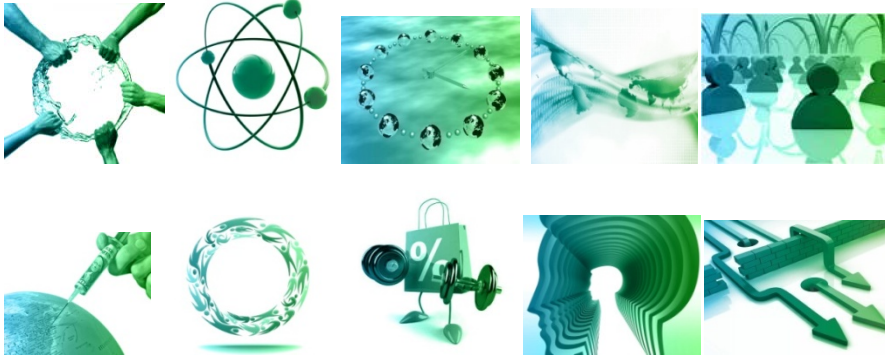


The Ne(x)t Generation at Large



June 2011: There's no doubt that the youngest generations on our planet are the most tech savvy and demanding ever. This crowd of young individuals wants both recognition and to create the lifestyle they desire – but most of all they want *all of it now*. A question is whether the recent recession has somehow shattered the world they thought they knew, as youth unemployment rose and jobs became scarce for those leaving school or further education, straining beliefs and spending power simultaneously. Depending upon the length of this latest downturn, historians, economists and psychologists say it could shape Generation Y's values and attitudes in much the same way as the Depression shaped the attitudes of those growing up in the 1930s ([UsaToday](#)). Continuing our exploration from our last GT Briefing on the Ne(x)t Generation at Work, we now look into the Ne(x)t Generation at Large: How could their personal consumer style, work-life aspirations and social and environmental expectations impact your organization – and the societies in which you operate? What might you need to adapt to connect with the individual and demanding consumers of Generation Y, and get ready for today's young teens, often called Generation Z? ***Is your organization ready for the Ne(x)t Generation at Large?***

A Quick Overview: Technology – The Critical Generational Difference

Generation Y is the first transformational generation. They have grown up in a radically different world from that of their parents, surrounded by modern technologies and a society of consumerism – and it shows in the way they live, work, use and consume. It's a generation with its own unique and personal style – or could Generation Y actually be a lifestyle?

Technology is in their DNA, which is probably the single most important difference between Generation Y and other generations. But we should not forget that they are not the only generation that's good with technology. While Generation Yers (ages 18 to 30) lead adoption of almost every online behavior, Generation Xers (ages 31 to 44) are a close rival – but these two generations use and adapt technology in different ways. Generation Yers live and breathe digital social lives while Generation Xers use digital applications as functional extensions of their lives. Boomers (ages 45 to 65) and Seniors (ages 66 and older) are more reserved in their adoption of technologies and digital behaviors but do adopt technologies that play a role in pre-established behaviors. (Source: Forrester - The State Of Consumers And Technology: Benchmark 2010, US)

Our Personal Consumer Style

Research suggests that Generation Yers want to use the same tools as their peers but with their own personal and customized twists. When considering new products they take into account whether or not a company is known for its humane attitude and environmental engagement. Naturally, they also love all kinds of technology products and often look for advanced tools to help them. But there is no way this generation of consumers will either act on or trust a company's marketing material as a guide to purchasing decisions. Rather, they check with their online peers before buying. This generation of consumers is strongly influenced by information and opinions shared in online communities. It is a new consumer behavior that is redefining contemporary trust and loyalty.

In Action!

Smarter shopping: Generation Y has taken the hardest hit during the recession which has most likely made them smarter consumers. Even though they are now starting to loosen their purse strings a little, they are still looking for a good bargain. Smart shopping applications such as [ShopSavvy](#), [Groupon](#) or [Amazon Mobile](#) have given them the power to be smarter shoppers, anywhere and anytime, in stores and online. Both Generation X and Y rely more on research and less on loyalty to buy – with more information they have taken control and are open to the wide choices in the marketplace. Compared to those 35 and older, Generation Yers are more likely to base purchases on product attributes that include innovation, aesthetics, popularity and prestige. They are five times more likely to purchase products perceived as prestigious, and over twice as likely to buy products they consider popular or aesthetically appealing. (Source: [Mediapost](#)) And don't forget – it's word of mouth that counts.

Managing personal finances – carefully and online: When asked to make a personal financial resolution for 2011, young adults were twice as likely to want to save money as their parents and grandparents and significantly more likely to want to better manage their finances than older segments of the population. (Source: [USNews](#)). There is also a generational gap in preferences for conducting banking transactions. A [Microsoft study](#) shows Generation Y have specific high-tech needs for how they communicate and network with their financial institutions. They are much more likely than baby boomers to use web banking (49% versus 35%) and to rate online service capabilities as very important when researching a new bank (54% versus 42%). But when choosing a new bank the generations find common ground: Customer service ranks as the highest priority for Generation Y and Boomers (98% versus 96%), while they also agree on the importance of rates and fees (97% versus 96%) and superior security against identify fraud (96% versus 95%).

Sharing, not having: Generation Y does not see ownership as an essential measure of personal success as do many people in older generations. Because they saw their parents struggle to afford a lifestyle of consumption, they are typically very wary of being "owned" by their possessions. They often say they don't want to buy a big house, or they'd rather rent through [Zipcar](#) than sink money into a car. It seems like they want to be nimble and unencumbered. (Source: [Outlaw Consulting](#)). So instead of owning they use car sharing or rent out high-value items from websites like [Zilok](#), [Canetads](#), [Spride Share](#), or [Airbnb](#). When it comes to outdoor experiences, those with land to be gardened can connect with those without using websites such as [Sharedearth](#) or [Vegetablepatch](#).

Shifting morals and beliefs: The [Pew Forum](#) on Religion & Public Life surveyed Americans under 30 to understand their opinions on divisive issues like religion, abortion, homosexuality, and the separation of church and state. The results suggest some fundamental beliefs are shifting between older and younger generations: 1) One in four people under 30 isn't affiliated with a particular faith; 2) Generation Y's are more comfortable and accepting of homosexuality. Twice as many young adults say homosexuality should be accepted by society than those 65 and older; 3) 52% believe abortion should be legal, compared to 46% of people over 30; 4) 67% would prefer a bigger government, which is much higher than the 41% of older Americans who agree; 5) They're more permissive about pornography, but their views are nearly identical to those expressed by Generation Xers and Baby Boomers at the same age; 6) 56% say the Bible should be banned in schools. Nearly the same amount of Generation Xers and Baby Boomers supported the ban when young; though, they have become more tolerant of over time.

Look Out For...

From rural to urban lifestyles: Get ready for the next wave of homebuyer. According to the [Wall Street Journal](#) here is what Generation Y *doesn't* want: Formal living rooms, soaker bathtubs, dependence on a car. In other words, they don't want their parents' homes: A big McMansion in the suburb and the need for a car. 88% want to be in an urban setting, but since cities are expensive, suburbs will also do just fine! And it shows: According to [Pew Research](#) Generation Y are much less likely to live in rural areas than older Americans at comparable ages. Only 14% of Generation Y now live in rural areas, compared with more than a quarter of Boomers (29%) and a third of older generations (36%) at the same age. 54% of Generation Yers now live in suburbs (54%), a much higher share than Boomers at similar ages (41% in 1978) and suburban older generations (31% in 1963). Generation Yers also are more likely to live today in central cities (32%) than older generations (23%).

Green living: Is green going mainstream thanks to education, advances and easier access to green technology, material and products? The Ne(x)t Generation of consumers is widely believed to be leading the charge, demonstrating green aspirations in the way they live and consume. Surely they have ambitions to change and do good for the environment? Actually, it turns out the older generations are just as green or greener than younger generations because green living is so closely connected to income. Research has found that when it comes to green living, income seems to be a greater factor in making green purchases than age: 63% of Generation Y with an income over US\$75,000 say they *buy* environmentally friendly products, while less than half with an income less than US\$30,000 *try to buy* green products. ([Emarketergreen](#))

Balancing work and family values: It is a generation of savvy, digital native that focuses on family, integrity and professionalism but to a large extent, the things that Generation Y values in life mirror the things older generations also value. For them family matters most, and fame and fortune are much less important. Many young people of Generation Y grew up in an era of rising divorce rates and corporate layoffs. This is a generation that has seen the 'rewards' their stressed-out multitasking boomer parents got for their work loyalty. Despite being an ambitious and professional generation, young people and especially women want flexibility and balance between work and family life. Young men also want to be different than their fathers, who often worked long hours – they want to be more involved in their children's lives and have time to live their own life.

Our Work-Life Aspirations

Instead of a secure job that allows them to afford an upscale lifestyle, the Ne(x)t Generation aspires to careers that reward them in ways that feed their soul and release their passion. They have high expectations and clear goals. They like to be valued for their opinions; they will work hard to have opportunities to broaden their skills. Their primary reasons for choosing a company are: 1) opportunities for learning; 2) quality of life; 3) work colleagues ([Oxygenz](#) report). They will do whatever they can to connect their actions to their personal and career goals. They get motivated working with other bright, creative people and being allowed enough time and flexibility to live the life they want. Last, but not least, they understand the importance of social networking to achieve what they want. Up until this point in their lives, these young men and women typically have not been asked to compromise on very much. They have grown up in an era where everything seems possible with sufficient persistence. Life and work has become increasingly blurred. But has the latest recession been a wake-up call for Generation Y? Will they continue to be a unique generation sought for their special talents now labour markets have tightened? Will Generation Y still be able to force through their work-life demands and transform workplaces to reflect their visions? While these questions remain open-ended, it is critical to understand what kind of things and thoughts matter most to the Ne(x)t Generation.

In Action!

Rising education and learning: Generation Y (and Z) will be the most educated Generation ever. According to the [UNESCO Global Education Digest 2010](#) the number of secondary education students rose from 195

million in 1970 to 526 million in 2008, meanwhile, the number of tertiary students increased by six times over the same period, from 32 million to 159 million students in 2008. It's not only an era where more people are becoming educated but also one where more personalized and global education is possible made due to easier and cheaper travel and the use Web 2.0 technologies. When it comes to learning [IBM](#) has found different age groups respond best to different methods of training and professional development. Baby Boomers prefer the traditional structure of a classroom and teacher. Generation X typically opts for online courses that are self-paced, while Generation Y benefits more from social-based learning approaches (Source: [Prosumer Report](#)).

Social working: Raised in an educational culture of working in teams and being highly socially connected through computers, cell phones, text messaging, instant messaging, social networking, blogs, multi-player gaming, etc., the Ne(x)t Generation are extremely social workers. They are the first generation to begin to build relationships virtually and are now bringing a culture of constantly working together and “watching each other’s back” into the workplace. They know what information or knowledge is relevant to whom and make sure their friends remain in the know by sharing or “pushing” coveted information such as articles, job opportunities or the undisclosed location of the hottest performer. It is a continual habit—not daily, but hourly (Source: [Outlaw Consulting](#)).

Speaking Generation Y: Eager, tech-savvy Generation Y has a casual, instant, personal and direct way of communicating – often through text messages and instant messages, staying connected online all day through their laptops, and cell phones. It's a new, pervasive communication style, but as communication patterns change this can create intergenerational misunderstanding and tension. A big part of the Ne(x)t Generation's lives is communicating through messaging with has led to the development a new kind of language: “text speak”. Critics see it as lazy, unstructured and confusing way to communicate but for those using it, it offers efficiency and focus on very specific priorities (Source: [Facebook](#)). But what is exactly does “Perez Hilton, who? d-listed, what?”, or “OMG” mean? If you're feeling out of touch with the younger Generations, you're not alone! And just wait for Generation Z...

Beyond the 9 to 5: The Ne(x)t Generation has a strong work ethic – just not in a 9-5 sort of way. Generation Y wants work to be fun and flexible and they follow a mantra of working smarter, not harder. The key for employers is offering flexible work schedules, adjusting the belief that workers need to “put in the desk time” to be effective, and developing a work culture that is pleasant and positive. In a survey of about 1,200 people of all ages, only 55 of Generation Y chose “work ethics” to define themselves, while among older generations, at least twice as many people cited work ethic as a badge of their age group's identity: 17% of Boomers, 11% of Generation Xers and 10% of those 65 and older. The older three generations also take pride in their strong values or morals and in being “respectful,” terms that hardly any Generation Y in the survey used (Source: [Pew Research](#)).

Look Out For...

Career and job-switching: A recent poll showed that that 55% of Generation Y say their goal is long-term employment with a single employer ([Allstate-National Journal Heartland Monitor Poll](#)). This is not normal Generation Y behavior because it is a generation of job hoppers – perhaps the recession has shattered the rose-tinted glasses? The recession certainly got their full attention, affecting their work behaviors and attitudes to employment because the facts are clear: The youngest adults in the world's workforce are the most likely to be unemployed and underemployed, according to [Gallup](#) surveys in more than 131 countries. 12% of young adults reported being unemployed in 2009 and 2010, more than double the 5% of unemployed 30- to 49-year-olds. Additionally, more than one in four young adults were underemployed, compared with 15% of adults aged 30 to 49. Has the recession broken down their job-hopping spirit? We will not know for sure until jobs start picking up again.

The playful workplace: Research shows that businesses using video games to train employees end up with smarter, more motivated workers because they learn more and forget less. But it is important to understand that it can only be used as a *part* of the training. One example is [Cold Stone Creamery](#), who lost money on workers serving up too much ice cream, so they created an interactive video game that taught them how much should go into each scoop. [Miller Brewing Company](#) has a game called Tips on Tap

showing bartenders how to pour the perfect glass of beer. They lose points if the mug hits the tap where it could become contaminated. (Source: [Science Daily](#)).

The perfect Generation Y workplace: When it comes to an atmosphere of playfulness Google seems to set the standard. Google is famous but not unique for using the 20% Rule ([3M Corporation](#) has used it for decades). Google's 20% time to pursue your own interests at work serves as a creative outlet, a recruiting perk, and a reminder of flexible culture. It's also good business, to the development of several key products, such as Google News, Google Earth, and new features for products like Gmail and Search. Google really takes the work-life balance to a new level. A Google worker who's pressed for time can get plenty of errands done at work. Employees can do laundry for free in company washers and dryers (free detergent too) or drop off dry cleaning, or benefit from childcare, onsite notaries, car services and five onsite doctors for employee checkups, all free of charge. You'll find pool tables, climbing walls, swimming pools, beach volley, gyms, breakout rooms – you name it you have it! They know happy employees are loyal and productive employees ([CNN Money](#)).

My (office) space: Heavy furniture, artless walls, dark individual cubicles or desk sharing is not the way to decorate the office if you want to attract the Ne(x)t Generation. For them, style matters and should be modern rather than contemporary. Colors should be subtle, not too intense. Light should be natural rather than artificial, with wide windows and openings. Finishes should be soft, made out of natural and warm materials. The large majority of Generation Y also wants their own desk; less than a fifth are happy to share a desk and men are more comfortable in wider spaces than women. And remember, break out spaces are much more important than formal meeting rooms (Source: [OxyGenz report](#)). Time for the designer!

Feminizing: The dominance of a male, macho, risk-taking business culture could be argued to be at the heart of the world's economic woes. Now Generation Y women are showing new leadership and strength. They don't dismiss motherhood, but embrace it as a strength and use it to change the workplace. It has always been a battle for women to break through the glass ceiling, leaving many feeling negative and disillusioned because they are not realizing their full potential. However, this generation seems to share an overriding sense that more femininity is needed in society and in business; being overly masculine is considered a detriment—for both men and women. Generation Y women live in a world where they believe they are equal, and many (not all) believe they are treated as equal (Source: [Outlaw Consulting](#)).

Our Social Responsibility and Environmental Style

Generation Y are known to be the most socially responsible and environmentally educated generation (at least until Generation Z gets out of school), but do they always take action based on their extensive knowledge, whether that means volunteering for a social or green causes or making purchase decisions based on brands' green attributes? They've done community service, environmental and service learning projects throughout their schooling; their Boomer parents have encouraged them to give back to community and take care of the environment. But how do this eco-savvy Generation react when it comes down to paying more to do what's right for the environment? According to a sustainability study, young consumers will pay only US\$1,500 extra for a US\$20,000 automobile simply because it is a hybrid and considered environmentally friendly. But those same consumers will pay an additional US\$8,000 for a vehicle that gets 15 extra miles per gallon -- regardless of whether it's a hybrid. Though young people want to do the right thing -- they do want to save the world -- they need an extra incentive on top of the motivation of owning a car that produces less emission. It's all comes down to economic motivation. ([Science Daily](#))

In Action!

Giving back: Their grandparents and parents did it and now Generation Y is doing it. They have an unprecedented desire to 'give back' to their communities in ways large and small. Whether it is spending afternoons and weekends at soup kitchens, homeless shelters, building houses for Habitat for Humanity. 12% of Generation Y and Generation X are volunteering compared to 7% of Boomers and 6% of Matures (Source: [SlideShare](#)). Generation Yers are also more engaged in societal issues with engagement being defined as having taken actions such as joining advocacy groups, attending rallies, writing to politicians,

and writing articles or blogs on issues. For instance, they are 48% more engaged in climate-change issues, 36% more engaged in energy issues, and 24% more engaged in animal rights issues than the older generations (Source: [MediaPostArticles](#)).

Making a difference: New research looks into how different generations in the U.S. – from Generation Yers to older Generations – support and interact with charities. The survey claims that Generation Y and Generation X now make the majority of potential donations but are notes that both groups “contribute less money and support fewer charities” than Baby Boomers. [Convio](#) estimates that 79% of Matures (defined as born before 1945) give, as do 67% of Boomers, 58% of Generation X and 56% of 18-29 year-olds. The value of donations amount increases significantly with age. When it comes to donating goods Generation Y are way better doing that than the older Generations - 18% of Generation Y donates goods compared to Generation X (13%), Boomers (13%), and Matures (10%) (Source: [SlideShare](#)).

The quiet rebels: It seems like they are changing society in a quiet, non-rebellious way at a time when change is needed. The Generation Y rebellion will not be in the Kent State or The Boston Tea Party way. They will quietly play by the rules – and win. Using their technological advantage they are taking action through daily engagement and opinion sharing via Twitter, Facebook and other social media (Source: [Outlaw](#)). They appear to be more pro-government, pro-regulation and pro-market-intervention than older Generations but this could just be due to mere youth; often people become more antigovernment, and more conservative as they age. (Source: [Pew Research](#)).

Look Out For...

Embracing sustainability: Indicators from an online survey conducted by [Cone Inc.](#) and [AMP Insights](#) show that 69% of Generation Y expressed genuine interest in the environment, but they also admitted to a lack of personal involvement in green-related activities. The results suggest that 69% consider a company's social and environmental commitment when deciding where to shop; 83% will trust a company more if it is socially/environmentally responsible. In addition, the worldwide survey report [OxyGenz](#) gives good insight into the Ne(x)t Generation's perception of sustainability. Findings show that at work 70% of the respondents want to have recycling bins, 47% want water saving devices, 53% want standby devices on all electrical equipment, 72% want to share printers in the office, and 47% want solar panels on site. It all gives a feeling that they want and believe they should get involved.

Collaborative consumption: What's mine is yours is an emerging trend and a new way of living. Collaborative Consumption describes a rapid explosion in traditional sharing, bartering, lending, trading, renting, gifting, and swapping, redefined through technology and peer communities and driven by young people who believe access is more valuable than ownership, experience is more valuable than material possessions, and if "mine" becomes "ours" then everyone's needs are met without waste. It's changing the way we work, play, and interact with each other. It's fueled by the instant connection and communication of the Internet. [Sharable](#) has gather a bunch of good websites across many areas - housing; social food; personal finances; entrepreneurship/work; travel; land/gardening; transportation; media; clothing; renting and sharing of general goods where you live; redistribution sites; campus - to fuel this emerging trend collaborative consumption (or the sharing economy).

Access to greener jobs and companies: The Ne(x)t Generations will be the ones to carry the load of years of environmental damage and neglect. Their beliefs are already modeled around environmental friendliness and, as embracers of sustainability, they want workplaces that are environmentally friendly. 96% of 18-25 year olds aspire to work in a greener office and so do 98% of people aged 26-35 (The OxyGenz report). So which companies should be on Generation Y's preferred list of companies to work for? [Newsweek](#) has ranked the greenest U.S. and Global companies and the five most green global companies to work for are 1) [IBM](#); 2) [Hewlett-Packard](#) 3) [Johnson & Johnson](#); 4) [Sony](#); 5) [GlaxoSmithKline](#).

In July/August: Look out for trends in action on Clean Tech: Are We Serious?