

A Looming Generational Conflict?

**The Canadian perspective on Millennials / Gen X
and the growing tensions with older generations**

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The Future of Work and Workers of the Future

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1. Values

2. Economy and Social Class

3. Role of State and Public Institutions

4. Conclusions

Why values are important

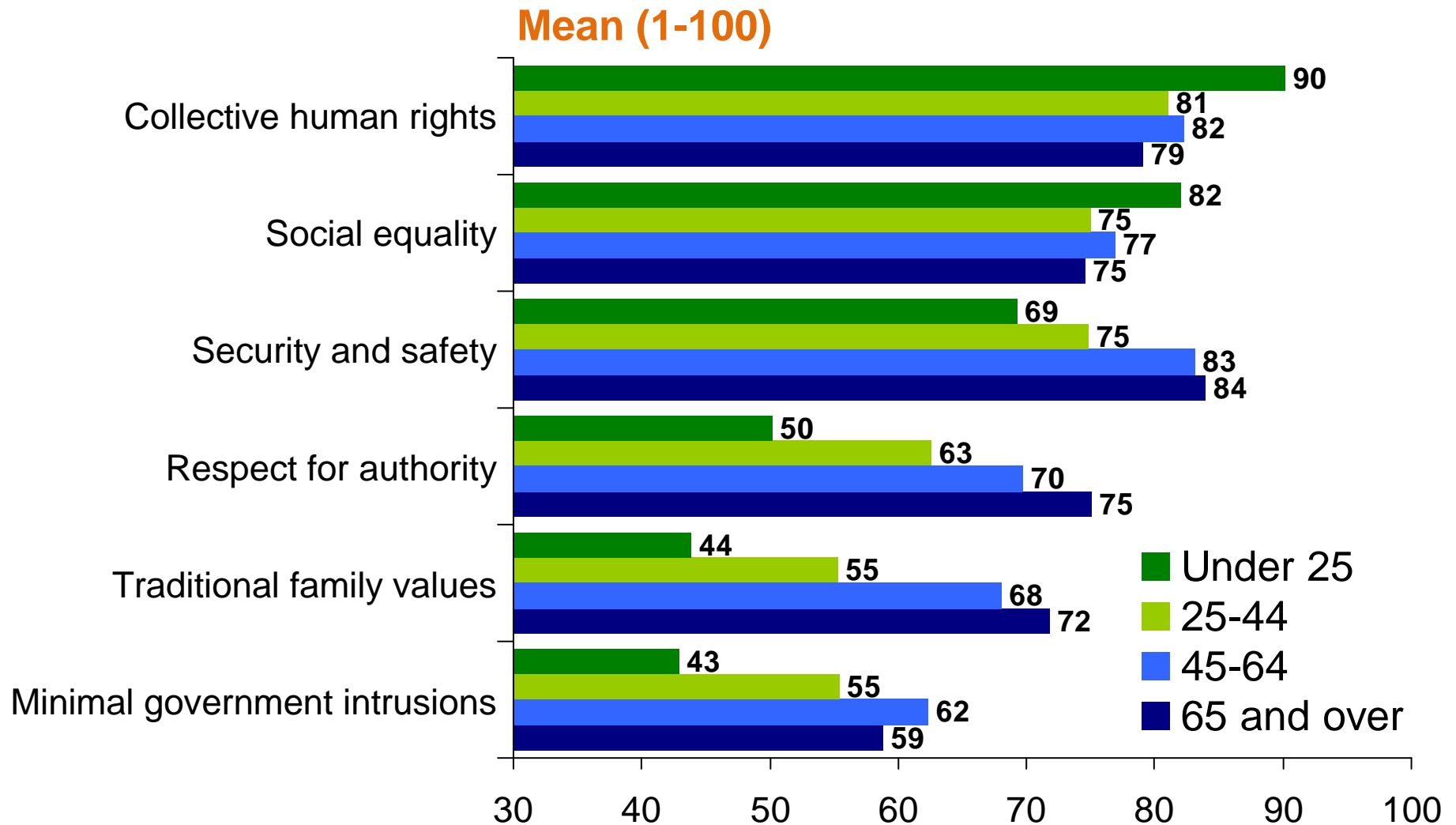
- » Ultimate yardsticks of societal preference; normative indicators of right/wrong, good/bad
 - Glacial, not mercurial
- » No monolithic consensus possible in increasingly pluralistic society
- » Progressive values which dominate and enjoy momentum societally are given short shrift by current government
 - Growing gap a source of tension with public interest
- » Finally, values produce emotional engagement (emotions win elections)
- » Progressives have not played their value cards well

Values

- » Gap in values is widening across generations
 - Politics & citizenry
- » Millennials and Generation X highly progressive/pluralistic with strong environmental ethic (split across gender and social class)
 - Unlike in the UK and Europe, more receptive to collectivism and public institutions (paradox?)
 - Critical question: does rising individualism = rejection of state?
- » Boomers have moved from Woodstock to oil stocks
 - They have lost their environmental ethic and have become more individualistic
 - From “greening of America” to “greying of America”
- » Seniors surprisingly pre-occupied with challenges facing future generations (concerns over their legacy?)
 - Nevertheless, biggest issues around this group are health and seniors care
 - Risk of intergenerational conflict with young people (health care vs. skills development/environment)

Most Important Goals and Values

Q. If you were to direct Canadian society, how important would you say each of the following goals and values should be?



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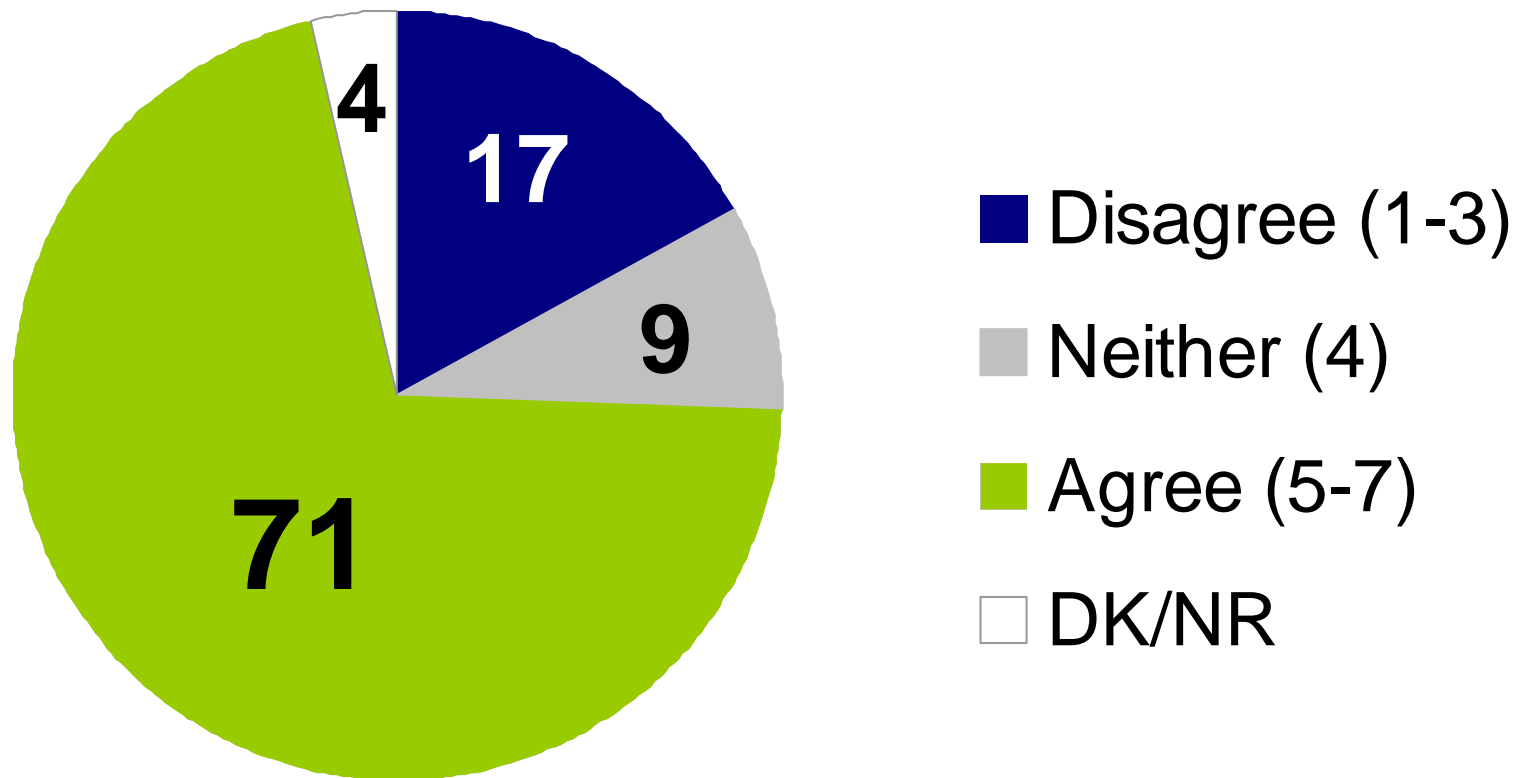
Generational Outlook / End of Progress?

- » Seniors enjoyed huge upward mobility from their parents; boomers largely fared well
- » Young people face much bleaker outlook as typical youth optimism muted:
 - Sluggish economic growth (from 3.5% to 1.5%)
 - More likely to move backwards than forwards
 - Not getting the same return on human capital
 - Dismal job prospects amid jammed labour markets
 - Housing inaccessible / Rents too high
 - Too little growth going to an increasingly slender cohort
- » Not surprisingly, millennials delaying rites of passage (e.g., entry into job market, raising families)

Perceptions of Income Inequality

Q. Please rate the extent to which you agree or disagree with the following statement:

“I think that almost all economic growth or progress over the past twenty years has ended up in the hands of the upper one per cent.”

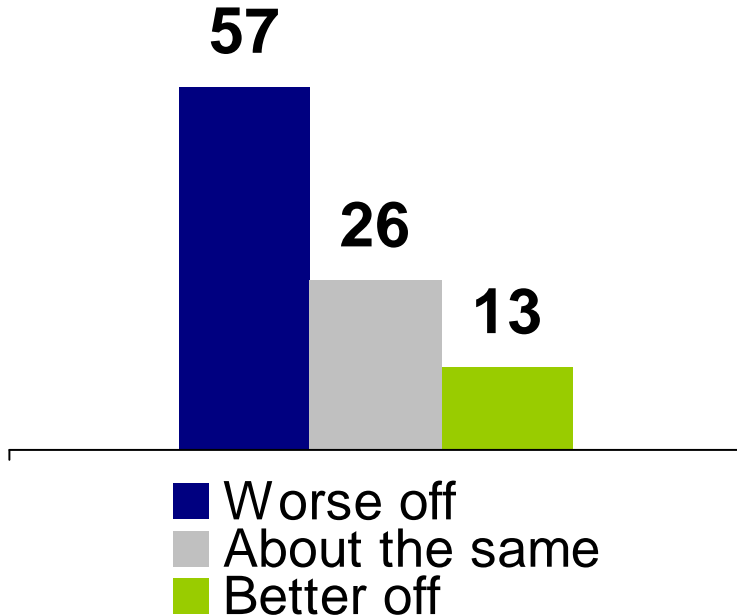


Generational Outlook and Social Class

- » Fears are highest when turned to the future, particularly concerns about retirement
- » The grey outlook on the present turns almost black as the public ponder the fate of future generations
- » It appears that we have at least temporarily reached the end of progress, the defining achievement of liberal capitalism

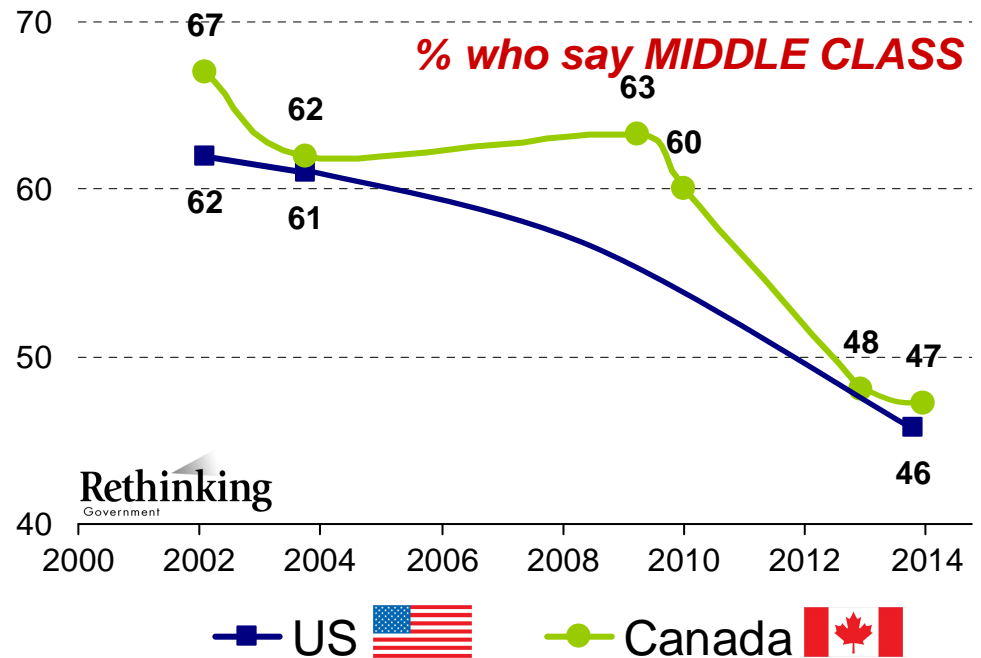
Generational Outlook

“Thinking about your overall quality of life do you think the next generation will be better off, worse off, or about the same as you are 25 years from now?”



Self-Rated Social Class

“Would you describe you and your household as poor, working class, middle class, or upper class?”



BASE (left): Canadians; September 21-25, 2014 (n=774), MOE +/- 3.5%, 19 times out of 20

BASE (right): Canadians; December 12-15, 2013 (n=3,468), MOE +/- 1.7%, 19 times out of 20

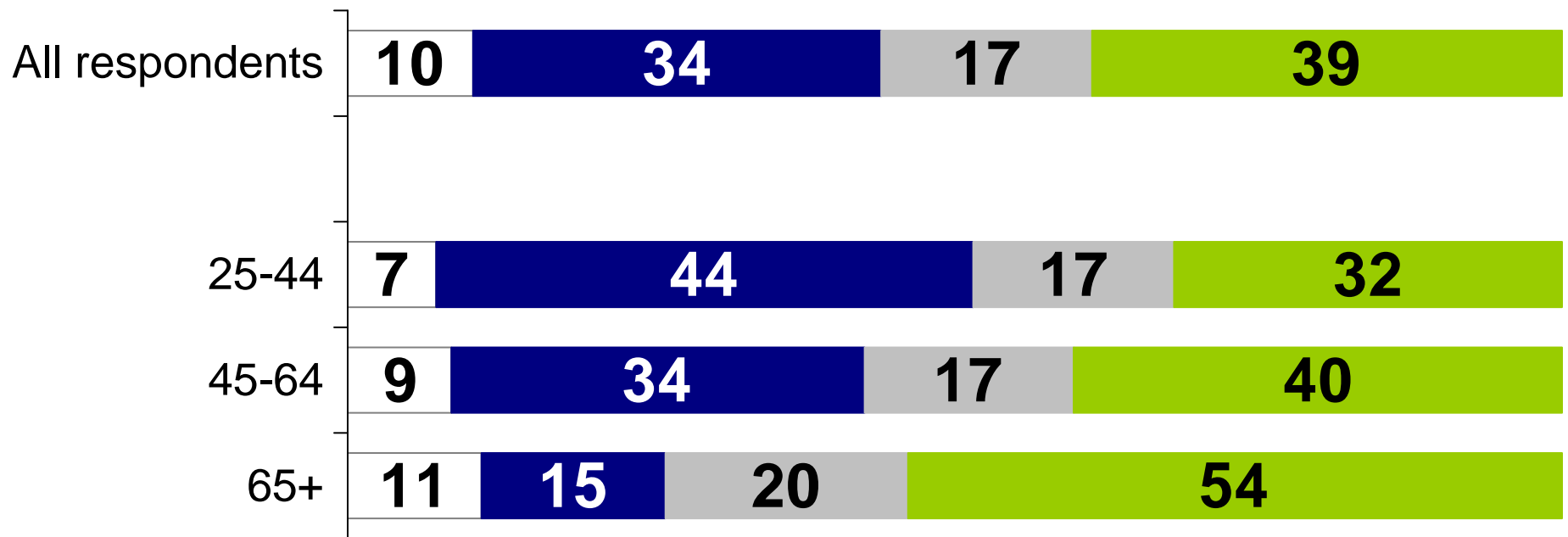
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Income Relative to Father*

* Lower female labour force participation rate and historical gender inequality confound mother comparison

- » Current generation - which will shoulder both the responsibilities and fruits of the future – sees itself falling backward and sees an even steeper decline in future
- » Downward intergenerational mobility has trebled from seniors to under 45

Q. Thinking about your current annual income and comparing that to what your father earned at the same age as you are now, would you say that, using inflation-adjusted dollars, you earn more, less, or about the same as your father?



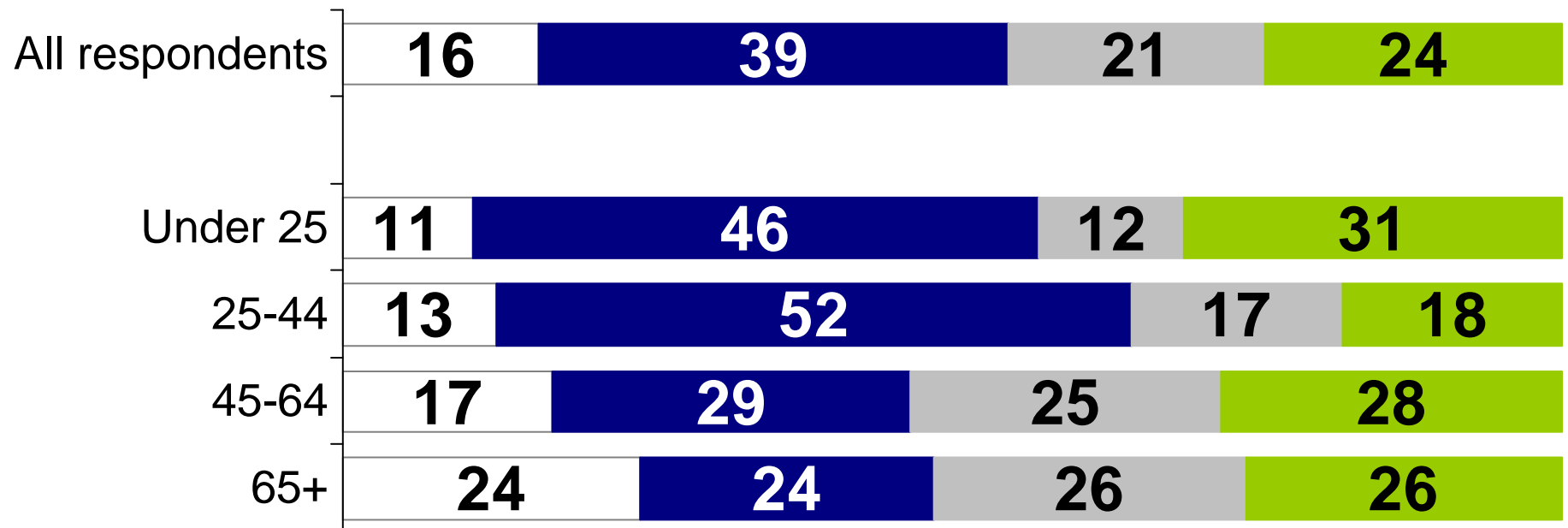
NA/DK/NR
 Less (1-3)
 About the same (4)
 More (5-7)



Treatment of Older vs. Younger Canada

- » Next generations losing faith not only in the economy, but democracy as well
 - Expressing their frustrations by opting out of democracy altogether
- » As a consequence, governments increasingly catering to boomers and seniors, exacerbating the problem

Q. About half of Canada's population, younger Canada, is under the age of 42, while the other half, older Canada, is over 42. Do you think the Government of Canada focuses more on the values and interests of younger Canada or older Canada?

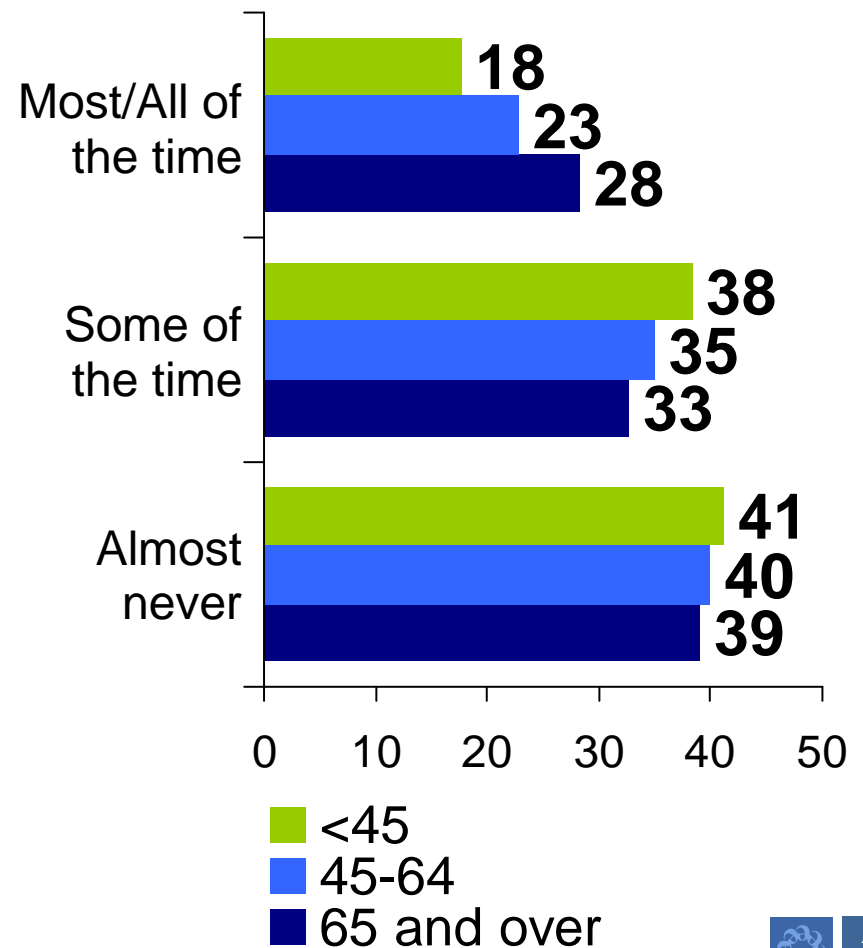
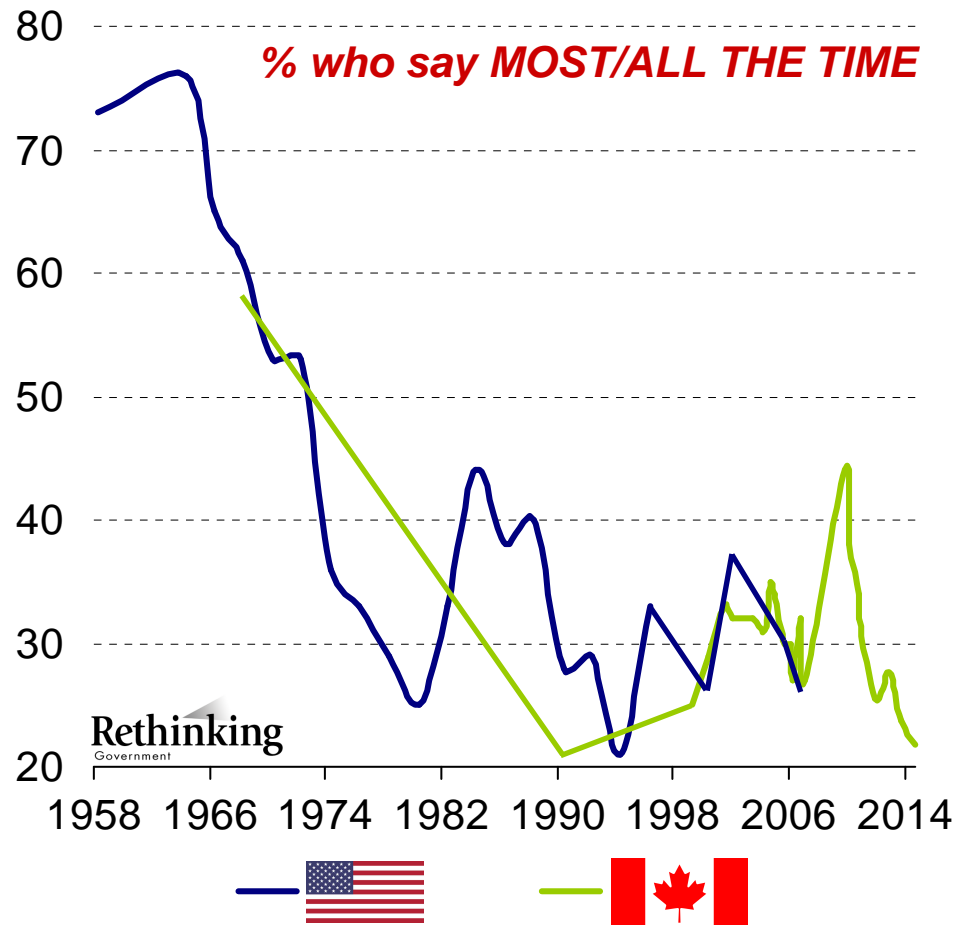


DK/NR
 Older Canada
 Both equally
 Younger Canada

Trust in Government

- » Trust in government is reaching all-time lows; young people are particularly cynical when it comes to the federal government

Q. How much do you trust the government in Ottawa/Washington to do what is right?

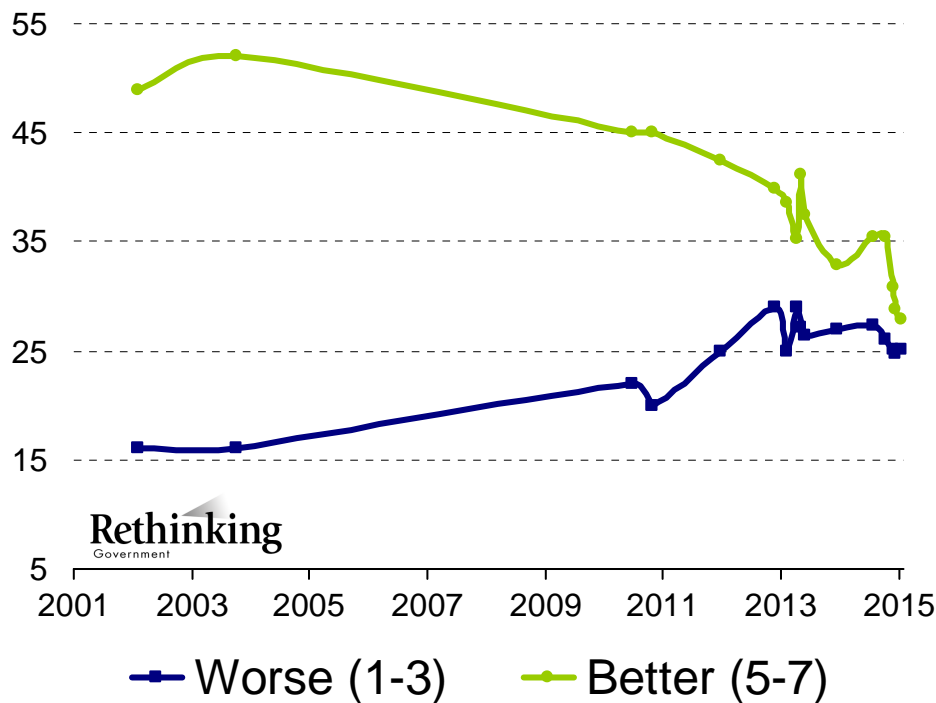


The Economy-Job Prospects Paradox

- » Worst-ever economic outlook coincides with best-ever job security
- » Possible that jobs that used to produce optimism no longer doing so
- » May be linked to a growth in non-standard employment (e.g., part-time, contract, self-employment)

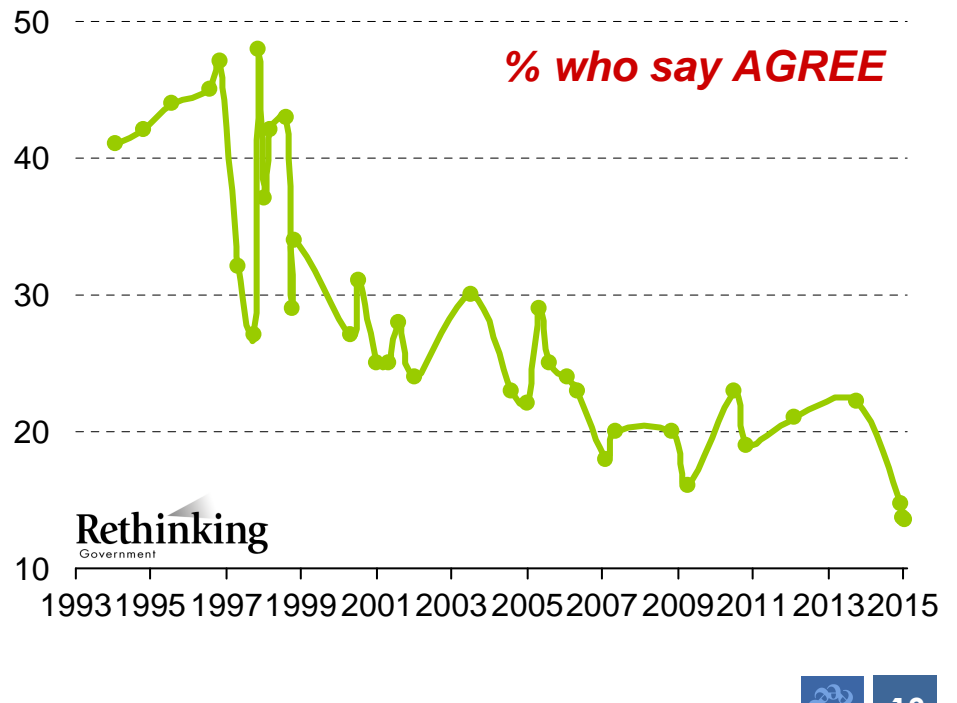
Long-Term Financial Outlook

“Thinking ahead over the next **FIVE YEARS** or so, do you think your personal financial situation will be better or worse than it is today?”



Job Insecurity

“Please rate the extent to which you agree or disagree with the following statement: **I think there is a good chance I COULD LOSE MY JOB** over the next couple of years.”



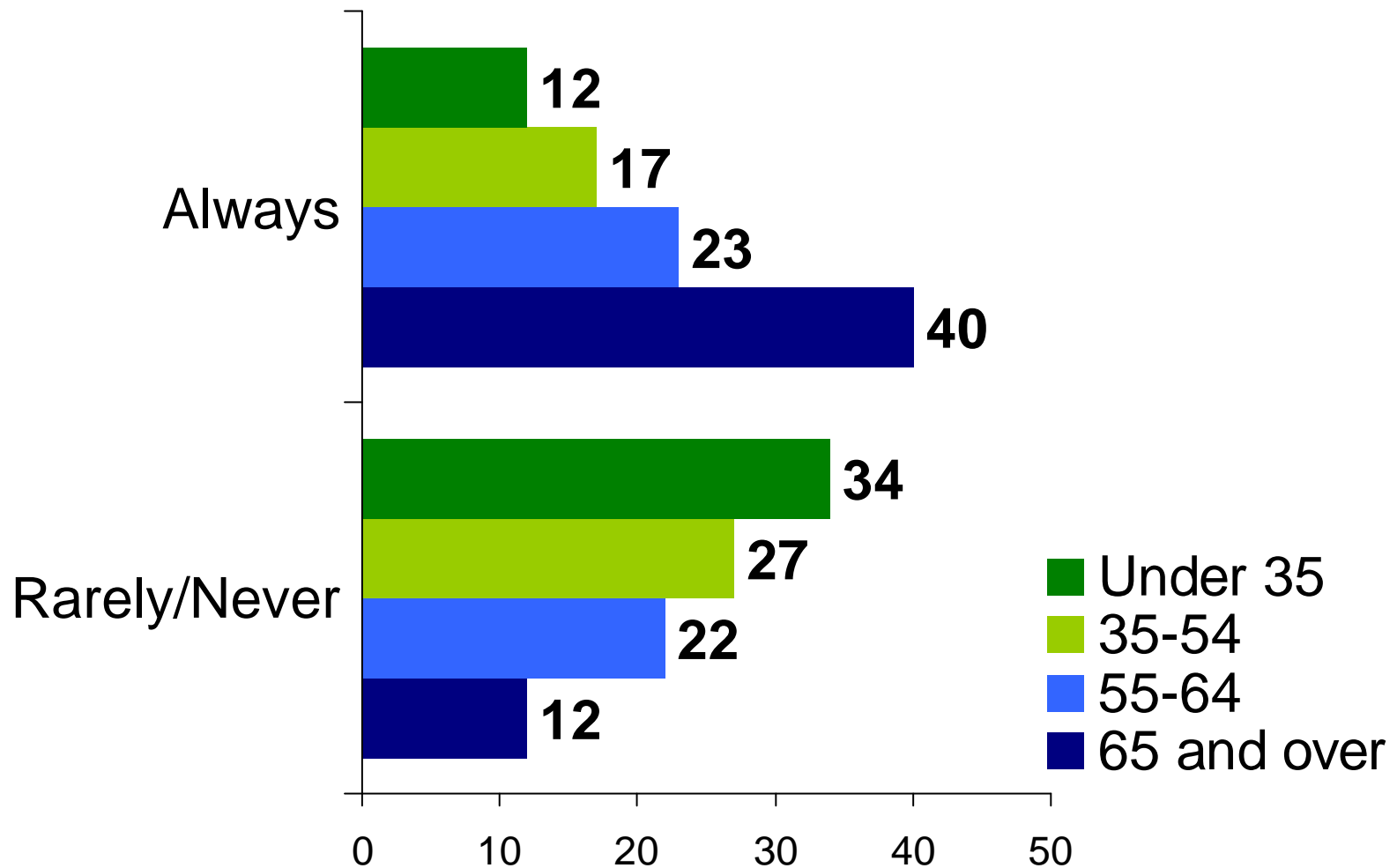
Workplace Values

Q. (If you were looking for a new job today,) How important would each of the following characteristics be in deciding which job to choose?



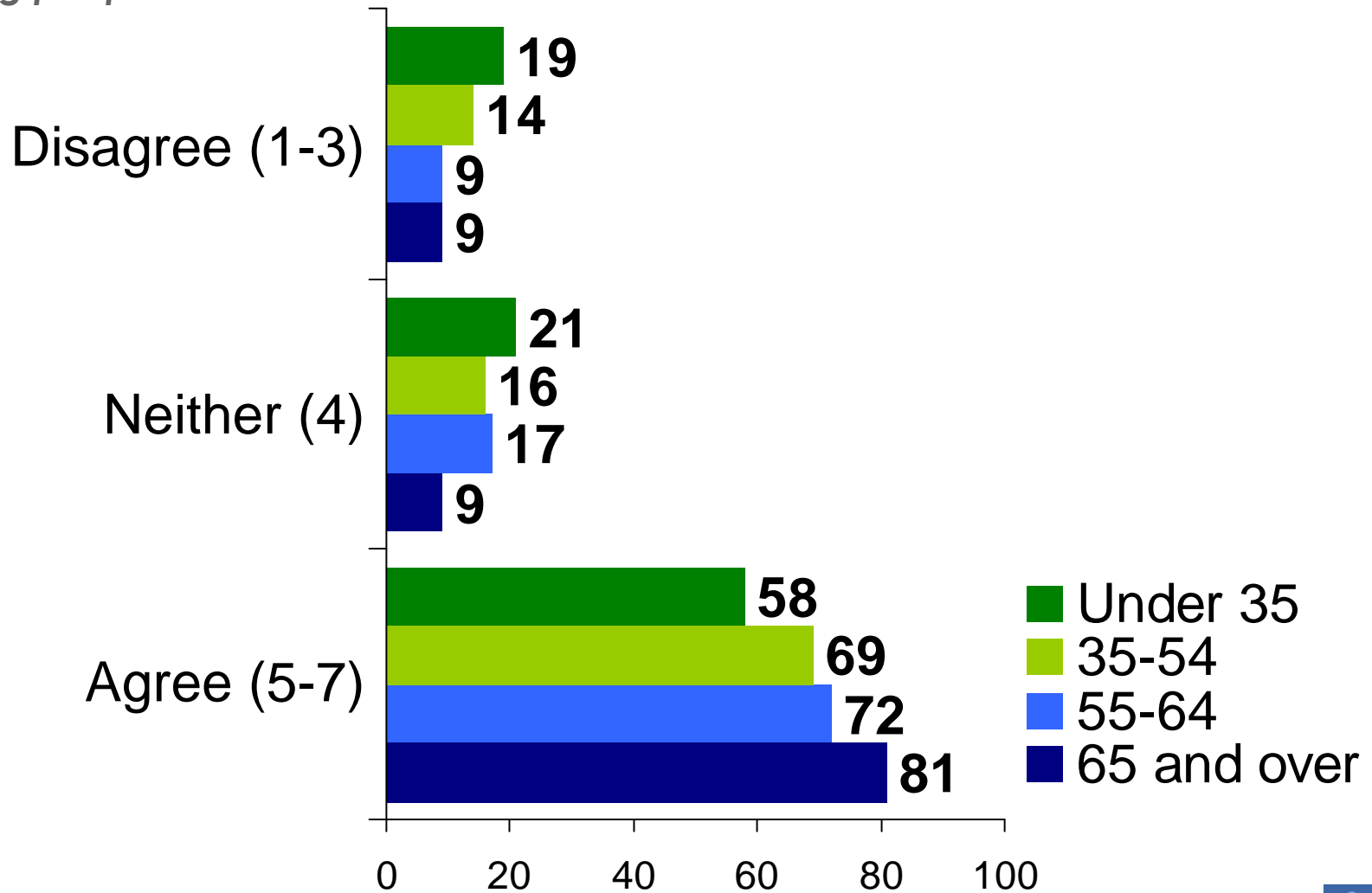
Excitement Over Going to Work

Q. How often do/did you look forward to going to work?



Value of a University Education

Q. To what extent do you agree or disagree with the following statements?
The cost of a university education is a good, long-term investment for today's young people



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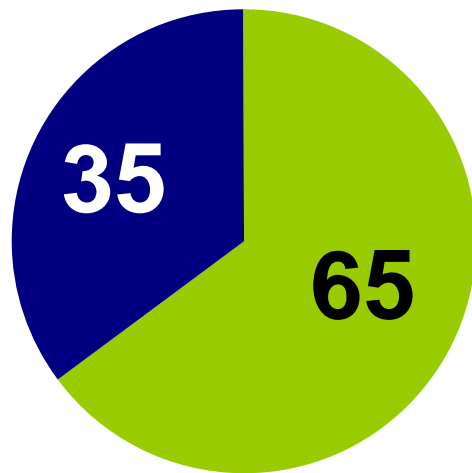
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Size of Government

- » Canadians are receptive to a more effective and active government
 - Overall trend is away from for lower taxes and smaller government
 - Value of minimal government has declined significantly since 1998

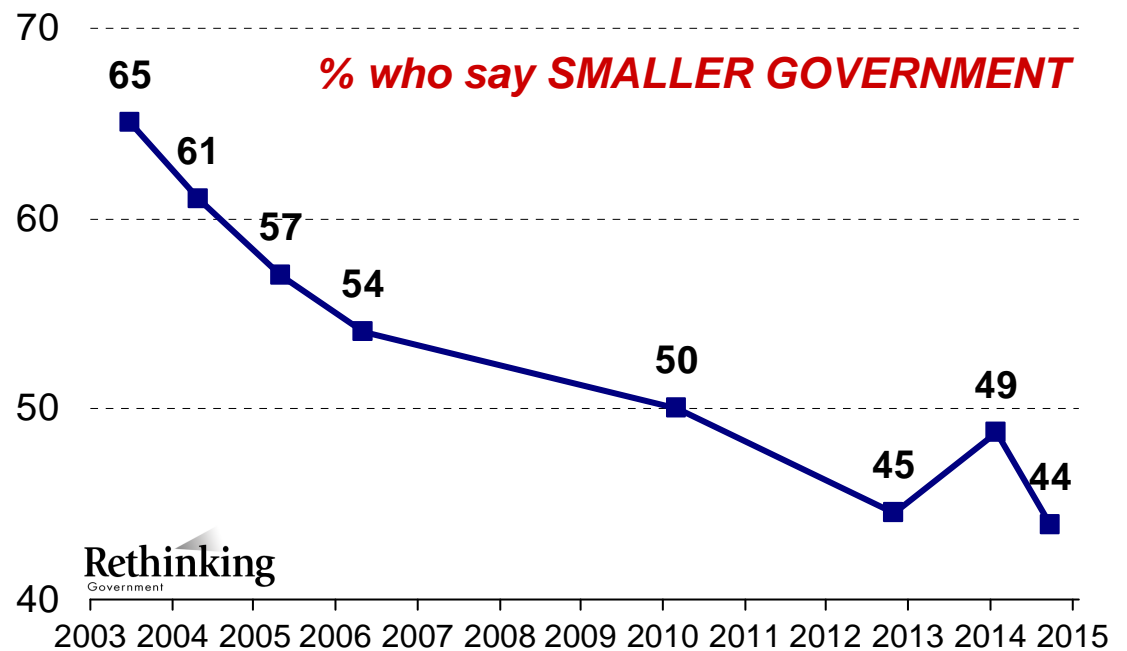
Q. Which of these statements comes closest to your own point of view?



- **Active government investment** is the best route to prosperity and progress
- **Reducing government to a minimum** is the best route to prosperity and progress

Q. Generally speaking, which of the following would you say that you favour?

- 1) a **larger government** with higher taxes and more services;
- 2) a **smaller government** with lower taxes and fewer services



BASE (left): Canadians; July 16-23, 2014 (n=2,620), MOE +/- 1.9%, 19 times out of 20

BASE (right): Canadians; September 21-25, 2014 (n=1,549), MOE +/- 2.5%, 19 times out of 20

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Conclusions

- » New inequality and middle class decline maybe the issue of our age
 - Are we witnessing an 'End of Progress'?
- » Stagnation/decline in wages and vertical mobility, even deeper fears about a dark, long-term economic future
- » 85% believe that a growing & optimistic middle class is essential to economic growth and prosperity
 - A similar proportion don't see this in place
- » The problem magnifies dramatically as we move down generational spectrum
- » Recent social and economic trends have had different consequences for different generations:
 - **Seniors:** largely content
 - **Boomers:** anxious and increasingly self-interested
 - **Generation X:** discouraged
 - **Generation Y/Millennials:** Muted optimism (atypical of youth) and somewhat resentful
- » Things which temporarily cushion fortunes in older Canada actually worsen the plight of younger Canada (e.g., swollen housing equity)

Conclusions

- » Nevertheless, there are some causes for optimism:
 - Seniors are pretty happy with the way things are
 - Delayed retirement has turned out okay
 - Younger Canada sees diversity as a strength (whereas it is seen as a disadvantage elsewhere)
- » Whereas boomers have become "me" generation, Generation Y is the "we" generation
 - Canada alone in this trend (UK/Europe moving opposite direction)
 - Normative tensions rising, approaching a legitimacy crisis?
- » Young Canadians experiencing growing disengagement expressed through tepid connection to democracy and public institutions
 - Is mandatory voting a solution?
- » As youth become a scarce resource, we cannot afford sit on the economic and political sidelines (incentives need reformulating)



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