

Clash of the Generations?

Moving Past Perceptions for Sustained Growth

by Stephanie Johnson

New research shows there may not be as many differences between the generations as we thought.

If you just read the headlines, you'd think a war was brewing between baby boomers and millennials. But research is starting to show that they aren't so different after all. In fact, employers and marketers who truly understand the differences between the four major generations in our workplace and marketplace could hold new keys to success.

If you search Google for "generations in the workplace" (or "the marketplace"), you will find more than 21 million results. Much has been made of the varying attributes of the different generations for a number of different reasons, including the fact that in February 2015, millennials became the largest group in the workforce. Additionally, the entry of millennials into the workforce signaled the beginning of an era in which four generations work together and share the same marketplace. Are they really that different? If so, how do employers retain top talent? How do retailers sell to this new mix of consumers?

Who are they?

The four generations coexisting in both workplace and marketplace right now are traditionalists, boomers, Gen Xers, and millennials. These four groups range from age 15 to over 70. They have different priorities and perspectives, but each brings with it significant expertise and buying power.

Traditionalists

Born between 1900 and 1945, these folks are the 70-plus crowd. They grew up in a time of unrest, both politically and financially. They saw the end of World War II. Their parents were just coming out of the Depression. This group has witnessed and experienced more advances in culture, technology, and human rights than any other generation. To demonstrate how much change this group has experienced, consider that many of these people grew up without electricity and now use iPads and cellphones.

As employees, traditionalists are a "punch the clock" kind of workforce. They believe in hard work and getting results. However, the majority of these people are now entering or have already entered retirement. They depend on the pensions they worked so hard for



VIDEO EXTRA

To hear more background from the author, visit jabian.com/videos/generations

during their working years. A small portion of this generation is still in the workforce, either because they are unable to retire based on their financial situation, or they desire to continue in a leadership or advisory role.

As consumers, traditionalists hold the second-largest purse of the four generations. Spending approximately \$800 billion annually, this group is trying to enjoy retirement while balancing the high costs of health care and extended longevity. Their biggest challenge: Trying to figure out how much money they will need to maintain their lifestyle for an undefined amount of time.

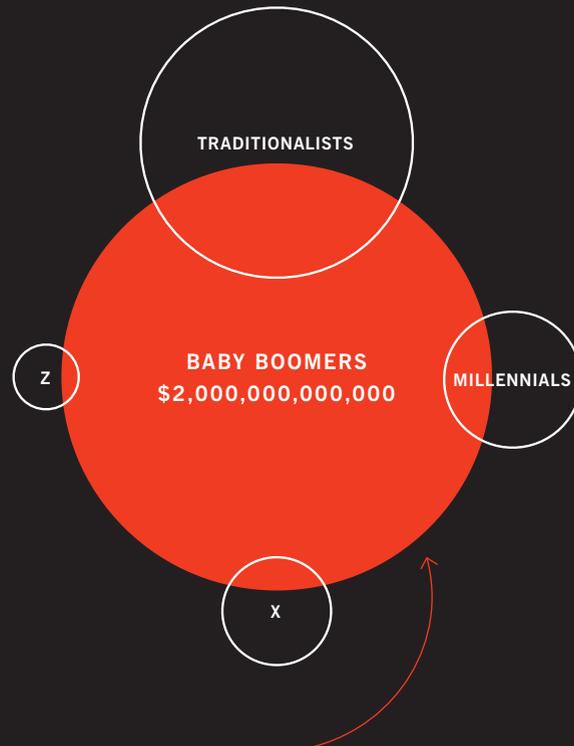
Boomers

Born between 1946 and 1964, this is the second-largest generation in the U.S. population. They grew up in a tumultuous time of revolution, moving from Pleasantville and the Cleavers to sex, drugs, and rock 'n' roll. Witnessing perhaps some of the most transformative events in our recent history, boomers lived through the Vietnam War, the Cold War, Woodstock, and the space race. Some led the charge on civil rights, women's liberation, and the sexual revolution. These flower children grew up to be some of America's foremost corporate moguls, calling out "Greed is good" while cashing in on the American dream they were promised as children.

As employees, the boomers have been very successful. Their views of hard work are centered on visibility and "burning the midnight oil." They became experts in their fields and learned how to climb the ladder. Members of this generation embraced the 50-hour work week, and they truly love their careers. With their numbers, they essentially created today's workplace culture. They "live to work," with their work defining how they view themselves. As boomers approach retirement, some

Annual Spending

BY GENERATION



As consumers, boomers have the most disposable income of all the generations, spending approx. \$2 trillion annually.

are looking into second careers, driven by passion and the desire to avoid boredom once they don't have to go to the office every day.

As consumers, boomers have the most disposable income of all the generations, spending approximately \$2 trillion annually. Known as the spenders of the four generations, boomers have often used the logic of buy now, pay later to fund their lifestyles. However, when the Great Recession hit, many boomers were forced to take a look at their financial future. While it doesn't

appear to have slowed their spending, many are beginning to look for ways to save for retirement and health care costs. The boomers are interesting in that while many are not yet retired, they may be among the first who won't have a pension on which to retire.

Generation X

Xers, born between 1965 and 1979, are the infamously untrusting generation. A true group of do-it-yourselfers, they don't rely on anyone but themselves. This generation was the first to grow up

in dual-income households, leaving them to make their own lunches and do their own laundry. They grew up fiercely independent and untrusting of government, thanks to scandals such as Watergate. They saw the way the boomers went and decided to go a different path, focusing on work-life balance and emphasizing time at home with family.

As employees, Gen Xers are hard workers. They crave independent work assignments and expect feedback. They pursue careers that allow them to have a set schedule and a strong balance between time at work and time at home. They have eagerly snatched up technology that allows them to work remotely. They live by the mantra of “work smarter, not harder,” continuing the focus on spending only the time that is required at work. Gen Xers more or less created the concepts of flex time and work from home. They question when things don’t make sense to them, but always remain open to understanding other viewpoints.

Members of this generation are more inclined to jump employers if they don’t get what they want or don’t believe they are being evaluated on merit. Despite their desire to maintain a strong work-life balance, Gen Xers have been proven to be results driven, moving quickly to the next thing once their task is complete. There is a general belief that members of Gen X will work until they are 70.

In the marketplace, Gen X’s propensity to save is noticeable; they spend about \$125 billion annually. This number also reflects that the definition of Gen X spans a much narrower range of years, only 14 years versus the boomers’ 18 and millennials’ 20. However, Gen X, with a median age of 45, is in the midst of the highest-spending age group. They appreciate human contact, focusing on the personal connection retailers

can make with them. As natural savers, Gen X spends only after putting away money for retirement, emergency, and rainy-day funds.



Millennials

Ah, the much-maligned and celebrated millennials, born between 1980 and 2000. The largest generation in the United States by population, known as the “entitled generation,” these kids grew up in a post-9/11 world being told they could be anything they put their minds to. They grew up as “winners” at everything, receiving participation trophies and being told they made a good effort. They are the most educated and diverse generation, with their numbers growing still through immigration.

Also known as digital babies, many of these people have never known a world without cellphones, computers, or social media. The Great Recession shaped many of their futures, and they have a fierce desire to do good in the world to avoid going back to that place.

As employees, millennials are now the driving force that is changing the workplace. Their reliance on technology has made them one of the first generations that is “always” working, since work can be accessed from anywhere. They believe in hard work, like traditionalists, but also work-life balance, like Gen X. They prefer teams and collaboration, a nod to boomers’ desire for visibility. They were raised largely in a time of financial expansion, so they crave the financial security they had when growing up.

However, after the Great Recession, many were left without any of the job prospects they were so confident they would have after graduating from college. Millennials are deeply concerned about financial stability, with the ability to find a job and manage personal finances topping the list. They look for opportunities to grow, and they see finding new employment as a way to do just that. Millennials have typically stayed with employers for an average of three years before moving on to a new place of employment.

As consumers, millennials spend approximately \$200 billion annually. With many having put off home buying, marriage, and children until later than previous generations, this group is about to enter a period of significant spending. This generation’s tech-fueled lifestyle breeds online and well-informed spending. While quality is important, so is price. Staying connected allows millennials to find the best price for the product they are looking for, while also understanding the level of quality. Brands are less important to this generation than finding what they are looking for, at the right level of quality and the right price. This is visible in malls across the country, as millennials shop products in stores and immediately research the price online before purchasing.

Having firsthand experience with debt and financial instability coming out of the Great Recession, millennials are saving for retirement. However, the mindset instilled from a young age was to spend. They follow a “work to live” motto in both the workplace and marketplace: work-life balance to get the paycheck that fuels their lifestyle as a consumer.

Hypotheses in the Workplace

From a workplace perspective, many articles and white papers have been written about the clash between boomers and millennials. The general hypothesis is that boomers have trouble working with millennials because they consider millennials to be entitled, lazy, and constantly questioning why, instead of learning their place and putting in the hours to get to the top. In contrast, from the millennials’ perspective, boomers are too set in their ways, spend too much time at the office, and don’t realize they could use technology to get the same results faster. There is significantly less written around Gen X and traditionalist perspectives, largely implying that both would like to keep doing what they are doing and not get involved.

But is the clash real? It’s been said that boomers and millennials share the same sense of optimism and idealism, that millennials took their cue for flexibility and work-life balance from Gen X. Millennials are said to be close to traditionalists in dedication, as they are one of the most results-focused generations in the workforce. Since these ideals have been in the workforce for so long, one has to ask: Are they really that different? And should HR departments be looking to customize incentives for each group?

New research shows that there may not be as many differences between the generations as we

thought. In fact, we are starting to see that Gen X and millennials are not the only ones who want more flexibility in their work schedules. Almost the entire workforce maintains that because we are constantly connected to work through technology, we should have the freedom to work when we want, as long as our objectives are met.

As for all the hypotheses, we are starting to see that life stages may be causing more of a rift than actual generations. As millennials entered the workforce, their sense of entitlement to climb the ladder faster and grab more assignments may have just been youthful arrogance and ambition, something nearly every generation has exhibited upon entering the workforce. Traditionalists, boomers, Gen Xers, and millennials have all expressed a desire to separate work life and personal life, especially in a world that is so technology based that we are all always “on.”

Hypotheses in the Market

In the marketplace, there has been little shift to encourage buying from a specific generation. It is much easier to target consumers by life stage: single with no children, first home purchase, having a family, etc. There are specific products and marketing that can easily target these groups, regardless of their generation.

Media and travel industries seem to be the first to cater to the age group referred to as millennials. Within media, various providers are bringing multiple streaming media outlets based on multiple survey results showing that the majority of millennials stream their videos, games, and television. Within travel, millennials are soon expected to account for half of all business travelers, so hotels have created “millennial themed” hotel brands, renovating these hotels to cater further to the younger trends. However, it’s

unclear if the intent is to continue to advance the new products to serve millennials as they get older or to continue to attract a younger population, therefore making these advances age-specific rather than generational.

We are seeing more individual customization, demonstrating that companies are not necessarily looking to get buying power from a group, but rather every individual. If you go on Amazon or Netflix, there are now personalized recommendations waiting for you. Consumers can personalize most purchases by selecting the attributes they like most—color, size, fabric, artist, etc.

By skipping the generational differences, marketers can reach each individual. However, for more service-driven industries, understanding their differences may be helpful.

Focus Area for Marketers and Employers

Largely, there are only a few general differences between the generations we can see at this time—their views on time in the workplace, technology, learning, and retirement. Understanding these differences will be important for both employers and marketers.

For employers, a heavy focus on creating a strong learning and development program that incorporates multiple learning delivery methods and ties them to incentives will be key. The learning and development plan should be part of a holistic human capital management plan that can help employers understand what incentives should be offered and how to manage flexible time for employees

For marketers, a focus on individual customization will be the way of the future, so understanding how to work that into your customer strategy is key. Better understanding your

Differences in the Workplace and Marketplace

BETWEEN GENERATIONS

TRAINING/ EDUCATION	TECHNOLOGY	FLEXIBILITY/ BALANCE	BIGGEST CONCERN	RECOGNITION/ INCENTIVES
TRADITIONALISTS				
Not a priority	Know enough to complete work	Clear distinction between work and personal	Retirement	Appreciated in private
BABY BOOMERS				
Strong desire for continuous learning	Savvy, want to use latest tools, but not required	Heavy distinction between work and personal	Legacy Retirement	Appreciated in a public and formal way Incentives through competition
GENERATION X				
Significant value in personal development and skill building	Savvy, want to use tools to better work remotely	Insist on increased flexibility to further work-life balance	Family time Retirement	Appreciated in private Incentives through paid time off
MILLENNIALS				
Expect continuous learning	Savvy, expect to use latest both in and out of office Social media experts	Insist on increased flexibility to further work-life balance	Career growth and advancement opportunities Financial stability	Appreciated in a public and informal way Incentives through experiences (travel, community)

IN THE WORKPLACE

PRICE	BRAND	TECHNOLOGY	RETIREMENT SAVING
TRADITIONALISTS			
Look for deals, senior pricing	Least brand loyal	Favor grocery and drug stores Some online shopping	Entering or already in retirement, looking for savings to work for them
BABY BOOMERS			
Least price sensitive Look for deals	Somewhat brand loyal	Online shoppers	Save when they can Relying on employers, government for retirement
GENERATION X			
Somewhat sensitive – time more important than deal	Most brand loyal	Online shoppers Price search via online	Significant savers Have discounted government as retirement option
MILLENNIALS			
Highly price sensitive, but won't compromise quality	Not brand loyal	Online shoppers Price search via online Peer reviews important Social media	Significant savers Have discounted employers or government as retirement option

IN THE MARKETPLACE

customers' use of social media and their perspective on price can lead to understanding the appropriate product mix and marketing campaigns.

Underlying both the workplace and marketplace is the heavy emphasis on technology. Both will need to understand how to reach people across multiple platforms, including social media outlets and more traditional delivery methods, such as in person and written communication. The ability to seamlessly transition from one to another will provide the ability

to reach people across multiple generations.

Gen Z

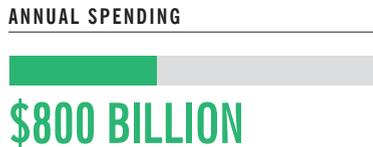
Watch out! Today's tweens will be a huge market that will be making their way into the workplace and marketplace with force in just a few years.

Eager and driven, most of Gen Z will enter the workforce with relevant experience, graduating with honors and involved with multiple community groups. Members of Gen Z have already shown they will be looking for

THERE IS A GENERAL BELIEF THAT MEMBERS OF GEN X WILL WORK UNTIL THEY ARE 70.

GENERATION SNAPSHOT

Traditionalists 1900–1945



WORK MOTTO

“Work hard for your company and they will work for you.”

- GREW UP
- Grew up in financially unstable times and political unrest
- *WWII*
 - *Korean War*
 - *Great Depression*
 - *New Deal*
 - *Rise of Corporations*
 - *Space Age*

VIEW OF EDUCATION

Hoped for education

IMPORTANT TO THEM

Retirement and health care costs

Baby Boomers 1946–1964



WORK MOTTO

“Live to work.”

- GREW UP
- Grew up at time of revolution and promise of American dream
- *Civil rights*
 - *Vietnam War*
 - *Sexual revolution*
 - *Cold War/Russia*
 - *Space travel*

VIEW OF EDUCATION

Right to education

IMPORTANT TO THEM

Retirement, reaching intended success at work, and legacy

their dream jobs and won't settle until they get them. As employers, understanding how to retain this talent will be a huge challenge, as they have already said one to three years is plenty for a first job. With big aspirations for the future, these incredibly educated and tech-savvy kids will be an asset to the workplace—if employers can keep them. Be prepared to change the type and timing of recruiting, as these kids are ready to meet their employers now.

In the marketplace, we are already seeing tweens directing their parents' money in everything from clothing and media purchases to grocery shopping and wellness products. These will be the most informed set of consumers yet. They will also be less affected by media, as they consume more on a daily basis than other generations. They are already becoming numb to constant media advertising. Getting these kids to be brand loyal and impacted by marketers will continue to be a challenge.

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Generation X
1965–1979

AGE



ANNUAL SPENDING



WORK MOTTO

“Independence and family time most important.”

GREW UP

Grew up at introduction of dual-income family

- *High divorce rates*
- *Independent from a very young age*

VIEW OF EDUCATION

Expected education

IMPORTANT TO THEM

Retirement, family, and balance

Millennials
1980–2000

AGE



ANNUAL SPENDING



WORK MOTTO

“Work to live.”

GREW UP

Grew up during drastic changes

- *9/11*
- *The Great Recession*

VIEW OF EDUCATION

Entitled to education

IMPORTANT TO THEM

Finding employment, growth opportunities, and balance

Generation Z
2001–NOW

AGE



ANNUAL SPENDING



WORK MOTTO

Entering workforce in 2016.

GREW UP

Grew up with significant technology and terrorism

- *Twitter*
- *ISIS*
- *Facebook*

VIEW OF EDUCATION

Entitled to education

IMPORTANT TO THEM

Technology and social media