

## **Millennials**

### **Whining aside, Millennials are well-positioned.**

Sitting in my car in the SFU parking lot one evening, simmering after having written a challenging exam, I listened to a talk show on some sort of news radio station which identified me, a cohort of the tail end of the baby boom, as a particularly unfortunate soon-to-be graduate. The forces of demography were conspiring against me. Most of the good jobs were taken up by my older siblings and the rest of the Beatles end of the baby boom. Me and the rest of the mullet-haired unfortunates born in the early sixties, were destined to hang in a late eighties sort of Dire Straits limbo.

In January 1979, when earlier boomers were graduating university and getting established, the average price of a home in Canada was \$67,000. Inflation was running at 9.1%, and the Bank of Canada's interest rate hit 14%. It was the year that the snowboard was invented, ESPN was launched and the first commercial cellular network was established -- a harbinger of things to come. The newest toy of the country's young baby boom generation -- aged 15 to 33 -- was the \$200 Sony Walkman. The prime minister was a Trudeau.

According to the Real Estate Board of Greater Vancouver, the average home price in the area grew from \$76,500 in 1979 to \$261,600 in 1990 when I started my working career. That year, the prime lending rate was 14.75%, and the free world was facing the prospect of vastly reduced government spending, as jurisdictions world-wide were coming to grips with the cost over-runs of the unfettered Keynesian experiment of the previous three decades.

But whining wasn't then, and isn't now a constructive factor in getting ahead. Today there's still a prime minister named Trudeau. But, the national average home costs \$493,000, and inflation is running around 1.5%. The Bank of Canada's key rate is just 0.5%.

#### **The plural of anecdote is not data**

Despite what you might read on your Facebook scroll, speaking statistically, millennials are actually in the driver's seat. The sheer size of their cohort, at 9.8 million accounts for the largest share of Canada's population, and ensures they will dominate Canada's future, just as the baby boom generation did the past three decades. And while there's often focus on the obstacles millennials face, such as a tough job market and sky-high prices for starter homes, the data suggest they might survive.

#### **A favourable starting point**

Canadian millennials have actually inherited a labour environment in many ways better than that of their parents. Rising female participation in the workforce, increasing educational attainment, and narrowing wage differentials between millennials and people of prime working age are trends they can expect to benefit from. This tech-savvy, well-educated and diverse group will increasingly determine economic and social trends given their sheer numbers and rising purchasing power.

#### **Millennials' tech savvy is a source of economic clout**

The rise of computers, the Internet and then smartphones coincided with millennials' early years. For this generation, communicating through mobile devices and social media, engaging in e-commerce and consuming and producing digital content are second nature.

The emergence of the 'gig' economy highlights this power, with companies like Uber, Lyft and Airbnb blossoming, in part, due to millennial adoption. Millennials' deep engagement with technology is fueling disruption across a number of sectors, including news dissemination and retailing. More than three-quarters of millennials who follow the news rely on the Internet, and 30% of them order groceries online for home delivery, the highest among all age groups. Those shifting habits are having serious economic consequences for news publishers and retailers. But the list of affected industries doesn't end there -- banking and transportation come to mind.

### **Millennials are actively engaged in the workforce**

Millennial youth are pursuing more education than their parents, which in turn, is contributing to a rising share of them working on a part-time basis. In 2015, 35% of 20-to-24 year olds in Canada worked part time, up from 10% in 1979. And despite the common perception that millennials have less job security than previous generations, they actually tend to change jobs about as frequently as baby boomers. On average, millennials stay at a full-time job for just over 19 months, compared with 21 months for baby boomers back in 1979. They also hold part-time employment only slightly longer than their predecessors (17.5 months versus 15 months).

These figures suggest that the path to establishing a career isn't that much different for millennials. Notably, the unemployment rate for 20-to-24 year olds was 10.4% in both 1979 and 2015.

### **Millennials are taking on entrepreneurship**

The share of self-employed 15-to-24-year-olds has doubled over the past two decades, a trend that is not unique to Canada. And the proportion of all start-ups owned by someone under the age of 30 is increasing, reaching almost 9% in 2014.

An expanded focus on experiential learning may also be a factor. More than half of undergraduate students in Canada participated in co-ops or internships in 2015 with enrolment in co-op programs alone increasing 25% over the past decade. Integrating work experience into the post-secondary curriculum has gone a step further, with many Canadian universities establishing technology incubators to foster young entrepreneurial talent. Three such incubators were in the top 20 in global rankings in 2015, with Toronto's Ryerson University topping the North American list. Although not known for its tech incubation, our very own top-ranked UNBC is no slouch either.

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