

Challenges Facing New Hampshire's Millennials

What defines a Millennial? Millennials are generally defined as the last generation to be born in the 20th century. The generation has been known by several names, such as Generation Y and echo boomers, to name a few. The term “millennial” was coined in 1987 by Neil Howe and William Strauss, and the term caught on.¹ Unlike the clearly defined birth dates for the baby boom generation, there are no set birth years for millennials. The generation’s starting year depends on the researcher’s definition; ranging from as early as 1976 to as late as

2000. For purposes of this article, the years 1980 through 2000 will be used as millennial birth years. As of 2016, millennials surpassed baby boomers as the nation’s largest living generation.² In New Hampshire, millennials do not yet out number baby boomer with 21.5 percent of the population was between 18 and 34 years of age in 2016, up from 19.4 percent in 2005. Baby boomers accounted for 29.6 percent of the population.³

Recognizing the importance of the millennial generation to the state’s

Inside this issue

Seasonally

Adjusted Estimates

Unemployment Rates 6

Current Employment Statistics 6

Not Seasonally

Adjusted Estimates

Unemployment Rates 7

Current Employment Statistics 7

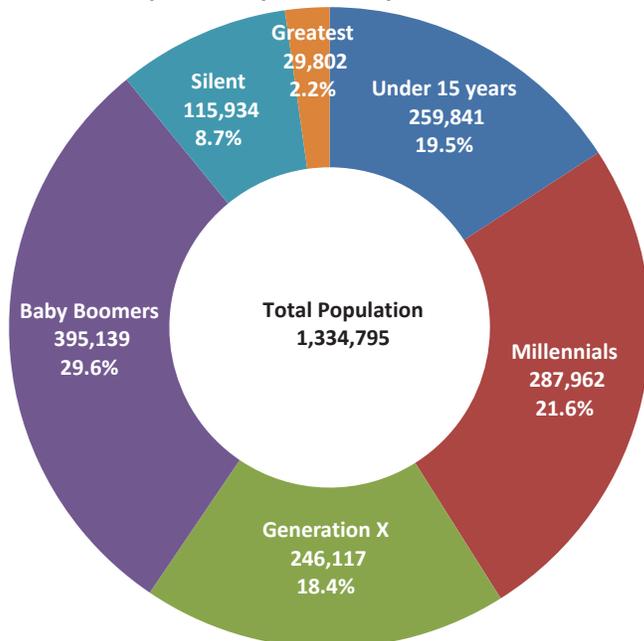
Claims Activity 11

economy, in 2017, New Hampshire Governor Sununu established the Millennial Advisory Council.

The purpose of the Millennial Advisory Council is to provide the Governor with recommendations, insight, suggestions, and feedback on matters of state policy that directly impact the attraction and retention of young workers.⁴

In a 2013 article, Joel Stein says that the millennial generation is frequently stereotyped with traits of lacking ambition, overconfidence, narcissism, and a sense of entitlement. Some attribute this characteristic to baby boomer parents (the first generation ME) wanting to improve their child’s chances for success by instilling self-esteem.⁵ Stein also addresses that in addition to parental expectations,

New Hampshire Population by Generation - 2016



Source: 2016 American Community Survey 1-Year Estimates

¹ Strauss, William; Howe, Neil (1991). “Generations: The History of America’s Future, 1584 to 2069.” p. 335. Accessed 1-25-18. https://en.wikipedia.org/wiki/Millennials#cite_note-Horowitz-2

² Fry, Richard. “Millennials overtake Baby Boomers as America’s largest generation.” April 25, 2016. Fact Tank - Our Lives in Numbers. Pew Research Center. <http://www.pewresearch.org/fact-tank/2016/04/25/millennials-overtake-baby-boomers/>

³ 2016 American Community Survey 1-Year Estimates. Table B01001: SEX BY AGE. U.S. Census Bureau. <https://factfinder.census.gov/faces/nav/jsf/pages/index.xhtml>

⁴ Governor’s Millennial Advisory Council. New Hampshire Governor Chris Sununu, State of New Hampshire. <https://www.governor.nh.gov/millennial/index.htm>

⁵ Stein, Joel. “Millennials: the ME ME ME Generation.” May 9, 2013. TIME. Accessed 1-22-18. <http://time.com/247/millennials-the-me-me-me-generation/>

millennials were the first generation to grow up with non-stop access to the internet.^{6,7}

On the other hand, Tom Brokaw credits millennials as being a great force for positive change, that they are earnest and optimistic and can find new and better ways of doing things.⁸ This characteristic is highlighted in a report from Brookings which states that the racially and ethnically diverse millennial generation tends to be optimistic about the future.⁹

Generations are frequently defined according to the events during their lifetime. Millennials have been shaped by the effects of the Great Recession and financial crisis;

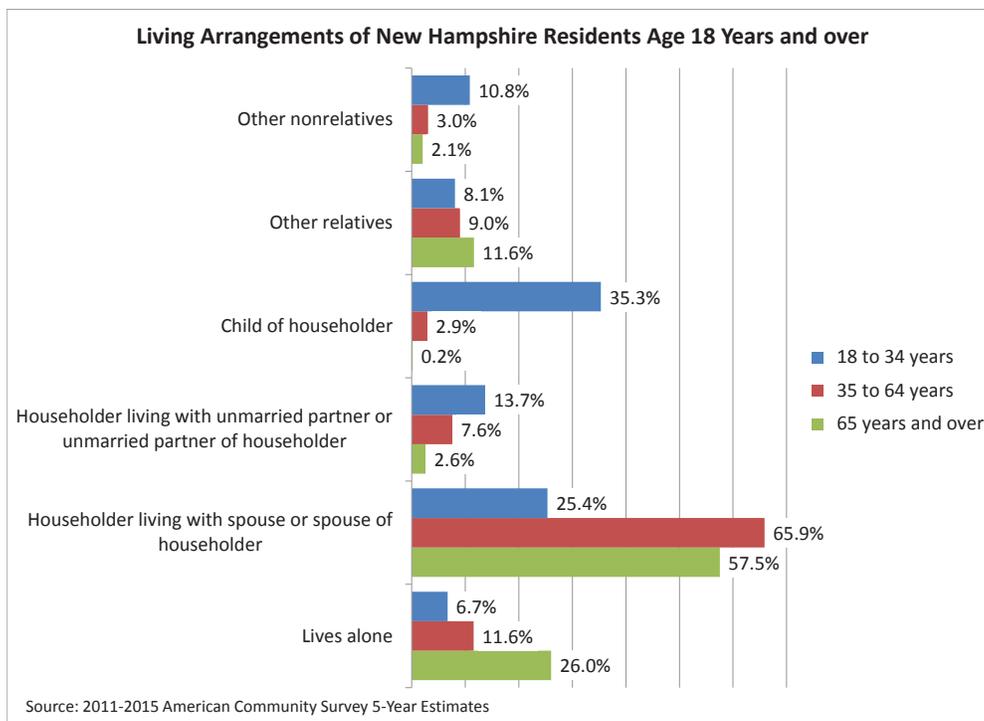
older millennials were graduating from college and trying to enter the workforce while the younger ones watched as their parents struggled through the effects of the recession. This may help explain why the generation is engaging in traditional life milestones, such as living independently and getting married, at a later age than prior generations.¹⁰ The generation's perceived lack of ambition may have been mistaken as a cautious evaluation of what step in life to take next. Millennials are adapting to their surroundings; longer life spans and health discoveries no longer mandate that being married and having children must occur at a young age.¹¹

Financial Hurdles

Since the 2000 to 2001 school year, slightly more than half of New Hampshire high school graduates entered a four-year college or university after commencement. Roughly 20 percent attend four-year college or university in state, while the remaining 30 percent attend colleges and universities out of state.¹² Millennials began graduating from college in roughly 2001. Those graduating from New Hampshire four-year colleges and universities in 2016, regardless of the state they came from, had an average student debt of \$35,140, the second highest student loan debt in the nation.

Roughly 84 percent of students graduating from New Hampshire's public colleges in 2016 had student loans, which ranged from \$37,800 at Plymouth State University to \$41,000 at Keene State College.¹³

In addition to the financial burden of student loans, the 2016 median rent for a two-bedroom unit is \$1,200 per month in New Hampshire. Just finding a two-bedroom unit can be difficult, as the 2016 average vacancy rate in New Hampshire was 1.5 percent, the lowest vacancy rate since 2002. However, rental costs are more affordable than qualifying for a mortgage. In New Hampshire, 2016 the median



⁶ Ibid.

⁷ Tolentino, Jia. "Where Millennials Come From And why we insist on blaming them for it." December 4, 2017. The New Yorker. <https://www.newyorker.com/magazine/2017/12/04/where-millennials-come-from>

⁸ Stein, Joel. "Millennials: the ME ME ME Generation." May 9, 2013. TIME. Accessed 1-22-18. <http://time.com/247/millennials-the-me-me-me-generation/>

⁹ Frey, William H. "The millennial generation: A demographic bridge to America's diverse future." January 2018. The Brookings Institution. <https://www.brookings.edu/research/millennials/>

¹⁰ Vespa, Jonathan. "A Third of Young Adults Live with Their Parents." August 2017. U.S. Census Bureau. Accessed 1-17-18. <https://www.census.gov/library/stories/2017/08/young-adults.html>

¹¹ Stein, Joel. "Millennials: the ME ME ME Generation." May 9, 2013. TIME. Accessed 1-22-18. <http://time.com/247/millennials-the-me-me-me-generation/>

¹² "High School Completers: Where Do They Go?." New Hampshire Department of Education. <https://www.education.nh.gov/data/dropouts.htm>

¹³ "New Hampshire Student Loan Debt by College Statistics 2017." Student Loan Debt by School by State Report. LendEDU. Accessed 1-24-18. <https://lendedu.com/blog/student-loan-debt-statistics-by-school-by-state-2017>

sales price for a condominium was \$180,000, and \$242,400 for a single-family home.¹⁴

These financial challenges have likely contributed to why more than 35 percent of New Hampshire residents age 18 to 34 years lived in the home of a parent in 2016, and eight percent lived with other relatives. By comparison, in 1990, when the younger half of baby boomers was of similar age, 21 percent of residents age 18 to 34 years lived in a parent’s house and 2.6 percent lived with other relatives.¹⁵ The share of residents age 18 to 34 years living with a spouse and those living alone were very comparable between 2016 and 1990. There was 25.4 percent of residents age 18 to 34 years living with a spouse in 2016 compared to 25.8 percent in 1990. In 2016 and 1990 almost seven percent of residents age 18 to 34 years lived alone.

Labor Force

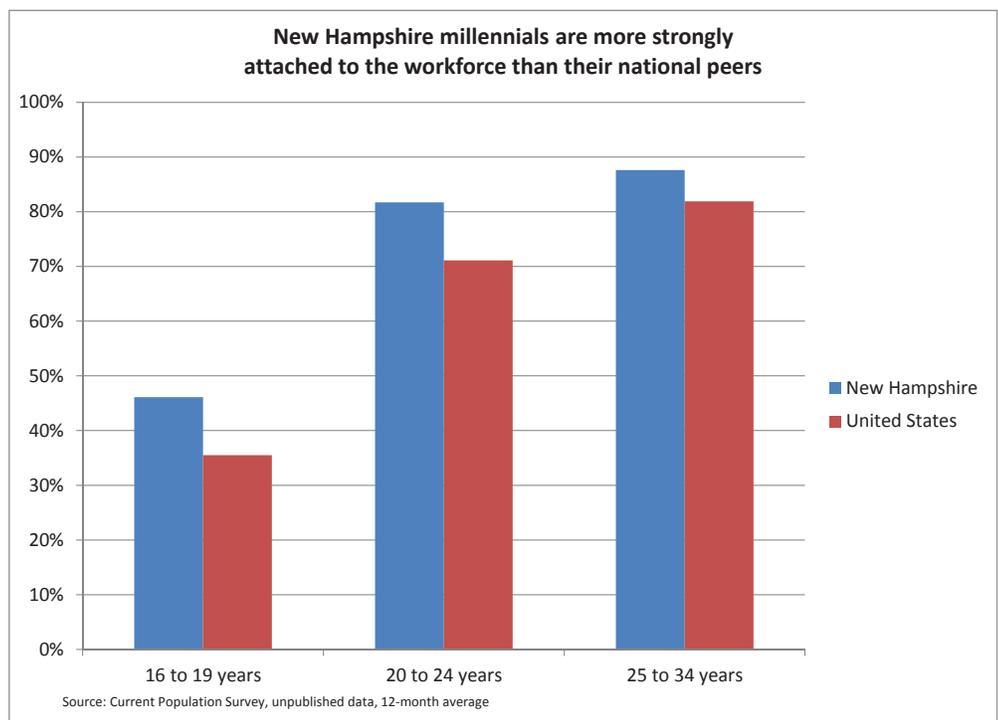
Millennials made up 32.9 percent of New Hampshire’s labor force in 2017. Those age 25 to 34 years make up the largest portion, 19.6 percent, followed by those age 20 to 24 with 8.7 percent and those age 16 to 19 years, which account for 4.6 percent.

New Hampshire millennials were more likely to be in the labor force compared to those nationwide. Of New Hampshire residents age 16 to 19 years, 46.1 percent participated in the labor force.

The labor force participation rate was 81.7 percent for residents age 20 to 24 years and 87.6 percent for those 25 to 34 years. This was notably higher than the national labor force participation rates of 35.5 percent for those age 16 to 19 years, 71.1 percent for those age 20 to 24 years, and 81.9 percent for those age 25 to 34 years.¹⁶

Joel Stein commented that millennials have a different outlook toward work. According to Stein, millennials value a strong work-life balance and are willing to change jobs to achieve that. Rapid evolution of electronic products, especially cell phones, has provided this

generation with instant connections to the world — to friends, information, shopping, and more. These instantaneously available resources tend to foster impatience when they are involved in work projects that take time. According to results from a recent Gallup study, communications with millennials are also different from traditional management approaches, i.e. the annual review. Millennials prefer a work coach rather than a boss, and desire constant communication and feedback.¹⁷ These behaviors are frequently interpreted as an attitude of entitlement, and managers may have difficulty adapting to millennial attitudes.



¹⁴ New Hampshire Housing and Finance Authority. <http://www.nhhfa.org/>

¹⁵ “1990 Census of Population: General Population Characteristics” Table 30. Persons in Households by Relationship to Householder, Age, and Sex: 1990. U.S. Census Bureau. <https://ww2.census.gov/library/publications/decennial/1990/cp-1/cp-1-31.pdf>

¹⁶ U.S. Census Bureau, unpublished Current Population Survey data (12-month average September 2016 through August 2017)

¹⁷ GALLUP. “How Millennials Want to Work and Live: Purpose • Development • Coach • Ongoing Conversations • Strengths • Life THE SIX BIG CHANGES LEADERS HAVE TO MAKE.” 2016. <http://news.gallup.com/reports/189830/millennials-work-live.aspx#aspnetForm>

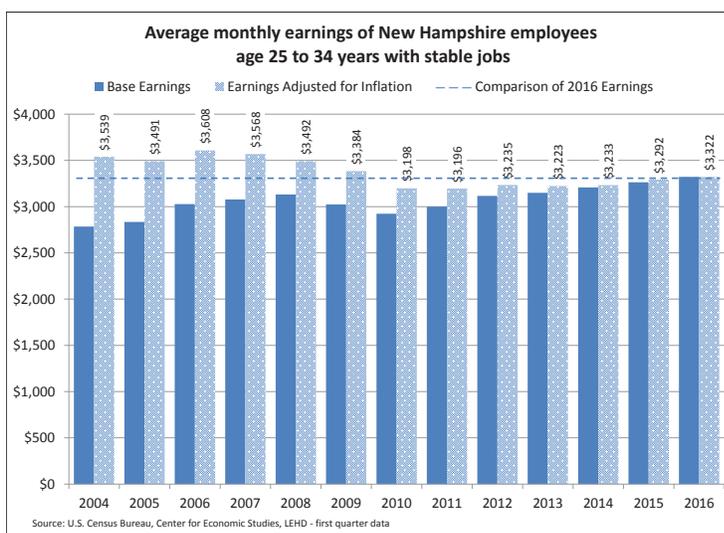
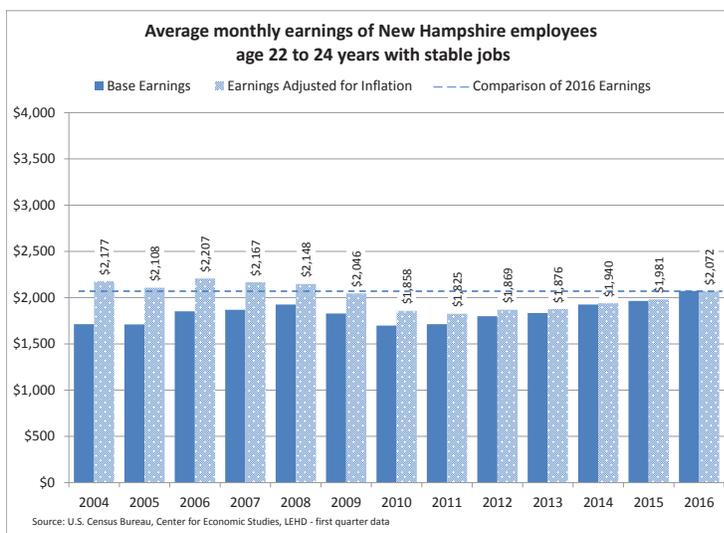
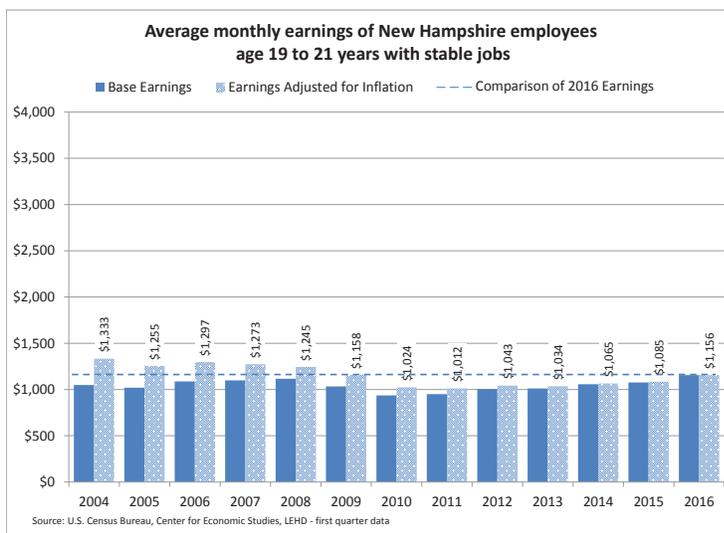
Average Monthly Earnings

Earnings of these three age groups increased in the years 2004 to 2007, just prior to the economic downturn, when earnings peaked and then started to decline. Earnings of the pre-recession period, when adjusted for inflation, exceed earnings in 2016 in all three age groups.

Regardless of the educational attainment of working millennials, many entered the workforce during and just after the 2007 to 2009 recession, which proved to be a real disadvantage for earnings potential. According to the National Bureau of Economic Research, individuals generally experience 70 percent of their overall wage growth in the first ten years of employment and change jobs frequently before finally settling into a business or line of work.¹⁸ Those entering the workforce during a recession period have fewer employment opportunities available so it takes longer before finding a job that fits, significantly reducing their initial earnings.¹⁹

The average monthly earnings of all New Hampshire workers in first quarter 2016 were \$4,323. This included employees who had stable jobs, meaning they had worked at the same firm throughout the entire quarter. At \$1,156 per month, the average earnings of workers age 19 to 21 years was substantially below the average of all workers. Earnings for the youngest age group are typically lower because many are still in school and only work part time.

New Hampshire workers age 22 to 24 had average monthly earnings of almost \$2,072 and those age 25 to 35 years were \$3,322. The earnings across each of the millennial age groups have yet to recover to what their earnings (adjusted for inflation) were prior to the 2007 to 2009 downturn.



¹⁸ Nesvisky, Matt. "The Career Effects Of Graduating In A Recession." Excerpt NBER Working Paper No. 12159. National Bureau of Economic Research. <http://www.nber.org/digest/nov06/w12159.html>

¹⁹ Ibid.

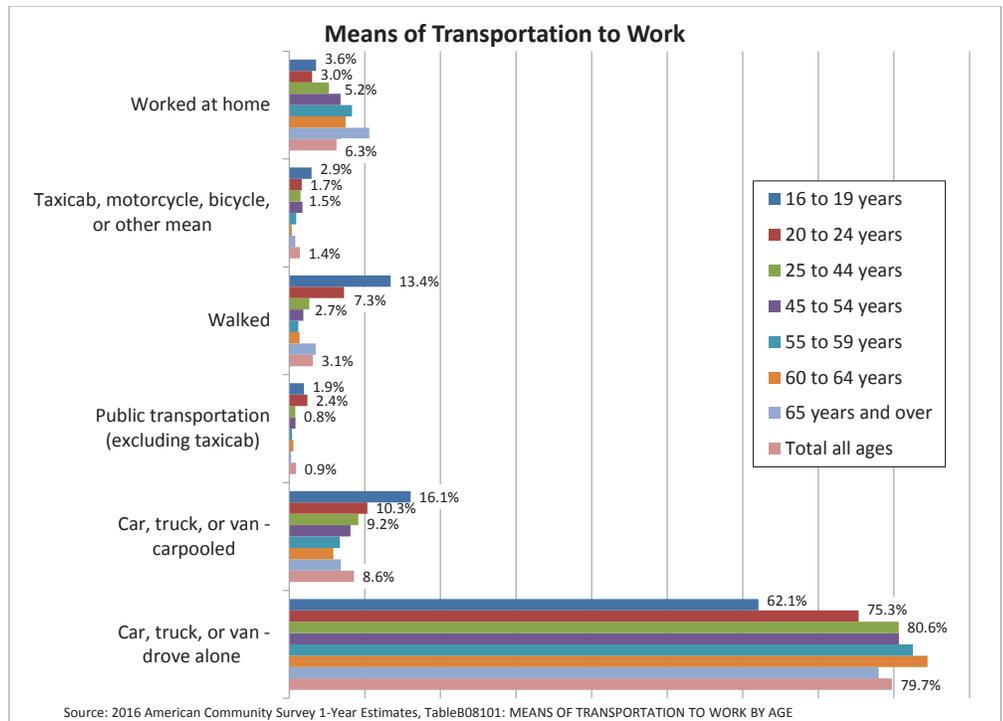
Transportation

Statewide, almost 80 percent of all workers drove alone in a single vehicle, while less than one percent of all workers used public transportation. Outside of major cities in the state, there is little to no public transportation available.

In 2016, the youngest millennials, those age 16 to 19 years, were less likely to drive alone to work, 62.1 percent, compared to 75.3 percent of those age 20 to 24 years and 80.6 percent of those age 25 to 44 years. Larger portions of the youngest age group either walked to work or carpooled than older age groups.²⁰

Millennials age 20 to 24 were also more likely to rideshare or walk to work than older workers, 10.3 percent and 7.3 percent, respectively, compared to 8.6 percent of all carpoolers and 3.1 percent of all walkers.²¹

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²⁰ 2016 American Community Survey 1-Year Estimates. Table B08101: Means of Transportation. U.S. Census Bureau. <https://factfinder.census.gov/faces/nav/jsf/pages/index.xhtml>

²¹ Ibid.