This report, prepared by The Institute for Public Policy and Economic Development, describes the millennial presence in the workforce and offers recommendations for unleashing its full potential.

The Millennial Workforce

Debunking Misconceptions and Illuminating Possibilities

2020

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A collaboration among Geisinger Commonwealth School of Medicine, Johnson College, Keystone College, King's College, Lackawanna College, Luzerne County Community College, Marywood University, Misericordia University, Penn State Scranton, Penn State Wilkes-Barre, The Wright Center for Graduate Medical Education, University of Scranton & Wilkes University

The Institute is a non-profit research organization dedicated to empowering business and community leaders with research based strategies for informed decision making. We conduct independent, non-biased research to identify the opportunities, issues and challenges unique to the region and find innovative solutions to help solve the problems facing our communities. The Institute also offers a wide array of research, consulting and support services to help organizations boost productivity, increase profitability and be successful in their missions.

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Preface

In June 2019, the Education & Workforce Development (Ed/WFD) and Jobs, Economy, & Economic Development (JEED) Task Forces met to discuss the release of the Economic Competitiveness report presented at Indicators 2019 and to identify a research agenda for the 2019-2020 year.

It was determined at that time that this upcoming year's research should again be a joint effort because of the nature of the two task forces is extricably linked especially since there was a workforce shortage at the time that was predicted to last at least two decades.

Based on discussion, it was decided that there were several education and workforce related sections in the economic competitiveness report that should be elevated to their own research brief and that several areas were not addressed.

Therefore, the following sections of the report have been developed into stand-alone research briefs:

- Skills Shortages
- Labor Demand
- Industrial Automation
- Comparative Analysis of Job Opportunities and Higher Education Completions

The following new briefs were developed in the fall 2019 – winter 2020 time frame:

- Rethinking the Senior Worker
- Adapting to the Millennial Worker & Beyond
- Soft Skills & the Workforce
- Rethinking the Trades – Regional Opportunities

With the recent economic challenges of the current pandemic, some of this research reflects economic circumstances that have been upended, at least in the short-term. However, it should be noted that the data serves as a pre COVID-19 baseline in order for us to evaluate changes.

Further, as we move through recovery and reach February 2020 economic activity, the labor shortage may be center stage again. Therefore, the information outlined in these briefs is pertinent and gives employers an opportunity to plan for the future in a more informed and thoughtful way.

Defining the Generations

Defining age groups into distinct generations is a relatively recent phenomenon, and generational boundaries are often inexact. Various birth years have been used to define the Millennial and Generation Z cohorts.

Millennials have generally been defined as those born between the early 1980s and mid to late 1990s. As of 2020, most millennials are therefore aged from their mid-20s to late 30s, with the oldest millennials reaching 40 years old in the coming years. Most of the younger millennials are past traditional college age. Thus, millennials comprise a significant portion of early to mid-career workforce in the United States.

Generation Z, which follows the millennials, have birth years beginning in the mid-to-late 1990s, stretching into the 21st century. As defined in this manner, many members of this generation are children, but the older members of Generation Z have entered higher education and/or the workforce.

Millennial and Generation Z Share of the Workforce

The Millennial Generation represents a significant share of the workforce nationally. In recent years, the percentage of all adult workers in the United States who were in the 25-to-34 age group has gradually grown, from 21.8 percent in 2012 to 23 percent in 2019. This coincides with a large portion of the Millennial Generation aging into this category. A corresponding drop is evident in the share of the workforce aged 20 to 24 as millennials aged out of this cohort.

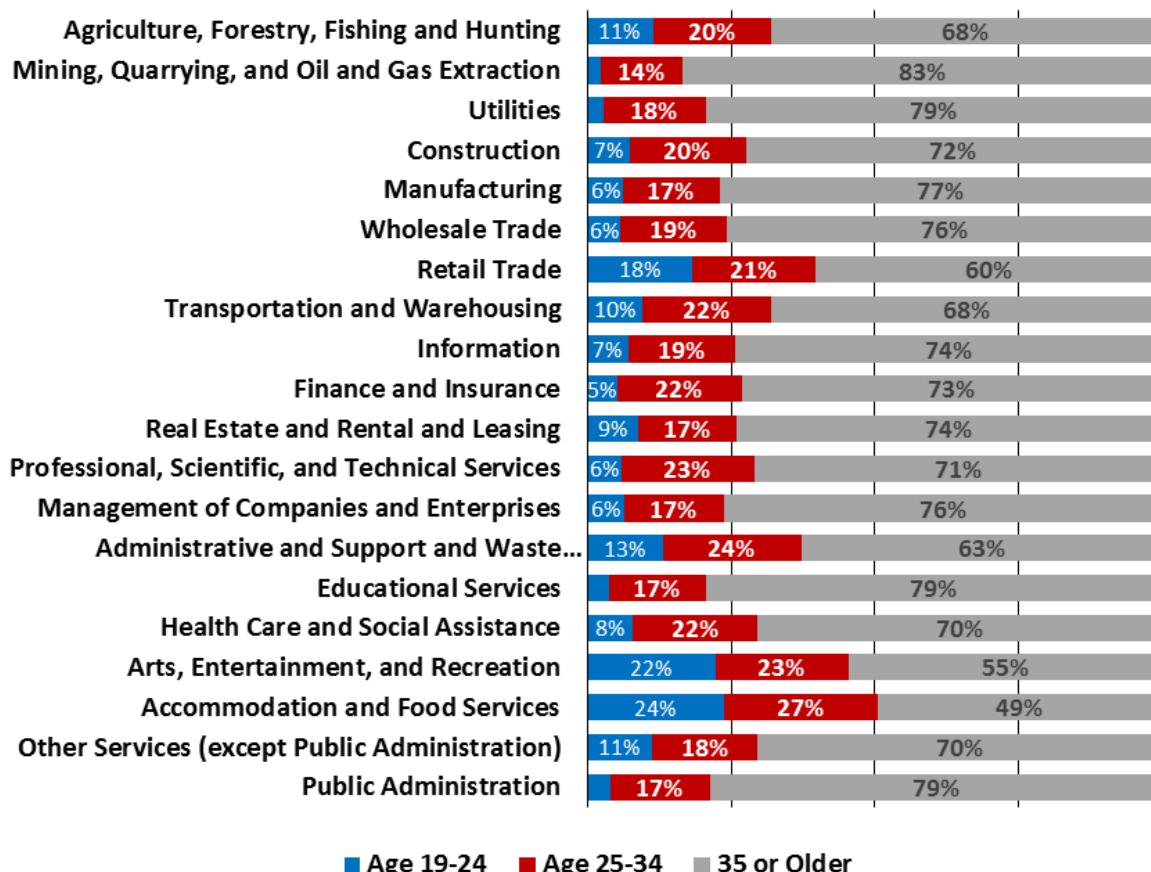| National Workforce Trends by Age Group			
Year	Age 20-24	Age 25-34	Age 20-34
2005	9.9%	22.0%	31.9%
2006	9.8%	21.9%	31.6%
2007	9.7%	22.0%	31.7%
2008	9.5%	21.9%	31.4%
2009	9.2%	21.7%	30.9%
2010	9.2%	22.0%	31.2%
2011	9.4%	22.0%	31.5%
2012	9.5%	21.8%	31.3%
2013	9.5%	21.9%	31.5%
2014	9.6%	22.1%	31.7%
2015	9.5%	22.2%	31.8%
2016	9.4%	22.5%	31.9%
2017	9.3%	22.7%	32.1%
2018	9.1%	22.9%	32.1%
2019	9.1%	23.0%	32.1%

Young workers overall (defined here as those aged 20 to 34) have consistently made up at least 30.9 percent of the workforce for each year since 2005. There was an upward trend in this share from 2012 to 2017, and the overall share of young workers has since held steady at about 32 percent.

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Where Are Millennial and Generation Z Working?

As Millennials and Generation Z have continued to enter and remain in the workforce, they have become prominent in a variety of industries. The table below shows the percentage of workers by age group across major industry categories in the Lackawanna and Luzerne County region. Workers under age 35 represent at least 20 percent of the workforce in all industry groups, with the exception of mining, quarrying, and oil and gas extraction. Several other blue collar industries also have relatively low shares of younger workers, including utilities and manufacturing. Millennial and Generation Z workers now comprise more than 25 percent of the workforce in several white-collar industry groups such as information, finance and insurance, real estate, and professional services.

Younger workers, especially those under age 25, are highly represented in service-oriented industries that have historically used a younger workforce, such as retail trade, accommodation and food service, and arts, entertainment, and recreation.

Workforce Age by Industry (2 County Region, 2019)

Industry	Age 19-24	Age 25-34	35 or Older
Agriculture, Forestry, Fishing and Hunting	11%	20%	68%
Mining, Quarrying, and Oil and Gas Extraction		14%	83%
Utilities	18%		79%
Construction	7%	20%	72%
Manufacturing	6%	17%	77%
Wholesale Trade	6%	19%	76%
Retail Trade	18%	21%	60%
Transportation and Warehousing	10%	22%	68%
Information	7%	19%	74%
Finance and Insurance	5%	22%	73%
Real Estate and Rental and Leasing	9%	17%	74%
Professional, Scientific, and Technical Services	6%	23%	71%
Management of Companies and Enterprises	6%	17%	76%
Administrative and Support and Waste...	13%	24%	63%
Educational Services	17%		79%
Health Care and Social Assistance	8%	22%	70%
Arts, Entertainment, and Recreation	22%	23%	55%
Accommodation and Food Services	24%	27%	49%
Other Services (except Public Administration)	11%	18%	70%
Public Administration	17%		79%

What Matters to College Graduates

Recent polling of regional college students conducted by The Institute sheds light on what young adults in Northeastern Pennsylvania are seeking when it comes to choosing employment opportunities after graduation. The following dataset includes over 1,500 respondents made up of undergraduate and graduate students at numerous colleges and universities in Lackawanna and Luzerne Counties.

When asked to rank what they might or might not consider when evaluating job opportunities, 1,237 individuals responded (82 percent) and 264 (18 percent) did not. Specifically, they were asked to rank the importance of each item from first (most important) to sixth (least important). Potential considerations included starting salary, fringe benefits (healthcare, paid time off, 401(k)), workplace culture, job in a desired field, positive impact, and desirable location.

Students' answers were then arranged by weighted average, which was based on the ranking score they assigned to each consideration. Factors with a higher weighted average are considered more important to students, while factors with a lower weighted average are considered less important. The factor with the highest weighed average (at 4.47) was that the job is in a student's desired field, as nearly 39.4 percent selected this consideration as chief among all others. Workplace culture had the lowest weighted average (at 2.73), as the largest share of respondents marked this factor as least important (at 320 responses, or 27.2 percent). A full ranking of weighted averages is highlighted in the table below.

Considerations	Weighted Average
The job is in my desired field	4.47
Starting salary	3.68
It is a job that makes me feel like I'm making a positive impact	3.61
It is a job that is in a city or region where I want to live	3.48
Fringe benefits, such as health care, paid time off, or 401(k)	3.20
Workplace culture	2.73

These results show that students in the region value a career that aligns with their field of interest and desire to make a positive impact, as well as traditional factors like salary and fringe benefits. Workplace culture ranked lower than other considerations.

Adapting Workplaces and Compensation

The following addresses misconceptions of millennial workers, the origins of those stereotypes, opportunities to reframe them as positive characteristics, and various management styles and desired benefits of those born after 1980.

Misconceptions About Millennial Work Ethic[1]

The millennial work ethic is associated with a variety of misconceptions – that people of the generation are disloyal, needy, entitled, casual, and lazy. In 2019, researchers identified reasons why older generations in the workforce labeled millennials with such descriptors. They also delved into general

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[1] Thompson and Gregory. 2012. Managing Millennials: A Framework for Improving Attraction, Motivation, and Retention.

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motivations and values of millennials, and described how employers can leverage them to harness positive outcomes.

Millennials are unmanageable, because they are…

Disloyal

Millennials are described as disloyal because they are quicker than previous generations to change jobs. This is only an extension and more exaggerated trend set by Gen X. Gen X, the generation before millennials is described as "more skeptical, less loyal, and fiercely independent."[2]

Gen Y grew up during periods of hardship and saw people – parents, neighbors, friends, etc. – laid off during the Great Recession. They also saw how individuals who remained active faced larger workloads with no additional compensation. To them, the idea of a 'psychological contract between employee and employer' of loyalty to an organization was dead after experiencing and watching workers losing their jobs as businesses tried to save themselves. Millennials no longer assumed a lifetime of loyalty from an employer and in turn did not wish to give their whole lives to work – in length of time or in amount of hours per day.

Additionally, a vast amount of college graduates have left school burdened with debt and are unable to find gainful employment. Many are cynical of a job market that has left them in a difficult situation without any help.

Furthermore, a higher percentage of millennials are engaged in knowledge work and know that "the tools for success reside more within the heads of the workers than in the capital provided by organizations."[3] Employers and managers have to show these employees why their talents and knowledge are valued. They must demonstrate how such human capital makes a greater impact in their businesses and organizations than with competitors.

Even despite these concerns, the length of time in which workers remain at jobs has not changed dramatically. As of 2018, an employee remained with an employer for a median of 4.1 years; in 1980 that figure was five years. Forbes reports that this caveat is due to the fact that the job search is undoubtedly more difficult. Millennials are the most highly educated generation, which means graduate roles are highly competitive. In addition, younger Millennials have kept the mindset of an "anxiety-ridden job search from their graduation." They are always alert to new opportunities, for fear of job security. They also experience long recruiting processes and poor feedback as a basic standard.[4]

For an employers or manager to see these qualities of a Millennial as a positive or an asset, they must consider the employee to be entrepreneurial and externally focused.

Needy

Generations after Gen X are perceived as needy – that they require proverbial hand-holding through various processes because they desire constant feedback and positive reinforcement from supervisors.

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[2] Lee. 2019. Adapting to a Multi-Generational Nursing Workforce
[3] Thompson and Gregory. 2012.
[4] Ibid.

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This is a result of their education and upbringing. As school systems have evolved, districts began receiving funding based on standardized test scores of students. To ensure that their districts received adequate funding, teachers gave detailed lessons and constantly made sure that students understood and felt comfortable with those lessons. Furthermore, the Millennial Generation is marked as being raised by 'helicopter parents.' Such parenting involves hyper-feedback and hyper-vigilance. This type of learning and direction transferred to the workplace.

This need for detail and feedback should suggest that an employee wants to do a good job, improve their work, and excel in their position. Supervisors should recognize these as eagerness to learn and openness to feedback that take skills and performance to the next level.

Entitled

Many view Millennials as entitled, perceiving a lack of patience and willingness to drudge through unglamorous components of work. People of this generation tend to be outspoken and described as having unrealistic expectations of prime work, promotions, and rewards.

In other words, Millennials have been dubbed 'trophy kids.' The idea is that they are accustomed to being rewarded for participation rather than for performance. Paradoxically, the generation that raised them is the generation characterizing them as entitled.

Instead of characterizing such qualities as entitlement, employers identify them as ambition, confidence, and sincerity regarding expectations for reward in exchange for strong performance.

Casual

One of the most visible descriptions of Millennials is that they are too casual; they are not professional enough, and lack decorum. They desire casual relaxed environments and dress codes. Millennials are perhaps more concerned with the results of their work than peripheral details like professional dress code and fixed hours.

Millennials in knowledge work tend to perceive it not as a place to go but as a thing to do. Due to 'work-life blending,' employees alternate between work and personal responsibilities throughout the day, night, and even weekend.[5] Their careers are very much integrated into their lives, thanks largely to technology. They do not mind answering emails at 8pm if they can go to a medical appointment at 10am the next day, for example. Technology has allowed millennials to establish and maintain relationships with ease.

Where applicable, supervisors should consider these features to be assets. Workers who forge genuine relationships could foster greater client retention and increased referrals. Similarly, workplaces should adapt to outcome-driven or performance-based focus rather than face time during traditional office hours.

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[5] Thompson and Gregory. 2012.

Lazy

In the same vein as older generations view Millennials as casual, they view Millennials as lazy. Gen Y prioritizes work-life balance and places high value on family time, even where they might not yet have started their own families.[6]

To accommodate this new balance demand, The New York Times reports that more large companies are offering sabbaticals, exercise or therapy breaks, paid time off for volunteering, and extended paid family leave.[7]

Wanting flexible schedules, more paid time off, and the ability to telecommute is often misinterpreted as laziness and an unwillingness to put in the hard work that other employees did when they started their careers. It is important to note that, according to the New York Times, many of these workers might not be on track for huge promotion but they are not penalized for the ways in which they choose to work – as long as they are still working.

Research shows that vacation time improves employee productivity. It also heightens focus and alleviates burnout. Not only are these reasons enough to promote vacation time, employees who feel encouraged to vacation are much happier with their jobs than those who feel discouraged or who have ambivalent managers. Time off could lead to higher retention and output due to lower burnout.

Instead of viewing workers as lazy, consider that they are easily adaptable, able and willing to work anywhere, and more productive.

Management Styles for Millennials

As stated in Thompson and Gregory, research shows that "people don't leave jobs, they leave managers." Researchers also state that poor manager-employee relationships will create even further turnover than is already expected with Millennials' propensity to "job-hop." The following, although widely cited and linked to Millennials, should not be blindly applied in a one-size-fits-all manner. Each workplace should promote what their employees want and what improves the manager-employee dynamic.

Clear Communication, Frequent Feedback

A coaching approach to management is recommended. This includes positive reinforcement and developmental criticism. Though they appreciate clear direction and detailed instructions, Millennials do not like micromanagement.

Focus on Results

Millennials are more focused on producing and arriving at the end product on time than the formalities of arriving there – like how one looks while doing it (more casual dress code), where one does it (telecommuting), and when one does it (flexible hours).

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[6] Kane. 2019. The Common Characteristics of Millennial Professionals. The Balance Careers. https://www.thebalancecareers.com/common-characteristics-of-generation-y-professionals-2164683

[7] Miller and Yar. 2019. Young People Are Going to Save Us All From Office Life. The New York Times. 17 September. https://www.nytimes.com/2019/09/17/style/generation-z-millennials-work-life-balance.html

More Team Oriented

Within the school system, there has been an increase in team and/or group projects. As such, Millennials value teamwork and the affirmation of others. Creating a workplace structure that mimics this type of collaboration can harness some strengths of younger employees.

Collaboration over Competition - Shared Success

Millennials are far less competitive than other generations and work well in a collaborative environment. As with the team-centric atmosphere, they seek the input from others and want everyone included. They are also eager to obtain various viewpoints from colleagues with diverse life and work experiences.

Inclusive Culture

Projections indicate that Gen Z will be the most diverse workforce in future years in the U.S. In general, there will be a demographic shift as the share of Hispanic population grows. Millennials place a high value on this[8] and it is highly linked to a larger emphasis on teamwork and collaboration.

Socially-Minded Workplace

Millennials grew of age during a time shaped by the events after September 11th, amid political and economic turmoil, various scandals, and significant leaps in technology. They are aware of intersectional hardship and know how communities can be affected by events.

Workplaces that allow and encourage employees to volunteer as groups in their communities are appreciated by many. Not only does it foster team bonding during the workday, it promotes the employers as generous and ethical businesses and organizations.

Benefits Desired by Millennials

It is important to note that the limited amount of people able to capitalize on the following benefits are largely employed in knowledge work, white-collar, and office jobs. The nature of these jobs allows them to request larger shares of certain benefits, like vacation days and flexible schedules. Those with blue collar jobs or those in the healthcare field, among others, may not be able to request some of these benefits. As such, the following may not be applicable to all workplaces.

Work-Life Balance

Popularized by Gen X, work-life balance is highly desired by Millennials and many expect it in positions for which they interview. Millennials have transformed work-life balance even further, into work-life blending. Work-life blending is the mixing of work and personal responsibilities throughout the day, night, and sometimes even the weekend. This type of set-up allows people to work when they are most productive.[9]

Telecommuting, Flexible Schedules

A survey conducted by the Harvard Business School found that people want flexible schedules partly because they are starting families later in life than other generations. This way, they are more invested

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[8] Calk and Patrick. Millennials through the looking glass.
[9] Landrum. 2020. 10 Mistakes to Avoid When You Hire Millennials. 17 January. The Balance Careers. https://www.thebalancecareers.com/mistakes-when-hiring-millennials-1918062

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in their careers when they do start families and therefore have more leverage to ask for what they need. The survey noted that many young people also care for their aging parents.[10] This benefit builds off the idea that Millennials do not understand work as a place to go but rather a thing to do.

Transportation Stipends, Tuition Assistance

Many businesses offer transportation stipends to their employees. They could come in the form of money toward public transportation, lowered parking fees, or private transportation provided by the company. Some also offer tuition assistance. Both of these benefits are further investments into employees and thus into the workplace.

Evergreen: Compensation, Health Care, Retirement, etc.

Millennials expect the traditional benefits beyond competitive salary – comprehensive health care and retirement. Other types of compensation benefits, such as 401(k) match, are appreciated as well.

For certain jobs, creative compensation plans increase retention. For instance, some car dealerships are offering hybrid pay plans in which employees still earn commission but also have base salaries. This type of payment scheme could be applicable to several types of occupations, including those in sales. These payment plans are highly desired by Millennials because they ensure stability with base salary and do not create a highly competitive, territorial work environment.

Pet insurance is another unique benefit to consider. More than a third of U.S. pet owners are Millennials, making them the primary pet-owning demographic according to the 2017-2018 National Pet Owners Survey. The addition or option for pet insurance could be a pull for many prospective millennial recruits.[11]

Financial Education and Debt Management Seminars

Some companies specifically aim their retention efforts at Millennials by offering financial education and student loan debt help. Forbes dubbed student loan repayment support the hottest benefit of 2018.[12]

Other workplaces offer various dollar figures in student loan repayment benefits (various dollar amounts annually) and others host debt management seminars.[13]

Wellness/Fitness/Nutrition programs

Mental health and general well-being have become hot issues over the last few years. Many workplaces are finding ways to incorporate employee well-being into their day-to-day operations as well as benefit packages. As previously mentioned, workday exercise or therapy breaks are received favorably, as are low-cost or no-cost exercise classes during or after the workday.

Though many companies have been adding mental health days to their leave benefits, simply doing so does not necessarily resolve any issues. Some describe mental health days as "futile," because even

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[10] Miller and Yar. 2019.

[11] El-Bawab. 2019. More millennials are demanding these workplace perks. CNBC. https://www.cnbc.com/2019/02/07/millennials-are-demanding-these-workplace-perks.html

[12] Friedman. 2018. Student Loan Repayment is the Hottest Employee Benefit of 2018. 18 October. Forbes. https://www.forbes.com/sites/zackfriedman/2018/10/18/student-loan-repayment-employee-benefits/#6fabf9ef566f

[13] Ibid.

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though employees feel better in the immediate aftermath of their time away from the office, two-thirds note that the benefits last only a few days before succumbing to their previous stress levels.[14] When mental health benefits are implemented well, employees reported lower stress levels in the long term and are ultimately more productive.

Workplace culture is another medium for supporting employee mental health. This could include regular supervisor trainings, resource groups, and mental health as a part of diversity, equity, and inclusion efforts.

Mentorship and Continuing Education

Career development is a noteworthy and wanted benefit. WeSpire, a platform for engaging employees in positive impact initiatives, notes that onboarding and providing Millennials with opportunities to further develop their skills will help employers retain these employees.[15] Gallup has found that Millennials do not merely pursue job satisfaction; they want opportunities to learn and grow. The aforementioned tuition assistance could help in this area, as can enrollment in development seminars and/or conferences.

Reverse mentorship is also a possibility. The implementation of a reverse mentorship program in which younger employees guide older employees on new technology and processes would be beneficial to the workplace (team bonding and upskilling employees) and to Millennials as a type of development during which they both teach and learn.

Purpose

Purpose is more what Millennials look for in a job rather than what they could receive in benefit form, but it is worth mentioning nonetheless. In addition to working in a socially-minded environment, millennials want their jobs to have purpose – meaning and impact. According to Gallup, one third of employees worldwide strongly agree with the statement that, "The mission of purpose of my organization makes me feel my job is important."[16] Businesses doubling that ratio (two thirds of their employees) were projected to see a 34-percent reduction in absenteeism, just over 40 percent fewer patient safety incidents, and just under 20 percent improvement in quality. They further found that even a ten-percent improvement would show an approximate 13-percent reduction in safety incidents, just over eight-percent decrease in employee turnover, and a 4.4-percent increase in profitability.

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[14] Mind Share Partners. 2019. The Futility of Mental Health Days. 10 October. Forbes. https://www.forbes.com/sites/mindsharepartners/2019/10/10/the-futility-of-mental-health-days/#414a08322d25
[15] WeSpire. 10 Things Millennials Look for in an Employer. https://www.wespire.com/10-things-millennials-look-for-in-an-employer/
[16] Robison. 2019. What Millennials Want Is Good for Your Business. 22 March. Gallup. https://www.gallup.com/workplace/248009/millennials-good-business.aspx

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