The Millennial Economy 2018

Millennials are changing with the world around them
On behalf of Ernst & Young LLP, Research Now conducted a survey of 1,202 20- to 36-year-old US citizens nationwide. Of those respondents, 842 were contacted online, and 360 were contacted via cellphone. Survey participants were contacted between June 27 and July 13, 2018.

The 2016 Millennial Economy study was conducted by Public Opinion Strategies and GBA Strategies on behalf of EY US and the Economic Innovation Group (EIG). The poll, conducted between June 15 and June 20, 2016, contacted 1,200 18- to 34-year-olds nationwide.
In 2016, an Ernst & Young LLP and Economic Innovation Group (EIG) survey found that millennials were a deeply pessimistic generation. The results painted a complex picture of this generation lacking confidence in the economy and uncertain about the future.

In two years, millennials (now 20-36) are progressing — they’re graduating college, finding full-time jobs, buying houses and getting married.

While recognizing they are living in a more stable economic environment, they aren’t convinced this stability will last. The oldest millennials have lived through three recessions in their lifetimes and few have confidence the economy will remain strong.
Millennial growth and progress

► Millennials are graduating from college, finding full-time jobs, buying houses and getting married.
► They’re proving to be successful in their careers — millennials are self-reliant and know the best way to get ahead in life is through hard work.
► They believe the economy has improved but still hesitate to start their own businesses.
► They’re deeply distrustful of traditional American institutions, preferring to rely on themselves and a good education.
► They believe the US tax system is unfair and are inclined to believe that the full implementation of the Tax Cuts and Jobs Act (TCJA) won’t change that.
Millennials and American dreams
Exploring key milestones
In 2018, 40% of millennials report owning their own homes, a lower rate of homeownership than that of all Americans 18 years and older, 64% of whom report owning their own homes.\(^1\)

First-time home buyers make up 34% of all home buyers, a decrease from approximately 50% in 2010.\(^2\)

In 2016, 28.8% of millennials (ages 25-34) owned their home, compared to 51.9% of the same age group in 1975.\(^3\)

In 2018, only 38% of millennials surveyed are married. This is lower than the rate of marriage across all US adults, 50% of whom are married today.\(^4\)

In 1960, 72% of US adults were married.\(^5\)

Americans are marrying later in life — the median age for a first marriage was 27.4 for women and 29.5 for men in 2016 — an increase of about seven years compared to 1960 (20.3 for women and 22.8 for men).\(^6\)

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\(^1\) https://www.census.gov/housing/hvs/index.html.


\(^5\) Id.

\(^6\) Id. at note 4.
Dreams* vs. Reality

*Based on opinions of American adults polled via the General Social Survey

-21-
Ideal age to move out of parents’ house
Only 47% of Americans have moved out by age 21

-25-
Ideal age to get married
Only 24% of 25-year-olds are married

-25-
Ideal age to have a child
Only 38% of women have children by age 25

Millennials are moving out of their parents’ homes

But they still fall behind older generations in home ownership

Approximately 45% of Gen Xers and Baby Boomers owned their homes when they were between the ages of 25 and 34.¹

As younger millennials move into the renting market, older millennials are making the leap to home ownership

Home ownership for Millennials between the ages of 28 and 31 increased from 27% to 47% in two years (ownership of those aged 32-36 increased from 46% to 57%).

Where millennials live – homeownership is up from 2016

<table>
<thead>
<tr>
<th></th>
<th>Own</th>
<th>Rent</th>
<th>Live with parents</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>40%</td>
<td>26%</td>
<td>16%</td>
</tr>
<tr>
<td>2018</td>
<td>43%</td>
<td>43%</td>
<td>30%</td>
</tr>
</tbody>
</table>

Gender split — Men are more likely to own their own homes, while the percentage of female renters has increased since 2016

<table>
<thead>
<tr>
<th></th>
<th>Men</th>
<th>Women</th>
</tr>
</thead>
<tbody>
<tr>
<td>Live with parents</td>
<td>14%</td>
<td>18%</td>
</tr>
<tr>
<td>Rent</td>
<td>37%</td>
<td>50%</td>
</tr>
<tr>
<td>Own</td>
<td>48%</td>
<td>32%</td>
</tr>
</tbody>
</table>

Millennials and city-living

In the past 10 years (2007-2017), median rental housing costs have increased 29% in urban areas,\(^1\) while 25-34 year olds have seen only a 17% increase in median income.\(^2\) The 16% increase in rural housing costs\(^3\) more closely aligns with millennials’ median wage growth.

Raises aren’t keeping pace with housing costs …

Student debt was responsible for up to 35% of the decline in homeownership for those in their late 20s and early 30s from 2007 to 2015.\(^5\)

If student debt levels had remained constant from 2001 to 2015, more than 360,000 people in this age group would have purchased a home.\(^6\)

… and rising student debt makes it hard to buy a home

Over 80% of millennials say student debt has forced them to delay homeownership.

Millennials will spend nearly $100,000 on rent in their lifetime\(^4\)

75% of millennials live in the city or suburbs, similar to 2016

\(^1\) 2017 American Community Survey 1-Year Estimates, “MEDIAN MONTHLY HOUSING COSTS FOR RENTER- OCCUPIED HOUSING UNITS (DOLLARS) - United States – Urban/Rural and Inside/Outside Metropolitan and Micropolitan Area”

\(^2\) Census Bureau, “Table P-16: Age—People (Both Sexes Combined—All Races) by Median and Mean Income: 1974 to 2016”

\(^3\) Id. at note 1.

\(^4\) https://www.creditkarma.com/insights/i/millennials-spend-nearly-100k-on-rent/


\(^6\) Id. at note 5.
Millennials are tying the knot sooner than they did in 2016

The biggest increase in marriage comes from millennials born between 1987 and 1994, who are currently 24–31 years old.

- 7% of all Americans over 18 are married (2018: 38%, 2016: 27%)
- 53% have never been married (2018: 58%, 2016: 69%)

The median age of marriage in the US is 27 and 29 for women and men, respectively.

Sources:
Millennials are starting families later than the national average

As millennials enter their 30s, they are more likely to have a child than those still in their 20s
27% of millennial women aged 20–23 have a child compared to 58% of millennial women between 32 and 36

When women from Generation X (those born between 1965 and 1980) were the same age as Millennials are today, 53% were already moms.2

Almost half of 34-year-olds who have never been married have children — roughly 16 percentage points higher than past generations.3

1Share of millennials with children under the age of 18 currently living at home
2http://www.pewresearch.org/fact-tank/2018/05/04/more-than-a-million-millennials-are-becoming-moms-each-year/
3https://www.axios.com/millennials-a-tale-of-two-generations-f0f60b7c-c92a-42c5-ab38-ad908f8f39.html
Millennials are career-focused and hardworking

Millennials and careers
86% of millennials believe working hard is an extremely or very important factor in getting ahead in life, and 36% think staying with one company and working your way up the ladder is the best way to advance your career, consistent with 2016.

Nearly 30% of millennials rank pay equity as their top career concern, followed by flexibility (22%) and clear upward trajectory (17%).

Americans born in the 1960s–1980s averaged two job changes by 32 years old, while present-day millennials average closer to three or four.¹

40% of millennials believe they should be promoted every two years, without taking performance into consideration.²
Millennials are graduating from college and entering the workforce with full-time jobs

Older millennials are more likely to have full-time employment than they were in 2016

**Millennials born in 1987 or earlier have made strides toward full-time employment**

<table>
<thead>
<tr>
<th>Year Range</th>
<th>Full Time</th>
<th>Part Time</th>
<th>Full-time Student</th>
<th>Not Working</th>
</tr>
</thead>
<tbody>
<tr>
<td>1982—1986</td>
<td>77%</td>
<td>14%</td>
<td>5%</td>
<td>12%</td>
</tr>
<tr>
<td>1987—1990</td>
<td>60%</td>
<td>12%</td>
<td>2%</td>
<td>8%</td>
</tr>
<tr>
<td>1991—1994</td>
<td>56%</td>
<td>20%</td>
<td>2%</td>
<td>8%</td>
</tr>
<tr>
<td>1995—1998</td>
<td>47%</td>
<td>24%</td>
<td>10%</td>
<td>15%</td>
</tr>
</tbody>
</table>

Working full time: 66% in 2018, 45% in 2016
Working part time: 11% in 2018, 19% in 2016
Full-time student: 8% in 2018, 18% in 2016
Not working: 14% in 2018, 17% in 2016
Millennials’ primary priority is pay equity, but flexibility is also important in their career

29% of respondents rank pay equity as their current top career concern

- Pay equity: 29% (Rank 1), 18% (Rank 2), 47%
- Flexibility options: 22% (Rank 1), 27% (Rank 2), 49%
- Clear upward trajectory: 17% (Rank 1), 17% (Rank 2), 34%
- Managerial opportunities: 14% (Rank 1), 17% (Rank 2), 31%

Women are much more concerned about pay equity than men, with 34% ranking it as their primary career concern.

- Women: 50% pay equity, 53% managerial opportunities, 28% clear upward trajectory, 14% flexibility options
- Men: 22% pay equity, 19% managerial opportunities, 19% clear upward trajectory, 22% flexibility options

Single women are the most concerned about pay equity (57% consider it a top concern).

53% of married millennials value flexibility over pay equity.

51% of millennials with children value flexibility over pay equity.
Millennials see themselves as their best resource for career development

*Which of the following groups do you think should be primarily responsible for providing access to skills development and opportunities needed to perform in your career?*

<table>
<thead>
<tr>
<th>Group</th>
<th>Rank 1</th>
<th>Rank 2</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporations and businesses</td>
<td>14%</td>
<td>14%</td>
<td>28%</td>
</tr>
<tr>
<td>Government</td>
<td>17%</td>
<td>27%</td>
<td>44%</td>
</tr>
<tr>
<td>Universities or other academic institutions</td>
<td>26%</td>
<td>30%</td>
<td>56%</td>
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It's up to me to seek skills and opportunities proactively, wherever they are offered

56%
Millennials are risk-averse in their careers, an attitude that has not changed from 2016

A plurality believe loyalty to one company is the best way to advance your career, challenging the stereotype of the job-hopping, rootless millennial.

| Which one of the following would you say is the best way to advance your career? |
|---------------------------------|-----------------|----------------|-----------------|----------------|
| To stay with one company and work your way up the ladder | 36%             | 21%             | 21%             | 13%             | 1%             |
| To move from job to job at different companies, advancing along the way | 21%             | 21%             | 13%             | 1%             |
| To attain additional education or job training | 13%             | 1%             |
| To start your own company | 1%             |
| Other | 1%             |

67% believe taking risks is extremely or very important to getting ahead in life

Millenials think that hard work, and not luck, is the key to getting ahead in life

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<thead>
<tr>
<th>Extremely or very important</th>
<th>Somewhat or not too important</th>
<th>Don’t know</th>
</tr>
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<tbody>
<tr>
<td>Working hard</td>
<td>86%</td>
<td>12%</td>
</tr>
<tr>
<td>Knowing the right people</td>
<td>71%</td>
<td>26%</td>
</tr>
<tr>
<td>Taking risks and being willing to fail</td>
<td>67%</td>
<td>29%</td>
</tr>
<tr>
<td>Having a great education</td>
<td>61%</td>
<td>37%</td>
</tr>
<tr>
<td>Training for a specific career</td>
<td>59%</td>
<td>38%</td>
</tr>
<tr>
<td>Being lucky</td>
<td>36%</td>
<td>60%</td>
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Millennials and the future of work

35% of millennials worry a lot about having good-paying job opportunities in the future.
In 2016, 50% of millennials worried a lot about having good-paying job opportunities in the future.

56% of millennials are focused on learning new technology as part of their job.
8% believe their education did not prepare them to use or compete with new technologies.

12% of millennials worry a lot about automation jeopardizing their jobs.
A McKinsey report estimates that 400 million to 800 million jobs worldwide could be automated by 2030.

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In a thriving economy, millennials are still risk-averse

Millennials and financial confidence
US economy and financial confidence

► Today’s\(^1\) economy is strong — 5.4% growth in GDP,\(^2\) 2.9% inflation,\(^3\) and 3.9% unemployment.\(^4\)

► Millennials are feeling more positive about the economy than they were in 2016 – 41% would describe it as excellent or good in 2018 compared to only 28% who said the same in 2016.

► The future is less clear – respondents are evenly split on the how the economy will fair within the next year and only one-third believe their standard of living will be better than their parents’ long-term.

► 50% of respondents currently paying off, or plan to take on, student loan debt.

► Business majors are the least likely to have debt (44%) and humanities majors are the most likely (64%).

► STEM majors are the mostly likely to believe their college education is worth the financial cost.

\(^1\)Figures as of July/Q2 2018
\(^2\)https://fred.stlouisfed.org/series/GDP
\(^3\)https://fred.stlouisfed.org/series/CPIAUCSL
\(^4\)https://fred.stlouisfed.org/series/UNRATE
Millennials are feeling more upbeat about the economy, but only 9% would describe it as excellent.

How would you describe the state of the nation’s economy these days?

- Excellent: 9% (2018), 4% (2016)
- Good: 32% (2018), 24% (2016)
- Only fair: 36% (2018), 44% (2016)
- Poor: 18% (2018), 26% (2016)

But a good economy today doesn’t mean millennials aren’t anxious about the future.

How do you expect the national economy to be a year from now?

- Better than it is today: 26% (2018), 25% (2016)
- The same as it is today: 32% (2018), 36% (2016)
- Worse than it is today: 34% (2018), 29% (2016)
Millennials’ outlook on the economy in 2018 is correlated with political affiliation

Republicans’ outlook on the economy has skyrocketed with the election of Donald Trump

<table>
<thead>
<tr>
<th>Current state of the economy</th>
<th>Democrat</th>
<th>Independent</th>
<th>Republican</th>
</tr>
</thead>
<tbody>
<tr>
<td>Excellent / Good</td>
<td>36%</td>
<td>39%</td>
<td>75%</td>
</tr>
<tr>
<td></td>
<td>34%</td>
<td>26%</td>
<td>31%</td>
</tr>
<tr>
<td>Fair / Poor</td>
<td>62%</td>
<td>58%</td>
<td>22%</td>
</tr>
<tr>
<td></td>
<td>64%</td>
<td>72%</td>
<td>69%</td>
</tr>
</tbody>
</table>

Expectations for economy a year from now

<table>
<thead>
<tr>
<th>Democrat</th>
<th>Independent</th>
<th>Republican</th>
</tr>
</thead>
<tbody>
<tr>
<td>Better</td>
<td>14%</td>
<td>26%</td>
</tr>
<tr>
<td></td>
<td>29%</td>
<td>21%</td>
</tr>
<tr>
<td>Worse</td>
<td>53%</td>
<td>31%</td>
</tr>
<tr>
<td></td>
<td>26%</td>
<td>31%</td>
</tr>
</tbody>
</table>

58% of Democrats believe President Obama deserves credit for the economy, compared to 74% of Republicans who believe President Trump deserves the credit.¹

Only one-third of millennials believe their standard of living will be better than their parents’

This sentiment is consistent with 2016 survey results

When you are your parents’ age, do you believe your standard of living will be better than, about the same as, or worse than your parents’ current standard of living?

<table>
<thead>
<tr>
<th></th>
<th>Better</th>
<th>About the same</th>
<th>Worse</th>
</tr>
</thead>
<tbody>
<tr>
<td>White women</td>
<td>25%</td>
<td>37%</td>
<td>32%</td>
</tr>
<tr>
<td>Black women</td>
<td>38%</td>
<td>28%</td>
<td>27%</td>
</tr>
<tr>
<td>Hispanic women</td>
<td>38%</td>
<td>38%</td>
<td>22%</td>
</tr>
</tbody>
</table>

Generally, men are more optimistic about the future than women

<table>
<thead>
<tr>
<th></th>
<th>Better</th>
<th>About the same</th>
<th>Worse</th>
</tr>
</thead>
<tbody>
<tr>
<td>White men</td>
<td>33%</td>
<td>39%</td>
<td>21%</td>
</tr>
<tr>
<td>Black men</td>
<td>58%</td>
<td>25%</td>
<td>11%</td>
</tr>
<tr>
<td>Hispanic men</td>
<td>44%</td>
<td>35%</td>
<td>17%</td>
</tr>
</tbody>
</table>

In 2013, the average wealth of 20- and 30-year-olds was 7% lower than the same age group in 1983 — meaning millennials are not doing as well financially as their parents when they were the same age.¹

White women are the only group who believe their standard of living is more likely to be worse than better.

Millennials are generally more financially comfortable and less likely to believe that their local community is in recession

While millennials are better able to cover their expenses than they were in 2016, many are still struggling to make ends meet

| Thinking about your own personal financial situation, which one of the following best describes your financial situation? |
|---|---|---|---|
| 30% | Making a little more | Making just enough | Not making enough |
| 6% | 24% | 35% | 30% |
| 9% | 34% | 36% | 17% |

<table>
<thead>
<tr>
<th>2018</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>22%</td>
<td>29%</td>
</tr>
</tbody>
</table>

Over 90% of US cities were not fully recovered from the Great Recession by 2016 (tracking nine economic indicators over the 10-year period ending in 2016).^1

^1https://www.brookings.edu/blog/the-avenue/2018/02/26/which-metros-are-achieving-true-economic-success/.
Millennials are not as concerned about competition for jobs as they are about their retirement and the state of the country’s balance sheet.

How much do each of the following worry you personally? Do they worry you a lot, some, not very much or not at all.

- **Lack of Social Security at retirement**: 75% worry a lot or some, 20% worry not very much or not at all, 5% don't know.
- **America’s debt and deficit levels**: 71% worry a lot or some, 23% worry not very much or not at all, 6% don't know.
- **Not enough money at retirement**: 70% worry a lot or some, 25% worry not very much or not at all, 5% don't know.
- **Future job opportunities**: 70% worry a lot or some, 25% worry not very much or not at all, 5% don't know.
- **High healthcare bills**: 65% worry a lot or some, 30% worry not very much or not at all, 5% don't know.
- **Effect of tax and regulatory policies on US businesses**: 56% worry a lot or some, 38% worry not very much or not at all, 6% don't know.
- **Inability to pay back student loans**: 46% worry a lot or some, 47% worry not very much or not at all, 7% don't know.
- **Job jeopardization by automation**: 35% worry a lot or some, 58% worry not very much or not at all, 7% don't know.
- **Foreign competition for jobs**: 31% worry a lot or some, 64% worry not very much or not at all, 5% don't know.

In 2016, respondents had similar top concerns:

- **79%** were worried about not having enough money at retirement.
- **78%** were worried about America’s debt and deficit levels.
- **78%** were worried about future job opportunities.

While companies are increasingly offering unique perks geared toward millennials — spa services, catered dinners, Ping-Pong, etc. — these services don’t help millennials build their careers. In fact, most employees value basic benefits above these new perks. Good health insurance, flexibility, and more vacation time top the list of benefits valued by employees.¹

Personal finance and student debt
The burden is getting lighter but continues to be a limitation

50% of millennials are currently paying off, or plan to take on, student loan debt
On average, Americans have $30,000 of student loan debt

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Business majors are the least likely to have debt, humanities majors are the most likely

Share of millennials currently paying off or planning to take on student loan debt

- **Humanities**: 64%
- **STEM**: 58%
- **Education**: 57%
- **Other**: 56%
- **Business**: 44%

Despite a large share carrying debt, STEM majors are most likely to believe college is worth it

Share of millennials who believe their college education is worth the financial cost

- **Humanities**: 63%
- **STEM**: 68%
- **Education**: 54%
- **Other**: 46%
- **Business**: 63%
Why aren’t more millennials starting businesses?

Millennials and entrepreneurship
Millennial entrepreneurship remains historically low

► 72% of millennials believe start-ups are essential to the economy, and they are right – US startups create 40% of new jobs annually, adding an average 6.5 jobs per new establishment.1

► However, the percentage of millennials considering starting their own business is down from 2016 – only 58% report this today while 62% of respondents indicated the same in 2016.

► At age 30, less than 4% of millennials reported self-employment in 2014. This is compared to 5.4% of Gen Xers and 6.7% of Baby Boomers who report the same.2

► Consistent with this trend, the number of jobs created by establishments less than 1 year old decreased from 4.1 million in 1994 to 3 million in 2015.3

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3https://www.bls.gov/bdm/entrepreneurship/entrepreneurship.htm
Millennials believe that startups are essential to the economy

- 72%: Startups and entrepreneurship are essential for new innovation and jobs in our economy.
- 15%: The US economy can be strong without lots of startup and entrepreneurial activity.
- 13%: Don't know.

But say the biggest obstacle in starting their own business is financial

- 38%: I don't have the financial means to start a business.
- 21%: I have no desire to start a business.
- 16%: I am afraid that if I started a new business, it would fail.
- 10%: I don't have an idea for a new business but if I did I would start one.
- 9%: I don't know how to start a business.
Millennials are hesitant to be their own boss

Despite these obstacles, 58% of millennials have considered starting their own business. Down from 62% in 2016, the middle age bracket of millennials is driving this change.

Black millennials are more likely than other millennials to say starting their own company is the best way to advance their career (20%). This is much higher than white (12%) or Hispanic (10%) millennials.
Millennials believe that their generation as a whole is more entrepreneurial than the other generations

49% of millennials know someone who has started or works for a startup

79% of those who do know someone who has started their own business consider them a success

Do you believe your generation is generally more entrepreneurial than previous generations, or less?

<table>
<thead>
<tr>
<th>More entrepreneurial</th>
<th>Less entrepreneurial</th>
<th>Don't know</th>
</tr>
</thead>
<tbody>
<tr>
<td>58%</td>
<td>26%</td>
<td>16%</td>
</tr>
<tr>
<td>55%</td>
<td>29%</td>
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</tr>
</tbody>
</table>

The reality is at age 30, less than 4% of millennials reported self-employment in 2014. This is compared to 5.4% of Gen Xers and 6.7% of Baby Boomers.¹

57% of millennials believe the government makes it more difficult to succeed in starting their own business

Joining the gig economy

19% of millennials participate in the gig economy
Compared to 8% of Americans who reported earning money from an online job platform in 2015.

<table>
<thead>
<tr>
<th>Participation in gig economy</th>
<th>White</th>
<th>Black</th>
<th>Hispanic</th>
</tr>
</thead>
<tbody>
<tr>
<td>Participate in gig economy</td>
<td>18%</td>
<td>28%</td>
<td>17%</td>
</tr>
<tr>
<td>Primary source of income</td>
<td>7%</td>
<td>14%</td>
<td>4%</td>
</tr>
<tr>
<td>Additional source of income</td>
<td>11%</td>
<td>13%</td>
<td>12%</td>
</tr>
</tbody>
</table>

Millennials who participate in the gig economy are more likely to have considered starting their own business than those who don’t.

75% of millennials who participate in the gig economy and consider it their primary source of income have considered starting their own business compared to 58% of the total survey population.
Millennials are wary of American institutions

Millennials and institutions
77% of millennials report that they are proud to be American.

30% of millennials report high levels of confidence in American institutions; confidence is highest in the military, with 51% of millennials expressing a great deal, or quite a lot, of confidence.

Since 2016, millennials’ trust in higher education, corporate America, Silicon Valley, organized labor and the criminal justice system has decreased.

Trust in the media, organized religion, the military, and local government has increased since 2016.

84% of millennials report that they are registered to vote, and 86% say they likely will vote in the 2020 presidential election.
Confidence in American institutions remains low for millennials

30% of millennials report high levels of confidence in American institutions* in both 2016 and 2018 (Share of millennials with a great deal, or quite a lot, of confidence in all polled institutions)

Since 2016, confidence in institutions has ...

- Increased:
  - The news media: +5
  - Governors: +3
  - Organized religion: +2
  - Mayors: +1

- Decreased:
  - Military: -4
  - Colleges and universities: -2
  - Silicon Valley: -1
  - Criminal justice system: -1
  - Organized labor: -1
  - Corporate America: -1
  - Professional sports: -1

*The military, colleges and universities, professional sports, organized labor, banks and financial institutions, organized religion, mayors, news media, Silicon Valley, the criminal justice system, governors, the federal government, and corporate America
A 2018 Gallup poll found that 74% of Americans have confidence in the military, 29% have confidence in public schools, 22% have confidence in the news media, 11% have confidence in Congress, and 25% have confidence in big business.1

Overall confidence in American institutions has decreased from 44% in 1973 to 27% in 2018.1

Investment in public education continues to rank #1 on millennials’ list of federal spending priorities

The three most important ways the federal government spends tax dollars, according to millennials

- **Public education**: 30% (Rank 1), 19% (Rank 2), 13% (Rank 3)
- **Social Security and Medicare**: 13% (Rank 1), 18% (Rank 2), 14% (Rank 3)
- **National security**: 21% (Rank 1), 12% (Rank 2), 9% (Rank 3)
- **Roads, highways and infrastructure**: 9% (Rank 1), 17% (Rank 2), 16% (Rank 3)
- **Assistance for those in poverty**: 9% (Rank 1), 11% (Rank 2), 13% (Rank 3)
- **Scientific research**: 6% (Rank 1), 7% (Rank 2), 12% (Rank 3)
- **Vocational training**: 4% (Rank 1), 5% (Rank 2), 12% (Rank 3)
- **Foreign aid**: 3% (Rank 1), 5% (Rank 2), 10% (Rank 3)
- **Other priority**: 2%

In 2017, spending on education made up **14%** of the federal government’s $3.98 trillion budget.¹

Typically, state and local governments spend more on education than the federal government — federal spending ($156.3 billion) made up **18%** of total estimated spending on education in 2017.¹

Overall, millennials still believe the country is on the wrong track, but this 2018 survey reflects a significant disparity between those who identify as Democrats and Republicans.

- **Country is going in the right direction**
  - Democrats: 27%
  - Republicans: 25%
  - Independents: 61%
  - Overall: 67%

- **Country is on the wrong track**
  - Democrats: 87%
  - Republicans: 87%
  - Independents: 23%
  - Overall: 63%

**Percentage of millennials who think the country is on the wrong track by party**

- **Democrat**
  - 2018: 87%
  - 2016: 47%

- **Independent**
  - 2018: 61%
  - 2016: 67%

- **Republican**
  - 2018: 23%
  - 2016: 79%

**87% of millennial Democrats believe the country is on the wrong track.**

**23% of millennial Republicans** compared to only 23% of millennial Republicans.
Millennials at the polls

84% of millennials report being registered voters
In 2016, 55% of citizens between the ages 18 and 24 reported being registered to vote\(^1\)

76% say they will likely vote in the 2018 midterms
86% say they will likely vote in the 2020 election

Share of Millennials, by education level, who report having voted in the 2016 Presidential election

- 77% All Millennials
- 55% High school or less
- 72% Some college
- 87% College+

Per the US Census Bureau, 53% of millennials voted in the 2016 election (compared to 61% of all US citizens)\(^2\); however, millennials surveyed report voting at higher rates

\(^1\)US Census Bureau. Reported Voting and Registration, by Race, Hispanic Origin, Sex, and Age, for the United States: November 2016.

\(^2\)Id.
Millennials think the US tax system is imbalanced, even after the Tax Cuts and Jobs Act.
As in 2016, about half of millennials believe they are paying the right amount in taxes and a third believe their tax bill is too high.

Approximately two-thirds of millennials believe high-net worth individuals and large corporations aren’t paying the right amount of taxes. Half of respondents believe small businesses and lower-income and middle class Americans are paying too much in taxes.

74% of millennials report knowing at least a little about the new TCJA, but are split on how they will be affected by it – 27% believe their taxes will increase and 39% believe they will stay the same.

Respondents believe high-net worth individuals and large corporations will pay less under TCJA, but opinions vary across party lines – 70% of Democrats think large corporations will pay less under the TCJA compared to 46% of Republicans.
Most millennials think they’re paying the right amount of taxes, continuing the trend from 2016

Millennial feelings about the federal income tax they have to pay

- **35%** Too high
- **50%** About right
- **6%** Too low

In general, older millennials are more likely to believe their tax bill is too high

Share of millennials who believe the amount of federal income tax they pay is too high

- **27%** Too high 1995—1998
- **31%** Too high 1991—1994
- **41%** Too high 1987—1990
- **38%** Too high 1982—1986

2018

2016
Millennials remain convinced that the burden of the American tax system is not balanced

Two-thirds of millennials believe high-net-worth individuals and large corporations do not pay the right amount of taxes
Across party lines, a plurality of millennials believe that large corporations do not pay the right amount of taxes.

<table>
<thead>
<tr>
<th>Party</th>
<th>Too much</th>
<th>About right</th>
<th>Too little</th>
</tr>
</thead>
<tbody>
<tr>
<td>Democrat</td>
<td>3%</td>
<td>9%</td>
<td>83%</td>
</tr>
<tr>
<td>Independent</td>
<td>9%</td>
<td>17%</td>
<td>66%</td>
</tr>
<tr>
<td>Republican</td>
<td>16%</td>
<td>31%</td>
<td>42%</td>
</tr>
</tbody>
</table>
Do millennials’ views on tax affect their level of confidence in corporations?

35% of millennials have very little confidence in corporate America (down slightly from 40% in 2016)

Only 19% report having a great deal or quite a lot of confidence in US corporations consistent with 2016 — corporate America is the lowest-ranked institution in both years

Share of Millennials, by party, with a great deal, or quite a lot, of confidence in corporate America

- 16% Democrat
- 18% Independent
- 33% Republican

Even with their lack of confidence and belief that corporations don’t pay the right amount of tax, 23% of Millennials worry a lot about American businesses being hurt by taxes and regulations

Share of Millennials personally worried a lot about American businesses being hurt by high taxes and regulations

- 19% Democrat
- 22% Independent
- 28% Republican

2018
2016
Millennials also feel the tax burden on the middle class and small businesses is too great

<table>
<thead>
<tr>
<th></th>
<th>Lower-income Americans</th>
<th>The middle class</th>
<th>High-net-worth individuals</th>
<th>Large corporations</th>
<th>Small businesses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Democrat</td>
<td>63%</td>
<td>49%</td>
<td>85%</td>
<td>42%</td>
<td>42%</td>
</tr>
<tr>
<td></td>
<td>22%</td>
<td>38%</td>
<td>3%</td>
<td>3%</td>
<td>38%</td>
</tr>
<tr>
<td></td>
<td>6%</td>
<td>7%</td>
<td>8%</td>
<td>9%</td>
<td>6%</td>
</tr>
<tr>
<td>Independent</td>
<td>48%</td>
<td>56%</td>
<td>63%</td>
<td>49%</td>
<td>49%</td>
</tr>
<tr>
<td></td>
<td>31%</td>
<td>32%</td>
<td>21%</td>
<td>9%</td>
<td>31%</td>
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<tr>
<td></td>
<td>12%</td>
<td>5%</td>
<td>10%</td>
<td>17%</td>
<td>7%</td>
</tr>
<tr>
<td>Republican</td>
<td>30%</td>
<td>50%</td>
<td>18%</td>
<td>16%</td>
<td>51%</td>
</tr>
<tr>
<td></td>
<td>34%</td>
<td>37%</td>
<td>34%</td>
<td>31%</td>
<td>33%</td>
</tr>
<tr>
<td></td>
<td>24%</td>
<td>6%</td>
<td>6%</td>
<td>42%</td>
<td>5%</td>
</tr>
</tbody>
</table>

Democrat
- Lower-income Americans: 63%
- The middle class: 49%
- High-net-worth individuals: 85%
- Large corporations: 42%
- Small businesses: 42%

Independent
- Lower-income Americans: 48%
- The middle class: 56%
- High-net-worth individuals: 63%
- Large corporations: 49%
- Small businesses: 49%

Republican
- Lower-income Americans: 30%
- The middle class: 50%
- High-net-worth individuals: 18%
- Large corporations: 16%
- Small businesses: 51%
A majority of millennials know at least a little about the TCJA

But very few report understanding the full impact of the new law on themselves and others

How much would you say you know about the TCJA, the new tax law passed in December 2017?

- A lot: 12%
  - I know how it impacts me and others
- Some: 29%
  - I know how it impacts me
- A little: 33%
  - I know a tax bill was passed
- Nothing: 17%

A plurality of millennials believe small businesses, high-net-worth individuals, and large corporations will benefit from TCJA

- Lower-income Americans: Pay more 31%, Pay the same 33%, Pay less 28%
- The middle class: Pay more 34%, Pay the same 30%, Pay less 30%
- High-net-worth individuals: Pay more 17%, Pay the same 19%, Pay less 57%
- Large corporations: Pay more 15%, Pay the same 18%, Pay less 60%
- Small businesses: Pay more 29%, Pay the same 27%, Pay less 35%

Asked only of respondents who indicated they knew at least a little about the Tax Cuts and Jobs Act.
Across party lines, millennials believe high-net-worth individuals and large corporations will pay less under TCJA

However, they are divided on how the taxes for lower-income and middle-class Americans will change

<table>
<thead>
<tr>
<th></th>
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<th>High-net-worth individuals</th>
<th>Large corporations</th>
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</tr>
</thead>
<tbody>
<tr>
<td><strong>Democrat</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pay more</td>
<td>47%</td>
<td>42%</td>
<td>11%</td>
<td>10%</td>
<td>39%</td>
</tr>
<tr>
<td>Pay the same</td>
<td>27%</td>
<td>31%</td>
<td>12%</td>
<td>14%</td>
<td>26%</td>
</tr>
<tr>
<td>Pay less</td>
<td>19%</td>
<td>21%</td>
<td>72%</td>
<td>70%</td>
<td>25%</td>
</tr>
<tr>
<td><strong>Independent</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pay more</td>
<td>28%</td>
<td>34%</td>
<td>17%</td>
<td>15%</td>
<td>27%</td>
</tr>
<tr>
<td>Pay the same</td>
<td>37%</td>
<td>28%</td>
<td>22%</td>
<td>18%</td>
<td>29%</td>
</tr>
<tr>
<td>Pay less</td>
<td>28%</td>
<td>31%</td>
<td>55%</td>
<td>60%</td>
<td>34%</td>
</tr>
<tr>
<td><strong>Republican</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pay more</td>
<td>12%</td>
<td>17%</td>
<td>26%</td>
<td>22%</td>
<td>16%</td>
</tr>
<tr>
<td>Pay the same</td>
<td>37%</td>
<td>31%</td>
<td>26%</td>
<td>26%</td>
<td>24%</td>
</tr>
<tr>
<td>Pay less</td>
<td>42%</td>
<td>46%</td>
<td>39%</td>
<td>46%</td>
<td>53%</td>
</tr>
</tbody>
</table>

*Asked only of respondents who indicated they knew at least a little about the Tax Cuts and Jobs Act.*
In the end, a plurality of millennials expect their federal taxes to stay the same under the TCJA.

Millennial expectations of the federal income tax they will pay under the TCJA:

- 27% increase
- 39% stay the same
- 26% decrease
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