

SEPTEMBER 2013

# MILLENNIALS AS NEW PARENTS:

THE RISE OF A NEW AMERICAN PRAGMATISM



BARKLEY, A TOP TEN INDEPENDENT AD AGENCY



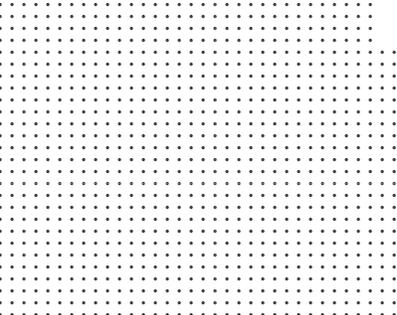
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**“YOU KNOW, IT’S NOT LIKE IT ALL ENDS WHEN YOU’RE 18 OR 21 OR 41 OR 61. IT NEVER, NEVER ENDS. THERE IS NO END ZONE. YOU NEVER CROSS THE GOAL LINE, SPIKE THE BALL, AND DO YOUR TOUCHDOWN DANCE. NEVER.”**

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Frank Buckman (Jason Robards) explaining parenthood to his son, Gil (Steve Martin), in the 1989 film *Parenthood*.

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Special thanks to David Gutting from Barkley and Cailey Asher at Vision Critical for spearheading the study development, including methodology and implementation.

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# WHAT WE STUDIED AND HOW WE DID IT

The subject of this study is Millennials between the ages of 25 and 34 who have become parents. There are various definitions for the Millennial generation; a widely accepted definition is anyone who was born between 1978 and 1995, including immigrants who may have been born outside the U.S. but now live here. That means the Millennial generation as of 2013 consists of adults 18 to 34, one of the classic demographic segments used in media planning.

We cite 1978 as a starting point because that was when births in the U.S. began ticking upwards after they began a long decline starting around 1964—generally regarded as the last of the baby boom years.<sup>1</sup> We cite 1995 as the end point for a similar reason: it was around that time that births took another dip (though they ticked up a few years later). It was also a turning point year: by the end of 1995 a new medium—the internet—had become a powerful commercial force in the American economy. Life has not been the same since.

There are approximately 78 million Millennials in the U.S. today, and Millennial women comprise the lion's share of women in America who are of childbearing age. Approximately 31 million of them have become parents. We focused our research on the older part of the Millennial generation—parents who are approximately between the ages of 25 and 34. Any reference in this report to “Millennial parents” is a reference to that age group and not to younger parents between 18 and 24.

Barkley's strategy team oversaw the study and authored this report. Our research included three parts:

## **1** A CUSTOM SURVEY WE DEVELOPED IN CONJUNCTION WITH VISION CRITICAL OF VANCOUVER, BRITISH COLUMBIA.

This survey targeted 1,000 Millennial parents, consisting of 600 women and 400 men. The study has an overall margin of error of +/- 3.1% at a confidence level of 95%.

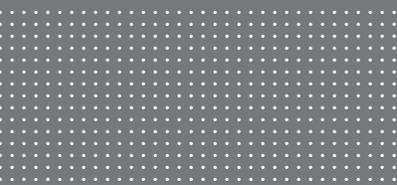
## **2** A SYNDICATED STUDY OF 10.8 MILLION MILLENNIAL PARENT HOUSEHOLDS.

This portion of the study drew on a proprietary dataset developed by Consumer Orbit which draws on nine different databases with more than 40 trillion data points.

We applied advanced factor and cluster analysis to develop five distinct segments—or orbits—of Millennial parents. Consumer Orbit uses a patented process accurate to the household level, and it is possible for us to map precise segment location at an accuracy level above 90 percent.

## **3** EXTENSIVE SECONDARY CULTURAL ANALYSIS AND RESEARCH ON THE MILLENNIAL GENERATION IN GENERAL AND MILLENNIAL PARENTS IN PARTICULAR.

We believe that cultural analysis is an essential part of understanding any group as large and complex as an entire generational cohort. For that reason, we have drawn on a wide array of secondary studies from groups such as Pew Research, the McKinsey Global Institute, the Organization for Economic Co-operation and Development, and others—along with insights from leading journalists and research services such as CEB Iconoculture, Mintel, and Forrester.



# FROM ENIGMATIC TO PRAGMATIC

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Two years ago, Barkley—in a research partnership with Service Management Group (SMG) and the Boston Consulting Group (BCG)—published *American Millennials: Deciphering the Enigma Generation*, the first extensive publicly available report on the largest generation in U.S. history. The study captured data when Millennials were at the peak of young adulthood.

Barkley is now releasing the next chapter in our ongoing study of this generation, *Millennials as New Parents: The Rise of a New American Pragmatism*.

Nothing changes life quite like having a child—and now the generation that has stayed longer in its youth than any other is about to leave all that behind. It's time to understand how Millennials will approach parenthood.

There are innumerable brands and media outlets that target the Millennial generation, viewing them through a prism of youth and freedom. Yet within the next 10 years, 80 percent of Millennials will have families. That means more than 40 million households spending money on all the things families spend money on—but in a dramatically different way than previous generations. Companies that anticipate and adapt to the Millennial parent will thrive; those that don't will likely struggle.

The Millennial enigma years are over. The years of pragmatism are about to begin.

America invented the ideology known as pragmatism—a set of ideas and a movement that established this country as the most powerful in the world. Pragmatists like John Dewey did not believe in the old ways of explaining the world. They rejected the notion that knowledge should simply describe or reflect reality. Instead, knowledge should predict action and solve problems. You can sum up pragmatism in a few words: “If it works, it's true.”

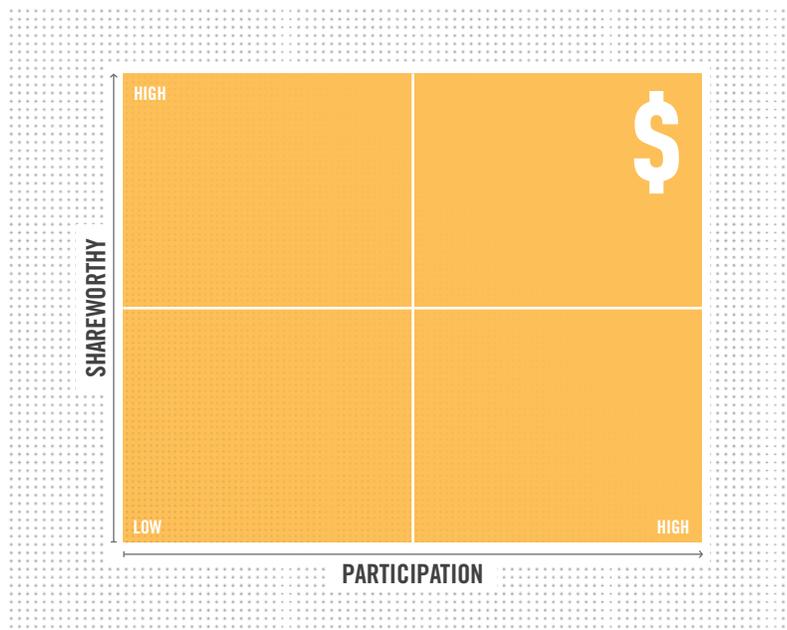
The central theme of this study reveals how Millennials will not only embrace pragmatism, but will also reinvent it. Our purpose is to explain how this is happening and what it will mean.

# SOME NOTES ON THE ORIGINAL MILLENNIAL RESEARCH

Based on Barkley's initial report, *American Millennials: Deciphering the Enigma Generation* and Jeff Fromm and Christie Garton's book *Marketing to Millennials: Reach the Largest and Most Influential Generation of Consumers Ever*, we have a clear idea of who the Millennial was before parenthood.

## WE KNOW THAT...

- Millennials include some of the earliest “digital natives.”
- Millennials are interested in participating in your marketing.
- Millennials are known as content creators and users.
- Millennials crave adventure—often “safer” adventures.
- Millennials strive for a healthy lifestyle.
- Millennials seek peer affirmation.
- Millennials are “hooked” on social media in much the same way that older generations are “hooked” on email at work.
- Millennials are not a homogeneous cohort.
- Millennials embrace authentic cause marketing and align to brands with a purpose.
- Millennials are in many ways similar to older generations.



We also know that when it comes to Millennials there is a new definition of brand value. It's no longer about just emotion and function. Today, the functional, emotional and participative benefits divided by price equal the brand value. Participative benefits are a critical ingredient for brands and people that want to engage Millennials. Obviously, key participative benefits vary by brand and by category.

Created by the Millennial-inspired participation economy, this tool will allow you to predict which brands will succeed.

Millennials are active participants. In order to further engage these Millennial consumers you need to invite participation and be shareworthy. “Participation” is the degree to which consumers are actively engaged in the brand, and “shareworthy” evaluates how much the core brand idea enables consumers to share with peers. Driven by advancements in digital and mobile technology, Millennials are demanding to be a part of the process. The type of participation Millennials want to engage in breaks into three types:

**1** MILLENNIALS WANT TO CO-CREATE PRODUCTS AND SERVICES.

**2** MILLENNIALS WANT TO CO-CREATE THE CUSTOMER JOURNEY OR THE CUSTOMER EXPERIENCE.

**3** MILLENNIALS WANT TO CO-CREATE BRAND MARKETING — WHICH GOES BEYOND SOCIAL MEDIA.

This true sense of participation requires a driving idea that unifies the brand with the Millennial consumer.

Shareworthiness is rooted in Millennials’ strong life theme of peer affirmation. Millennials share because it makes them feel better about themselves. According to Barkley research, 70 percent of Millennials say they are more excited about decisions they’ve made when their friends agree with them. We see this group socializing decisions and experiences, and they are rewarded by the recognition and feedback from their peer networks. The two common roads to shareworthy ideas are brands whose purpose aligns to Millennial values and embracing disruptive schemas that create more Millennial-centric experiences.

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## AND NOW THEY ARE PARENTS ...

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Millennials grew up during the 1980s and 1990s. They were born during the years that media fragmentation began in earnest but before the commercial rise of the internet. Many of them are children of Baby Boomers and, as you will see in this report, they reflect many of the values that the Baby Boomers became known for: a thirst for personal freedom and a perpetual pursuit of youth.

# MILLENNIALS AND PARENTHOOD:

AN EXECUTIVE SUMMARY OF THEIR REAL JOURNEY

This report tells a simple story. It's a story that every generation experiences—the end of youth and the transition to responsible adulthood.

## IT GOES SOMETHING LIKE THIS:

The Millennial generation—the one portrayed by the media as living in their parents' basements and spending their lives texting and Facebooking—is becoming the next generation of parents. Forty percent of them have already made that leap, and 9,000 Millennial women give birth every day.

The generation came into adulthood starting around the year 1999, on a wave of prosperity and technological upheaval unlike anything since the Industrial Revolution. The internet, which hit critical mass on a commercial level in 1994, was in its first boom cycle. The American economy was in its eighth consecutive year of expansion. We had a balanced budget for the first time in 30 years, and the stock market was on a bullish run that had started in 1982—save for a jarring drop in 1987 that quickly reversed.

All was right with the world. And then:

**2000** The bottom drops out of the technology boom and “dot-com bust” becomes part of the world’s vocabulary. The NASDAQ loses 80 percent of its value in a few short months.

**2001** The Twin Towers fall on September 11 and the war in Afghanistan begins. It continues to today.

**2003** The war in Iraq begins in March. More than 4,000 Americans—most of them Millennials—die for their country over the next nine years. Forty thousand more are wounded.

**2007** Fed chairman Ben Bernanke tells Congress that there is a “problem” in the subprime mortgage market—but not one that can’t be managed. That December the economy officially enters a recession.

**2008** The “problem” turned into a collapse of the housing market. In September, Bernanke tells Congress during a panicked weekend that if they fail to act to save the U.S. banking system, there will be no functioning economy by the middle of the following week. Congress listens.

**2009** An African American named Barack Obama, who just four years before had been an obscure state senator in Illinois, becomes the 44th president of the United States.

**2011** Seal Team Six—largely made up of Millennial Navy forces—kills Osama bin Laden.

**2012** With a slow recovery underway, Barack Obama is re-elected—in large part because of his landslide popularity with one generation: the Millennials.

No young generation since the one that survived the Depression and fought World War II has ever experienced anything quite like these years. It's true that the Great Recession was nothing like the wealth destruction of the Great Depression, and the wars in Afghanistan and Iraq paled by comparison to the loss of life that took place between 1939 and 1945.

But this is the first time in 75 years that one generation—standing on the brink of unprecedented opportunity—was dealt such a miserable hand as they started their adult lives.

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**HOW HAVE THEY RESPONDED?  
QUITE WELL.**

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They heeded the call of their country without being compelled to do so by the force of conscription. Much of their sacrifice—life, limb, and brain trauma—has often been unseen by most of our culture.

They hit the books—and hit them hard. While the U.S. is not sufficiently keeping up with much of the rest of the world in math and science education, millions of Millennials finished college, pursued advanced degrees and took on billions in student loan debt—risking their financial futures but never giving up on their belief it would all pay off in the end.

While their elders sent them off to war, oversaw an economy in collapse and failed to solve daunting problems in education, health, and global competitiveness, it was Millennials who supplied much of the entrepreneurial talent that has changed the way we live.

**IT WAS MILLENNIALS WHO SEIZED ON NEW TECHNOLOGIES, NEW PATHS TOWARD CONNECTION, AND TURNED AMERICA INTO A "PARTICIPATION ECONOMY."**

**IT WAS MILLENNIALS WHO ALSO SAW THE LIMITS OF TECHNOLOGY AND INSISTED THAT WE KEEP SOME THINGS PURE AND BASIC—LIKE OUR FOOD, OUR AIR, AND OUR WATER.**

**IT WAS MILLENNIALS WHO CHANGED THE WAY WE LOOK AT MARRIAGE EQUALITY AND ETHNIC DIVERSITY.**

Yes, the early 2000s were marked by events that led to war and economic misery. Today, who can look at life and think it is anything quite like it was on New Year's Eve 1999? The Millennials can rightly make a case that they have done more than their share to make life better in these difficult times.

Now Millennials are about to raise the next generation of Americans. What are they confronting? How are they dealing with it? What do they think about this economy and how will they behave in it? How might they transform it? What does it all mean for the brands competing for their \$1.3 trillion in buying power?<sup>2</sup>

**THIS REPORT SEEKS TO ANSWER THOSE QUESTIONS.**

## What we have learned from this study is that the unfolding story of Millennials—particularly Millennial parents, looks like this:

### 1 NO MORE MILLENNIALS.

We can no longer talk about “the Millennials.” As the cohort turns from one of young singles into the oldest first-time parent group in history, it is rapidly fragmenting into five distinctly different groups or orbits.

Sure, just as we still think about Boomers as that generation that shaped the ‘60s, we will periodically lump the Millennials into one large group. But it won’t tell us much.

Of the five Millennial orbits, two of them are truly distinct - quite different not just from the rest of society but even from other Millennials. Once we start looking at things through this lens, we start seeing a very different cultural and economic landscape than otherwise imagined.

### 2 A NEW IDEOLOGY WILL RULE “THE DEMOCRATIZATION OF EVERYTHING.”

With sharply different views on political and social issues and much different usage behaviors in technology, Millennial parents are creating a new ideology as they enter the most important stage of adulthood.

This ideology certainly began to take shape before parenthood. The years before kids were—as you would expect—experimental, ill-formed and often self-centered. But parenthood grounds a person. The new ideology isn’t left behind; it matures.

Think of this new ideology as “the democratization of everything.” Even in a time of great economic stress, the Millennials have been able to see and experience far more of the world than any generation before. Deregulated airlines staving off bankruptcy did one big thing: they made air travel cheap, and it opened up the world.

That was only part of it. In the early 2000s we started to talk about the Web 2.0. That term is dead—but Facebook, Twitter, YouTube and Pinterest are very much alive. How much did this change things? For starters, brands are no longer isolated iconic forces that “communicate” an image. They now are essentially owned by the people who use them.

Social media has made sweeping changes to our cultural and economic landscape, and the people who first adopted it and figured it out—and in some cases invented it—are now mom and dad.

### 3 A NEW DEMOGRAPHY WILL CHANGE THE LOOK AND OUTLOOK OF AMERICA, BUT CHANGE WILL BE SLOW.

Fifty percent of Millennial parents are non-white. By the time their childbearing years come to an end and their kids are off to college, America will firmly be a “majority minority” country.

But Millennials are not—and have never been—a monolith. Parenthood makes them even less so. The truth is that many of them think and act like much like the rest of middle America. The demographic shift underway means that much of the change we are about to see will be slow and halting.

### 4 BUT IT WILL ULTIMATELY BE DRAMATIC.

Demography may be destiny, but it’s all the ideological and technological changes that sprouted in Millennial youth that will force a tectonic shift in how America looks, thinks and behaves in the years ahead.

Think about how Baby Boomers changed the world in their time. Television. Rock ‘n Roll. The sexual revolution. The anti-war movement. Millennials are bringing changes with them that are just as big, with new ways of connecting and sharing.

They will shake up the old order, even while they themselves must take on a more practical worldview.

### 5 THERE ARE ALREADY RAPID SHIFTS IN BRAND BEHAVIOR AND PREFERENCE.

Millennial parents are making a rapid shift in outlook and behavior now that they have kids to provide for. They are buying more on price than on quality, for example—and this study shows us to what degree and in what areas.

Their brand preferences have become suddenly more diffuse and dimensional—and again, the study shows how. Most important, brand behavior and usage changes, and it’s telling to see exactly how this plays out.

In just one interesting example, we learn a great deal by looking at how some brands rise and some fall among Millennial parents. Millennial parents index below 100 compared to the rest of the population at places like the Apple Store, H&M, J. Crew and Sephora—places that once were almost second homes for them. To add to the irony, these parents index above 100 compared to the general population at places like Dollar General, Home Depot, Kmart, and Kohl’s—hardly brands for the ultra-hip young Millennial.

## 6 MILLENNIAL PARENTS FACE A REAL PROBLEM: THEY ARE UNDER FINANCIAL PRESSURE

Millennial parents are entering middle age and family life at the greatest disadvantage of any generation since the Depression. They hold less wealth than the Boomers and Gen Xers did at this point in their lives. Their labor participation rate—a better gauge of their economic health than the unemployment rate—stands at a tepid 64 percent. They are facing a crushing load of student debt, yet 41 percent of them said they have not been able to find a job that fully uses their education.

## 7 IT'S A MYTH THAT THEY ARE THE BEST-EDUCATED GENERATION IN HISTORY.

And what about that education? While it's true that Millennials went to college in unprecedented numbers, other weaknesses in our educational system have flattened out the overall performance of the cohort. According to analyses by the Organization for Cooperation and Development and the McKinsey Global Analysis Institute, 41 percent of Americans 25 to 34 have tertiary education, meaning education beyond high school—a rate identical to the leading edge of the Boomer generation, people 55 to 64.

But when the Boomers got their educations, that 41 percent figure put the U.S. at number three in the world—today we're number 16 far behind South Korea's 63 percent.

## 8 IT'S A MYTH THAT THEY ARE THE MOST AFFLUENT YOUNG GENERATION.

While it's true that Millennials spend more than \$1 trillion in the economy every year, they are at a serious wealth disadvantage. They trail Gen X and the Boomers by seven percentage points according to recent Census Bureau analysis.

The flatness in overall educational achievement is taking a toll: according to the public policy think tank Demos, 25- to 34-year-old male high school graduates made an average of \$31,000 in 2010, compared to more than \$41,000 for the same group in 1980 (measured in 2010 dollars)—keeping in mind that wages have been stagnant in the few years since.

## 9 NONETHELESS, A "NEW DEMOCRACY" WILL EMERGE, LED BY MILLENNIAL PARENTS.

A new American pragmatism will be the spark.

All adversity aside, what we have learned from this study is that a transformation in our future is underway, and Millennial parents are its vanguard force.

Part of it is the swings of demography. By 2015, the ratio between people 20 to 29 and those 40 to 49 (a metric known as the MY ratio) will begin a favorable shift that will continue until 2029. Gen X will age out of their middle years and a larger cohort of younger consumers, led by Millennials, will grow in number until at least 2030. In the future, Millennial parents will start spending more and investing more than the Gen Xers ever did.

But there's more to it than demography. A new ideology of democratization, new technology, and a full-throttle paradigm shift in the structure of media and social connection will be the underlying social forces that drive the renaissance. Brands like Ford—who flirted with bankruptcy in 2007—are highlighting how to win under this new ideology. Millennials who would have never dreamed of driving a Ford are now placing custom orders for midline cars loaded with seamless technology and priced to sell.

This generation of Millennial parents will create a "new democracy"—one that will reverse their disadvantages and restore much of the institutional trust that has been lost in so much of society.

## 10 AT THE LEADING EDGE WILL BE A "NEW ESTABLISHMENT"—MILLENNIAL PARENT GROUPS THAT WILL IGNITE A CULTURAL AND ECONOMIC RENAISSANCE.

The five orbits we discovered that comprise Millennial parents will form a new American mainstream—a "new establishment." It will look and behave much differently than any establishment before it.

The wealthiest orbit, the one we call "Style and Substance," will drive the Millennial economic engine. But it will by no means be alone. The Millennial generation discovered great power even in a decade of war and recession—power found in everything from social media to the ease of global travel.

Now, faced with the responsibility of raising the next generation, Millennial parents will take the values and experiences of their youth, sit together at their kitchen tables like their parents and grandparents did, and, day-in and day-out, begin reshaping our world and the world they will pass on to their children.

# REPORT ORGANIZATION

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We've divided this report into the following sections:

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**15** TEN NEW IMPLICATIONS FOR MARKETERS

**17** FIVE ORBITS OF MILLENNIAL PARENTS

**41** MILLENNIAL PARENTS:  
How They Got Here, Where They Are,  
What Their Future Holds

**46** RAISING THE FAMILY:  
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**51** THE MILLENNIAL PARENT:  
Ideology and Reality

**57** BRAND ATTITUDES AND BEHAVIORS

# TEN NEW IMPLICATIONS FOR MARKETING STRATEGY PROFESSIONALS:

## 1 MILLENNIAL PARENTS ARE SHARPLY DIFFERENT FROM ONE ANOTHER

Here's just one example. If we believe years of stereotyping, the typical Millennial is style-driven and image conscious. The truth is that only about one-third of them fit this description—and most of those who do, fit it quietly and without flash. The five orbits we have found reveal a wide range of other instances in which Millennial parents differ sharply with one another. Their brand preferences, usage of media levels of optimism or pessimism about the economy differ vastly from one another.

## 2 THEY ARE MORE MODERATE AND TRADITIONAL THAN YOU THINK THEY ARE

Yes, a majority supports gay marriage and their vote for Obama approached 60 percent in 2012, but they under-index in liberal identification compared to the rest of society. Millennial parents also under-index in conservative identification. They over-index in identification as political moderates, and they acknowledge that becoming parents has made them more conservative. Plus, most still believe that it's important to raise kids in a religious household.

Millennial parents are forming a new kind of middle ground in America, and what it means to be mainstream will shift as a result.

## 3 THEY ARE MAKING A RAPID FLIGHT TO VALUE BOTH IN TERMS OF DOLLARS AND TIME

Before they were parents, Millennials bought on quality over price by a margin of 57 to 43 on a 100-point scale. After parenthood, that dropped to 58—and most have yet to face the most expensive years of raising kids. More importantly, in some categories—such as dining and digital products—the drop was dramatic. But when it comes to cars, groceries and appliances, they've shifted toward quality.

## 4 "USEFUL IS THE NEW COOL. IT'S ALSO THE NEW ESSENTIAL"

A key finding of our original Millennial study was the mantra, "Useful is the new cool." That still applies but with Millennial parents there's a new riff. Now, it's "useful is the new essential." You'll see this, for example, in the cars they choose. (It's a myth that Millennials will abandon the automobile. Millennial parents will quickly assume their rightful roles as chauffeurs.) They demand more—a certain kind of "more"—and in some cases for less dollars.

Ford has figured this out with the Ford Hybrid Focus—a car loaded with largely invisible but indispensable technology, priced thousands below elite luxury models and a true example of democratizing technology.

## 5 "COOL IS DEAD. LONG LIVE COOL."

At some point, all parents—even Millennial parents—cease to be cool. But this generation will find a substitute. Call it "substance." One of the five orbits we discovered, "Style and Substance," embodies an understated sense of style. You can see in their evolution that they have made a rapid migration away from the edgy toward the tasteful. They are the most affluent of the five orbits—and will likely drive the fashion and style mainstream of the entire Millennial generation. Three of the orbits—with almost 75 percent of all Millennial parents—are decidedly non-stylistic. Only one, "Image First," is the vintage, image-conscious Millennial—but it's only seven percent of the entire cohort.

## 6 ETHNICITY, DIVERSITY AND FAMILY RULE SOCIAL BEHAVIOR

Millennial diversity is well known. With Millennial parents it is even more pronounced. Half of all Millennial parents (and remember, our focus is on parents 25 to 34) are Hispanic, African American, Asian, or another non-white race—all ethnicities with intimate family connections. Of our five orbits, only one was majority white—and that orbit is called “Family First” because of their traditional values. As parents age, their cultural origins become more important. Marketers need to keep this in mind for many reasons—including how they manage their social network strategies.

## 7 THE CONSTANT SEARCH FOR NEW INSIGHT IS THE GREATEST PARENTAL INFLUENCER

The parents of Boomers raised them with Dr. Spock. The Boomers raised their kids with T. Berry Brazelton. The Millennials are raising their kids with ... there is just no answer to that. Millennial parents find and evaluate their own universe of influences. This is why no single parenting ideology dominates.

But this is not simply a matter of parenting by Google. It's parenting by creating one's own village and constantly re-evaluating it. This will be a challenge for marketers. “Target marketing” will need to be much more precise. Demographics will mean little—even behavior targeting will be suspect. Marketers will need to find ways to get inside the influencer networks that these parents build for themselves.

## 8 DIGITAL TECHNOLOGY WILL NO LONGER BE SPECIAL

Millennial parents barely break the 100 index on statements such as “I try to keep up with the latest developments in technology.” Have they suddenly become Luddites? Hardly—the rest of society is just catching up with them. But because they had a significant head start, digital integration

into life is now taken as a given—a new normal. For marketers, this means you are talking to people who simply want technology to make life better for them—they're no longer obsessed with gadget envy.

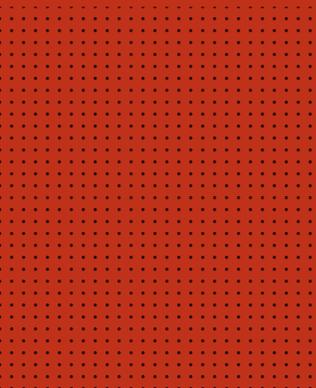
## 9 TECH SIMPLICITY WILL DEFINE MUCH OF THE NEW PRAGMATISM

A simplistic, but useful, explanation of pragmatism is, “If it works, it's true.” When new technology is taken for granted, many other things change. This new generation of parents—regardless of their “orbit” or their value outlook—will use the tools of parenthood differently from prior generations.

For example, technology gives today's parents a much less rigid set of tools than their own parents had for navigating everything about daily life. Apps like SocialParent, for example, allow them to create tightly run networks with other parents for managing mundane functions like play dates and carpools—along with finding out who is doing what and where they are. Brands should look for ways to accommodate this fluidity, offering parents tools to construct how they want to interact and connect with the brands they use.

## 10 IF YOU WANT TO “FOLLOW THE MONEY,” FOLLOW THE WAY THIS GENERATION CHANGES

Over the past few years, we've learned how Millennials are different. They bring a different frame of interaction with the world than we've seen with other generations. Parenthood will change them, but it will change them on their own terms. It will be important for marketers to map and track the changes constantly: changes in values, in media interactions, in brand preferences, in everything. Parenthood brings a rapid succession of milestones as the kids grow up, and those will bring more changes. All the rules will be different—and sometimes there will be no rules.



# THE FIVE ORBITS OF MILLENNIAL PARENTS



# THE IDEA BEHIND THE ORBITS

As we explained in our discussion of study methodology, Barkley worked with a proprietary analytics tool that overlays a vast array of databases to develop distinct, statistically valid “segments” of consumers, which here we have called orbits.

We use the term orbits because we think it’s a more accurate term than “segment.” In the marketing world, segments may provide some useful descriptions; often, they’re simply thought of as personas. Yet segments are difficult to use—largely because it’s impossible to find them unless, one by one, researchers can answer a set of algorithm questions. That is almost always impractical.

However, because of the breadth and depth of the data resources used to build this orbit system, it’s possible for Barkley to offer marketers a tool with insanely strong predictive power. This means that not only does this system describe distinct groups of Millennial parents, it also provides a way to find them—wherever they are.

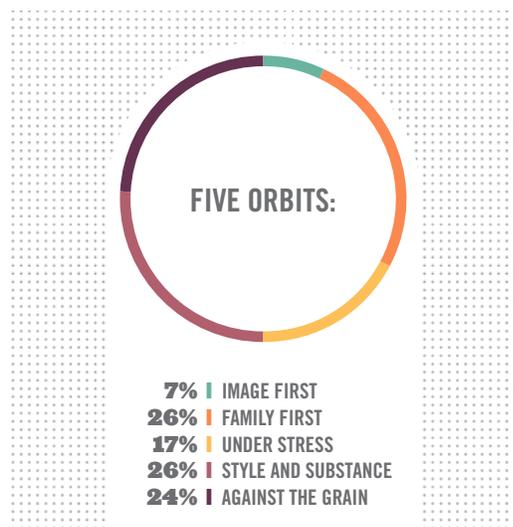
“Orbit” describes a well-ordered group—one that can be tracked, understood and circles a marketplace.

We have built five orbits of Millennial parents. As noted earlier, our focus is on the leading edge of Millennial parent—those ages 25-34.

We break this discussion into three parts:

- 1** A SNAPSHOT VIEW OF THE FIVE ORBITS OVERALL.
- 2** THE DEMOGRAPHICS OF ALL MILLENNIAL PARENTS BETWEEN THE AGES OF 25 AND 34, ALONG WITH DEMOGRAPHIC COMPARISONS OF ALL AMONG THE FIVE.
- 3** A DETAILED DISCUSSION OF EACH ORBIT.

# A SNAPSHOT VIEW OF THE FIVE ORBITS



## AN IMPORTANT NOTE ABOUT THE ORBITS:

The five orbits are built using a methodology that analyzes behaviors and attitudes on thousands of questions. Advance factor and cluster analysis techniques were used to derive the segments, but none of those factors included any demographic data such as income, ethnicity or gender. Therefore, any instances in which there are large concentrations of one ethnic group or another, or a particularly high concentration of an income or education group, are coincidental—they are on a post-hoc, not an a priori basis. Using the predictive model that built these orbits, it is possible for us to locate households that fall into specific orbits with an accuracy above 90 percent.

### ■ IMAGE FIRST: 7% OF MILLENNIAL PARENTS

This is the smallest but most distinctive of the five orbits we identified. It's a highly image-conscious group and the one with the highest level of diversity. On a wide range of views and behaviors, "Image First" stakes out territory markedly different from other Millennial parent orbits. It's lower in income and education, but it's also the most style conscious—to the point, at times, of flamboyance. Confident and ambitious, "Image First" is highly attached to social media networks and thrives on constant interconnection.

### ■ FAMILY FIRST: 26% OF MILLENNIAL PARENTS

"Family First" couldn't be more different from "Image First." It's one of the two largest orbits, and it's the only one that looks like the America we used to know: predominantly white and living in traditional families in which the parents are married to each other. Even though it's the most educated of the orbits, its members care little about style, fashion or the latest trends in food and health. As their name suggests, what counts is family. It's the most traditional in views, but like any Millennial group, it's highly connected via social networks. The big difference—its members use those networks to stay close to family, not to bring the rest of the world to them.

### ■ UNDER STRESS: 17% OF MILLENNIAL PARENTS

This is another ethnically diverse group. It's the second weakest both in educational attainment and in income (behind "Image First"), but unlike "Image First" it reflects attitudes and behaviors that show much less confidence and optimism. With both a high rate of unemployment and a relatively low labor participation rate, this group has taken a harder hit from the recession than any other. They are not your stereotypical Millennial—in fact, their usage of social networks is somewhat lower than the general population, and their consciousness around food, health and style is lower than any other orbit and is even weaker than the general population.

### ■ STYLE AND SUBSTANCE: 26% OF MILLENNIAL PARENTS

This orbit is one of the two largest, along with "Family First." However, it is much more ethnically diverse—in fact, its composition closely matches the ethnic profile of Millennial parents overall. It's second highest in educational attainment and highest in income. It mirrors "Image First" with many of its attitudes on style, fashion, and health—though its views are more muted than in the "Image First" group. They have traditional families like "Family First," but their worldview is more global and expansive, and they are more driven by desire for success.

### ■ AGAINST THE GRAIN: 24% OF MILLENNIAL PARENTS

This group gets its name because it runs so counter to most Millennial viewpoints. So many of the things we attribute to Millennials—such as a sense of empowerment and an adventurous spirit—do not show up with this group. Its ethnic composition is close to "Image First," but its worldview is quite different. While "Image First" is made up of people who view themselves as leaders in every way, "Against the Grain" members lag. It's not so much that they are followers, it's more that they don't have (or make?) time for or interest in things they see as superficial. What defines them? More than anything, they work very hard but don't make much progress.

# AN OVERALL PICTURE

## OF MILLENNIAL PARENT DEMOGRAPHY

### ETHNICITY:

Millennial parents are a vanguard force in our society for one big reason: they are a “minority majority.” Demographers have been predicting for some time that eventually America would no longer be a majority white country. We are still two or three decades from when that is the reality for the total population. But for young families, that day has arrived.

Twenty-four percent of Millennial parents are Hispanic, and that force has driven a dramatic shift in the ethnic composition of young families—along with a sizeable contingent identified as “other.”

### INCOME:

The income distribution of Millennial parents reflects young households building toward a middle-class life. Fifty-five percent of Millennial parent households have income above \$75,000. At first glance, this may seem relatively high—median household income is just over \$51,000.

However, that amount includes non-family households, which include many single and elderly households. Households with families tend to have higher incomes. As will become apparent in the detailed discussion of the five orbits we developed, income distribution is rather uneven. While 20 percent of Millennial parent households have income above \$100,000, it is well below the 25 percent of all general population family households.

## All Millennial Parents

### ETHNICITY:



**50%** | CAUCASIAN–NON-HISPANIC  
**12.4%** | HISPANIC  
**4.3%** | AFRICAN AMERICAN  
**9.6%** | ASIAN  
**25%** | OTHER

### HOUSEHOLD INCOME:



**20%** | LESS THAN \$25,000  
**25%** | \$25,000–\$50,000  
**15%** | \$50,000–\$75,000  
**20%** | \$75,000–\$100,000  
**20%** | \$100,000+

### EDUCATION LEVEL:

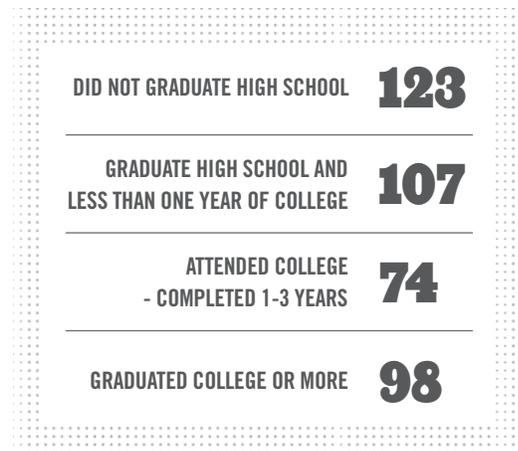


HIGHEST LEVEL COMPLETED

**12%** | DID NOT GRADUATE HIGH SCHOOL  
**43%** | GRADUATED HIGH SCHOOL & LESS THAN 1 YEAR OF COLLEGE  
**15%** | ATTENDED COLLEGE 1-3 YEARS  
**27%** | GRADUATED COLLEGE OR MORE

## EDUCATION

In terms of educational attainment, Millennial parents are a well-educated group but not as well educated as popular wisdom would have us believe. We'll have more on that subject later, but the index numbers against the general population tell the story:



Of course, by the time Millennials hit middle age, more will complete college and it's likely that this cohort's college completion rate will exceed the rest of the population.

## WHERE MILLENNIAL PARENTS LIVE

**29%** | URBAN  
**51%** | SUBURBAN  
**20%** | RURAL

## WHERE THEY LIVE:

Another important fact about Millennial parent demography overall is where they live: in our sample, the majority of them (51 percent) live in suburbs, 29 percent live in urban areas and 20 percent live in rural areas.

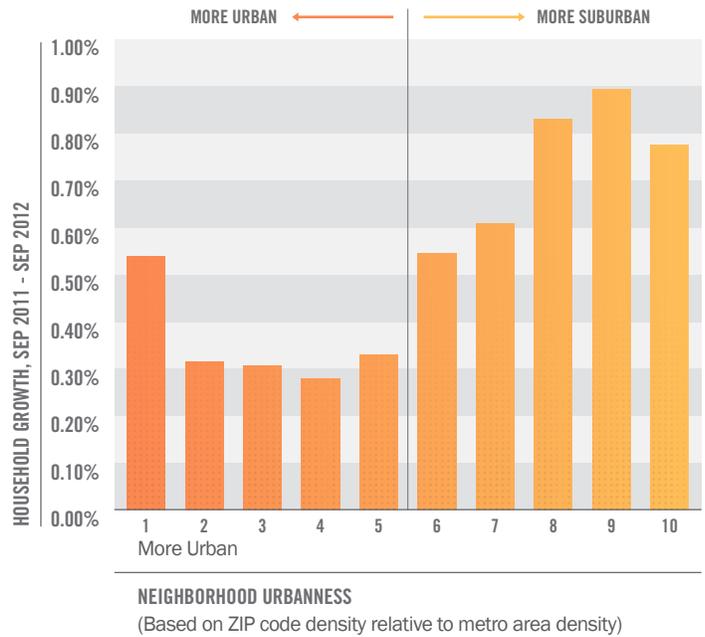
This may come as a surprise because we have been led to believe that Millennials have made a great migration into big cities. While it's true that there have been some increases in big city population, the trend is actually rather small.

A closer look reveals that the real growth is taking place in suburban areas. The real estate website Trulia recently did a thorough study of where growth in metropolitan areas has really been taking place, and their findings convincingly prove that the neighborhoods that are growing the fastest are still in the suburbs.<sup>3</sup>

<sup>3</sup> For a full review of Trulia's analysis, visit <http://bit.ly/T1kQs5>. Trulia conducted the analysis after widely publicized reports from the Brookings Institution suggested that urban growth is eclipsing suburban growth. However, their analysis showed that the Brookings data looks too broadly at county data and actually counts neighborhoods that should be seen as suburban as urban.

Our data, along with Trulia’s findings, are consistent with recent Iconoculture data that suggests the real migration of Millennials is out of rural areas and into the suburbs. Recent Census Bureau analysis has rural population numbers dropping in absolute terms. Part of this is due to the fact that Baby Boomers are staying in cities and suburbs and not retiring to rural destinations as much as they once did, but it’s also due to Millennial migration away from rural areas.<sup>4</sup>

### Urban vs. Suburban Growth, 2011-2012



SOURCE: TRULIA

<sup>4</sup> "Rural Population Shrinking For First Time In U.S. History, Census Finds," Associated Press, by Hope Yen and Hannah Dreier, June 13, 2013

# COMPARING THE ORBITS

## ON KEY DEMOGRAPHIC MEASURES

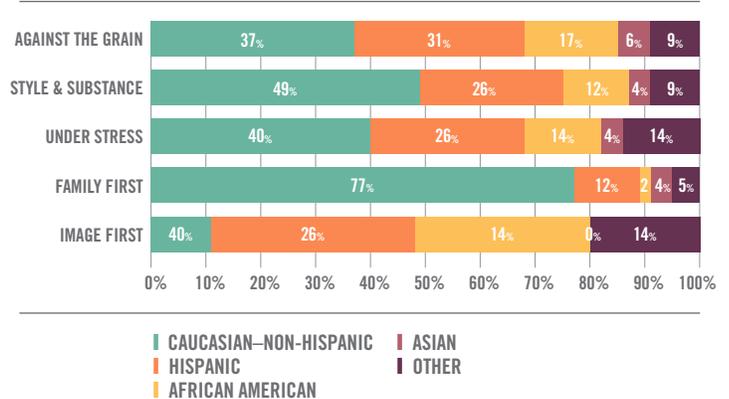
Of the five orbits, only one, “Family First,” is majority white. “Image First” is almost exclusively non-white. Hispanics are important in all five orbits, even “Family First” with a 12 percent concentration. In the other four orbits, Hispanics are never below 26 percent.

The greatest disparities we see among the orbits are in education. College graduation is a rarity in three of them—“Image First,” “Under Stress,” and “Against the Grain.” Those three orbits make up 48 percent of all Millennial parent households, and the highest graduation rate among any of them is 16 percent for “Against the Grain.” Education correlates highly to future success, and only “Family First” and “Style and Substance” are on a path that clearly leads to it.

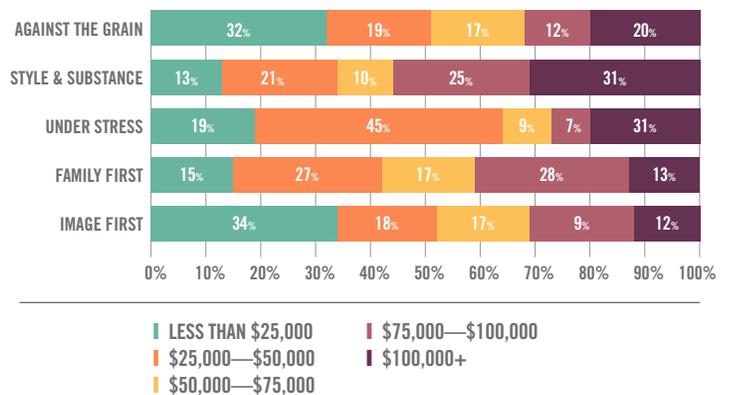
**FINALLY, THERE IS INCOME. “STYLE AND SUBSTANCE” IS CURRENTLY** the wealth driver among Millennial parents; however, “Family First” is a well-educated orbit (the best of the five) and it’s entirely possible that those households will catch up in the future. The “Family First” orbit also includes a high concentration of women who are not working outside the home, which may well reflect a conscious choice among these parents to temporarily leave the work force while the children are young.

That sets the table for the five orbits overall. Now let’s take a close look at each one of them.

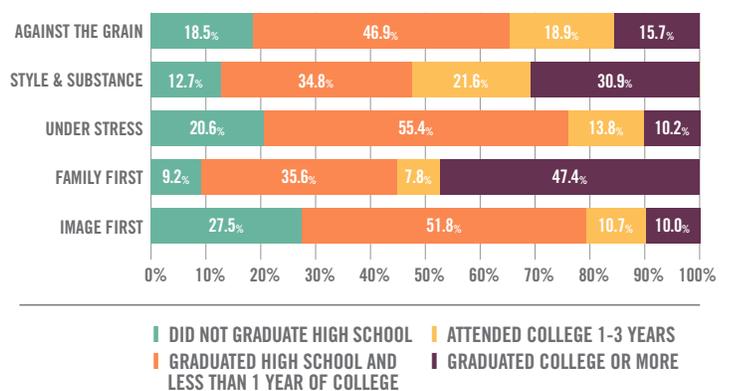
### ETHNICITY COMPARED (All Millennial Parent Orbits)

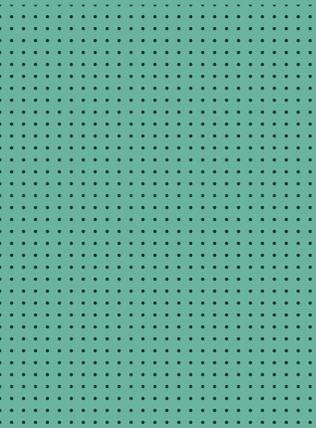


### INCOME (All Millennial Parent Orbits)



### EDUCATIONAL ATTAINMENT (All Millennial Parent Orbits)





# ORBIT 1 IMAGE FIRST

7% OF MILLENNIAL PARENTS



# ORBIT 1 IMAGE FIRST

7% OF MILLENNIAL PARENTS

THE SIX-WORD CODE FOR THIS ORBIT:  
**IT'S ALL ABOUT  
HOW I LOOK**

This is the most ethnically diverse orbit and the lowest in terms of income. Only 36 percent of the orbit is presently married. However, it's the orbit with the highest labor participation rate—76 percent are currently employed full or part-time, compared to 65 percent of all Millennial parents.

This is the smallest of the five orbits but the most distinct. Not only does this group differ sharply from the general adult population, it also differs sharply from other Millennial parents. It's not uncommon to find some of the highest-scoring indexes with this group when compared to the general population. At the same time, they have very few low-scoring indexes on attitude and behavior statements. All the other orbits have less extreme scores but also reflect a broader range, with both high and low indexes.

As their name suggests, they are all about image and the way they look. Everything about them is meticulously scrutinized and selected, from the clothes they wear to the car they drive and everything in between, including beauty routines and cosmetic products.



Shopping is a constant necessity, with new clothes each season and a sharp lookout for the next big designer, store or trend to show off first. They may at first be flattered by and enjoy people copying their style, but once a certain threshold has been reached they move on to the next new thing.

It's not just clothing and fashion – anything and everything they experience, see or buy is all part of their identity. Technology and cars are crucial to completing their overall look. These are used as accessories and extensions of their personality and style. Features are the most important criteria when purchasing a car, cell phone or even a DVD.

They choose travel destinations by eliminating the places their friends have already gone. Food seems to be the only part of their lives that isn't consistently for show. They claim to be a health nut and are always concerned about their appearance and body image, yet they prefer fast food.

Their image-centric nature has a dark side: an overwhelming majority of them “feel very alone in the world,” and they almost unanimously worry about themselves.

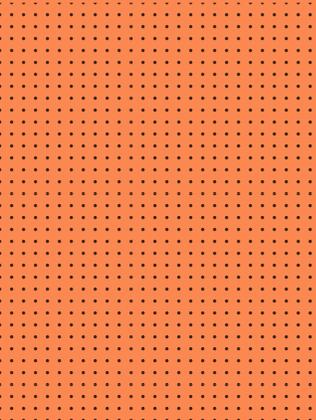
They have the presence of leaders but are often secretly followers. They are heavily influenced by friends' opinions, celebrity endorsements and sports sponsorships. Magazines and the internet are their go-to resource for cool hunting. They are always seeking out the new, better and different to impress people with their in-the-know status. Video games are their main source of entertainment, and they spend more time playing them than watching TV than any other orbit.

They are huge users of social media—these channels keep them connected to their close-knit groups of friends, which are more important to them than family.

An unvarnished view of this orbit is that they want a lot more for themselves than they have right now. They haven't had the advantages of other Millennial parent orbits—look at their lower levels of educational attainment and their low rate of marriage. They show a good deal of insecurity, but they have by no means given up on the American dream.

STATEMENT	% WHO AGREE	INDEX TO 18+
I LIKE TO BUY THE SAME PRODUCTS THAT CELEBRITIES USE	67.0%	840
I AM LIKELY TO PURCHASE PRODUCTS I SEE ADVERTISED ON MY CELL PHONE	53.0%	839
WHEN I SEE A CHARACTER USING A BRAND NAME PRODUCT I NEVER TRIED BEFORE, I AM LIKELY TO TRY IT	75.2%	763
THE MOST EXPENSIVE MEDICINE IS USUALLY THE BEST	55.6%	730
HOW LIKELY ARE YOU TO PURCHASE A MEDIUM-TICKET ITEM (I.E. SMALL APPLIANCE, ELECTRONICS, ETC.) WITHIN THE NEXT 30 DAYS?: VERY LIKELY	17.0%	719
WHEN I SEE A CHARACTER USING A BRAND NAME PRODUCT I NEVER TRIED BEFORE, I AM LIKELY TO TRY IT	74.6%	678
NO. OF CHILDREN BY AGE GROUP: THREE OR MORE 10-17	10.6%	675
WHEN I SEE A BRAND NAME PRODUCT I'VE USED BEFORE IN A MOVIE, I AM REASSURED THAT THE PRODUCT IS GOOD	74.6%	670
WHEN I'M IN A STORE OR ONLINE AND I SEE A BRAND NAME PRODUCT I RECOGNIZE FROM A MOVIE, I'M MORE LIKELY TO BUY IT THAN ITS COMPETITOR	75.8%	642
NO. OF CHILDREN BY AGE GROUP: THREE OR MORE 6-17	21.1%	625
MAGAZINES ARE MY MAIN SOURCE OF ENTERTAINMENT	63.8%	622
WHEN I SEE A BRAND NAME PRODUCT I'VE USED BEFORE IN A TV SHOW, I AM REASSURED THAT THE PRODUCT IS GOOD	78.2%	602
I'M ALWAYS THE FIRST AMONG MY FRIENDS TO HAVE THE LATEST IN ELECTRONIC EQUIPMENT	68.9%	595
MY FRIENDS ARE MORE IMPORTANT TO ME THAN MY FAMILY	51.1%	592
WHEN I'M IN A STORE OR ONLINE AND I SEE A BRAND NAME PRODUCT I RECOGNIZE FROM A TV SHOW, I'M MORE LIKELY TO BUY IT THAN ITS COMPETITOR	82.5%	592
FASHION MAGAZINES HELP ME DETERMINE WHAT CLOTHES TO BUY	55.5%	446
MY CELL PHONE IS AN EXPRESSION OF WHO I AM	56.7%	443
I'LL PAY ANY PRICE FOR GOOD FINANCIAL ADVICE	58.7%	443
I BUY PRODUCTS FROM COMPANIES WHICH SELL THEIR PRODUCTS DIRECTLY TO CONSUMERS THROUGH DISTRIBUTORS OR REPRESENTATIVES WHO WORK FROM THEIR HOMES	50.7%	443
I CANNOT RESIST BUYING MAGAZINES	39.1%	440
I FIND IT HARD TO RESIST MY CHILDREN'S REQUESTS FOR NON-ESSENTIAL PURCHASES	77.0%	435
I LIKE TO HAVE A LOT OF GADGETS	75.4%	432
RADIO IS MY MAIN SOURCE OF ENTERTAINMENT	63.2%	431

They are a group very much in flux. For many, parenthood came early—they are the orbit with the oldest children. They likely want to hang on to the trappings of their more youthful days, and they use their well-honed image management skills to compete and get ahead in society.



# ORBIT 2 FAMILY FIRST

**26% OF MILLENNIAL PARENTS**



# ORBIT 2 FAMILY FIRST

26% OF MILLENNIAL PARENTS

THE SIX-WORD CODE FOR THIS ORBIT:  
**MAKE THINGS  
EASY FOR  
THE FAMILY**

The “Family First” orbit is a sharp contrast to “Image First.” The two names express what is most important for each, and for that reason they could not be more different.

The most obvious difference is demographic: of all five orbits, this is the only one that is majority white/non-Hispanic—standing at 77 percent of the group. It has the lowest labor participation rate at just 58 percent, likely caused by the highest concentration of homemakers at 28 percent.

This is the best-educated orbit, with 47 percent completing college or more. They trail “Style and Substance” in income, however, with 41 percent having incomes above \$75,000.

“Family Firsts” have fewer extreme indexes against the general population compared to “Image First,” but they have some notable low indexes. A quick look tells you that this is not an out-front, attention-seeking group.



**77%** | CAUCASIAN–NON-HISPANIC  
**12%** | HISPANIC  
**2%** | AFRICAN AMERICAN  
**4%** | ASIAN  
**5%** | OTHER



**15%** | LESS THAN \$25,000  
**27%** | \$25,000–\$50,000  
**17%** | \$50,000–\$75,000  
**28%** | \$75,000–\$100,000  
**13%** | \$100,000+



**9%** | DID NOT GRADUATE HIGH SCHOOL  
**36%** | GRADUATE HIGH SCHOOL & LESS THAN 1 YEAR OF COLLEGE  
**8%** | ATTENDED COLLEGE 1-3 YEARS  
**47%** | GRADUATED COLLEGE OR MORE

This orbit is a throwback to another time—by itself. It looks like the America portrayed in 1950s television, except that more women work outside the home than in the June Clever era. But Betty Draper they are not.

There's little diversity in the orbit, other than its 12 percent Hispanic makeup. Eighty-six percent are married - by far the largest of any orbit.

Along with “Image First,” it's the most religious, with 54 percent identifying as conservative, evangelical Christians—compared to 33 percent of the general population. Politically, it's the only orbit to identify as majority conservative.

This is the happiest, most-contented group of Millennial parents. As the name of the orbit suggests, kids come first. They are the least likely to be willing to sacrifice their family time in order to get ahead, and they rarely miss an opportunity to sit down and eat dinner together.

While this is one of the most affluent of the orbits—41 percent have incomes more than \$75,000—it's also one of the thriftiest. They make lists before shopping, are not impulsive spenders and teach their children to respect money. Bargain hunting is a challenge and way of life. When they enter any store they head straight to the clearance racks. If something they want isn't on sale, they will hold out on buying it until it is marked down. In a telling sign of pragmatism at work, “Family Firsts” seek products that improve their lives or provide basic necessities—they are not looking for higher-level satisfaction.

STATEMENT	% WHO AGREE	INDEX TO 18+
I SPEND MORE MONEY ON VIDEO GAMES THAN I DO ON MUSIC OR MOVIES	15.7%	225
I TALK ABOUT THINGS I SEE ON SOCIAL SHARING / NETWORKING WEBSITES IN FACE-TO-FACE CONVERSATIONS	44.7%	222
I OFTEN POSTPONE PURCHASES FOR MY CHILDREN UNTIL SPECIAL OCCASIONS	53.5%	202
I ENJOY WATCHING KIDS' TV SHOWS WITH MY CHILDREN	67.9%	201
I OFTEN POST OR COMMENT ON SOCIAL SHARING / NETWORKING WEBSITES	34.0%	201
I DON'T MIND IF BRAND NAME PRODUCTS APPEAR IN THE BACKGROUND OF A VIDEO GAME	19.4%	201
I FIND TV ADVERTISING INTERESTING & QUITE OFTEN IT GIVES ME SOMETHING TO TALK ABOUT	19.8%	76
I AM OFTEN CHOSEN TO BE THE SPOKESPERSON IN MY GROUP	21.6%	75
I PREFER TO SHOP WITH MY FRIENDS	18.2%	74
FOREIGN CARS ARE HIGHER QUALITY THAN AMERICAN	15.2%	73
I WORRY A LOT ABOUT MYSELF	12.4%	53
I LIKE TO PURSUE A LIFE OF CHALLENGE, NOVELTY AND CHANGE	22.5%	53

They scoff at the idea that designer labels have the ability to improve their image. They believe that discount department stores are just as good as regular department stores. They are frugal shoppers who believe clothes are merely functional. Specialty stores and brand names don't mean much and aren't an indication of quality. Yet they shop mostly at their favorite stores because they carry the brands they do like. While they have favorite brands, this doesn't stop them from purchasing unknown or generic brands to save money.

When it comes to cars and technology, it's all about problem solving. “Family Firsts” want products that improve life. Cars are meant to get their family from A to B. Cell phones are meant to keep in touch with friends and family. The only other consideration when it comes to technology is that it must work and easily connect with what they already have.

Food consciousness skipped this group of Millennials—you won't find many foodies here. Food is mostly functional, though it provides a useful social tool for bringing the family together. It is never art or a way of finding identity. There are also not many calorie counters. They like to indulge in sweets and mostly eat what they want. They are big believers in eating together as a family and food nicely provides the function of bringing people together.

## MAKE THINGS EASY FOR THE FAMILY

This orbit is a good example of how Millennial parents are leaving behind “gadget envy” for tech simplicity and of how the digital life isn't anything special—it's just life.

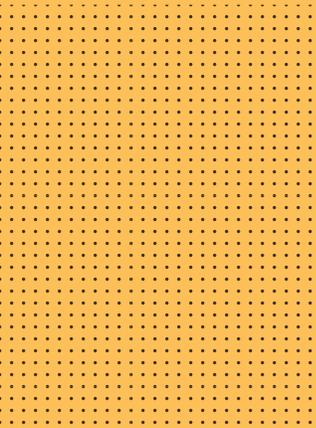
Functionality defines their online relationships and behaviors. They hop online for news and for what they need, and they readily buy online. The internet has altered the way in which they get information about products and services as well as their entertainment and shopping habits. For “Family Firsts” online life is functional; their sense of self and identity are not tied to how many friends or likes they have on social media.

They use social networks to keep in touch with friends and family by actively posting photos and videos at a level well above the general population—but around the norm for all Millennial parents. Social media functions as a convenient way to stay up-to-date with what's going on in their social circle and it gives them fodder for face-to-face conversations. They may not pay attention to advertising but that doesn't preclude them from using social media to follow brands and tell everyone about products they like—even though value and bargains come first.

They'll write reviews and post ratings online, although they prefer reading comments from others more than posting their own. Advertising, friends and neighbors don't influence their decisions, but they do pay attention to and rely on social media recommendations for products and brands.

The internet has changed their entertainment habits. They still watch TV but are often multitasking or watching a kids show. Video games are high on their entertainment list. They may spend more time watching TV than playing video games, but they find video games to be more enjoyable. They spend more money on video games than movies or music.

While “Image First” is very much in flux, this group has found its roots. With one-fourth of all Millennial parents, a high marriage rate, stable employment and an emphasis on doing everything for the kids, this group will have a huge and profound impact on the consumer economy - but they won't easily part with their money.



# ORBIT 3 UNDER STRESS

**17% OF MILLENNIAL PARENTS**



# ORBIT 3 UNDER STRESS

17% OF MILLENNIAL PARENTS

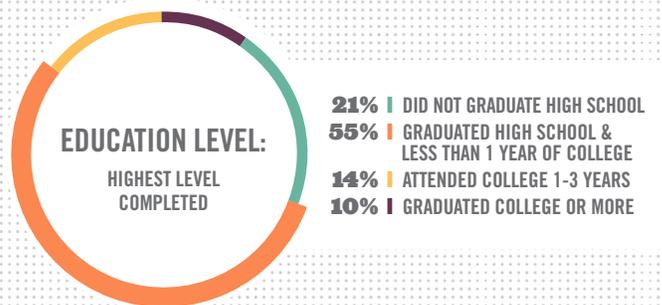
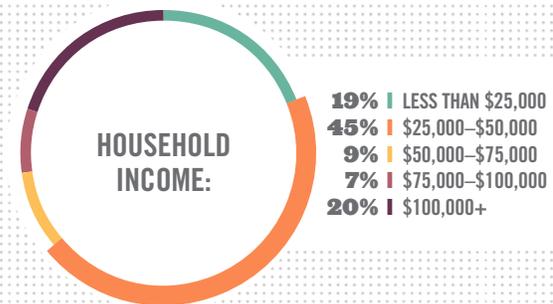
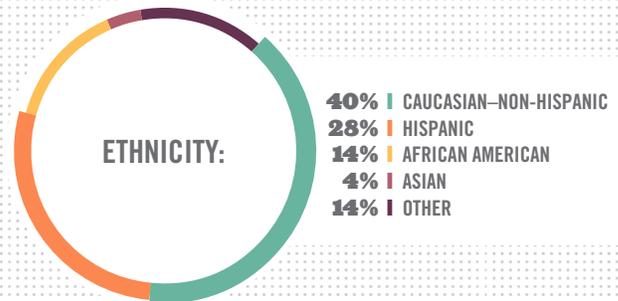
THE SIX-WORD CODE FOR THIS ORBIT:  
**WHAT I NEED  
IS A PAYCHECK**

“Under Stress” is a sharp reminder that the Millennial generation is not all upbeat, connected and on the path to a bright future. In all likelihood, the households in this orbit have never thought of themselves as having been part of “the enigma generation.” Life isn’t so much about being pragmatic as it is about making it to the next paycheck—if there’s a paycheck at all.

They have a number of attributes on which they index very high against the general population but very few on which they index low.

An unemployment rate of 22.3 percent and a low labor participation rate of 61 percent ensures that for “Under Stress,” not only has the Great Recession never ended, it’s been a Great Depression. None of the other four orbits share that double dose of distress. While “Image First” has the highest portion of households with incomes below \$25,000, “Under Stress” has the highest overall portion that is less than \$50,000. Only 48 percent of the orbit is currently married, and they have the largest families of any group.

The orbit is ethnically diverse—with 60 percent of households consisting of minorities, compared to 50 percent for all Millennial parents. With a sizeable white/non-Hispanic component (40 percent), this is the orbit where we find the largest concentration of lower middle-class whites.



Their educational achievement is the second lowest, with 76 percent having less than one year of college education.

“Image First” is also lacking in education but benefits from a much higher degree of self-confidence. By contrast: 81 percent of the “Image First” orbit call themselves optimists—but only 17 percent of “Under Stress” do. “Under Stress” is a group that knows they are at a disadvantage—of all the orbits, they are the least satisfied with their life as it is (35 percent).

“Under Stress”—like “Family First”—puts little emphasis on healthfulness in food, even seeming to be put off by the trend. Food consciousness is absent from their world—at 22 percent unemployment that’s not a surprise. When it comes to health care, only 17 percent say it’s important to see a doctor when they are ill (index of 31).

Not surprisingly, it’s the group with the least brand consciousness. They pay little attention to brands in product placement, they do not notice or put a good deal of value on name brands when they encounter them, and—at a rate of just 14 percent—they are the least likely orbit to even look at the brand name on a package.

When it comes to online behavior, this group is an outlier among Millennial parents. Only 13 percent say that the internet has changed the way they spend their free time and only 17 percent say that it has changed the way they get information about products and services.

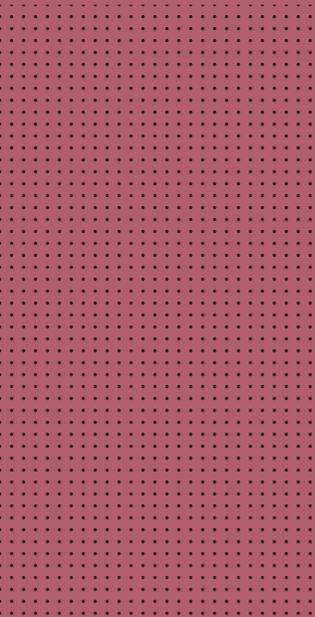
Perhaps most surprisingly, for a generation known to yearn for constant connection, “Under Stress” indexes at 75 against the general population for liking to be connected to family and friends—though unlike the more emotionally driven orbit “Image First,” they don’t particularly “feel alone in the world.”

STATEMENT	% WHO AGREE	INDEX TO 18+
NO. OF CHILDREN BY AGE GROUP: TWO 6-11	18.7%	430
I LIKE TO MAKE A UNIQUE FASHION STATEMENT	22.3%	273
EVENTS EXPERIENCED LAST 12 MONTHS: LOST JOB/LAID OFF/OUT OF BUSINESS	18.0%	247
EATING FAST FOOD HELPS ME STAY IN MY BUDGET	21.8%	241
THE POINT OF DRINKING IS TO GET DRUNK	27.2%	240
EVENTS EXPERIENCED LAST 12 MONTHS: BUY A USED CAR OR LIGHT TRUCK	24.3%	238
I WOULD BE INTERESTED IN RECEIVING ADVERTISEMENTS ON MY CELL PHONE	12.6%	229
EDUCATION—HIGHEST LEVEL COMPLETED: HIGH SCHOOL—9-11 YEARS	15.6%	204
VIDEO GAMES ARE MY MAIN SOURCE OF ENTERTAINMENT	13.1%	203
I PREFER FAST FOOD TO HOME COOKING	17.7%	198
I ENJOY SPENDING TIME WITH MY FAMILY	48.2%	59
MY CELL PHONE SHOULD HELP ME GET WORK DONE WHEN AND WHERE I WANT	19.0%	59
I LOVE TO BUY NEW GADGETS AND APPLIANCES	14.3%	59
IT IS IMPORTANT TO LOOK ATTRACTIVE TO OTHERS	36.0%	59
NUTRITIONAL VALUE IS THE MOST IMPORTANT FACTOR IN WHAT FOODS I EAT	26.7%	59

“Under Stress” households use their cell phones frequently to decide what to do, where to go and what to purchase, and they are more likely to embrace mobile advertising than most other orbits. While they do show significant dependence on their mobile phones, it’s not a work tool for them.

As parents, this group is less engaged with their children than any other. Only 32 percent say that they enjoy watching kids shows with their children, and they have little problem saying no to their kids. Only 39 percent say that “family life is the most important thing to me”—43 percentage points below the next lowest Millennial parent orbit and an index of 52 against the general population.

Ideologically, they are the most moderate of all the orbits, with 52 percent preferring that designation. Overall, they reflect a slightly liberal bent.



# ORBIT 4 STYLE & SUBSTANCE

26% OF MILLENNIAL PARENTS



# ORBIT 4 STYLE & SUBSTANCE

26% OF MILLENNIAL PARENTS

THE SIX-WORD CODE FOR THIS ORBIT:  
**ALWAYS ON TREND,  
BUT ULTIMATELY  
PRAGMATIC**

“Style and Substance” is the most affluent of Millennial parents and is the group that in many ways best depicts the stereotype of the adventurous, curious and hyper-connected Millennial. They have the education and the income that has already taken them to a comfortable life and is likely to propel them to the highest levels of success of all the orbits.

“Family First” is a better-educated group, but “Style and Substance” has a higher labor participation rate (66 percent versus 58 percent) and includes fewer homemakers (20 percent versus 27 percent).



While their attitude and behavioral statements don't go to the extremes that we saw in "Image First," they have more instances of indexes above 200 and below 70 than the other orbits. Some of their high index behaviors reflect their favorable economic situation—they are more likely to be refinancing their homes, making a major home improvement or buying a new or used vehicle. The statements also reflect the orbit's high level of involvement in social media. As the name of the orbit suggests, this group shows a strong interest in style and fashion (38 percent overall, index of 151) but not at the level of "Image First" (59 percent, 235). Even though "Style and Substance" has much more disposable income, they wear their clothes longer and show shopping preferences for a surprisingly broad range of middle-range retail brands, such as Nordstrom Rack, The Limited and Men's Wearhouse.

This is what makes them different from the more flamboyant "Image First" group—they have strong interests in the way they look and the statement they make about themselves, but they're willing to be practical about what they do.

"Style and Substance" is leaving behind the "enigma" of their younger Millennial selves and is embracing a new found pragmatism—but it is a pragmatism with a sophisticated view, since this orbit views itself as connected and on the rise.

Their common sense shows up in the way they shop, but they also have a head-down determination and unbridled self-confidence. Much more so than the other orbits (once again with the exception of "Image First"), they view themselves as intelligent, bright and well informed—and also as self-assured and confident. They very much want their families to see them as doing well, another way they differ from other orbits.

STATEMENT	% WHO AGREE	INDEX TO 18+
EVENTS EXPECTED TO EXP IN NEXT 12 MOS: REFINANCING YOUR HOME	9.3%	319
EVENTS EXPERIENCED LAST 12 MONTHS: SEPARATED / DIVORCED	6.1%	307
I DON'T MIND IF BRAND NAME PRODUCTS APPEAR IN THE BACKGROUND OF A VIDEO GAME	26.4%	273
EVENTS EXPECTED TO EXP IN NEXT 12 MOS: BUY NEW HOME (NOT FIRST HOME)	26.7%	265
MARITAL STATUS—RESPONDENT: SEPARATED	5.4%	264
I DON'T MIND IF CHARACTERS IN A VIDEO GAME USE A BRAND NAME PRODUCT	26.2%	257
I OFTEN NOTICE BRAND NAME PRODUCTS IN VIDEO GAMES	13.4%	256
ADVERTISING HELPS ME CHOOSE PRODUCTS TO BUY FOR MY CHILDREN	49.0%	255
EVENTS EXPECTED TO EXP IN NEXT 12 MOS: LEASE OR BUY NEW CAR OR LIGHT TRUCK	11.2%	255
I LIKE TO FOLLOW MY FAVORITE BRANDS OR COMPANIES ON SOCIAL SHARING / NETWORKING WEBSITES	21.0%	247
I OFTEN PAY ATTENTION TO THE COMMERCIALS THAT PLAY ALONG WITH THE MOVIE PREVIEWS IN THE MOVIE THEATER	71.8%	218
I TRUST PRODUCT INFORMATION THAT I GET FROM SOCIAL SHARING / NETWORKING WEBSITES MORE THAN OTHER SOURCES	10.6%	214
I SOMETIMES POST RATINGS OR REVIEWS ONLINE FOR OTHER CONSUMERS TO READ	18.5%	202
I'M GOOD AT CONVINCING OTHERS TO TRY NEW THINGS	64.4%	202
EVENTS EXPERIENCED LAST 12 MONTHS: MAKE MAJOR HOME IMPROVEMENT	18.9%	200
MOST MAGAZINES ARE WORTH THE MONEY	12.5%	69
HOUSEHOLD INCOME: \$150,000—\$249,999	5.6%	68
I RARELY GO SHOPPING	27.1%	68
I FIND THAT I AM EASILY SWAYED BY OTHER PEOPLE'S VIEWS	8.8%	60
I READ THE FINANCIAL PAGES OF MY NEWSPAPER	10.6%	60
POLITICAL OUTLOOK: LIBERAL	10.2%	58
I FEEL VERY ALONE IN THE WORLD	8.8%	57
POLITICAL OUTLOOK: VERY LIBERAL	2.4%	47
REAL MEN DON'T CRY	5.7%	47
I DO NOT WANT RESPONSIBILITY, I WOULD RATHER BE TOLD WHAT TO DO	5.9%	47
I AM A VEGETARIAN	2.8%	35
THERE'S LITTLE I CAN DO TO CHANGE MY LIFE	5.2%	30

They share many of the same family-focused values as “Family First,” but their interests in externalities and appearances are stronger than that group. They are not the inward-looking group that “Family First” is. They use social networks to both connect and to expand their world, whereas “Family First” is more centered on their existing world, using social resources as a practical tool of daily life.

Their approach to cars and driving is informative, and it goes against a popular view that Millennials are not interested in driving. Driving is an expression of who they are—they believe that what you drive says a lot about you. For themselves, they prefer a luxury vehicle, but they also want substance. They take into consideration safety features and having a car that works for the whole family.

“Style and Substance” is a media-immersed orbit in every respect—not just through digital channels. They rely on the radio and TV to keep them informed. Characters interacting with brand name products makes shows more real and reassures them that products are good and worth trying. Radio is a main source of entertainment; they listen every day in the car. They also enjoy watching kids shows and movies with their family. Advertising helps them choose products to buy for their children but they also find it interesting and expect advertising to be entertaining.

They show a strong interest in advertising for financial services, and they like to shop for the best financial deals. It is imperative for them to feel financially secure and for people to think they are successful. It is important that they teach their children to be careful with money. Even though they are very careful with money and spending, that doesn’t mean they don’t occasionally spend money without thinking.

When it comes to health and diet they are aware and proactive. Health is a priority and they will pay just about anything. They believe in taking vitamins, minerals, probiotics and trust homeopathic medicine. They exercise regularly, playing a sport at least once a week.

## ALWAYS ON TREND, BUT ULTIMATELY PRAGMATIC

They actively seek information about nutrition and diet and are usually the first to try new health foods. They count calories and don’t believe frozen dinners are nutritious. The kitchen is the most important room in their home. Cooking is something they really enjoy. They like to try new recipes and use the freshest ingredients.

They see themselves as adventurous when it comes to trying new food and drinks, but they are not always just about being cool and sophisticated. Fast food isn’t totally off-limits either because sometimes it just works with their busy lifestyle. They aren’t extreme in their views and believe in treating themselves to occasional indulgences and eating some foods regardless of the calories.

Like “Family First,” they say that family is the most important thing in their lives, but they run a looser household. When it comes to children, they believe that kids should be allowed to express themselves freely and have a hard time saying no to their kids when it comes to non-essential purchases—making them hugely different from “Family First.”

# ORBIT 5 AGAINST THE GRAIN

24% OF MILLENNIAL PARENTS



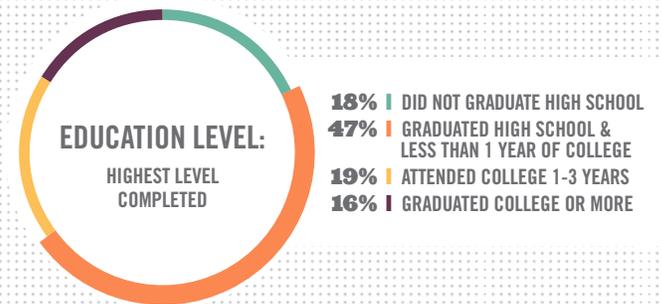
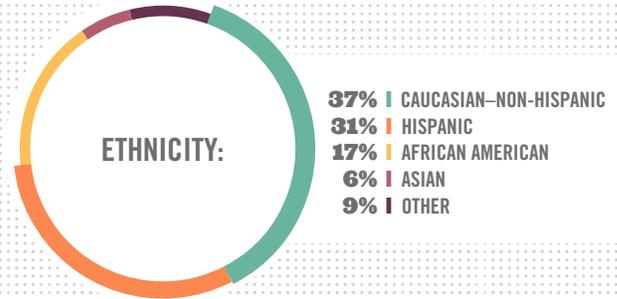
# ORBIT 5 AGAINST THE GRAIN

24% OF MILLENNIAL PARENTS

THE SIX-WORD CODE FOR THIS ORBIT:  
**HARD WORK  
BUT NOT MUCH  
PROSPERITY**

The last of the five orbits is notable for one big reason: they go “against the grain” compared to the other Millennial parent groups we have identified. When looking at their responses to attitude and behavioral statements, they have relatively few statements that index above 200 but many that index below 70. Demographically, it’s the second largest in Hispanic composition at 31 percent and overall is strongly a “minority majority” group—with only a 37 percent white/non-Hispanic base. They have more kids than most of the other orbits, perhaps reflecting their ethnic composition. In terms of educational attainment and income, they land in the midrange. Though more of them work than “Style & Substance,” they don’t have the same social advantages and as a result, don’t see a quick payoff for that extra effort.

They are a hardworking group; they have the second highest labor participation rate at 69 percent and the second lowest unemployment rate at 11 percent. When you look at their attitudes and behaviors, it’s clear that they do their best to move forward—but they do struggle.



They are, to a considerable extent, the antithesis of the Millennial stereotype. They don't care much for style, fashion, making a statement or being non-conformist. They don't have the cosmopolitan view we associate with Millennials, they have little interest in food consciousness and healthfulness, and they lack the upbeat view of much of the Millennial cohort.

But they do share some typical Millennial traits: they claim to have a sense of adventure, and they like and pursue new and different experiences. Their somewhat lower economic position and their lower levels of educational achievement, however, likely explain why these attributes are not more out front for them.

Even though they lean liberal politically, environmental consciousness and supporting green movements is of little interest to them. Neither is the healthy food movement—in fact, they're content to say that fast food fits their busy lifestyle and they have little interest in the healthier fast food trend.

Put another way, while "Against the Grain" has strong similarities to "Image First" in terms of demographic, income and education characteristics—they are the polar opposite when it comes to most of their attitudes. "Image First" struts and tries to lead; "Against the Grain" simply follows.

Their relationship with technology is revealing. Cell phones connect them to their social world and provide many different ways to get information, but unlike most of the other orbits, the devices are not about self-expression. It's just about the service. They do love to buy new gadgets and try new things that no one else has, but those purchases are not a pursuit of style—they're a pursuit of practical function.

STATEMENT	% WHO AGREE	INDEX TO 18+
NO. OF CHILDREN BY AGE GROUP: TWO UNDER 6	19.8%	529
NO. OF CHILDREN BY AGE GROUP: THREE OR MORE 6-11	3.9%	458
NUMBER OF CHILDREN: FIVE OR MORE	3.6%	333
I WAIT TO BUY VIDEO GAMES UNTIL THEY ARE CHEAPER	37.5%	241
NUMBER OF CHILDREN: ONE OR MORE	90.9%	240
EVENTS EXPERIENCED LAST 12 MONTHS: BUY NEW HOME (NOT FIRST HOME)	4.1%	240
EVENTS EXPERIENCED LAST 12 MONTHS: CHANGE JOB-TO BETTER JOB	14.6%	222
EVENTS EXPERIENCED LAST 12 MONTHS: LOST JOB/LAID OFF/OUT OF BUSINESS	16.2%	222
EMPLOYMENT STATUS: HOMEMAKER	14.5%	212
OCCUPATION: OTHER: BLDNG & GROUND MAINT/CONSTRUCTION	25.2%	212
I PREFER TO SHOP WITH MY FRIENDS	15.2%	211
EDUCATION—HIGHEST LEVEL COMPLETED: COLLEGE—LESS THAN 1 YEAR	22.7%	203
ALL PRODUCTS THAT POLLUTE THE ENVIRONMENT SHOULD BE BANNED	13.6%	70
A DESIGNER LABEL IMPROVES A PERSON'S IMAGE	7.2%	69
I ACTIVELY SEEK INFORMATION ABOUT NUTRITION AND HEALTHY DIET	24.7%	64
I AM MORE LIKELY TO BUY A PRODUCT FROM A COMPANY THAT USES ENVIRONMENTALLY-FRIENDLY METHODS OF ADVERTISING	23.9%	63
I FEEL FINANCIALLY SECURE	17.1%	57
I'LL PAY ANY PRICE FOR GOOD FINANCIAL ADVICE	6.4%	48

They are a study in contradictions in many ways. They like to have control over people and resources, and they usually speak their minds even if it upsets people, which highlights their desire to control. However, they are also easily persuaded and led.

Only 17 percent of "Against the Grain" says they feel financially secure—in a virtual tie with "Under Stress," at 15 percent. That, more than any other indicator, explains their outlook on life and on parenthood.

# MILLENNIAL PARENTS:

HOW THEY GOT HERE, WHERE THEY ARE,  
WHAT THEIR FUTURE HOLDS

# MILLENNIALS: THEY'RE IN ORBIT TOGETHER

The five separate orbits of Millennial parents tell a critical story: they remind us that a generation of 80 million people are not a monolith, that they are, indeed, quite different from one another. But there's a reason we identify generational groups—it helps us frame the way we look at our society and, particularly, at how markets evolve and behave.

With that in mind, here's a look at some staggering statistics about Millennial parents as a whole.

Probably the single most important fact about Millennial life is that the generation was born into a time of unprecedented prosperity, but they are living the early years of their adulthood in a time of serious financial stress and disadvantage.

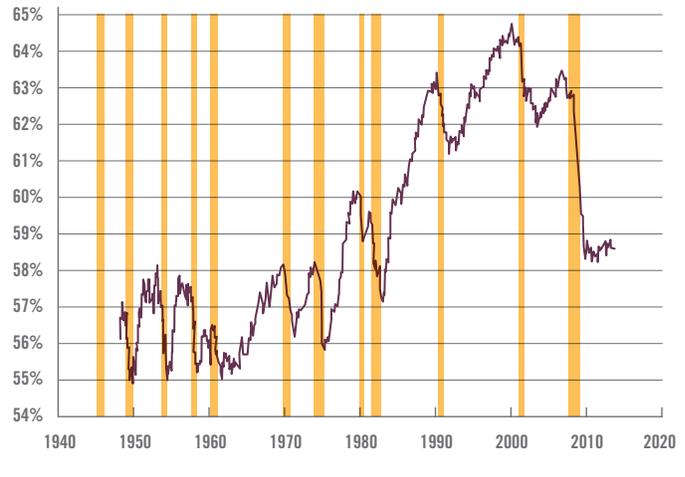
The unemployment rate is a typical way to measure this, but a better way is to look at the total civilian employment-population ratio. It shows the percentage of people who actually work, and the recent history is telling: the U.S. has dropped from almost 65 percent of the population in gainful employment in 2000 to less than 59 percent today—and there is little movement upward.

This happened at a crucial time in the lives of the Millennial generation—right when they were entering their adult years. And since the year 2000, it's only gotten worse.

The Great Recession has been a brutal experience. Going back 60 years, you can't find a steeper drop in total employment and you can't find a weaker recovery. In past recessions, we've found a swift bounce back from decline and then a steady path to more employment growth.

## CIVILIAN EMPLOYMENT—POPULATION RATIO (EMRATIO)

Source: U.S. Department of Labor: Bureau of Labor Statistics



YELLOW SHADED AREAS INDICATE U.S. RECESSIONS. 2013 research.stlouisfed.org

## NO MORE.

Total employment is now just a few percentage points above the late 1950s—before the dramatic rise in the number of women in the workforce.

What about Millennials? What is their employment picture? The data from our study shows that 25- to 34-year-old parents have an employment participation rate of 64 percent. While this is above the 58.5 percent rate for the total population, keep in mind that the figures in the chart above take into account everyone in society—from children to retirees. If these parents were achieving their full potential, their participation rate would likely be well above 70 percent.

Plus, the Bureau of Labor Statistics has consistently shown a Millennial unemployment rate well above the national average. For example, the national unemployment rate in August of 2013 stood at 7.3 percent, but the rate for adults 25 to 34 (the group we are most interested in for this study) was 7.8 percent. The rate for young Millennials, under age 25, is alarmingly high—13 percent in the latest report.

Still, and very much to their credit, Millennials are optimists—and Millennial parents are actually more optimistic than all Millennials. Fifty-nine percent say they are “perfectly satisfied” with their standard of living—compared to 50 percent of all Millennials and 53 percent of all adults. While just 9 percent think the economy will improve significantly in the next 12 months, it's still significantly more optimistic than all adults (at 6 percent).

# THE EDUCATION MYTH

Millennial parents are at a critical life stage in their careers, and they have yet to realize their full potential. In fact, 41 percent of them told us they have not found a job that fully utilizes their education.

There is some encouragement: 35 percent of them agree with the statement, “My career is advancing better than I would have ever dreamed.” However, 40 percent disagree with that statement. Perhaps more important, there is considerable disagreement between men and women on that question: 47 percent of men agree with it but only 25 percent of women.

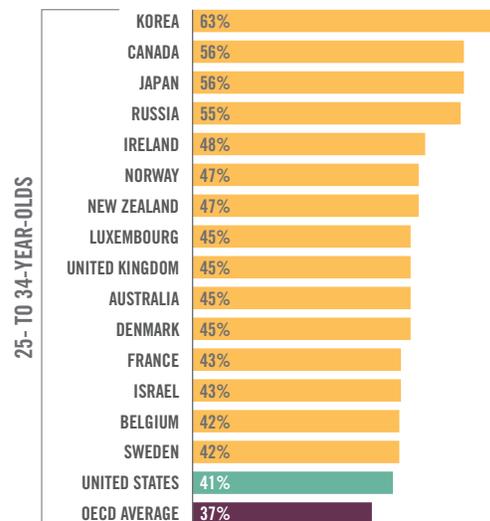
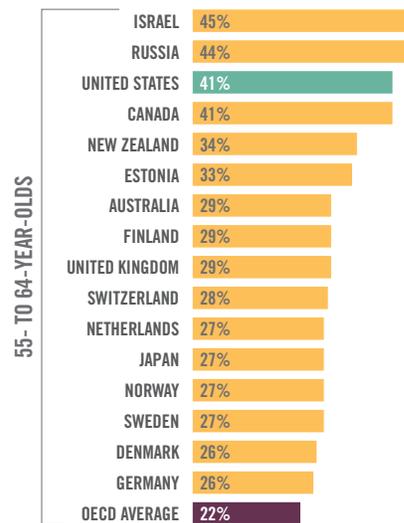
But this leads to a larger question, one that calls into question the widely held view that Millennials are the best-educated generation in history. Recent studies by the McKinsey Global Institute and the Organization for Economic Co-operation and Development (OECD) have seriously challenged this belief.

While it's true that more Millennials are completing college at a higher rate than any generation before, a broader measure—tertiary education—shows the generation is no better off than the Baby Boomers. Tertiary education is any education past high school. McKinsey and OECD data show that 41 percent of 25- to 34-year-old U.S. adults have tertiary education—exactly the same portion as adults 55 to 64, which is the older baby boom generation.

But the real problem is the relative position of the U.S. in the world. The 41 percent figure for Baby Boomers puts us in third place in the world—but the same figure for Millennials drops us to 16th, far behind South Korea, which leads with 63 percent.

## THE UNITED STATES NO LONGER LEADS THE WORLD IN TERTIARY EDUCATION ATTAINMENT

Share of population with tertiary degrees, older vs. young cohort, 2009



SOURCE: ORGANIZATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT (OECD), EDUCATION AT A GLANCE 2011 STATISTICAL ANNEX; MCKINSEY GLOBAL INSTITUTE ANALYSIS

# MARRIAGE AND PARENTHOOD:

## HARDLY A PERFECT PAIR

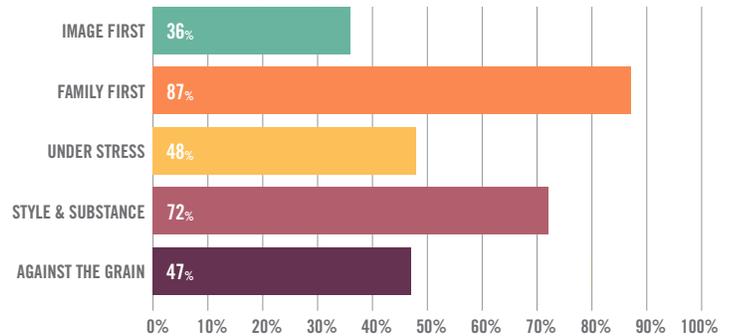
Much has been written about this phenomenon: marriage and parenthood just aren't going together that well anymore. In 2011, the Pew Research Center highlighted this trend with a provocative report titled *For Millennials, Parenthood Trumps Marriage*. Pew's data showed that only about 61 percent of Millennial parents were married .

It also showed that from an attitudinal perspective, Millennials put more weight on being a good parent (52 percent) than on having a successful marriage (30 percent).

But there's more. Recent data from the Centers for Disease Control shows that the majority of women giving birth prior to the age of 30 do so out of wedlock. This is the first time in history that we have seen such a trend.

In our study, we found that just 63 percent of Millennial parents 25 to 34 are currently married. However, when looking at the five orbits we uncovered, that 63 percent is not evenly distributed.

MARRIAGE RATE BY ORBIT



The marriage rate ranges as low as 36 percent for the “Image First” orbit and as high as 87 percent for “Family First.” Not surprisingly, the two orbits with the highest rates—“Family First” and “Style and Substance”—also have the highest levels of both income and education.

# COULD THIS BE THE NEXT “GREATEST GENERATION”?

Millennial parents have been dealt a tough hand. They struggle in a weak economy with a severely depressed labor market that has not come anywhere close to recovering from pre-Recession levels. They haven't been able to fully utilize the education they have and, from a perspective of global competitiveness, their educational position is considerably weaker than the generations that preceded them.

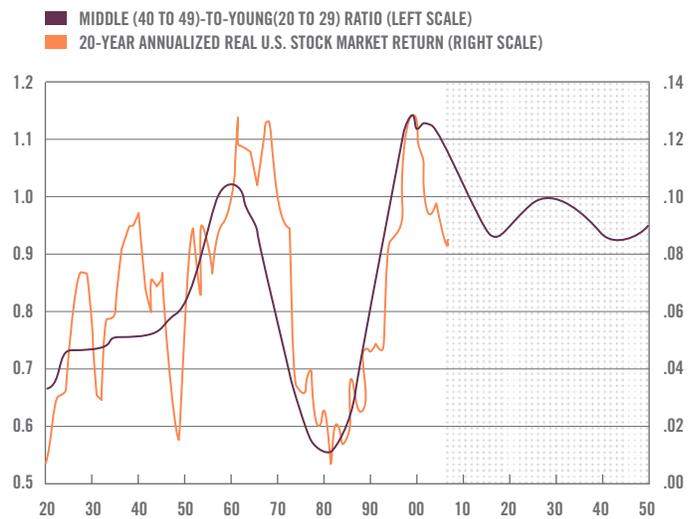
They are living in a time of significant social change, with marriage rates falling and out of wedlock births rising. Plus, not only have they come of age in the shadow of a recession, they were also the generation that bore the brunt of casualties in two wars since 2003.

But wars end and so do recessions. Recoveries slowly take hold—and demography also has a way of correcting imbalances.

Stock traders look at something called the “MY” ratio to predict long-term financial trends. The ratio measures the relationship between middle-age (counted here as those 40 to 49) and young adults (those 20 to 29).

Between 1980 and 2000 that ratio favored the young over the middle—and during that time the economy (and financial markets) boomed. Since 2000, the ratio has been reversed. As the chart shows, there's a consistent correlation between real stock market returns and how the ratio changes. Generally, when the ratio favors the young, markets move higher.

Starting in 2015, the MY ratio will begin a rise that will continue until 2030. It's not as dramatic a rise as when the huge baby boom population moved through young adulthood—but it's noticeable.



SOURCE: WWW.TRADERSNARRATIVE.COM

There's other good news. The prolonged recession—which technically ended in 2009—was caused by a financial crisis. Historically, banking-crisis recessions (the last one was the Great Depression) take longer than ordinary recessions to stop casting a long shadow. Slowly, a damaged economy comes out of its doldrums and awakens. This economy will do the same and is showing signs of that already.

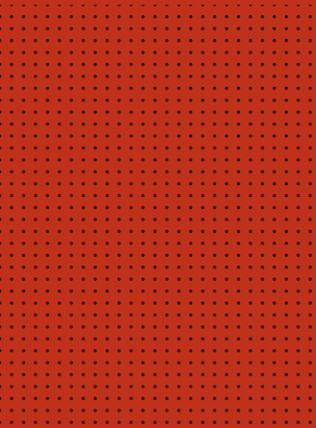
When that day arrives, who will be at the heart of the consumer economy?  
**MILLENNIAL PARENTS.**

By 2024, the Millennial generation will range in age from 29 to 46. The oldest women among them will have slipped out of their childbearing years. And while no one knows where fertility rates will head, the CDC recently reported that they have finally begun to tick back up after several years of decline. So it's not at all unlikely that Millennial moms will give birth to 40-44 million more babies in the next decade.

This generation is poised to leave behind difficult times. No longer will we talk about them living in their parents' basements. By the mid-2020s, they will be the dominant heads of young family households—and those are the households that are the engines of any economy.

There is every reason to believe that they will take the reins of their new responsibilities with fervent dedication. Forty percent of them are already parents and, in the next decade, that portion could double.

It will be a different world. To get an idea of what it will look like, it's useful to look at how Millennial parents are behaving as parents today.



# RAISING THE FAMILY:

CARE, FEEDING, AND INFLUENCES



**“EVERYONE SHOULD HAVE KIDS. THEY ARE THE GREATEST JOY IN THE WORLD. BUT THEY ARE ALSO TERRORISTS. YOU’LL REALIZE THIS AS SOON AS THEY ARE BORN AND THEY START USING SLEEP DEPRIVATION TO BREAK YOU.”**

—Ray Romano

Parenthood is a reality check. Nothing will force a person to think about basic “kitchen table” issues as much as becoming a mom or dad. The first challenge a parent faces is how to take care of the kids. In the sample from our direct survey conducted with Vision Critical, we found a wide distribution, with over 60% saying their pre-school kids are cared for at home.

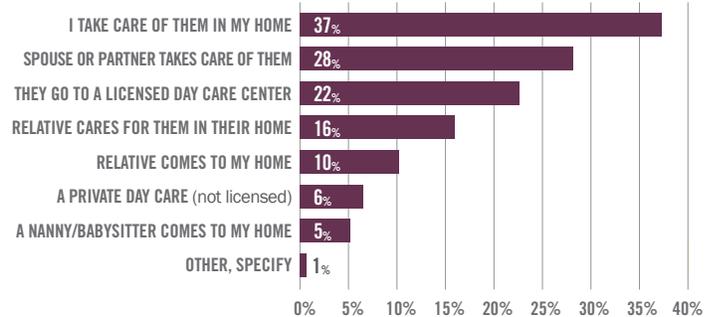
It may be surprising that such a large portion of kids is cared for at home by one of the parents, but recall that we have also seen a relatively low workforce participation rate for Millennial moms and dads—64 percent—so at least 36 percent of parents are available to provide care in the home.

If we factor in relatives who care for children—either in the child’s or in their own home—more than 50 percent of the children of Millennials are cared for by family members.

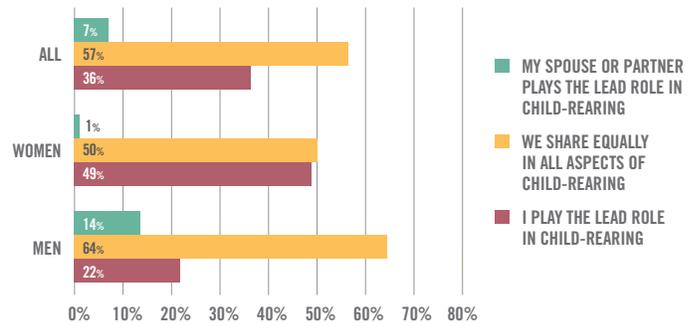
When it comes to who takes the lead role in child rearing, there is an interesting disparity in how men and women see it. Perhaps not surprisingly, women are less likely to say that care is divided equally.

A solid majority of men—64 percent—say the responsibility is equal. But women view it differently—50 percent see it that way, while 49 percent say they take the lead role.

**HOW THE KIDS GET CARED FOR**



**WHO TAKES THE LEAD ROLE IN CHILD REARING**



Despite the disparity, this is fascinating data that suggests Millennial parents are on more equal footing when raising kids than any generation before.

After day care, nutrition is one of the most serious concerns facing a parent. Millennial parents take a strong—but not extreme—position on this subject.

A clear majority—52 percent—are in overall agreement with the statement, “I strictly monitor my children’s diet and restrict things like sweets and junk food.” The top-two-box score, at 29 percent, clearly trumps the bottom-two-box score of 11 percent. So while junk food vigilance isn’t off the charts, the trend line is distinctly skewed toward the watchful parent.

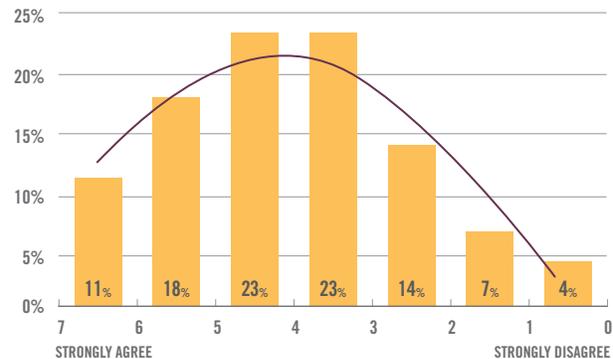
We also looked at how parents look at nutritional issues themselves. While we can’t automatically assume that their own attitudes will spill over to how they raise their children, it’s easy to see how a new food culture is taking hold with this generation of parents.

Once again, the patterns are not extreme—but it’s interesting to see that statements showing support for the local food movement (52 percent agreement) and regular visits to a farmer’s market (39 percent agreement) are strong. So too is agreement with “I look for foods with few ingredients” (46 percent)—one of the basic advice guidelines that food-conscious opinion leaders constantly preach.

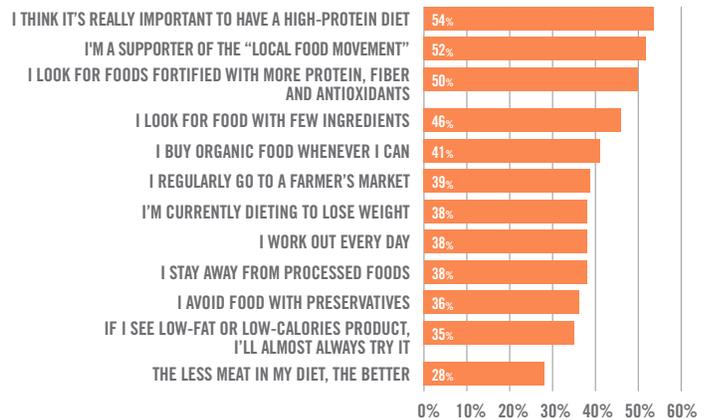
The statements also reflect a dose of realism. Less than 40 percent of Millennial parents work out every day, stay away from processed foods and avoid preservatives—suggesting perhaps that the way Millennial parents and their children eat is less restrictive than what they say. Plus, the statement that gets the very highest level of agreement—“I think it’s really important to have a high-protein diet”—is one that affirms a relatively traditional view on nutrition.

Millennial parents are taking a different approach to what is served on their kitchen tables, but it is wrong to assume that this generation has abandoned the conveniences of “Big Agriculture.”

**I STRICTLY MONITOR MY CHILDREN'S DIET AND RESTRICT THINGS LIKE SWEETS AND JUNK FOOD.**



**HOW STRONGLY DO YOU AGREE OR DISAGREE WITH EACH OF THE FOLLOWING STATEMENTS ON NUTRITION AND HEALTH? (TOP-3-BOX)**



# PARENTAL INFLUENCES

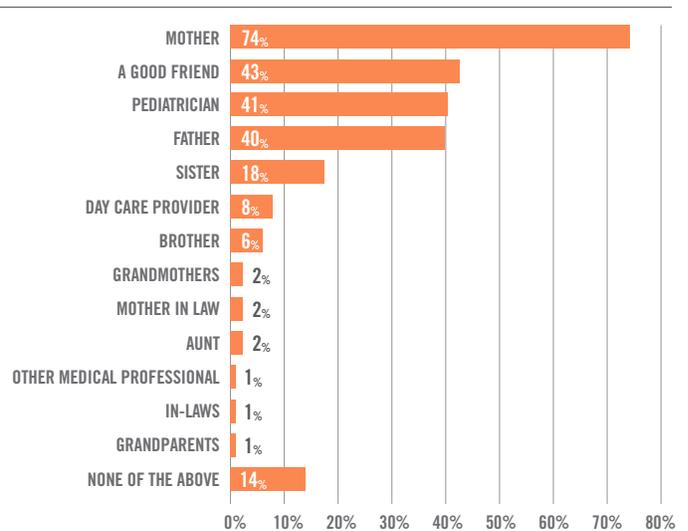
Millennial parents depend most on their own mothers when they seek parental advice. We broke this question into two parts—first asking that respondents name their top three influences. Mother, a good friend, a pediatrician and fathers cluster near the top.

We then asked respondents to select one influencer as the single most important—and mothers are the runaway leaders.

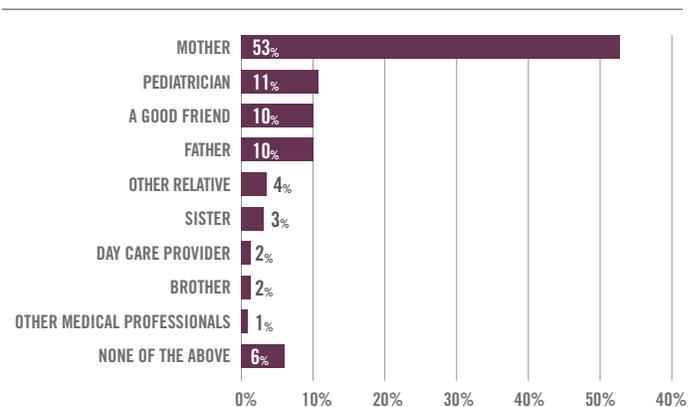
It is interesting that in the top-three listing “a good friend” was second, named by 43 percent of respondents—ahead of pediatricians and fathers (though not within the margin of error), and well ahead of other family members.

We also looked at how parents rated other influences outside of personal influences. Some traditional choices remain strong, but there is a clear diffusion of influences, and a close look shows that online resources counted together are a formidable force.

### TOP PARENTAL INFLUENCERS (CHOOSE 3)



### TOP PARENTAL INFLUENCERS (CHOOSE 1)



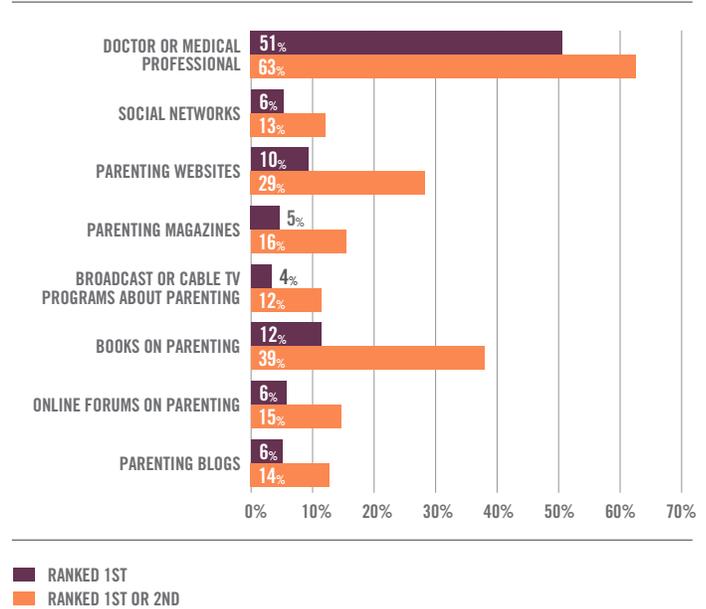
Doctors or some other medical professional—in this case seen as “informational resources,” not the personal pediatrician—are the clear first choice of Millennial parents. After that, books on parenting barely edge out parenting websites as a first choice, though when the top two choices are considered books come on strong at 39 percent.

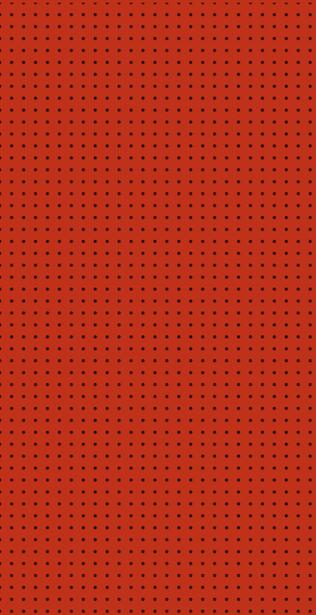
However, a collection of online resources—parenting websites, online forums, parenting blogs and social networks—collectively gather 71 percent of first and second place rankings—far outranking books and parenting magazines (which now may likely be accessed online as well).

This is testimony to the wide dispersion of influences that Millennial parents are relying on to find the information they need. No longer are parents relying on one or two single, iconic resources—be it Dr. Spock, *What to Expect When You’re Expecting*, or even babycenter.com. No ideology or approach prevails with this generation—they make their own choices, ones built on connection and interaction, not just on authority.

Authority hasn’t disappeared—there’s a strong case to be made that this generation values the opinion of leading medical professionals as much as any before it. The notion of “doctor knows best” has by no means disappeared. What’s important to note is that Millennial parents are much more diversified in where they go to find authority figures on child rearing.

### TOP PARENTAL INFLUENCERS (CHOOSE 1)





# THE MILLENNIAL PARENT:

IDEOLOGY AND REALITY



# THE CHILDREN OF THE BOOMERS

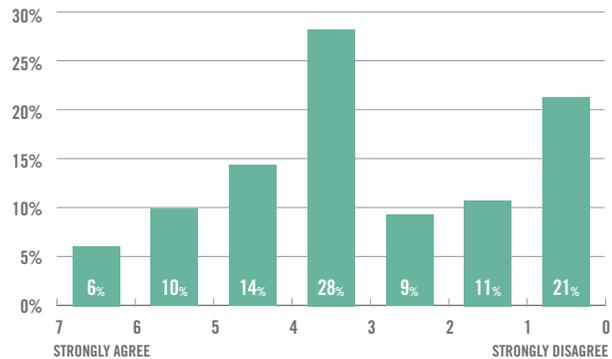
It's often forgotten that Baby Boomers, like the Millennial generation, were once seen as highly principled, idealistic and individualistic. (We do tend to remember that Boomers think of themselves as forever young.) Of course, when Boomer became parents—mostly of today's Millennials—they took on their own dose of realism and some of their idealism slipped away.

Yet some of that original Boomer idealism may have filtered down to their children, because the Millennial generation has certainly played a big role in moving our society toward a new level of tolerance on many levels. Their support of gay rights, marriage equality, the rights of the disabled and even such things as animal rights has been noted and documented in many quarters. Perhaps most important, the Millennial generation is—partly because of its diversity—the most racially and ethnically inclusive in history.

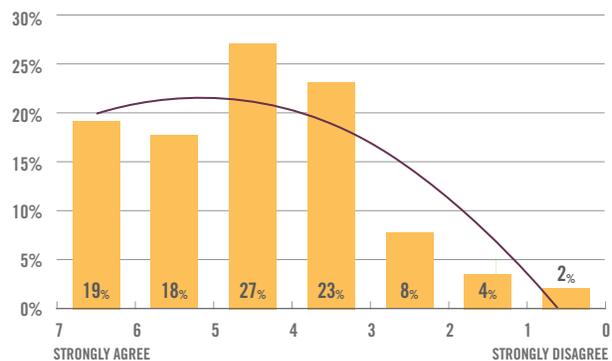
Still, it's important to put this in context: Millennials are not by any means a catch-all group. Like every other age group, Millennials show a wide range of views and, as they age, their disagreements are likely to become more pronounced, not less. Like every generation before them, they are getting more conservative as they have kids.

Millennial parents did support Barack Obama over Mitt Romney in our sampling. Seventy-four percent of them voted in the presidential election, and 58 percent supported the president—in line with most exit polls.

## I'M MORE POLITICALLY LIBERAL TODAY THAN I WAS BEFORE I BECAME A PARENT.



## I'M RAISING OR INTEND TO RAISE MY CHILDREN WITH A DEEP SENSE OF ENVIRONMENTAL RESPONSIBILITY.



But Millennial parents by no means consider themselves solid liberals. They have not, for example, gotten more liberal since parenthood.

About 30 percent say they have become more liberal—but 40 percent disagree with that, some of them quite emphatically. What really distinguishes Millennial parents is that they are strongly moderate—more so than the rest of the population.

Forty-four percent describe themselves as “middle of the road”—compared to 36 percent for the general population. Millennial parents actually under-index for both conservatism and liberalism.

How do we interpret data like that? How does that reconcile with landslide support for Obama and substantial support for social issues like gay marriage?

One interpretation is this: Millennials—with Millennial parents leading the way—are redefining what it means to be “middle of the road.” Millennials have witnessed sharp political and partisan divisions during their early adulthood, and a moderate identification may be a way of expressing rejection of the prevailing politics.

What is most important, however, is to consider how Millennial parents will raise their children. When you look at their views on two issues, environmental responsibility and gay marriage, there is dominant agreement. The top-three-box score is 64 percent—one of the highest in our study—on the statement, “I am raising or intend to raise my children with a deep sense of environmental responsibility.” As the trend line shows, there is no bell curve on this question.

There’s high agreement and then a swift drop off.

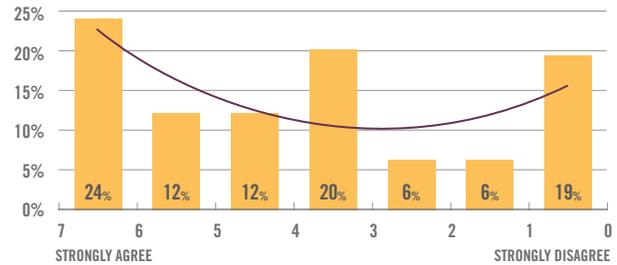
When it comes to support for same-sex marriage, there is considerable agreement (48 percent for the top-three-box), but there is also a spike among those who strongly disagree.

The response from our sample shows that this issue has not won the mainstream agreement among Millennials that we may think. Again, there’s no bell curve—in fact, there is the opposite.

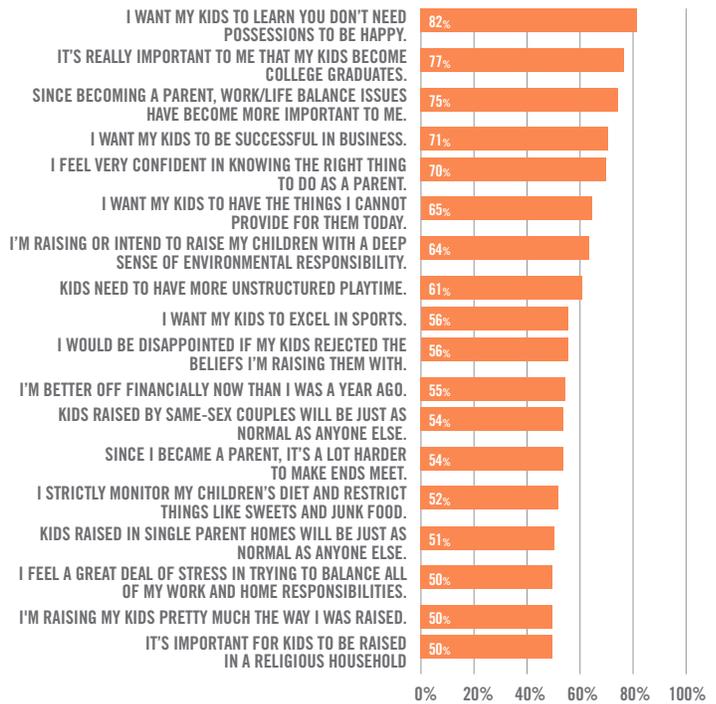
Parental ideology is only partly about social and political issues, though those issues certainly lay an important cultural groundwork for this generation. In our study, we looked at a whole range of issues, with a special emphasis on ones that have a direct bearing on how they are raising their kids.

It’s interesting to compare statements that gain agreement levels of 50 percent or more with those below that. The high-level agreement statements—the ones scoring 70 percent or above—are a mix of idealism and harsh realism. At the top, with more than 80 percent support, is agreement with the statement, “I want my kids to learn you don’t need possessions to be happy.”

**I SUPPORT SAME-SEX MARRIAGE AND INTEND TO RAISE MY CHILDREN BELIEVING IN IT.**



**PARENTAL ATTITUDES: HIGH-LEVEL AGREEMENT**



Yet just below that level of agreement are two statements that could seemingly contradict that lofty ideal: “It’s really important to me that my kids become college graduates” and “I want my kids to be successful in business.”

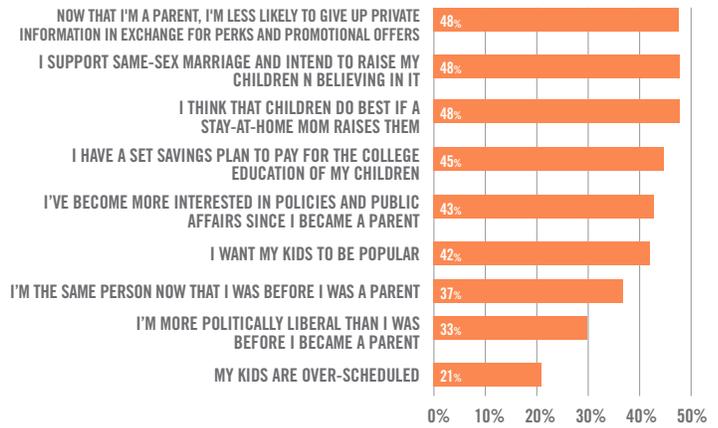
Our interpretation of this goes back to our core argument: Millennial parents are building a new kind of pragmatism. Pragmatism does not preclude or negate holding high ideals. In fact, the contrary is actually true; it makes it possible for ideals to turn into new realities—it’s how change comes about.

Consider the interesting comparison found in these agreement statements: more people agree (54 percent) that kids raised by same-sex couples will be just as normal as kids raised by a single parent (51 percent). It’s hard to imagine that parents 20 years ago—or even 10 years ago—would have taken that stance. (To keep things in perspective, 48 percent still believe that kids are better off if a stay-at-home mom raises them.)

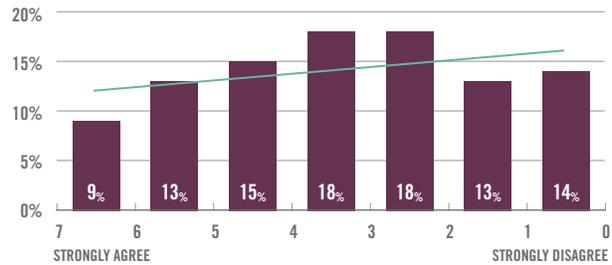
Millennial parents are not shy about owning up to their challenges and difficulties. Seventy-five percent acknowledge that, since parenthood, work/life balance issues have become more important; 54 percent say it’s now harder to make ends meet; and 50 percent say they feel a great deal of stress trying to balance all of their responsibilities.

Statements with lower levels of agreement—below 50 percent—give us insight into the kind of issues that are likely to reveal disagreement or differences among parents. Forty-eight percent of parents are now less willing to give up private information in exchange for perks and promotions, a reflection of the growing concerns about privacy issues in general and about online privacy in particular. Less than half (45 percent) has a set college savings plan for their children.

**PARENTAL ATTITUDES—LOWER LEVEL AGREEMENT STATEMENTS**



**I'M THE SAME PERSON NOW THAT I WAS BEFORE I WAS A PARENT.**



One of the more interesting statements in our sample was, “I’m the same person now that I was before I became a parent.” Thirty-seven percent agree with that statement—but 45 percent disagree with it. This is one question with significant disparity between men and women, with 53 percent of women disagreeing with the statement but only 36 percent of men.

This is a true gender gap. Men don’t see that much change in their own lives but women do.

# WHAT MILLENNIAL PARENTS VALUE

In order to get an objective picture of what millennial parents want for their kids, we asked them a hypothetical question:

Suppose you inherited \$25,000 with one restriction: you must invest it in the future needs and enrichment of your children. How would you allocate the investment?

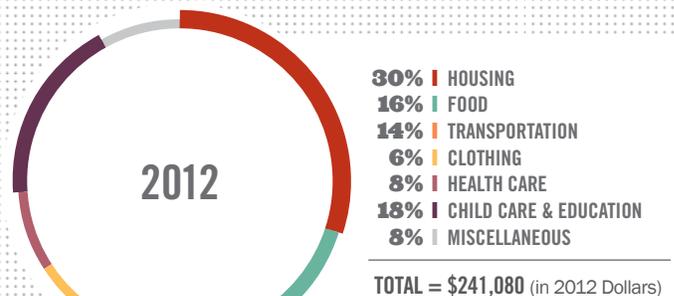
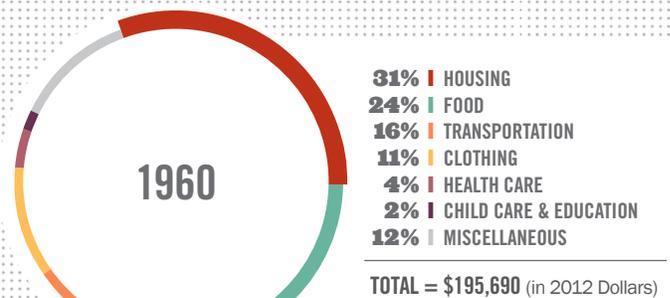
## HERE'S HOW THEY ANSWERED THE QUESTION ON AN AGGREGATED BASIS:

College education	44.0%
Health or medical needs	8.7%
A rainy day fund	8.5%
Pre-college education	7.2%
Educational enrichment outside of school	6.6%
Their first car	6.3%
Travel	5.6%
Digital technology devices	4.0%
Sports camps	3.0%
Donation to a charity or church in their name	2.7%
Other	3.3%

The dominance of education is not surprising—especially given the meteoric rise we have seen in college tuitions over the last 30 years—leaving Millennials carrying an enormous burden of student loan debt.

When pre-college and enrichment education opportunities are added to a college fund, Millennial parents would assign more than 57 percent of an inheritance to educational purposes. No other need breaks into double digits.

Expenditures on a child from birth through 17, total expenses and budgetary component shares, 1960 versus 2012<sup>1</sup>



SOURCE: USDA

A recent study from the United States Department of Agriculture might help put this highly skewed parental choice into perspective. In its report, "Expenditures on Children by Families, 2012," the USDA compared how families today allocate their spending on children with how families in 1960 did so.

By USDA estimates, it will cost a family today \$241,080, compared to \$195,690 (in 2012 dollars) in 1960, to raise a child from birth through age 17. This is an overall increase of 23 percent—and it does not include the cost of college education.

The USDA data reveals how significantly costs have shifted in the last 50 years. Housing costs—at 31 and 30 percent—have held a constant share. So did transportation. The biggest shifts are in food, childcare and education. Food expenditures have dropped by a third—from 24 percent to 16 percent. But childcare and education costs have exploded. In 1960, they were negligible just two percent. Today they are 18 percent.

As the USDA points out in the report, much of this change is a result of higher demand for day care services with more women now in the workforce. It is also indicative of how our society has changed. Food and clothing cost a lot less today, proportionately, than they did in 1960. In those days, incomes went for much more basic types of expenses.

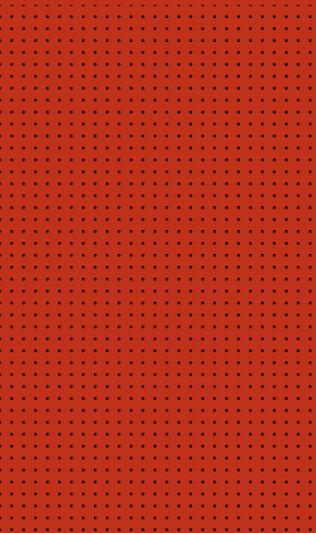
Most significantly, when a child reached age 18 in 1960, fewer of them attended college than today and those who did paid far less in tuition, room, and board than they do now. The USDA estimates that in 2012-13, public universities averaged a total annual cost of about \$17,000 and private colleges an annual cost of about \$40,000.

Put another way, a private college education may well almost double the cost of raising a child into adulthood. A public university education would increase it by nearly a third.

It's therefore easy to understand why today's young parents put their priorities where they do. They have experienced for themselves the high cost of advanced education, and there is no sign that the burden will lessen for their children. They also know that if their kids are to have a chance at staying competitive with the rest of the world, higher education is essential.

This reality more than any other will bring about a new, pragmatic idealism in Millennial parents. The daunting challenges they face while raising and educating their children have already made a dramatic impact on their outlooks and behaviors. It has grounded them made them look at their futures not through their own eyes but through the eyes of their children.

**THEY SEE THEY WILL HAVE A LOT OF WORK TO DO.**



# BRAND ATTITUDES AND BEHAVIORS



Of all the things that parenthood changes, few are as far-reaching as the changes that take place in brand perceptions and behaviors. While this is no surprise (why would Gerber suddenly be a favorite brand for anyone who doesn't have an infant?), it's especially useful to look at how these perceptions play out in detail.

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#### **BRAND ATTITUDES & BEHAVIORS**

# WHY BEING PRAGMATIC IS A POCKETBOOK ISSUE

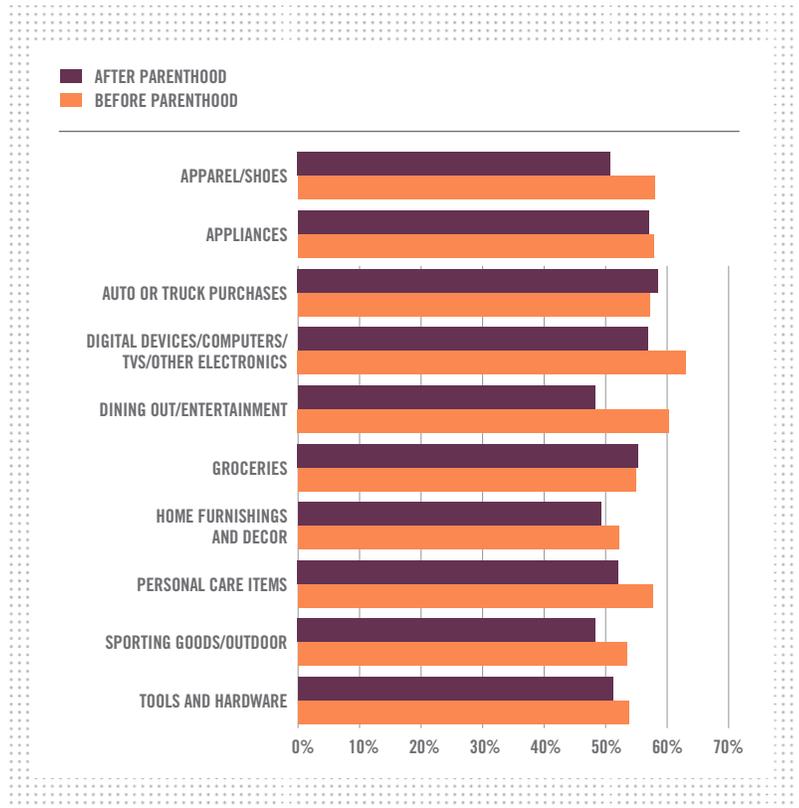
When you become a parent, you can't spend as freely as you once did. Naturally, you are going to spend more money than you ever have—on a sustained basis—but you're going to have to find ways to spend it differently.

To understand how this works with Millennial parents, we asked them to tell us how they spent money both before and after becoming parents.

We gave them 10 spending categories (see the chart) and then asked them to indicate—on a sliding scale—where they placed themselves in that category when it came to buying either on quality or on price. If they bought completely on quality, they were to choose 100 percent; if they bought completely on price, they were to choose 0 percent.

In eight out of 10 categories, respondents indicated that they had shifted more of their buying decisions toward price after becoming parents—auto/truck purchases and groceries were the only categories where the shift had moved toward quality.

In dining out and entertaining, the shift was dramatic: that category switched from second highest in being driven by quality considerations to being the one least driven by quality. In fact, before becoming parents, one in six respondents bought on quality at the 90 percent level or higher. After parenthood, only one respondent in 11 buys that way.



There's a similar pattern in digital and electronic devices. Before parenthood, this category was most driven by quality overall, with 17 percent saying they bought on quality. After parenthood, that number dropped to 11 percent.

On an aggregate basis—combining all categories—our respondents bought on quality over price by a 57 to 43 margin before they became parents. After parenthood, the ratio shifts to 52/48.

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## WHAT ARE WE TO MAKE OF THOSE NUMBERS?

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If you're a brand manager, you'll want to look at it from a category perspective—though the overall lesson seems compellingly clear: there's about a 10 percent shift toward price, and price and quality are near equals in the overall equation. In three categories—dining, home furnishings and sporting goods/outdoor—the balance has shifted toward price, with the scale dipping below 50 percent for each of those. In three other categories—apparel, tools/hardware and personal care—it's virtually dead in the middle.

Four categories are relatively strong toward quality: appliances, autos/trucks, digital devices (despite falling significantly) and groceries. In each of these, a quality-centered strategy can work with Millennial parents, though it needs to be carefully thought out and not taken to an extreme. Knowing that parents may overlook price in these categories as a prime decision driver, brands could smartly devise strategies that improved their margin by promoting product mixes that make a quality appeal—or that target a “quality elite” of consumers.

For example, in the grocery category, one-third of respondents say that 70 percent or more of their buying decision is based on quality. Brands could reap significant margin if they use data targeting strategies to identify consumers that require less discounting and couponing and look for high-value products.

For those categories that have moved more strongly toward price, brand managers can look at what elements of a parent target group are heavily price oriented and which ones are not. With many of the tactical analytics available today, it's possible to use discounting and price marketing prudently, with an approach that expands a brand's target range but doesn't over-discount and thereby sacrifice margin.

# THE SHIFTS IN BRAND PREFERENCE

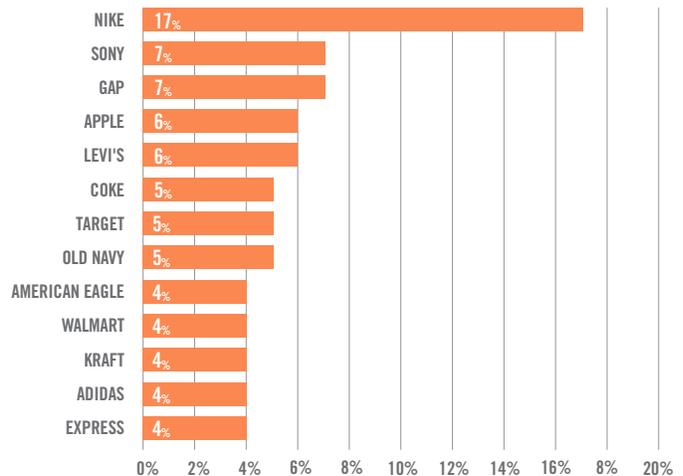
Life before kids is relatively simple, especially when it comes to choosing the brands we love. For one, the choices are all our own, and they reflect the things that interest and motivate us. When we only have ourselves to think about, our tastes invariably range toward things to do with style, fashion and prestige.

We asked Millennial parents to name their favorite brands before they became parents. The top five mentioned—Nike, Sony, Gap, Apple, and Levi’s—represent an assortment of style and technology powerhouses.

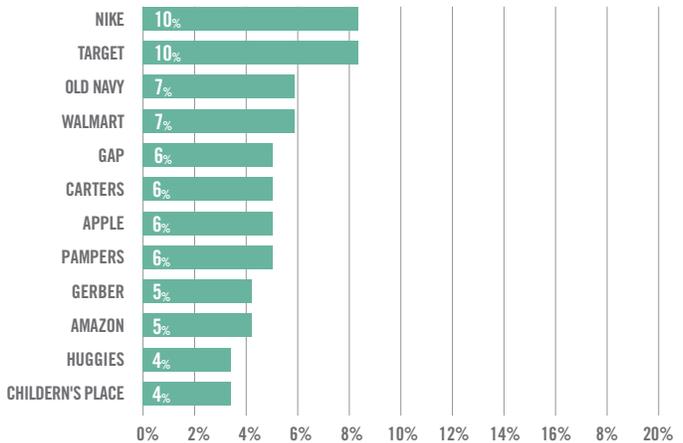
After parenthood, Nike and Gap remain in the top five. Nike is still first overall (though tied with Target), but it’s considerably weaker in its dominance (dropping from a score of 17 percent to 10 percent). Sony, Apple, and Levi’s all fall back, replaced by Target, Old Navy and Walmart.

Walmart? On a list of favorite Millennial brands? Where are Starbucks, Warby Parker and Dollar Shave Club? (This won’t be the last time you see Walmart rise in consideration among Millennial parents.)

BEFORE YOU BECAME A PARENT,  
WHAT WOULD YOU SAY WERE YOUR THREE FAVORITES BRANDS?



NOW THAT YOU ARE A PARENT,  
WHAT WOULD YOU SAY WERE YOUR THREE FAVORITES BRANDS?



First of all, it's important to remember that Millennials are a mass cohort, and they embrace mass brands as much as any group. Even before they became parents,

Walmart was in the top 10 of these respondents.

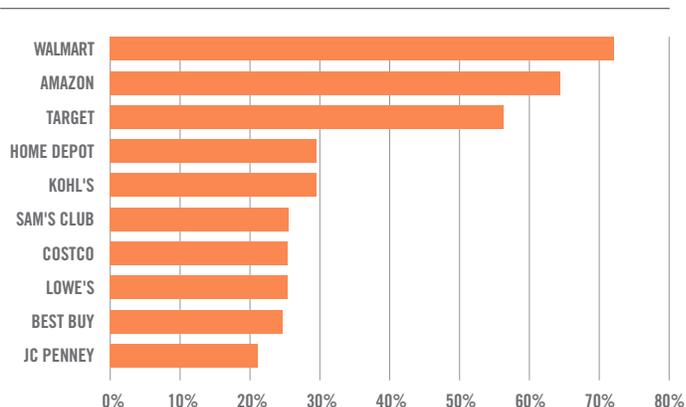
Second, and more importantly, brand preference for these parents reflects their changing needs. Now that they're parents, Sony, Levi's, Coke, American Eagle, Kraft, Adidas and Express dropped out of our top-named lists. Replacing them are the likes of Carter's,

Pampers, Gerber, Huggies and Children's Place.

An interesting addition to the parent favorite list is Amazon. Before parenthood, this brand didn't even register one percent on an unaided basis as a top-three favorite brand. At first blush, this may seem counter-intuitive when it comes to Millennials. Keep in mind this is a strict, unaided question, and as popular as Amazon may be among Millennials in general, on an unaided basis it's not the sort of brand that would leap to the top tier of "favorites." More than anything,

Amazon is the ultimate pragmatic brand.

#### WHERE HAVE YOU MADE A PURCHASE FROM IN THE PAST MONTH?



After parenthood, it leaps into a top tier, with 5 percent naming it as favorite. To show this isn't all a matter of perception, look at where Millennial parents have made purchases in the past month: Amazon is second, right behind Walmart.

This list—along with the list of top-three preferred brands—is a testament to practicality in terms of both dollars and time. Walmart, Amazon and Target are the only three brands to appear on both lists shown here. If you look carefully at many of the brands from the top-preferred list—like Pampers, Huggies and Gerber—all those are brands available at many of the mass retailers in the purchased-from chart.

# DOES CAUSE MAKE A DIFFERENCE?

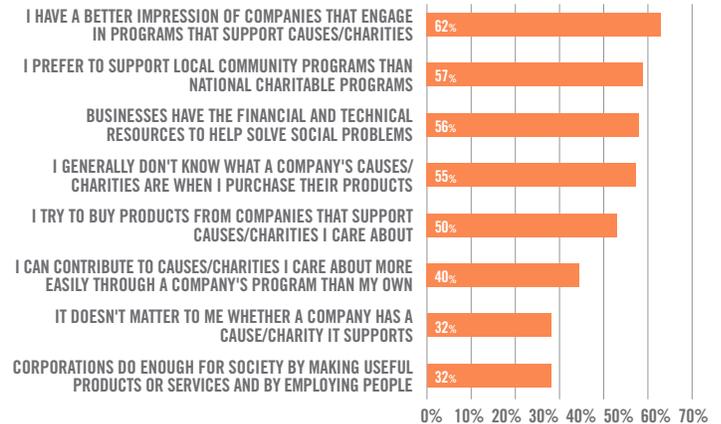
In recent years, cause marketing has taken on significant importance among a wide range of consumers, particularly Millennials. Many brands have increased their efforts in cause marketing because they sense it offers them the opportunity to be a good corporate citizen while improving their image with key target groups.

Our findings in this study give further validation to this trend and point to just how strongly Millennial parents feel about the work companies do in cause-related areas. One key finding stands out: 62 percent of Millennial parents put a high premium on cause work by brands, but 55 percent of the time they have no idea what causes are supported by the companies they do business with.

An equally important point is that Millennials believe business really can make a difference: 56 percent say that companies have the technical and financial resources to help solve social problems.

There has been ample research done in recent years that point to Millennial idealism, especially regarding how Millennials have worked actively on causes they believe in. What our results show is that, as parents, these ideas are still important and are something that Millennials think about.

## PARENTAL ATTITUDES: HIGH-LEVEL AGREEMENT



They look for concrete impact—their preference is to support local causes over national ones, and they believe that contributing through a company's cause efforts is a better way to help than doing something on their own.

Brands can win with Millennial parents with thoughtful cause marketing that has a local angle and is clearly identified. It cannot work if it's in the background, is vague, and is no better than someone can do on their own.

Like so many things we have seen in the course of this study, Millennial parents are looking for results—for impact. They want to know that if they use a brand, it accomplishes something. Not just for their needs but for larger ones.

# ONE RETAILER FOR THE REST OF YOUR LIFE

To understand Millennial parents in a somewhat different light, we asked them a hypothetical question:

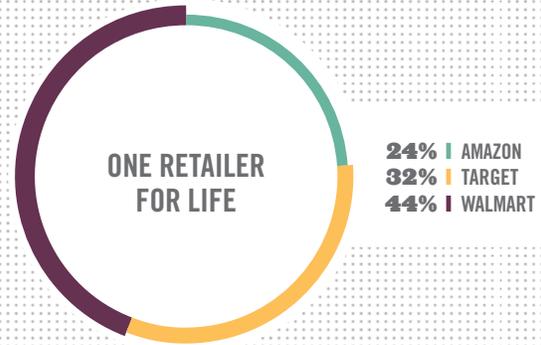
Suppose you had to do all of your shopping (other than groceries) at one of the following stores for the rest of your life. Which one would you choose?

## THE CHOICES WERE AMAZON, TARGET AND WALMART.

Millennial parents chose Walmart by a margin of 44 percent over Target (32 percent) and Amazon (24 percent). For men, the second choice is Amazon (29 percent to 27 percent over Target).

This is another result that is counterintuitive. The prevailing impression of Millennials is that Target—or even Amazon—would be their preference in this hypothetical situation. But Walmart still wins—perhaps on the strength of their distribution and presence, perhaps because millions of Millennials don't think about Target's "design for all" message or Amazon's long reach.

Whatever the explanation, Walmart is likely a practical choice for them and their young families.



# WHERE THEY GO FROM HERE:

WHAT IT WILL MEAN TO REDEFINE PRAGMATISM

# WHERE THEY GO FROM HERE:

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The real story of the Millennial generation is just now beginning. Until now, Millennials as parents got little attention. The focus has been on their youthful ways, free and easy manner, and “world is flat” behavior that let them crisscross the globe—both physically and virtually.

We thought of them as hip trendsetters pushing the edges of new technology, inventing some of our most iconic new brands. We also thought of them as “Boomerangs,” battered by a terrible economy and forced back home to live with their parents. In the process we accumulated stereotypes about them that were usually oversimplified if not flat-out wrong:

- **THEY WERE MAKING A MASS MIGRATION BACK INTO BIG CITIES**  
(it’s actually a small migration, and the real action is in the suburbs).
- **THEY VALUED THEIR IPHONES MORE THAN CARS AND THEY’RE NOT INTERESTED IN DRIVING**  
(Ford and some other major car brands did not get that memo; they didn’t buy cars because they couldn’t afford them).
- **THEY ARE THE MOST EDUCATED GENERATION IN HISTORY**  
(they equal the baby boom in that regard, but our nation has served them poorly by letting them fall behind the rest of the world).
- **THEY’RE LAZY AND SELF-CENTERED**  
(even though they were sent to fight two wars and they struggle hard to gain full employment in an economy that nearly flirted with catastrophe just as they reached the prime of young adulthood).

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These hip trendsetters are now becoming parents, and it’s about time we start thinking about them differently.

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**OUR CENTRAL IDEA IN THIS STUDY HAS BEEN THAT THIS GENERATION WILL REMAKE THE CONCEPT OF AMERICAN PRAGMATISM, AND THEY WILL BRING TO OUR CULTURE A NEW KIND OF DEMOCRACY.**

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This isn’t just a political democracy, though it has some of those elements. It’s a democracy that infiltrates every level of trade, commerce and daily life. It’s a real and empowering democracy—not one that depends on politicians who live off the influence of big money and fight each other to political death.

For some years now, marketers have been hearing that they don’t really control their brands—consumers do. We are past the point of having to discuss that or prove it. It’s a given. The real question is this: what does it mean?

We think we know at least some of the answers to that question—and they are found partly in how this generation is behaving as parents but also in the ways they were raised and in the technologies that took hold during their youth.

Here are a few lessons from this study. Some of these things are clearly happening, and some are things we believe likely will:

- 1** Millennial parents will instill in their children an unprecedented sense of individual tolerance and social responsibility. This will change our politics and our social interactions considerably.
- 2** Ethnic diversity will be the new normal and Hispanic culture will live a rich co-existence, with Anglo culture and African American culture. A true melting pot will emerge.
- 3** A core group of Millennial parents—though by no means all—will set a new standard when it comes to health and nutrition. They will insist on a new level of quality and purity in the products they use.
- 4** Technology will become largely invisible. Devices will, of course, always have their lure, but this generation will take them for granted just as the Mad Men generation took for granted automatic transmission cars and air-conditioned homes. Once this happens, the world will experience the real power of the age of information.
- 5** Emerging media will stop emerging and simply be. For some time now, we have been living in a very noisy world, where clear signals fight to break through. Look for that to change and for a new media order to take hold.
- 6** Millennial parents will support brands that reflect their values and think beyond profit. “Cause branding” will not be a sidebar activity. It will become integral to success.
- 7** They will require brands to solve problems if they are to stay relevant. Convoluting branding and shallow image will be of little use. Marketers might even want to dust off the teachings of Claude Hopkins and Rosser Reeves, both of whom knew how to score simple points and make them stick.
- 8** They will extend and expand the idea of the “participation economy,” forcing brands to constantly work for loyalty and acceptance. This won’t be out of cynicism or cockiness—it will just be the way things are. Monopolists and icons beware.
- 9** If they can live even a few years without the specter of war and recession, this generation will stare down their adversaries and spark a cycle of growth we haven’t seen since the dot-com craze of the late ’90s.
- 10** In 20 years or so they will start having grandchildren, and the cycle will start all over again.

**NEAR THE END OF HIS LIFE,  
THE BABY BOOM HERO ROBERT KENNEDY WROTE:**

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“Our future may lie beyond our vision, but it is not completely beyond our control. It is the shaping impulse of America that neither fate nor nature nor the irresistible tides of history, but the work of our own hands, matched to reason and principle, will determine destiny. There is pride in that, even arrogance, but there is also experience and truth. In any event, it is the only way to live.”

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Kennedy died at the hands of an assassin almost a half-century ago. To many, it may seem that his pragmatic idealism died with him. In the intervening years, we have not been able to find a lot of faith in institutions that we once naturally trusted.

But life has a way of coming back around. By nature, people just don't give up.

Especially in this country. America is unique for one reason: it was the first nation truly built on an idea. It's not a pretentious idea—it's a very practical one. People can work together in peace, whoever they are or whatever their background, and make life better for one another.

When they start having kids, every generation gets its turn to do “the work of our own hands.”

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**NOW IT'S THE MILLENNIALS' TURN.  
WE'RE BETTING THEY'LL DO A VERY GOOD JOB OF IT.  
#SRSLY.**