being Classifications

Thriving: Well-being that is strong, consistent and progressing in a particular element

Struggling: Well-being that is moderate or inconsistent in a particular element

Suffering: Well-being that is very low and at high risk in a particular element.

These metrics provide clues about the interaction and interdependency of many aspects of life, such as finding fulfillment in daily work and interactions, having strong social relationships and access to the resources people need, feeling financially secure, being physically healthy and taking part in a community.

Well-being results have links to community and organizational outcomes. In workplaces, well-being closely predicts absenteeism, performance, healthcare use, turnover and employee engagement. Well-being among community residents relates to violent crime, property crime, high school graduation rates, teenage pregnancy, unemployment rates and life expectancy, among others.

While traditionalists have the highest levels of well-being of the four generations examined, millennials report well-being levels similar to those of baby boomers and slightly higher than those of Gen Xers. Millennials are most likely to be thriving in their social well-being and least likely to be thriving in their community well-being.

MAJORITY OF MILLENNIALS NOT THRIVING IN ANY ONE ELEMENT OF WELL-BEING

“Thriving”

Purpose

| MILLENNIALS | GEN XERS | BABY BOOMERS | TRADITIONALISTS |
|-------------|----------|--------------|-----------------|
| 37% | 34% | 34% | 46% |

Social

| MILLENNIALS | GEN XERS | BABY BOOMERS | TRADITIONALISTS |
|-------------|----------|--------------|-----------------|
| 38% | 35% | 41% | 54% |

Financial

| MILLENNIALS | GEN XERS | BABY BOOMERS | TRADITIONALISTS |
|-------------|----------|--------------|-----------------|
| 33% | 30% | 41% | 65% |

Community

| MILLENNIALS | GEN XERS | BABY BOOMERS | TRADITIONALISTS |
|-------------|----------|--------------|-----------------|
| 31% | 35% | 39% | 56% |

Physical

| MILLENNIALS | GEN XERS | BABY BOOMERS | TRADITIONALISTS |
|-------------|----------|--------------|-----------------|
| 34% | 29% | 29% | 43% |

Gallup-Healthways Well-Being Index
 Data are weighted by age, gender, marital status, education, household income, employment status and region

PURPOSE

Millennials surpass Gen Xers and baby boomers in levels of purpose well-being, which could reflect the strong influence of leaders in their lives who encourage their enthusiasm for the future. Millennials are also more likely than Gen Xers and baby boomers to agree that they learn or do something interesting every day. They are somewhat less likely than their older counterparts to report that they like what they do every day, which can indicate how naturally well-aligned a person is with his or her chosen career. Still, nearly three-fourths of millennials agree with this, demonstrating they have chosen careers that they find enjoyable.

69%

OF MILLENNIALS

agree that there is a leader in their life who makes them enthusiastic about the future.

KEY ELEMENTS OF PURPOSE WELL-BEING BY GENERATION

“Agree”

There is a leader in your life who makes you enthusiastic about the future.

| MILLENNIALS | GEN XERS | BABY BOOMERS | TRADITIONALISTS |
|-------------|----------|--------------|-----------------|
| 69% | 60% | 55% | 58% |

You like what you do every day.

| MILLENNIALS | GEN XERS | BABY BOOMERS | TRADITIONALISTS |
|-------------|----------|--------------|-----------------|
| 74% | 76% | 76% | 83% |

In the past 12 months, you have reached most of your goals.

| MILLENNIALS | GEN XERS | BABY BOOMERS | TRADITIONALISTS |
|-------------|----------|--------------|-----------------|
| 53% | 48% | 52% | 66% |

You learn or do something interesting every day.

| MILLENNIALS | GEN XERS | BABY BOOMERS | TRADITIONALISTS |
|-------------|----------|--------------|-----------------|
| 67% | 64% | 64% | 68% |

Gallup-Healthways Well-Being Index

Data are weighted by age, gender, marital status, education, household income, employment status and region

SOCIAL

One of the most common criticisms aimed at millennials is their lack of social skills. Some believe that because millennials spend so much of their time online, they have become antisocial in the real world. Although they may have large networks through social media platforms, millennials are thought to have few face-to-face connections.

Millennials are more likely to be thriving in social well-being than Gen Xers, but are less likely to be thriving than baby boomers and traditionalists. A strength for millennials in this element is having someone in their life who always encourages them to be healthy, an important aspect of well-being that affects both social and physical well-being. Millennials are also more likely to agree that friends and family give them positive energy every day, suggesting they do have strong social networks.

Less than half of millennials (46%) say they make time for trips and vacations with friends and family, which could negatively affect their overall well-being. With their spending constraints, it is understandable that millennials would make vacation time less of a priority.

46%

OF MILLENNIALS

agree that they always make time for regular trips
or vacations with friends and family.

KEY ELEMENTS OF SOCIAL WELL-BEING BY GENERATION

“Agree”

Your relationship with your spouse, partner or closest friend is stronger than ever.

| MILLENNIALS | GEN XERS | BABY BOOMERS | TRADITIONALISTS |
|-------------|----------|--------------|-----------------|
| 76% | 75% | 77% | 79% |

Your friends and family give you positive energy every day.

| MILLENNIALS | GEN XERS | BABY BOOMERS | TRADITIONALISTS |
|-------------|----------|--------------|-----------------|
| 78% | 75% | 74% | 80% |

You always make time for regular trips or vacations with friends and family.

| MILLENNIALS | GEN XERS | BABY BOOMERS | TRADITIONALISTS |
|-------------|----------|--------------|-----------------|
| 46% | 47% | 51% | 57% |

Someone in your life always encourages you to be healthy.

| MILLENNIALS | GEN XERS | BABY BOOMERS | TRADITIONALISTS |
|-------------|----------|--------------|-----------------|
| 78% | 74% | 73% | 79% |

Gallup-Healthways Well-Being Index
 Data are weighted by age, gender, marital status, education, household income, employment status and region

FINANCIAL

While income can influence financial well-being, having a higher income does not necessarily mean one will have higher financial well-being. Financial well-being is about having enough money to live the kind of life one wants to live and building financial security within this context. The highest percentage of those thriving in financial well-being are traditionalists; however, of the remaining three, the percentage of millennials thriving exceeds that of Gen Xers, despite millennials' fewer years in the workforce. Still, millennials are just as likely as Gen Xers to worry about money in the last seven days, tied at 41%. Millennials are slightly more likely than Gen Xers and baby boomers to express satisfaction with their standard of living compared with those around them.

Millennials' generally higher levels of unemployment and underemployment, lower wages and student loan debt likely hurt multiple aspects of their financial well-being. However, their financial worries do not appear to dampen the way they feel about their standard of living.

36%

OF MILLENNIALS

say they have enough money to do
everything they want to do.

KEY ELEMENTS OF FINANCIAL WELL-BEING BY GENERATION

"Yes or Agree"

You have enough money to do everything you want to do.

| MILLENNIALS | GEN XERS | BABY BOOMERS | TRADITIONALISTS |
|-------------|----------|--------------|-----------------|
| 36% | 34% | 41% | 59% |

In the last seven days, you have worried about money.

| MILLENNIALS | GEN XERS | BABY BOOMERS | TRADITIONALISTS |
|-------------|----------|--------------|-----------------|
| 41% | 41% | 34% | 25% |

Compared to the people you spend time with, you are satisfied with your standard of living.

| MILLENNIALS | GEN XERS | BABY BOOMERS | TRADITIONALISTS |
|-------------|----------|--------------|-----------------|
| 75% | 71% | 73% | 85% |

Not enough money to buy food in last 12 months

| MILLENNIALS | GEN XERS | BABY BOOMERS | TRADITIONALISTS |
|-------------|----------|--------------|-----------------|
| 20% | 20% | 16% | 7% |

Not enough money for healthcare or medicine in last 12 months

| MILLENNIALS | GEN XERS | BABY BOOMERS | TRADITIONALISTS |
|-------------|----------|--------------|-----------------|
| 18% | 21% | 17% | 8% |

Gallup-Healthways Well-Being Index
 Data are weighted by age, gender, marital status, education, household income, employment status and region

COMMUNITY

Millennials are struggling most in community well-being, especially compared with the older generations. Much of this struggle is likely a reflection of millennials' stage of life. Two-thirds of millennials agree that their house or apartment is ideal for them and their family, or that the city or area where they live is the perfect place for them. The fact that fewer millennials than older generations report that they always feel safe and secure likely influences these responses. Millennials are also less likely to feel pride in their community than any other generation.

Millennials are least likely to say the city or area where they live is a perfect fit for them or that they feel pride in their community.

KEY ELEMENTS OF COMMUNITY WELL-BEING BY GENERATION

“Agree”

The city or area where you live is a perfect place for you.

| MILLENNIALS | GEN XERS | BABY BOOMERS | TRADITIONALISTS |
|-------------|----------|--------------|-----------------|
| 54% | 62% | 66% | 78% |

You are proud of your community (or the area where you live).

| MILLENNIALS | GEN XERS | BABY BOOMERS | TRADITIONALISTS |
|-------------|----------|--------------|-----------------|
| 55% | 62% | 67% | 79% |

You always feel safe and secure.

| MILLENNIALS | GEN XERS | BABY BOOMERS | TRADITIONALISTS |
|-------------|----------|--------------|-----------------|
| 71% | 76% | 78% | 86% |

The house or apartment that you live in is ideal for you and your family.

| MILLENNIALS | GEN XERS | BABY BOOMERS | TRADITIONALISTS |
|-------------|----------|--------------|-----------------|
| 66% | 68% | 77% | 87% |

In the last 12 months, you have received recognition for helping to improve the city or area where you live.

| MILLENNIALS | GEN XERS | BABY BOOMERS | TRADITIONALISTS |
|-------------|----------|--------------|-----------------|
| 17% | 19% | 20% | 23% |

Gallup-Healthways Well-Being Index
Data are weighted by age, gender, marital status, education, household income, employment status and region

PHYSICAL

More millennials are thriving in physical well-being than any other generation except traditionalists. They are much less likely to use drugs — including prescription drugs — on a daily basis, are less likely to be obese, exercise more and consume similar amounts of alcohol compared with other generations.

However, despite these advantages, millennials have many missed opportunities pertaining to physical well-being. Twenty-three percent of millennials smoke, and they are less likely to assert that they ate healthy “all day yesterday” than are the older generations. Their produce consumption is easily the lowest among the four generational groups.

Nearly
1 in 4
MILLENNIALS
say they smoke.

KEY ELEMENTS OF PHYSICAL WELL-BEING BY GENERATION

Use drugs or medication (including prescription) that affect your mood or help you relax almost every day

| MILLENNIALS | GEN XERS | BABY BOOMERS | TRADITIONALISTS |
|-------------|----------|--------------|-----------------|
| 12% | 17% | 24% | 27% |

Smoke

| MILLENNIALS | GEN XERS | BABY BOOMERS | TRADITIONALISTS |
|-------------|----------|--------------|-----------------|
| 23% | 22% | 20% | 9% |

Had seven or more alcoholic drinks per week

| MILLENNIALS | GEN XERS | BABY BOOMERS | TRADITIONALISTS |
|-------------|----------|--------------|-----------------|
| 13% | 12% | 12% | 11% |

Obese

| MILLENNIALS | GEN XERS | BABY BOOMERS | TRADITIONALISTS |
|-------------|----------|--------------|-----------------|
| 20% | 32% | 33% | 25% |

Exercised for 30+ minutes three or more days in the last week

| MILLENNIALS | GEN XERS | BABY BOOMERS | TRADITIONALISTS |
|-------------|----------|--------------|-----------------|
| 57% | 51% | 50% | 48% |

Had five or more servings of fruits and vegetables four or more days in the last week

| MILLENNIALS | GEN XERS | BABY BOOMERS | TRADITIONALISTS |
|-------------|----------|--------------|-----------------|
| 50% | 57% | 60% | 68% |

Ate healthy all day yesterday

| MILLENNIALS | GEN XERS | BABY BOOMERS | TRADITIONALISTS |
|-------------|----------|--------------|-----------------|
| 53% | 59% | 70% | 84% |

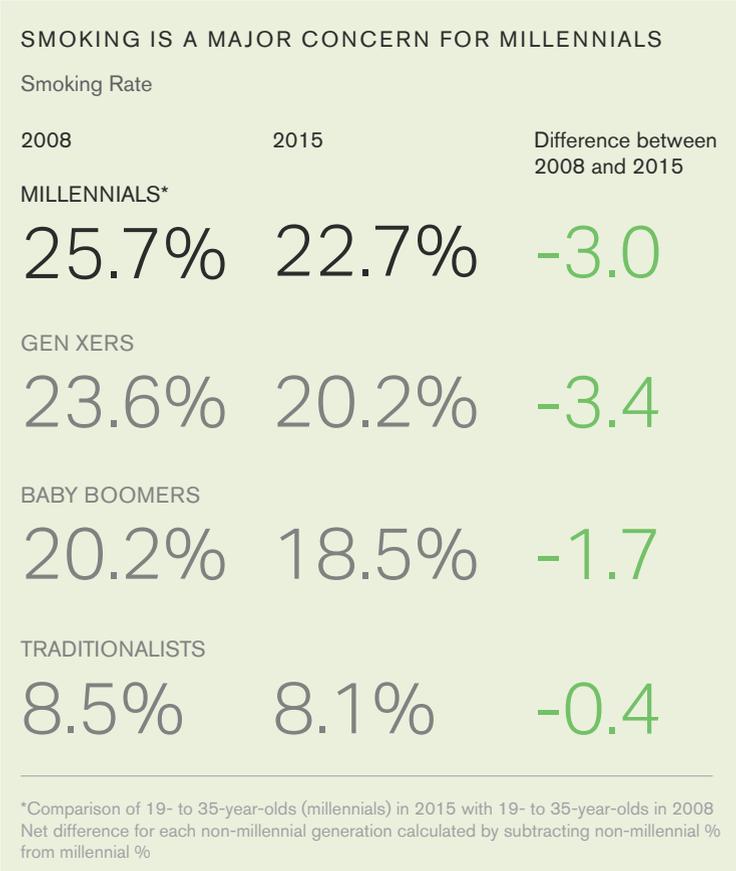
Gallup-Healthways Well-Being Index
Data are weighted by age, gender, marital status, education, household income, employment status and region

Obesity and smoking are two areas for which the change over time since 2008 — holding age constant — looks better for millennials than for older generations and age groups. The obesity rate in the U.S. has increased since 2008, climbing 2.5 percentage points and clearing 28% for the first time in 2015. However, this trend seems to break among millennials; 20.1% of millennials in 2015 fell under the obese categorization, compared with 20.7% of 19- to 35-year-olds in 2008.

| MILLENNIALS BREAK TRENDS IN OBESITY | | |
|-------------------------------------|-------|----------------------------------|
| Obesity Rate | | |
| 2008 | 2015 | Difference between 2008 and 2015 |
| MILLENNIALS* | | |
| 20.7% | 20.1% | -0.6 |
| GEN XERS | | |
| 27.9% | 32.5% | +4.6 |
| BABY BOOMERS | | |
| 30.2% | 33.3% | +3.1 |
| TRADITIONALISTS | | |
| 20.8% | 25.0% | +4.2 |

*Comparison of 19- to 35-year-olds (millennials) in 2015 with 19- to 35-year-olds in 2008
 Net difference for each non-millennial generation calculated by subtracting non-millennial % from millennial %

Unlike obesity, smoking has slowly but steadily declined among U.S. adults since 2008, dropping below 19% for the first time in 2015. Among millennials, the 22.7% who report smoking — while the highest of all generations, as previously noted — has also shown the second-greatest decline in the seven-year span. Smoking is a major area of concern for millennials, but momentum is already building toward improvement.



It is well-known that obesity and smoking are detrimental to the U.S. economy. Using estimates from RTI International and the U.S. Centers for Disease Control and Prevention (CDC) for obesity¹ and from Ohio State University for smoking,² Gallup found that the costs of smoking and obesity among millennials to the U.S. economy are substantial. Using CDC national goals, if millennials could reduce their obesity rate to 15% and their smoking rate to 12%, the savings in healthcare use alone would be roughly \$22 billion annually. Based on Gallup estimates, this would also save U.S. employers another \$56 billion combined in reduced absenteeism — currently a result of poor health and reduced partial absenteeism for average smoking breaks.

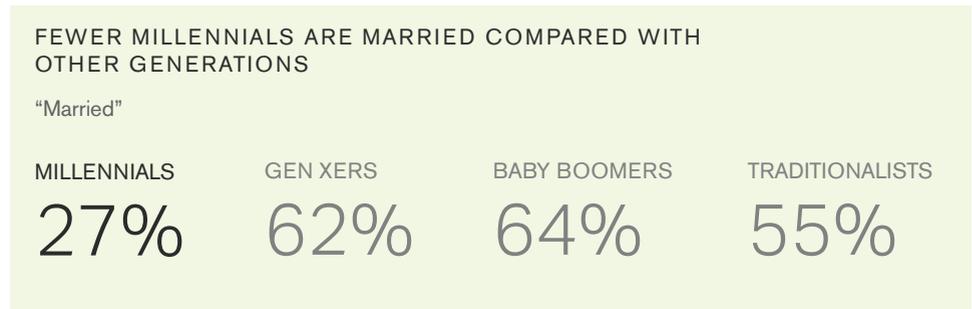
1 FINKELSTEIN, E. A., TROGDON, J. G., COHEN, J. W., & DIETZ, W. (2009). ANNUAL MEDICAL SPENDING ATTRIBUTABLE TO OBESITY: PAYER- AND SERVICE-SPECIFIC ESTIMATES.

2 BERMAN, M., CRANE, R., SEIBER, E., & MUNUR, M. (2013). ESTIMATING THE COST OF A SMOKING EMPLOYEE. TOBACCO CONTROL, 23(5), 428-433.

TRADITIONAL INSTITUTIONS

MILLENNIALS DELAY SAYING “I DO”

Compared with other generations, millennials are far more likely to be single and never to have been married. Currently, 58% of millennials are unattached, compared with 16% of Gen Xers, 10% of baby boomers and 4% of traditionalists.



Not only are fewer millennials married, but they are also waiting far longer to walk down the aisle than their predecessors did. A Pew Research Center analysis found that in 2014, slightly more than one-quarter of 18- to 33-year-old millennials (28%) were married. By contrast, more than twice as many traditionalists of the same age range in 1963 were married (64%). In 1980, about half of baby boomers in that age range had tied the knot, while in 1998, 38% of Gen Xers of the same ages were married.

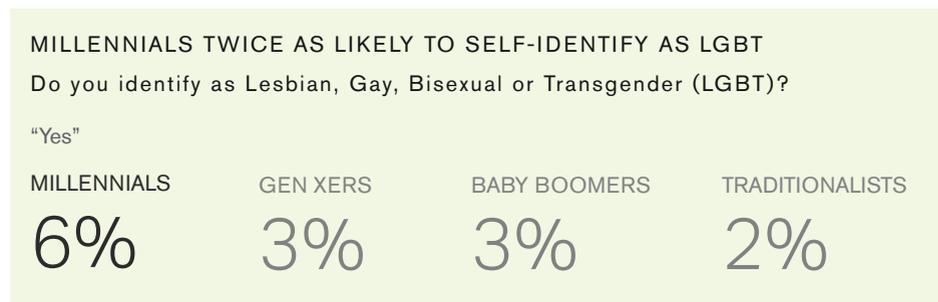
A Gallup poll found that the majority of never-married Americans aged 18 to 34 (56%) do hope to get married, compared with just 9% of single adults in this age range who express no desire to tie the knot. However, millennials are waiting until relatively later in life to take the plunge. Gallup data reveal that by the post-college age of 25, less than one-quarter of this group are married (24%). The trend shows the largest one-year difference between the ages of 27 and 28 (about nine points), but it is not until age 31 that over half are married (52%). By age 34, just slightly over half of the oldest millennials have tied the knot (55%).

Why are millennials waiting? Several economic and cultural factors could influence this trend. Millennials are more likely than any prior generation to receive a college education, which could lead them to prioritize their studies — and, after graduation, their careers — ahead of forming serious, long-term relationships. Financial hurdles, such as high levels of debt, lack of adequate or affordable housing, and relatively high unemployment and underemployment, may also hinder millennials from feeling prepared to build a life with someone. Gallup data reveal that 19% of millennials say they have put off getting married because of their financial constraints.

The rituals of courtship have also changed dramatically, particularly regarding the role of online dating services such as Match.com or Tinder; however, it is not clear whether technology helps millennials find love or makes it more complicated. A recent estimate suggests that one in five 25- to 34-year-olds have tried online dating, yet only a small number of Americans who are married or in a committed relationship (5%) say these sites led them to their significant other.

Furthermore, diminishing stigmas regarding premarital sex and having children out of wedlock have likely decreased societal pressure to get married. In a Gallup poll, 72% of those aged 18 to 34 say that sex between an unmarried man and woman is morally acceptable, and a similar percentage (71%) say the same about having a baby outside of marriage. Even among Americans aged 55 and older, more than half say that sex (56%) and having a baby outside of wedlock (57%) are morally acceptable. Millennials' older relatives might not apply much pressure on the issue either. Millennials (9%) are slightly more likely than Gen Xers (6%) and baby boomers (3%) to be living with a domestic partner, although it is not clear whether they intend to get married or to cohabitate indefinitely.

Americans have also become vastly more accepting of lesbian, gay, bisexual and transgender (LGBT) lifestyles. Three in four Americans aged 18 to 34 (74%) say gay and lesbian relations are morally acceptable, and majorities of U.S. adults aged 35 to 54 (54%) and 55 and older (51%) say so as well. It is too soon to know what effect the 2015 Supreme Court decision on same-sex marriage will continue to have on gay and lesbian millennial couples, and whether they will begin to tie the knot at a higher rate than their heterosexual counterparts. However, growing tolerance — as exemplified by the Supreme Court decision — could help explain why Gallup finds that twice as many millennials self-identify as LGBT (6%), compared with 3% each of Gen Xers and baby boomers.



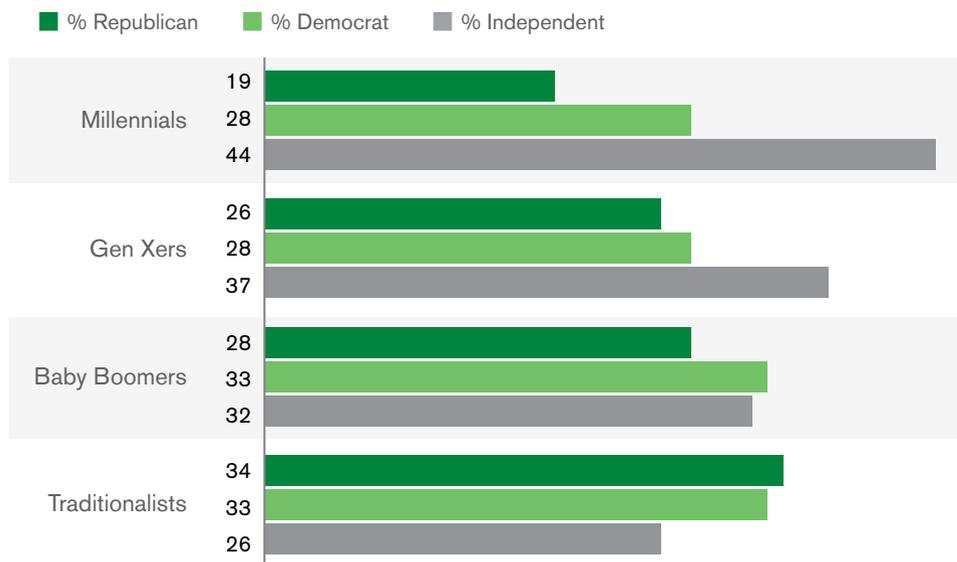
While millennials have been slower than other generations to move out and get married, Gallup finds no evidence that they are putting off having children, regardless of marital status. While just 4% of single millennials younger than 20 have children, that percentage increases to 47% among 34-year-old single millennials. In other words, almost half of the oldest millennials who have never married have children.

Though there is strong evidence that millennials are delaying marriage, most young Americans say they still hope to be married someday. Before heading down the aisle, however, millennials are heading off to college and into the workforce, where many invest years establishing their careers to build stable foundations for their lives.

POLITICALLY INDEPENDENT AND MODERATE

The entire population of millennials has now reached voting age in the U.S., affording this generation the potential to wield tremendous political power, given its size. For an example, look no further than President Barack Obama’s historic election victory in 2008 and his re-election in 2012, when the youth vote was instrumental in putting him — and keeping him — in office. However, it would be a mistake to think all millennials align with the Democratic Party.

MILLENNIALS REPRESENT THE LARGEST GROUP OF INDEPENDENTS



Instead, Gallup finds that the plurality of millennials (44%) describe themselves as independents. Only 28% identify as Democrats, and 19% identify as Republicans. The appeal of major political parties is largely waning among this generation. However, millennials who do not identify as either Democrat or Republican are somewhat more likely to say they lean toward the Democratic Party than the Republican Party (33% vs. 26%, respectively). More millennials also classify their political views as moderate than they do liberal or conservative, putting millennials’ political inclinations solidly in neutral territory.

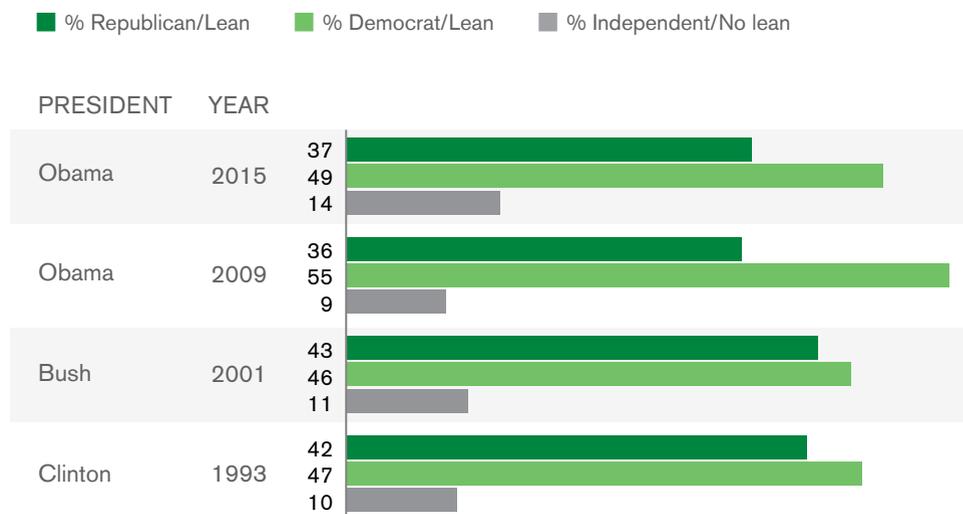
Compared with their older cohorts, millennials represent the largest group of independents and the smallest group of Republicans. Their participation in the Democratic Party is on par with that of Gen Xers. Millennials also

claim the highest numbers of moderates and liberals, as well as the lowest numbers of conservatives, among all generations.

Whatever their party affiliation or leanings, the youngest members of the electorate have yet to make their influence fully known in the voting booth; they appear to be less interested in the democratic process than older generations. Nationally, Gallup has found that 80% of U.S. adults are registered to vote. This percentage drops to 67% among millennials. With a U.S. presidential election months away, it will be telling to see if millennials turn up at the polls or if they are simply disillusioned with U.S. politics.

Over time, the political profile of young adults aged 19 to 35 has shown little movement. Compared with the same age group in 1993, millennials today are slightly more likely to be independent with no party lean and are slightly less likely to identify with the Republican Party. Still, across two-plus decades of trending, the general political profile has persevered.

YOUNG ADULTS' POLITICAL LEANINGS SHOW CONSISTENCY OVER TIME



FEWER PLACE IMPORTANCE ON RELIGION

Millennials' relative detachment from politics and party affiliation also extends to organized religion. A majority of millennials (55%) say that religion is important to them, but this falls far below the 65% of Gen Xers, 70% of baby boomers and 76% of traditionalists who say the same. Half of millennials say they seldom (24%) or never (27%) attend a church, synagogue or mosque, compared with 27% who say they go at least once a week.

MILLENNIALS SAY RELIGION IS IMPORTANT TO THEM, BUT JUST NOT AS MUCH AS OTHER GENERATIONS

Is religion important to you?

"Yes"

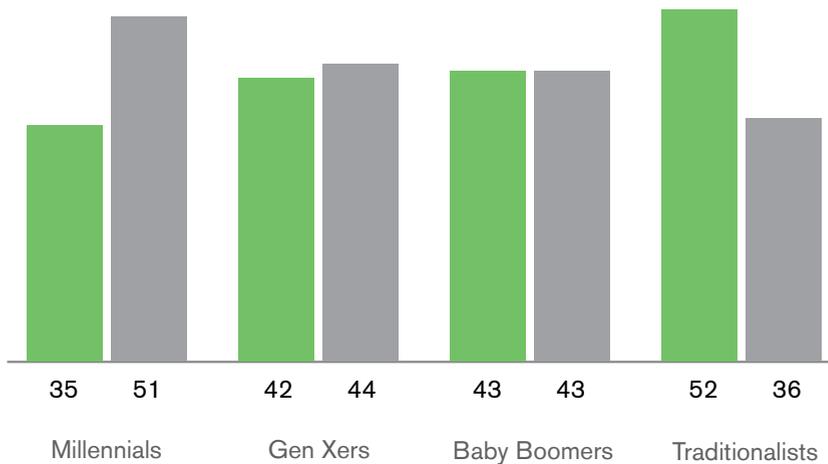


The majority of millennials are attending church infrequently or never. They are the only generation to show this pattern. Majorities of Gen Xers, baby boomers and traditionalists attend church at least once a month.

HALF OF MILLENNIALS SAY THEY SELDOM OR NEVER ATTEND A CHURCH, SYNAGOGUE OR MOSQUE

How often do you attend a church, synagogue or mosque?

■ % At least once a week or Almost every week ■ % Seldom or Never



The percentage of Americans who are eschewing religious affiliation also appears to be on the rise, with millennials leading this trend. In 2008, 23% of this generation said they had no religious preference. By 2015, this number climbed seven points. The older generations also saw a modest bump in those claiming no religious preference, but no more than one to two points each.

FEWER MILLENNIALS TODAY CLAIM RELIGIOUS IDENTIFICATION THAN 19- TO 35-YEAR-OLDS IN 2008

“No Religious Preference”

2008

23%

2015*

30%

*Comparison of 19- to 35-year-olds (millennials) in 2015 with 19- to 35-year-olds in 2008

In general, Gallup finds that Americans tend to grow more religious as they age. However, the traditional Christian denominations that once dominated American culture appear to be declining, with many younger U.S. adults turning instead to the amorphous “other Christian religion” category or shedding their religious identity altogether. It is hard to pinpoint one reason millennials are reluctant to identify with traditional political or religious labels. It could be that they are unable to find one party or one religion that adequately represents all of their core values.

Alternatively, it may be that millennials don't believe institutes of religion follow through on their promises. Examining people's levels of trust in certain institutions, Gallup found that 38% of millennials say they have a “great deal” or “quite a lot” of trust in church or organized religion. At 52%, traditionalists have the greatest trust in church or organized religion.

In comparison, 25% of millennials have a great deal or quite a lot of trust in big business, 72% in small business and 27% in the criminal justice system. However, for each of these institutions, millennials are always the most trusting generation. Concerning church or organized religion, they are the least trusting generation.

STRIVING FOR A LIFE WELL-LIVED

Millennials continue to participate in the conventional institutions that helped shape the American landscape; however, they are less likely to connect with these institutions than other generations. It is not surprising that some of the traditional institutions and affiliations no longer fit millennials' needs or views, given that their demographics are different from those of earlier generations. Along with the generation's richly diverse racial and ethnic composition

comes a full range of experiences, views, values and beliefs that perhaps do not fit so tidily into existing labels or categories. Time will tell if the past affiliations can expand adequately to make room for them, or if new ones will spring up to fill the void.

Millennials' collective strengths data reveal distinct differences and similarities compared with other generations. Millennials separate themselves as a more empathetic and adaptable group. But like their predecessors, millennials want to work hard, they are motivated to learn and excel, and they want to take responsibility for themselves — perhaps helping to dismantle the common misconception that members of this generation believe they are entitled to success.

Like other generations, the majority of millennials have not quite achieved high levels of well-being. Their well-being is closest to that of baby boomers and is even somewhat ahead of Gen Xers, but in all aspects of well-being, they have room for improvement. Millennials' physical well-being is the highest of all elements, but their community well-being is the lowest.

In some regards, the community well-being finding may be surprising, given that millennials are such a connected and socially networked generation. It does not appear that their need for community ties extends to their actual neighborhoods and cities. Millennials prefer to interact online and are the generation most likely to lead their life through the Web and via their smartphones. They use the Internet to do everything, from streaming television to paying bills to communicating with friends and family.

Economically, the Great Recession continues to cast a shadow on the lives and futures of millennials. The most dramatic downturn in the U.S. economy since the Great Depression coincided with many millennials' entries into the workforce. Consequently, millennials have been forced to deal with the effects of higher rates of unemployment, chronic underemployment and a host of other economic ills that could potentially have significant long-term effects on home ownership, job advancement, marriage and having children. Among this generation, there are also those who likely witnessed their parents struggle through the economic downturn, perhaps losing jobs, retirement savings and homes. Those memories may also affect some millennials' decisions to hold off on major life investments.

\$13 daily spending decline x 73 million millennials =

\$949,000,000

approximate lost spending each day from
19- to 35-year-olds

Estimated spending per day per 19- to 35-year-old:

2008 = \$98

2015 = \$85

Difference = \$13 daily spending decline

Millennials' Economic Impact

MILLENNIALS HAVE SUBSTANTIAL ECONOMIC POWER — and it's growing rapidly. According to Accenture, millennials spend roughly \$600 billion each year. This figure is projected to reach \$1.4 trillion by 2020 as millennials fully transition into the workforce and begin making larger purchases, such as homes and automobiles.

Those dollar amounts are attractive to businesses. And because they are, marketers and leaders have focused intently on millennials as consumers, trying to figure out what ties them to — and separates them from — older cohorts. Companies are searching for the crucial answers that will help them attract and retain this sought-after customer base.

However, Gallup research suggests that few companies have found these answers. Only one in four millennials are fully engaged — meaning they are emotionally and psychologically attached to a brand, product or company. Their engagement trails that of older generations.

MILLENNIALS HAVE THE LOWEST LEVEL OF CUSTOMER ENGAGEMENT

"Fully Engaged"

| MILLENNIALS | GEN XERS | BABY BOOMERS | TRADITIONALISTS |
|-------------|----------|--------------|-----------------|
| 25% | 28% | 33% | 38% |

Fully Engaged

These customers have a strong positive emotional attachment to your company. Some might even say they love your company. They are the company's most valuable customers; they spend more, spend more often and stay longer with the company.

Indifferent

These customers are neutral; they don't really care about your company one way or the other. They neither love nor hate the brand. As a result, they have no particular allegiance to it and may switch to a different company or brand if opportunity permits and the potential benefits outweigh the costs of switching.

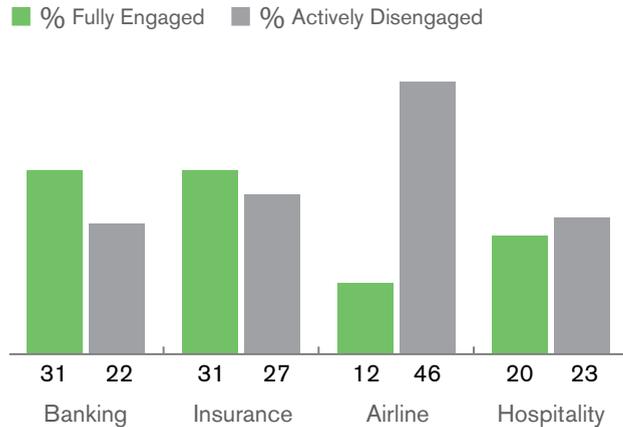
Actively Disengaged

These customers have a strong negative emotional attachment to the company. Some might even say they hate your company. They can be actively antagonistic, spread negative word of mouth to others and cost you money. These customers remain either because the costs of switching are too high or they feel there are no better options available.

Millennials also have low levels of customer engagement across most industries that Gallup tracks. In the banking industry, for example, 31% of millennial customers are fully engaged. In the hospitality industry, 20% of millennial customers are fully engaged.

What is more discouraging is that millennial customers are also much more likely to be actively disengaged than any other generation of consumers. In some industries, their level of active disengagement is nearly on par with — or exceeding — their level of engagement. In the insurance industry, 31% of millennial customers are fully engaged and 27% are actively disengaged. In the airline industry, just 12% of millennials are fully engaged, while almost four times as many (46%) are actively disengaged.

MILLENNIALS' CUSTOMER ENGAGEMENT ACROSS INDUSTRIES



Instead of building brand ambassadors among millennials, many companies are creating brand destroyers, who have a host of digital soapboxes from which to air their grievances. Millennials are highly connected with vast social networks and have their pick of open forums for sharing their discontent with a product, service or company.

Why are so many millennials disenchanting — if not downright angry — with companies? Because companies are largely failing to deliver on their brand promises. Gallup's customer engagement data reveal that less than half of millennial consumers (41%) strongly agree that the companies they do business with "always deliver on what they promise." Comparatively, 55% of traditionalists, 47% of baby boomers and 43% of Gen Xers feel the same about the companies with which they do business.

A brand promise is an agreement between a company and its customers. It is the unique statement of what the company offers, what separates it from its rivals and what makes it worthy of customers' consideration. A brand promise carries weight, and its meaning and delivery have a considerable influence on customer engagement. To better engage millennial consumers and claim a larger share of the generation's potential \$1.4 trillion in economic power, companies need to define a compelling brand promise and consistently deliver on it — every time, in every channel.

Millennials' engagement is also suffering because companies are not delivering the ideal customer experience. Compared with other generations, millennials are the least likely to believe brands keep their promises. They are also the least likely to say the companies they do business with make them proud to be a customer or that those companies are perfect for them.

On average, companies are doing a poor job of engaging millennial customers.

41%

STRONGLY AGREE

"[COMPANY] ALWAYS DELIVERS ON WHAT THEY PROMISE."

37%

STRONGLY AGREE

"I FEEL PROUD TO BE A [COMPANY] CUSTOMER."

39%

STRONGLY AGREE

"[COMPANY] IS THE PERFECT COMPANY FOR PEOPLE LIKE ME."

Millennials have been at the forefront of leading change in the marketplace. Companies are no longer in the driver's seat, nor do they have complete control over their messaging. Millennials' absolute connectedness to the world allows them to say what they want about products or brands and to broadcast those opinions to a far-reaching audience.

All of this means that companies' growth — now and in the future — relies on two key steps: engaging millennials and turning them into brand ambassadors who will advocate on their behalf, both online and offline. Companies have work to do with this generation, but it's possible for them to succeed if they truly get to know these consumers.

MEET THE MILLENNIAL CONSUMER

Millennials are a rather optimistic group. More than half of this group (56%) say they are feeling better about their financial situation these days — a greater percentage than Gallup has found in any other generation. And a majority of millennials (69%) say they have enough money to buy the things they need.

However, only 28% of millennials say they have more than enough money to do what they *want*, and 38% say they have enough money right now to make a major purchase, such as a car or appliance, or to cover a household repair. Thus, it appears that millennials are financially stable enough to cover the necessities but not much more, and they lack savings or a “cushion” for big-ticket items or emergencies.

Millennials also have the highest rates of underemployment and the lowest earnings in the U.S. Though millennials' lower earnings could be related to age and relative newness to the workforce, wage growth in the U.S. has been rather anemic since the Great Recession, meaning many millennials started their careers in a tight spot and have not been able to make up much ground. Add to that high levels of student debt, and it becomes clear why millennials have little in the way of discretionary income or savings.

Money problems have likely played some part in pushing millennials to delay some of the responsibilities of adulthood. Millennials are staying single longer, and they are more likely to be living at home with their parents. Gallup has found that one in seven millennials between the ages of 24 and 34 are currently staying with their parents. Money might not be an issue at all for single millennials; in fact, they may have more of it to spend. However, it seems they are not using their funds to make big purchases or build their savings accounts.

Luckily, millennials who find themselves cash-strapped now have more options than ever for finding the best deals. Millennials are the digital generation, and they fully understand how to research and compare products and prices online. Gallup data show that 80% of millennials shop for clothes, books or other retail items using the Web. Of course, millennials use the Web to do more than shopping. They use it to manage their finances and pay bills, watch videos or listen to music, gather news and information, and conduct research on companies or organizations. And — thanks to the introduction and permeation of social media in millennials' daily life — they use the Web to socialize.

Millennials have a constant online and social media presence, which has encouraged marketers and advertisers to infiltrate these channels with their products and services. This strategy makes sense — compared with members of other generations, fewer millennials are watching television or buying newspapers or magazines. Thus, companies have had to change the way they buy and manage advertising, knowing it's more difficult to get messages in front of a younger generation than it once was.

Brands want to be where millennials are. Gallup has found that 50% of millennials use social media to find out about companies or organizations, while 38% use these channels to follow trends or find user reviews or information on products and services. But the overarching reason millennials use social media is to engage and interact with people they know. The vast majority of millennials — 93% — say they are on social media to connect with friends and family. The challenge for brands is to understand how to reach millennials through social platforms without encroaching on their personal conversations and coming off as uninvited and unwelcome guests.

Overall, the millennial consumer is financially optimistic but limited. Though this consumer has the means to meet his or her needs, those means don't stretch far. But millennials have options, and they use the Web to fully explore and take advantage of them. Millennials want to keep brands at a distance; they view the Web and social channels as “their space” and will invite brands in as they choose.

Marketers and business leaders must understand who millennials are as people to capitalize on who they are as consumers and potential customers. To further this understanding, Gallup has taken a deep dive into four main areas that help define millennials as consumers: spending, trust, brand experience and customer engagement.

SPENDING

MILLENNIALS MOST LIKELY TO SEE ECONOMY IN POSITIVE LIGHT

By all accounts, millennials *should* be wary of the U.S. economy. A significant portion of this generation was just graduating college or entering the workforce during the Great Recession and the years directly following it. The nation's economic instability made it difficult — if not impossible — for many millennials to find good jobs. Instead of buying cars or their first homes, millennials had to pay down debt or move back in with their parents.

Despite the reasons they should be hesitant, millennials feel better about the nation's economic stability than members of older generations — perhaps due to their optimistic nature. More than half of millennials (51%) believe the economy is “getting better,” compared with 44% of Gen Xers, 37% of baby boomers and 31% of traditionalists. Millennials are also more likely to view current economic conditions as “excellent” or “good.”

The average of these two measures — how Americans rate current economic conditions and whether they believe the economy is improving or getting worse — provides the basis for Gallup's U.S. Economic Confidence Index. The index has a theoretical high of +100 if all Americans rate the current economy positively and say it is improving. It has a theoretical low of -100 if all Americans rate the current economy poorly and say it is getting worse.

MILLENNIALS HAVE MOST CONFIDENCE IN THE U.S. ECONOMY

National Economy “Getting Better”

| MILLENNIALS | GEN XERS | BABY BOOMERS | TRADITIONALISTS |
|-------------|----------|--------------|-----------------|
| 51% | 44% | 37% | 31% |

2015 U.S. Gallup Economic Confidence Index*

| MILLENNIALS | GEN XERS | BABY BOOMERS | TRADITIONALISTS |
|-------------|----------|--------------|-----------------|
| +5 | -5 | -14 | -21 |

*Average of current economic conditions and whether they believe the economy is improving or getting worse

Among millennials, the U.S. Economic Confidence Index is +5 for 2015. This score is undoubtedly low, but it's still markedly higher than the scores for all other generations. The mindset of the millennial is also distinctly different from that of Americans ages 19 to 35 in 2008. At that time, this age group had an index score of -45.

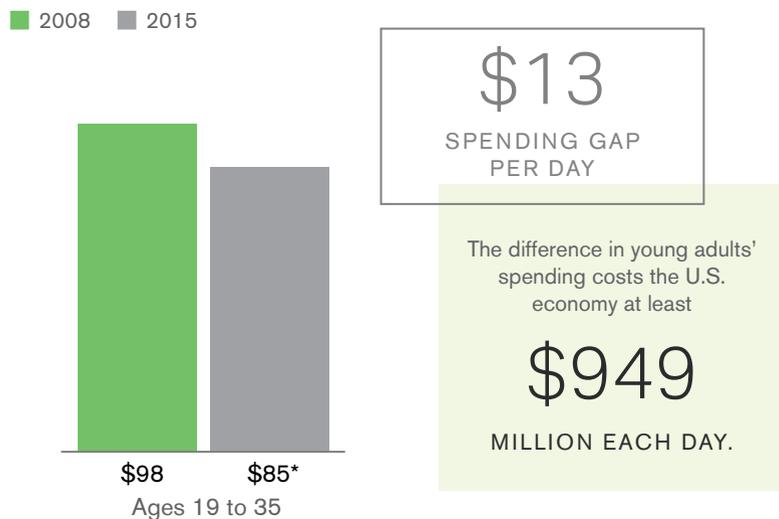


SPENDING HABITS TRAIL THOSE IN 2008, BUT SUGGEST POSITIVE MOMENTUM

Among Americans overall, spending has declined since 2008 — the first full year of the Great Recession. Currently, millennials spend an average of \$85 per day and account for 28% of all daily per-person consumer spending in the U.S. — a number that is expected to climb as high as 35% over the next 15 years. Millennials' spending mirrors that of baby boomers, is below that of Gen Xers and is greater than that of traditionalists.

The U.S. economy has been recovering at a slow pace over the past eight years, with young adults' spending hit hardest by this lethargic state. In 2008, Americans ages 19 to 35 were spending an average of \$98 per day. Among that same age group now, spending has fallen by \$13. Among older Americans, spending is close to — if not on par with — 2008 levels. Perhaps because of their lower wages and higher amounts of student debt, millennials are unable to catch up to pre-2008 spending levels, while older generations are less likely to have those constraints. In any case, Gallup estimates that the difference in young adults' spending from 2008 to 2015 costs the U.S. economy at least \$949 million each day.

MILLENNIALS TODAY SPEND AN AVERAGE OF \$13 LESS PER DAY THAN 19- TO 35-YEAR-OLDS IN 2008



*Comparison of 19- to 35-year-olds (millennials) in 2015 with 19- to 35-year-olds in 2008

However, there is positive spending momentum among millennials. Across all generations, less than four in 10 Americans (37%) say they are spending more than they were a year ago, but a larger proportion of millennials (42%) say they are spending more. As millennials feel more optimistic about the U.S. economy, they may be more inclined to increase their spending.

It is worth noting, though, that more Americans — millennials included — are spending more on things they *need* than on things they *want*. More millennials report spending more on nondiscretionary categories, such as groceries (52%), utilities (37%) and healthcare (35%), while fewer are spending more on nondiscretionary purchases, such as leisure activities (33%), travel (26%) and dining out (26%).

Although many of the spending categories that Gallup tracks show the same patterns across all generations, millennials are directing more of their spending toward a slightly different set of categories than older generations. Groceries, gasoline, utilities and healthcare make the top six on the “spending more” list for all generations, but millennials also say they are spending more on rent or mortgages and on leisure activities.

Millennials spending more than they were a year ago and spending more than other generations on leisure activities is intriguing, as it suggests they might be starting to free up their bank accounts and spend more on nonessentials. They are the only generation to do so, and this financial freedom presents a substantial amount of opportunity for brands that can connect with them.

Millennials are spending more on things they
need than on things they *want*.

MILLENNIALS SPEND MORE ON RENT OR MORTGAGE
AND LEISURE ACTIVITIES THAN ALL OTHER GENERATIONS

| | % "Spending More Than a Year Ago" | | |
|--|-----------------------------------|------------|-----|
| | MILLENNIALS | ALL OTHERS | GAP |
| Groceries | 52 | 58 | -6 |
| Gasoline or fuel | 40 | 35 | +5 |
| Rent or mortgage | 40 | 29 | +11 |
| Utilities | 37 | 44 | -7 |
| Healthcare | 35 | 47 | -12 |
| Leisure activities | 33 | 22 | +11 |
| Travel | 29 | 24 | +5 |
| Automotive expenses not including gas | 29 | 26 | +3 |
| Clothing | 28 | 20 | +8 |
| Telephone services | 28 | 32 | -4 |
| Consumer electronics | 27 | 18 | +9 |
| Cable or satellite | 26 | 36 | -10 |
| Internet | 26 | 23 | +3 |
| Dining out | 26 | 25 | +1 |
| Home maintenance | 24 | 36 | -12 |
| Household goods such as toilet paper or cleaning supplies | 24 | 29 | -5 |
| Personal care such as toothpaste or cosmetics | 23 | 24 | -1 |
| Retirement investments | 21 | 17 | +4 |

The only spending category that has shown much volatility over time is spending on gasoline or fuel. The percentage of Americans who say they are spending more on gas has declined quickly over the past 18 months along with the decline in actual gas prices. The percentage of Americans spending more on gas returned to a low point of 21% at the end of 2015. However, differences between generations do emerge on this measure. More millennials report spending more on gas than older generations (40% vs. 35%). The price of gasoline does not differ among generations; therefore, millennials' increased spending may be due to their changing stage of life. As more millennials enter the workforce, they may be increasing their commute time and thus their gasoline consumption.

When asked how they plan to use the money they have saved on gasoline purchases, more millennials than members of other generations say they will use it for additional purchases (32% vs. 25%). A greater percentage of older generations (38%) say they will use the extra money to pay down bills; 32% of millennials say the same.

MAJORITY CARRY CONSUMER DEBT

Sixty-two percent of millennials indicate they have enough money to live comfortably. Millennials who say they *don't* have enough money to live comfortably appear to be using credit cards to supplement their available resources. Their credit card balances are three times larger than those of their peers who say they do have enough money to live comfortably. These millennials also carry more auto loan and personal loan debt than other members of their generation.

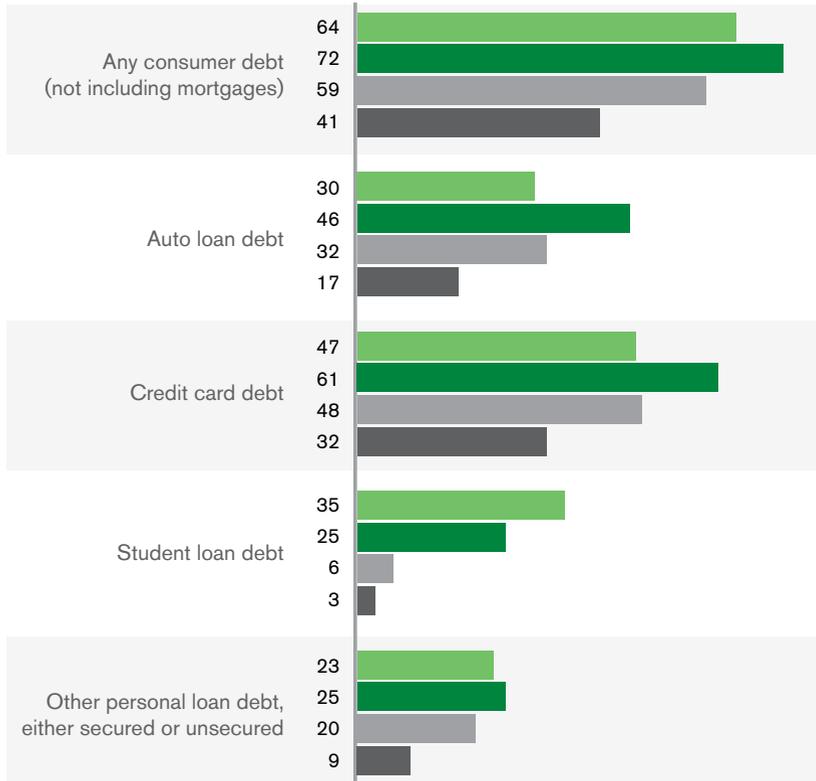
Overall, one-third of U.S. adults (33%) report having auto loans; among millennials, 30% have auto loans. Gen Xers have the highest percentage of other personal loans (25%), followed by millennials (23%). Student loan debt — though not extremely widespread — is associated with the highest levels of indebtedness for all generations, but especially for millennials. More than one-third of millennials (35%), compared with one-quarter of Gen Xers (25%), carry student loan debt.



MILLENNIALS HAVE SECOND-HIGHEST LEVELS OF CONSUMER DEBT

% "With Debt"

■ Millennials ■ Gen Xers ■ Baby Boomers ■ Traditionalists



America's debt burden is enormous and growing, but Gallup findings suggest this debt is distributed unevenly throughout the population. In fact, 39% of Americans report carrying no consumer debt at all in the four categories Gallup examined: credit cards, student loans, auto loans and "other" personal loans. Thirty-six percent of millennials report carrying no consumer debt, while those who do carry debt have the largest self-reported debt burdens.

Millennials have the second-highest percentage of consumer debt among generations; 64% carry consumer debt, with an average balance of over \$29,000. If that balance includes student loans, the total skyrockets to over \$40,000. On average, student loan debt is millennials' largest debt category and account for 39% of their consumer debt burden.

Because these are self-reported estimates of personal indebtedness, it is likely that these percentages underestimate the actual amount of consumer debt people carry. People have a natural tendency to downplay information that may portray them in a negative light, so in this case, they might self-report less debt.

Non-mortgage consumer debt can be a considerable burden and could substantially affect their financial behavior. For millennials, the burden of debt might be even more destructive, stalling any attempts they would make to save and invest.

MILLENNIALS REPORT HIGHER PROPENSITY FOR COST-CUTTING

Millennials are more likely to say they have engaged in a range of cost-cutting or money-saving actions than members of the three older generations. Specifically, they are considerably more inclined to have engaged in eight of the 10 actions studied. However, millennials and the three older generations do not differ markedly on whether they have sold some possessions to make ends meet and whether they did not take a job they would have taken otherwise.

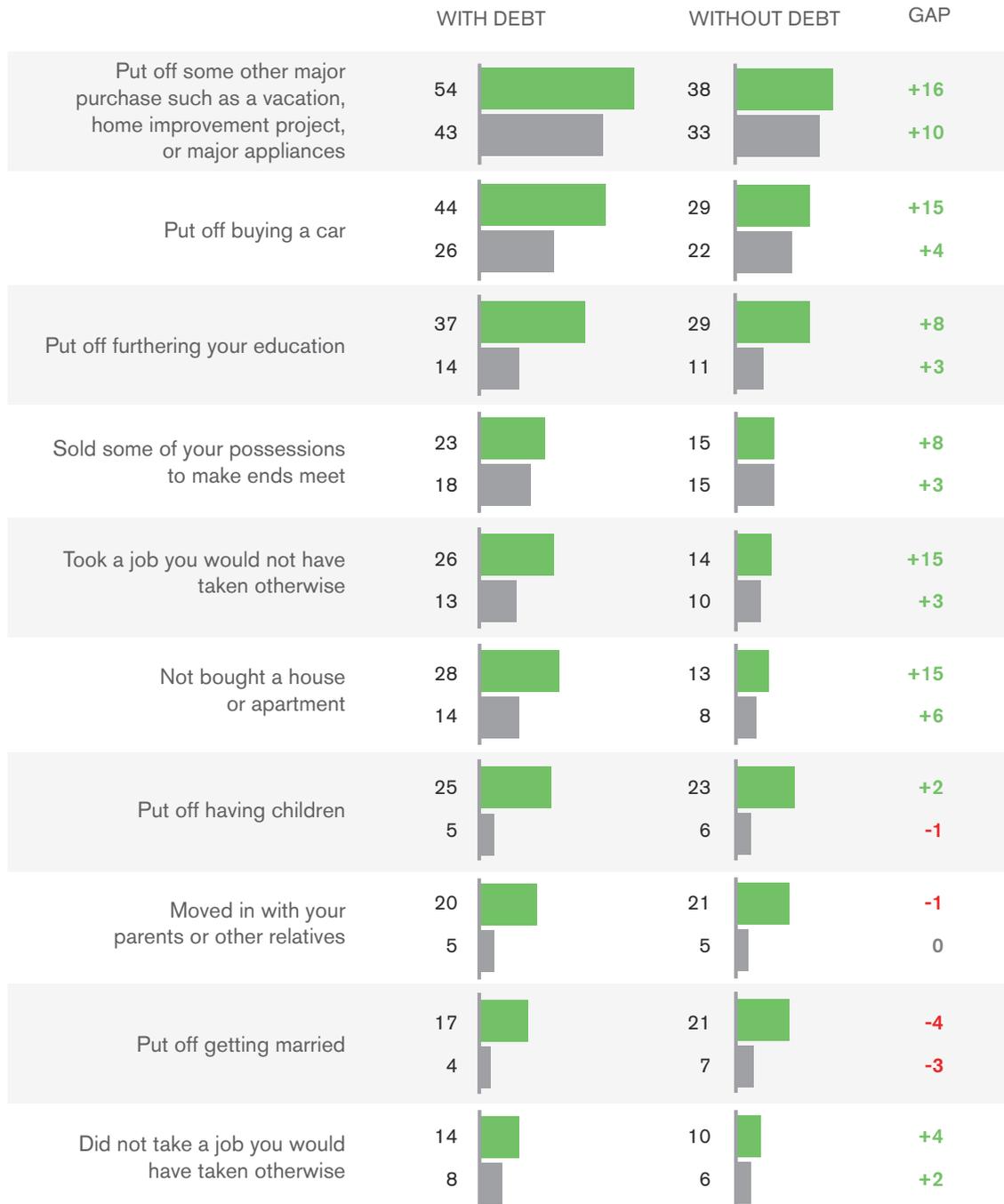
Millennials who carry debt are more likely to say they have engaged in nine of the 10 saving behaviors than millennials who are debt-free. The same cannot be said for the three older generations, where the responses of those who carry debt do not differ radically from those who don't on most measures. At the top of the list of cost-cutting or money-saving actions for millennials with and without debt are putting off a major purchase and putting off buying a car.

Following closely behind, 23% of millennials who carry debt sold some of their possessions to make ends meet, compared with 15% of millennials who are debt-free. The least common actions for both groups were putting off marriage, forgoing a job they would otherwise have accepted and moving in with family members.

MILLENNIALS MORE LIKELY TO ENGAGE IN COST-CUTTING BEHAVIORS

% "Have Done"

■ Millennials ■ Other Generations



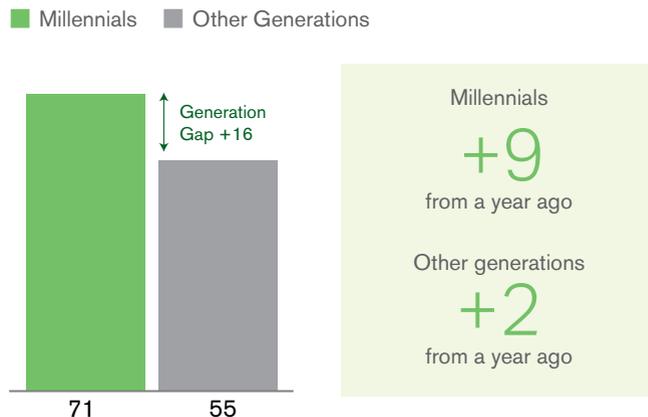
What is notable, though, is how often millennials who are debt-free engage in these same behaviors, illustrating the broader effects of the current economic climate. Over one-third of millennials with no debt said they had put off a major purchase (38%), and about three in 10 had put off buying a car (29%). Fifteen percent said they had sold some of their possessions to make ends meet. Over half (57%) have engaged in at least one of the 10 activities. These percentages pale in comparison to those of millennials who carry some debt, where over half said they had put off a major purchase (54%) and had put off buying a car (44%). Seventy-nine percent of debt-carrying millennials have engaged in at least one of the 10 money-saving behaviors.

SPENDING, SAVING BEHAVIORS MISMATCHED

Americans have used a variety of methods to deal with saving or spending money. With a few exceptions, Gallup discovered that across six different polling periods, millennials were more likely to have engaged in most of the spending and saving behaviors asked about than members of the other generations. These methods present something of a paradox, however, because some of the behaviors are less thrifty than others. On the thrifty side of the ledger, around seven in 10 millennials have gone online to compare prices (71%), compared with more than half of other generations (55%).

MILLENNIALS MORE LIKELY TO GO ONLINE TO COMPARE PRICES AND FIND THE BEST DEAL

% "Yes"

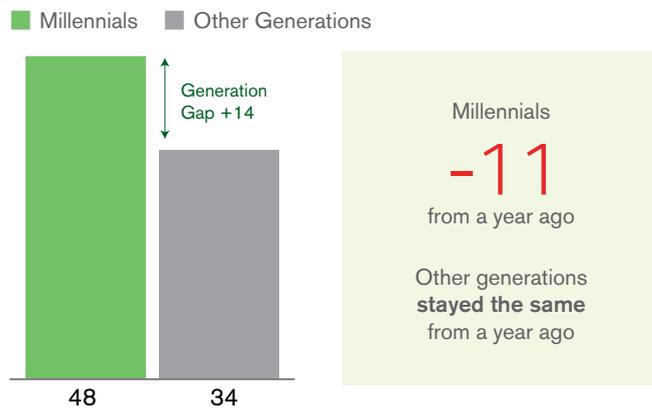


Total across six polling periods

Over the past year, the percentage of millennials comparing prices and deals online has increased considerably, but the percentage of older generations doing so has remained largely unchanged. This is not particularly surprising, given millennials' familiarity with and use of technology. Millennials are also much more likely to have purchased used goods than members of the other generations.

MILLENNIALS MORE LIKELY TO PURCHASE USED GOODS

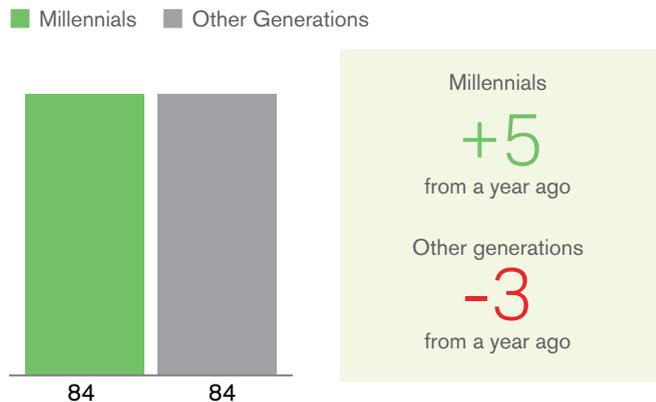
% "Yes"



Total across six polling periods

MILLENNIALS MORE LIKELY TO PURCHASE GENERIC OR STORE BRAND GOODS

% "Yes"

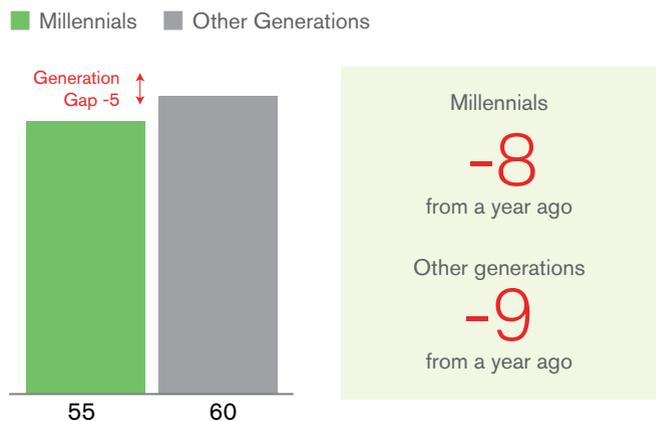


Total across six polling periods

Millennials and older generations are equally likely (84%) to have purchased generic or store brand goods. But while the percentage of millennials purchasing generic or store brand goods has increased over the past year, it has declined by 3% among the older generations. Finally, older generations have used coupons while shopping more often than millennials have (60% vs. 55%) — the only item to show that pattern. Coupon use has declined among all generations over the past year.

MILLENNIALS LESS LIKELY TO USE COUPONS WHEN SHOPPING

% "Yes"

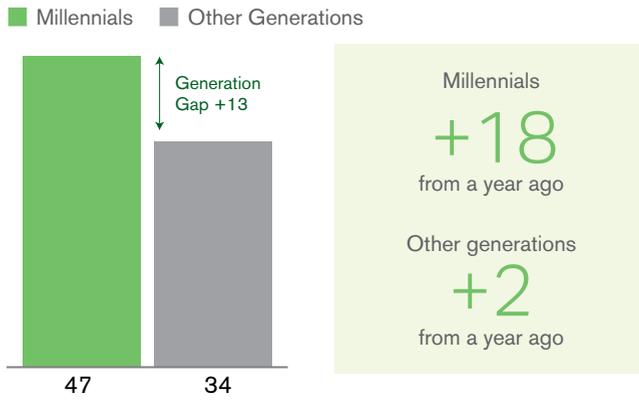


Total across six polling periods

Millennials are more likely to engage in a number of less thrifty behaviors, suggesting that they may be a little more free-wheeling with their spending than members of other generations. They are much more apt to have gone shopping for fun, to have made an impulse purchase and to have made a major purchase that cost at least one week's pay than members of the other generations. Impulse purchases and big-ticket purchases have notably increased among millennials — but not the other generations — over the past year.

MILLENNIALS MORE LIKELY TO MAKE AN IMPULSE PURCHASE

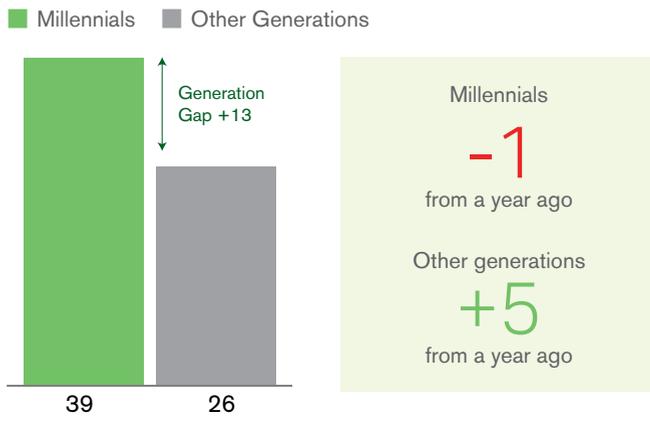
% "Yes"



Total across six polling periods

MILLENNIALS MORE LIKELY TO GO SHOPPING FOR FUN

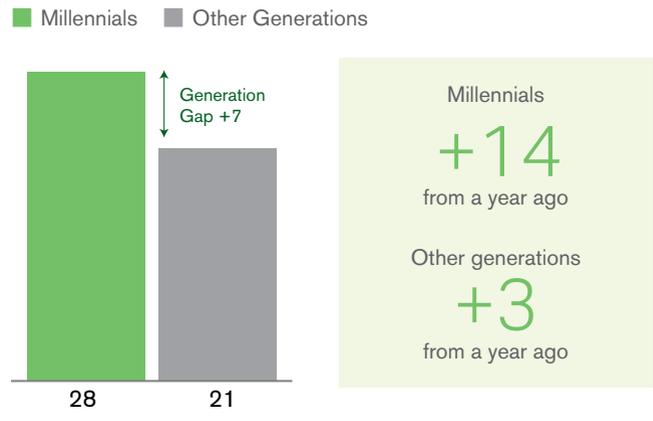
% "Yes"



Total across six polling periods

MILLENNIALS MORE LIKELY TO MAKE A MAJOR PURCHASE THAT COST AT LEAST ONE WEEK'S PAY

% "Yes"



Total across six polling periods

These results suggest that some — and in certain cases, most — Americans are still actively finding ways to save money and reduce discretionary spending. However, millennials appear to go about the task differently than the older generations. They prioritize their spending differently and are less disciplined with their finances.

Because Gallup's tracking of spending changes began in mid-2014, it is unclear whether the current patterns are typical, or if the results of saving strategies are better now than during the recession. However, the differences between millennials and other generations are quite consistent over the past 18 months and are expected to persist.

LEADING THE ECONOMIC REVIVAL — OR TRYING TO

The overall results of Americans' spending and saving behaviors paint a picture of an economy still struggling to get on its feet, with Americans continuing to find ways to pinch pennies — millennials included. Buying store brand or generic goods and price shopping are some of the ways Americans of every generation are trying to do more with less. Millennials report doing more of everything except for using coupons. But overall, a majority of consumers are using coupons when they shop, suggesting that coupon use and other methods of obtaining price discounts are firmly entrenched in the American consumer mindset.

While Americans are spending more on household essentials overall, they have less available to spend on discretionary items, such as leisure activities, travel, dining out or consumer electronics. The exception to this pattern is that millennials report an increase in spending on leisure activities; they are the only generation to report this. American consumers are forgoing major purchases and are rarely shopping for fun, although fewer millennials are making these same sacrifices. The least common behavior is making investments for retirement, which is at the very bottom of the list of spending categories for all generations. If everyone — especially the millennial generation — is spending less on retirement, the prognosis for their ability to comfortably retire is grim.

It is likely that a more robust economy will bring about the return of more spending — but shopping for fun, making major purchases and spending on discretionary items are what fuel economic growth. Because consumer spending is the lifeblood of a healthy economy, these findings indicate that discretionary spending still has a way to go before it will drive the kind of economic growth for which Americans have been hoping. These responses suggest that millennials could very well be leading the way.

TRUST

MILLENNIALS HOLD SMALL BUSINESS IN HIGHEST REGARD

In their lifetime, millennials have been witness to major breaches of trust perpetuated by companies and institutions. From banks deemed “too big to fail” to automakers that deliberately took steps to cheat environmental standards, this generation is all too familiar with broken brand promises.

Perhaps unsurprisingly, millennials do not have much trust in big business and banks. When asked, 25% of millennials say they have a “great deal” or “quite a lot” of trust in big business and a somewhat higher number (30%) say the same of banks. However, millennials exhibit considerably more trust in banks than Gen Xers and baby boomers do, and they are the most trusting of big business.

All generations have the greatest amount of trust in small business, with millennials leading the way. Seventy-two percent of millennials say they have a great deal or quite a lot of trust in these types of institutions.

MILLENNIALS HAVE THE GREATEST AMOUNT OF TRUST IN SMALL BUSINESS

Trust Institution “Great Deal/Quite a Lot”

| SMALL BUSINESS | BIG BUSINESS | BANKS |
|----------------|--------------|-------|
| 72% | 25% | 30% |

Gallup data show that small business has long been one of the most popular institutions in the U.S., holding strong during and after the Great Recession. Millennials, while being most trusting of small and big business, show a 47-percentage-point gap in trust between both institutions. Big businesses have to gain millennial consumers’ trust or this generation will increasingly shut them out of spending decisions.

MILLENNIALS HIGHLY TRUSTING OF BUSINESS TO KEEP DATA SAFE

A few factors can influence consumers' trust in institutions, including how these institutions present themselves to the world and the scale of their public failings or successes. But as consumers and businesses increasingly interact online, trust now includes a digital component. Companies are expected to keep consumers' personal information secure and private. However, there is a hard-to-miss debate going on in the U.S. today as more companies come under scrutiny for their data practices.

Despite millennials' lack of overall trust in big business and banks, Gallup found that an impressive 80% of them say they have "some" or "a lot" of trust in the companies they do business with to keep their personal information secure. This overall number generally aligns with those of older generations. However, across every company type and industry that Gallup has studied, millennials have the most trust in institutions to safeguard their personal data.

80%

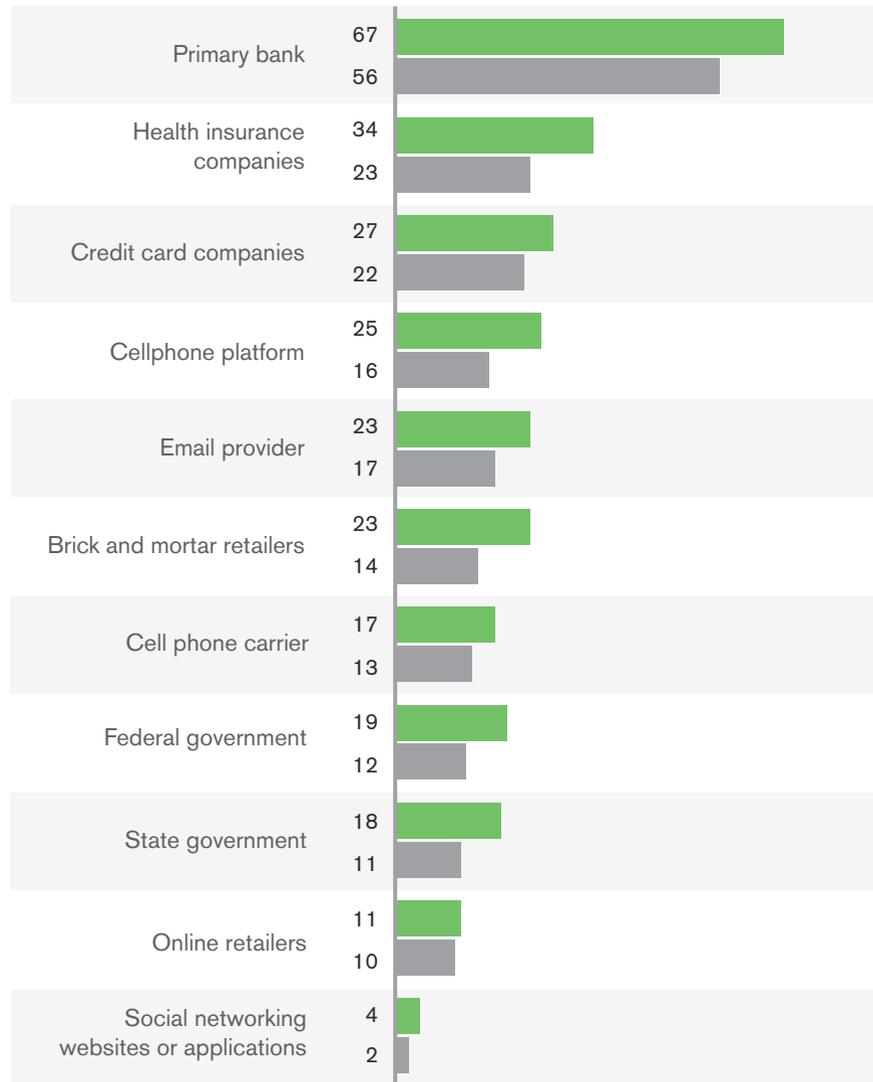
OF MILLENNIALS

have "some" or "a lot of" **TRUST** in the companies they do business with to keep their personal information secure.

MILLENNIALS HAVE THE MOST TRUST IN INSTITUTIONS TO SAFEGUARD THEIR PERSONAL DATA

% "A lot of trust"

■ Millennials ■ Other Generations



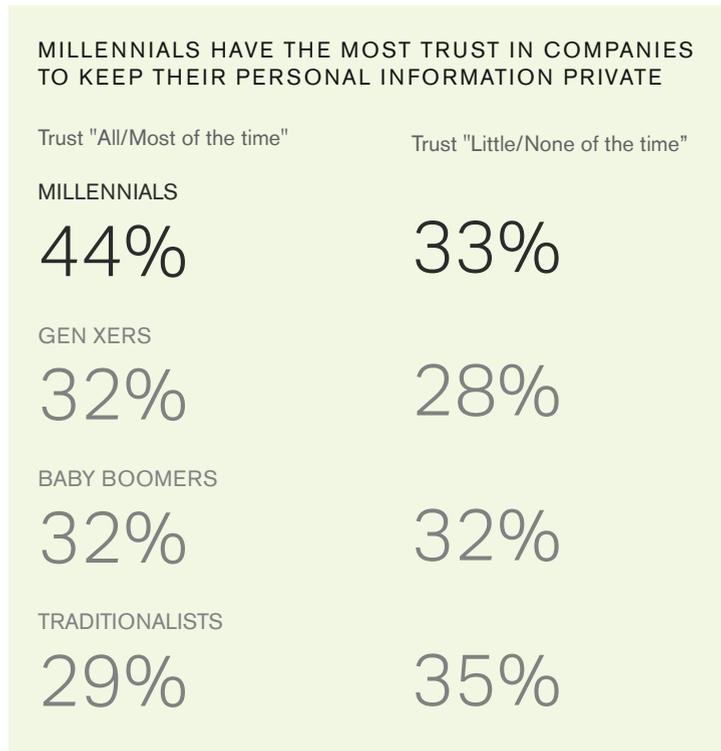
All four generations do share a lack of trust in certain institutions: Each generation trusts online retailers and social networking websites or applications the least with the security of their data, with only 4% of millennials reporting they have “a lot of trust” in the latter. Millennials may see these types of businesses as more susceptible to data breaches, or they

may not believe they hold the security of customers' data in high regard to begin with. In any case, this is a miss on the part of online businesses, as this lack of trust likely deters millennials from fully interacting with them.

FEWER TRUST COMPANIES TO KEEP INFORMATION PRIVATE

Millennials conduct their business in an age where personal information is currency. Often, the “price of entry” is permission to track, analyze and market to consumers. While the majority of millennials generally feel good about the security of their data, they feel differently about the privacy of their data. Less than half of millennials (44%) believe their personal information is kept private by the business or companies they interact with “all” or “most of the time.”

Expectations of personal privacy in the digital era largely appear to be related to age. Of all generations, millennials are the group most likely to say their data is being kept private by a considerable margin. Twenty-nine percent of traditionalists and 32% of Gen Xers and baby boomers feel the same about the privacy of their personal information. Traditionalists are more likely to say their personal information is kept private “little” or “none of the time.”



One school of thought about millennials and privacy suggests that because millennials are a highly connected group that has never known a world without smartphones, apps, the Internet or computers — and the inherent risks to privacy that technology poses — they should have lower expectations about the security of their personal information than other generations do. Because everything is available online these days, and even information that is not easily accessible is increasingly vulnerable to hackers, this generation should expect less. Millennials have never really known a world without technology and data, and they might see data breaches and misuse as unfortunate, but normal.

But another perspective argues just the opposite. To its adherents, millennials should have higher expectations for the security of their personal information than other generations because they understand how technology works. They are fully aware of the inherent risks but believe technology will keep their personal information safe.

Finally, there is a slightly different version of the latter hypothesis. According to this perspective, millennials should have higher expectations than other generations about the security of their personal information because they are naïve — they have little experience to make them think otherwise. In other words, millennials have the least life experience of all generations. A corollary of this view is that members of the oldest generation — traditionalists — should have not only the greatest life experience (and be more jaded or cynical as a result) but also the lowest expectations of personal privacy.

Falling in line with millennials' overall greater levels of consumer trust, these results suggest that in some cases — particularly where the privacy of personal information is concerned — millennials are at least more trusting than skeptical. Whether this is the result of life experience and youth or some other combination of factors remains to be determined. Millennials have been exposed to a significant number of high-visibility data breaches. Knowledge of these breaches alone might make people question the privacy and security of their online personal information. But millennials seem to rise above this, remaining trusting in the face of an abundance of evidence that their online data might not be very secure.

BRANDS

MILLENNIALS' ALIGNMENT BRINGS GREATER RETURNS

For brands to succeed with any generation, they have to send the right message at the right time and reinforce that message with the right experiences (by delivering on their brand promise). However, it's difficult for brands to find this success with their millennial audience. Millennials don't believe brands are following through on their promises; on top of that, they have unfettered access to the world to share their messages of discontent. Companies spend millions of dollars marketing to this group, but they overlook the real differentiator: brand advocates.

Companies must align millennials with their brands. "Brand alignment" refers to how well consumers can describe the core aspects of a brand's identity, and that alignment has considerable influence over how much share of wallet any given consumer awards to that brand. Simply stated, the better consumers know a brand and what it stands for, the more business they are likely to send the brand's way.

To identify the core elements of a brand's identity, Gallup studied the primary marketing emphases of six major American brands representing the airline, hospitality, food and beverage, financial services, automotive and retail industries, along with input from some of those organizations' executives. The resulting list of core identity elements was used to determine alignment.

This research revealed some startling results. The six organizations' success with aligning the elements of their core identities significantly ranged. For the major retailer and the airline, for example, brand alignment was at or above 90% among consumers who were already familiar with the brands. This represents extremely high levels of successful top-of-mind recall of the core brand elements. For other brands, however, the degree of alignment was much less successful; the automotive brand exhibited 35% alignment among consumers familiar with it.

Without exception, consumers' alignment with each brand's core identity elements successfully predicted wallet share. Consumers who were familiar with a brand and who successfully aligned with its brand identity rewarded those brands with *double* the share of wallet compared with consumers who were equally familiar with but not aligned with the brand — a 104% increase in share of wallet when Gallup combined the results of all six brands.

But what about millennials, who are more greatly influenced by their social networks than all other generations? Does the successful delivery of a brand's identity also influence their habits as consumers? As it turns out, brand alignment matters even more for millennials' spending. Millennials who successfully aligned with one of those same six brands collectively rewarded it with a *113% increase* in their share of wallet.

MILLENNIALS' BRAND EXPERIENCE IS "ALWAYS ON"

When companies align millennials with their brands, they can reap impressive rewards. But Gallup data suggest that few companies are doing so. That is likely because companies have not aligned with millennials and what this group wants out of the brand experience.

The brand experience for millennials is more than multichannel; it is omnichannel. Millennials move in, around and between a variety of online and offline channels in their customer journey. For example, Gallup has found that millennials have a stake in every single channel offered by their banks. Within a six-month period, 91% of millennials used online banking, 77% used ATMs, 74% interacted with a mobile app, 70% visited a branch and 52% contacted a call center. They also used Interactive Voice Response (IVR) systems (33%) and sent emails or instant messages (9%).

Because every channel has the potential to play a role in millennials' banking experience, providing a consistent experience is even more important to this group. Although not every millennial uses all channels — or at least all channels to the same degree — this generation is nonetheless active offline and online, with a strong penchant for digital channels. However, millennials still visit their bank branches and still contact call centers, meaning person-to-person interactions continue to matter in their customer experience.

Millennials' brand experience is also omnipresent. They are constantly exposed to brands, products and services — whether they want to be or not. This exposure includes more traditional methods of advertising and marketing, such as direct mail, television and billboards, but encompasses emerging outlets as well. Advertising and marketing have crept into almost every digital crack and crevice, from mobile apps to websites that stream music, movies and television; companies have done a thorough job of infusing themselves into the online landscape.

But companies aren't the only ones with something to say. Consumer opinion is everywhere, giving new meaning and weight to “word of mouth” marketing. Consumers can have direct conversations with people they know, or they can be bystanders to discussions and commentary from people they have never met and will never meet. Nearly everyone can post, share and say whatever they want about brands on a host of platforms. Websites like Yelp, TripAdvisor and Amazon represent only a handful of sites that have made it their business to collect and share ratings, reviews and comments. There's also the viral aspect — a seemingly innocuous post on Facebook about a customer experience gone terribly wrong or surprisingly well suddenly ends up as a story on NBC or the local news.

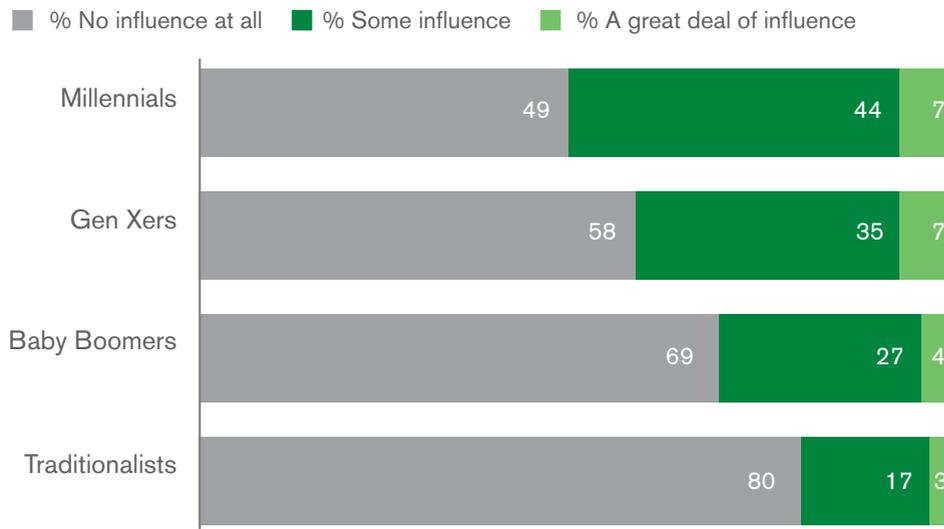
SOCIAL MEDIA HOLD MARGINAL MARKETING APPEAL

Social media have fundamentally changed the way people interact with and learn about brands. This evolution has led many businesses to believe that social media hold unlimited marketing potential for them — but this not quite true. Just 7% of all consumers and 11% of millennials use social media as a source of information about retailers' products and services. For millennials, social media hits a distant third after retailers' websites (80%) and in-store product displays (58%) as a source of this kind of information. Contrary to widespread belief, social media have not displaced other sources of information for millennials. They are, however, more likely to use multiple sources of information than other generations.

Millennials are slightly more likely to be influenced by social media marketing than other generations, although that influence remains minimal. More than half of all millennials (54%) “follow” or “like” specific retailers on their social media platforms, yet only 7% say social media have a “great deal” of influence on their purchasing decisions.

Gen Xers (55%) are just as likely to “follow” or “like” specific retailers as millennials, while baby boomers (37%) and traditionalists (21%) trail by a considerable margin. Among the four generation groups, millennials were the most likely to say that social media have at least some influence on their buying decisions (51%). But millennials were nearly as likely to say social media have no influence at all.

SOCIAL MEDIA HAS GREATEST INFLUENCE ON MILLENNIALS' PURCHASING DECISIONS COMPARED WITH OTHER GENERATIONS



Millennials are online and social media devotees. Their purchasing behavior has unquestionably been affected to some degree by their digital interactions, yet they are no different from older generations in their allegiances. Among this generation, 58% say they have made an online purchase because a friend recommended the website. Millennials would still rather listen to the opinions of friends, family members and coworkers — and now, anonymous third-party contributors — over the marketing messages of brands. Millennials don't want to hear directly from brands; they want to hear from real people, and this creates an urgent need for companies to build a strong contingent of brand advocates.

Brands face a twofold challenge in marketing to millennials: They have to create a compelling story, and they need to find the right people to tell that story for them, both offline and online. That story must do more than focus on the promises made in advertising and marketing campaigns — it should demonstrate how the brand consistently delivers on those promises to customers.

By and large, brands haven't connected with millennials. In fact, they constantly disappoint them. Millennials are the least engaged generation of consumers, with the highest number of actively disengaged consumers across multiple industries. Millennials might be talking about their experiences, but not in the way brands would like them to.

AUTHENTICITY AND FUN MATTER IN BRAND EXPERIENCE

Millennials want their brand experience to be authentic. When brands push or shove their way into millennials' online lives, it can feel intrusive and forced. They can easily spot an insincere, generic sales pitch, and they know when brands are trying too hard to fit in. Businesses must understand where and how they make the most sense with this generation. If they approach millennials like outsiders, millennials will treat them as such.

Beyond authenticity, brands also need to be appealing — they have to give consumers what they want. In many cases for millennials, what they want is *fun*. Millennials expect their brand experience to be enriching, rewarding and entertaining. This generation is responsible for helping to transform coffee shops into all-day hangouts and for making monthly personalized subscription boxes a competitive industry.

Gallup research shows that, contrary to popular belief, millennials don't expect work to be fun; instead, they expect fun from their consumer experience. When asked about their spending habits, 39% of millennials say they have gone shopping for fun in the last week — more so than other generations. Similarly, millennials are the only generation to report spending more money on leisure activities.

Millennials are also substantially more likely to take part in entertainment activities than are members of older generations. They have higher levels of attendance at concerts, theater performances and sporting events. Though this may be more of a stage-in-life phenomenon than a generational distinction, it nevertheless underscores the wide and varied manner in which millennials seek out and consume cultural experiences.

Millennials want to connect with brands that offer them something fun, creative and novel. For example, among hotel guests, millennials value “leisure and recreation facilities” more than all other generations. When given a list of hotel features and asked how they would customize them, millennials were the only generation to say they would significantly improve leisure and recreation facilities and pay much more for their stay to keep them. Older generations feel differently — none ranked leisure and recreation facilities as worth paying more for or improving.

MILLENNIALS ONLY GENERATION TO SAY THEY WOULD SIGNIFICANTLY IMPROVE AND PAY MUCH MORE FOR LEISURE AND RECREATION FACILITIES

Significantly improve and pay much more for your stay

MILLENNIALS

1. Internet connectivity
2. comfort of bed
3. responsive employees
4. daily room cleaning
5. leisure and recreation facilities

GEN XERS

1. Internet connectivity
2. comfort of bed
3. responsive employees
4. daily room cleaning
5. hotel restaurant

BABY BOOMERS

1. responsive employees
2. comfort of bed
3. daily room cleaning
4. Internet connectivity
5. hypoallergenic room purification

TRADITIONALISTS

1. responsive employees
2. comfort of bed
3. daily room cleaning
4. hypoallergenic room purification
5. Internet connectivity

Brands need to look at their channels and find ways to integrate fun and entertainment. What can customers do to pass the time while they wait? How can websites and mobile apps be built to include customization and personalization? Brands must also consider how they can naturally incorporate themselves into the events and activities millennials want and enjoy — or how they can create those events and activities.

Millennials' desires and expectations for fun and unique experiences are driving brands, and even industries, to change. In the hospitality industry, guests used to be largely satisfied with a clean room and great service. These factors still matter, but millennials pushed hotels to change a key aspect of their accommodations. Millennials didn't want to pay \$20 or so for Wi-Fi in their rooms, so they migrated to the lobby, where they could get free Wi-Fi or where they could get out of their rooms for a while. Instead of remaining a place where guests checked in and out and occasionally received a free cup of coffee, the hotel lobby became a gathering place with comfortable seating, collaborative workspaces, food and drink options, and entertainment. Millennials undoubtedly inspired this shift.

CUSTOMER ENGAGEMENT

FULLY ENGAGED MILLENNIALS AMPLIFY BUSINESS OUTCOMES

Failing to engage millennials has dire consequences for brands. They not only make themselves targets for annoyed and angry customers, but they also annihilate their bottom line. Brands should be greatly concerned about the substantial numbers of millennial customers who are actively disengaged.

When millennials *are* fully engaged as customers, they are more profitable and loyal than other customers. In the wireless service industry, Gallup discovered that 95% of fully engaged millennial customers say they plan to stay with their wireless provider, compared with 10% of actively disengaged customers. These fully engaged customers are substantially more likely than other customers to say they would recommend their provider to others and are substantially less likely to say they consider price as the most important factor in choosing a wireless provider. Unfortunately, wireless providers have succeeded in fully engaging only 12% of their millennial customers. Considerably more of these customers — 40% — are actively disengaged.

In the insurance industry, fully engaged customers among all generations are much more likely (91%) to recommend their insurance company to others than their actively disengaged counterparts (25%). But the effects of fully engaging millennials are even greater. In the business outcomes Gallup studied, the difference between fully engaged millennials and actively disengaged millennials is greater than the difference between these two groups among every other generation. When insurance companies fully engage their millennial customers, the percentage who would recommend their company is nearly five times greater for fully engaged (95%) than for actively disengaged (20%) millennials.

For all other generations, the difference in advocacy between full engagement and active disengagement is still significant, but somewhat lower; engaged customers are about four times more likely to recommend than their actively disengaged counterparts. The business outcomes of engaged consumers are significant for any generation — even more so among millennials.

MILLENNIALS' NEEDS LARGELY ALIGNED WITH OTHER GENERATIONS

Companies that engage more millennials as customers and brand ambassadors understand this cohort's value, and they see it in their profit margin. Yet across the industries that Gallup has studied, companies are struggling to engage even one-third of their millennial customers.

Companies often regard millennials as a perplexing generation of consumers. Businesses can't figure them out and are unsure of how to approach them. In many cases, companies try to create a unique "millennial experience" and then are surprised when this customer base doesn't react or reacts negatively.

But millennials are more closely in step with other generations than companies may realize. Gallup has identified specific elements — or drivers — of the customer experience that organizations can leverage to build customer engagement. Extreme customer satisfaction with a driver translates to a significant increase in the percentage of fully engaged customers.

Although drivers often vary among industries, Gallup has discovered a few that remain consistent across industries *and* generations. For example, all insurance consumers want to feel valued and welcomed, and if they encounter a problem, they want it solved the first time.

KEY DRIVERS AMONG INSURANCE CUSTOMERS

MILLENNIALS

1. Feel like a valued customer
2. Solving problems accurately the first time
3. Making you feel welcome
4. Feel genuinely cared about
5. Went out of way to serve you
6. Took time to understand your needs
7. Easy to do business with
8. Addressed all your needs
9. Knowledgeable

THE TOP THREE DRIVERS ARE THE SAME ACROSS ALL GENERATIONS.

KNOWLEDGEABLE IS THE LEAST EFFECTIVE KEY DRIVER ACROSS ALL GENERATIONS.

In the wireless service industry, millennials and other generations also agree on the top three drivers of customer engagement. All consumers in this industry are more likely to be fully engaged when they can agree that their provider makes them believe in a better cellular service experience, takes care of its loyal customers and helps make their life better.

Despite their differences, customers are still people, and they want companies to treat them as such. For brands, the greatest takeaway here is not earth-shattering: Respect the customer. Companies do not have to rework their entire business models to attract and retain millennials. However, they often have to adjust how they *deliver* the customer experience.

IDEAL CUSTOMER EXPERIENCE IS DEPENDENT ON ALL CHANNELS

If some of the same factors drive all generations' customer engagement, then why are millennials the least engaged?

Gallup has not found that brands are excelling at engaging any of their customers. Companies inconsistently deliver on the key drivers of engagement across all generations. But there is something about millennials that brands have an even harder time grasping — and not surprisingly, it's in the digital details.

Millennials' customer journey is highly influenced by technology, more so than any other generation. As such, Gallup has found that drivers of online engagement diverge among the generations. For instance, among millennial insurance customers, the top drivers of online engagement are information security, ease of changing coverage and finding answers to questions. On the other hand, the top drivers of online engagement among Gen Xers are finding answers to questions, ease of managing an account and ease of changing coverage.

Millennials view the online customer experience through a different lens than other generations do, but they also place more value on it. In the banking industry, the digital experience has become a key sticking point in engaging millennial customers. Compared with other generations, millennials are the most likely to use online and mobile banking channels. An impressive 73% of millennials report they would prefer to have a digital relationship with their bank (through mobile, online or ATM channels) rather than a personal one — higher than Gen Xers (58%), baby boomers (43%) and traditionalists

(28%). Millennials not only express a strong digital preference, but they also act on it. Thirty-seven percent of millennials report that they only use a branch if their transaction cannot be done another way, and 84% state that their relationship with their bank is primarily digital.

The profound disconnect in millennials' engagement comes from their lower levels of satisfaction with the online channels they use — and want to use — most frequently. Fifty-nine percent of millennials say they are “extremely satisfied” with mobile banking, compared with 64% of baby boomers. The gap is even more pronounced with online banking — 55% of millennials are “extremely satisfied” with this channel, compared with 67% of baby boomers. Given that millennials predominantly prefer digital channels over human channels, banks have significant work to do to improve the generation's satisfaction with their digital experience.

The greatest challenge for businesses in engaging millennial customers is to deliver the convenience of multiple channels while maintaining a consistently positive experience across every channel. In the banking industry, Gallup discovered that 55% of customers who are perfectly satisfied with all channels they use are fully engaged. But if they give a less-than-perfect satisfaction score to even one channel, their engagement drops by 40 percentage points to 15%. This problem particularly affects millennial customers, who use more channels than any other generation and, therefore, have a higher likelihood of disappointing interactions with their bank.

RESETTING THE CUSTOMER JOURNEY

Companies are not giving their millennial customers the experience they want. In some ways, this generation is not that different from older generations. The same factors often determine their engagement, and their circle of friends, family and coworkers remain their largest influencers. But millennials' customer journey is more involved than other generations, encompassing more channels.

Because of this, businesses must consider each and every customer touchpoint, as well as how those touchpoints align with one another. Millennials should not have two completely different experiences in a store and on that store's website. Their experience with a brand needs to be seamless; anything

less can destroy their engagement and cause them to share their negative experience through every channel available to them, both online and offline.

Companies often create strategies for their various channels in isolation without considering their effects on the overall, or omnichannel, customer experience. When separate teams don't communicate or share information, their silo mentality creates a disjointed brand experience. To correct this problem, leaders and managers should ensure their employees are talking and working together. Executives must ensure that all employees — whether they work behind counters or computer screens — understand the customer strategy and how they can deliver the company's brand promise in each of its channels.

Businesses also need to consider for whom they are building their systems, products and services. When working with banks, Gallup has often observed that focus groups largely consist of customers from the baby boomer and traditionalist generations. Though they should include customers from these groups, they also need to much more deliberately involve their Generation X and millennial customers.

For leaders, the key to customer engagement is finding the balance between the traditional and digital aspects of their business. Gallup's advice is not to forget about person-to-person interactions, but to realize the world is increasingly digital — and companies are not meeting millennials' expectations for their online experience. Companies might be spending significant amounts of money updating and innovating their technology, but their focus and strategy seem to be off.

As consumers, millennials spend \$600 billion a year, and that number is growing. This is an optimistic group that wants to connect with brands and advocate for them, but is largely not finding opportunities to do so. Moreover, millennials exhibit high levels of active disengagement and are reluctant to trust big business, which could have a profound effect on brands and the economy in the future.

Marketers and business leaders understand that millennials are important to their company's future success, but they are often confused by this cohort and how to engage them. The secret to success with millennials is simple: Companies have to consistently deliver on an authentic brand promise in every single channel, every single time.

The Change in Leadership

Past

My Paycheck

My Satisfaction

My Boss

My Annual Review

My Weaknesses

My Job



Future

My Purpose

My Development

My Coach

My Ongoing Conversations

My Strengths

My Life

Appendix

IN GENERAL, THE DATA IN this report came from Gallup Panel studies, Gallup Daily Tracking, Gallup's Q¹² Employee Engagement and Customer Engagement databases, and the Gallup-Healthways Well-Being Index. Please see the following for details.

GALLUP DAILY TRACKING

The Gallup Daily tracking survey, which began in 2008, is an unprecedented survey of 1,000 U.S. adults each day for 350 days per year. Gallup Daily tracking consists of two parallel surveys: the U.S. Daily and the Gallup-Healthways Well-Being Index. For each of the two surveys, large sample sizes — 3,500 after a week, 15,000 after a month and 175,000 after a year — allow Gallup to examine extensive demographic breaks and cross-tabulations of the daily measures.

Gallup interviews U.S. adults aged 18 and older living in all 50 states and the District of Columbia using a dual-frame design, which includes both landline and cellphone numbers. Gallup samples landline and cellphone numbers using random-digit-dial methods. Gallup purchases samples for this study from Survey Sampling International (SSI). Gallup chooses landline respondents at random within each household based on which member had the next birthday. Each sample of national adults includes a minimum quota of 60% cellphone respondents and 40% landline respondents, with additional minimum quotas by time zone within region. Gallup conducts interviews in Spanish for respondents who are primarily Spanish-speaking.

Gallup interviews approximately 1,000 U.S. adults aged 18 and older every day. Of the 1,000 adults, Gallup interviews approximately 500 respondents through the U.S. Daily survey and approximately 500 respondents through the Gallup-Healthways Well-Being Index survey.

Gallup weights samples to correct for unequal selection probability, nonresponse, and double coverage of landline and cellphone users in the two sampling frames. Gallup also weights its final samples to match the U.S. population according to gender, age, race, Hispanic ethnicity, education, region, population density and phone status (cellphone only, landline only, both and cellphone mostly). Demographic weighting targets for the U.S. are based on the most recent Current Population Survey figures for the aged 18 and older U.S. population, while weighting targets for metropolitan areas and congressional districts are based on Nielsen Claritas statistics. Phone status targets are based on the most recent National Health Interview Survey. Population density targets are based on the most recent U.S. Census.

THE GALLUP PANEL

Gallup launched the Gallup Panel in 2004 as a proprietary, probability-based longitudinal panel of U.S. households that are selected using random-digit-dial (RDD) and address-based sampling methods. The Gallup Panel is not an opt-in panel.

Gallup randomly selects Panel households using outbound phone interviews that cover both landline and cellphone households. Panel members agree to participate in an average of three surveys per month, via phone, Web or mail. There are no incentives or financial rewards for taking part in the Panel, and individuals may remain in the Panel for as long as they would like, given they continue to participate. Monthly attrition averages approximately 3%.

The Gallup Panel includes 95,000 individuals. Currently, 75,000 panel members complete surveys via the Web. Gallup recruits new members on an ongoing basis to replenish demographic segments that have left the Panel.

GALLUP Q¹²® EMPLOYEE ENGAGEMENT DATABASE

Gallup's historical client database contains information from clients that completed Gallup's Q¹² employee engagement survey between 1996 and 2015. It includes data from 31 million respondents from 3.7 million workgroups and 2,161 client organizations in 198 countries, 72 languages and 21 major industries

Gallup updates its databases annually. Findings used to conduct research and set benchmarks are based on three-year rolling periods.

Data used in this report are from U.S. clients only.

GALLUP CUSTOMER ENGAGEMENT DATABASE

Gallup's historical client database contains information from clients that completed the Gallup customer engagement survey between 2001 and 2015. It includes data from 18.3 million respondents from 370 client organizations in 61 countries, 47 languages and 61 industries (industries are defined based on three-digit North American Industry Classification System codes).

Gallup updates its databases annually. Findings used to conduct research and set benchmarks are based on five-year rolling periods.

Data used in this report are from U.S. clients only.

GALLUP-HEALTHWAYS WELL-BEING INDEX

The Gallup-Healthways Well-Being Index provides an in-depth, real-time view of Americans' well-being, providing unmatched insights into the well-being of the U.S. population at the community, state and national levels. Since 2008, the Well-Being Index has measured Americans' perceptions of their lives and daily experiences through five essential and interrelated elements: purpose, social, financial, community and physical well-being. Over 2.3 million American adults have been interviewed to date, measured nightly throughout the year.

This report also includes data from secondary sources, including the United States Census Bureau and others cited below.

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ABOUT GALLUP

Gallup delivers analytics and advice to help leaders and organizations solve their most pressing problems. Combining more than 80 years of experience with its global reach, Gallup knows more about the attitudes and behaviors of employees, customers, students and citizens than any other organization in the world.

Gallup works with leaders and organizations to achieve breakthroughs in customer engagement, employee engagement, organizational culture and identity, leadership development, talent-based assessments, entrepreneurship and well-being. Our 2,000 professionals include noted scientists, renowned subject-matter experts and best-selling authors who work in a range of industries, including banking, finance, healthcare, consumer goods, automotive, real estate, hospitality, education, government and business-to-business (B2B).

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