MILLENNIALS... That Elusive Cohort
BIG PICTURE

Presented By

Paige Shipp—Regional Director for Dallas and Fort Worth Texas
Millennials: That Elusive Cohort
Who Are They?

The Generations Defined

Source: Pew Research
Millennials are now the largest, most diverse generation...

**Age Cohorts**
- Millennials: 28M
- Generation X: 66M
- Baby Boomers: 74.9M
- Silent Generation: 75.4M

**Ethnicities**
- White, non-Hispanic: 58.0%
- Hispanic: 21.0%
- Black: 14.0%
- Asian/Pacific Islander: 6.0%
- Other: 1.0%
MILLENNIALS…
That Elusive Cohort

Connectivity
To reach and convert Millennials you must be mobile.

Own a smartphone

51% can’t go more than three hours without their mobile device

Sends 67 hours using media/week
35 hours digital
32 traditional (TV, print, radio)
Millennials: That Elusive Cohort
Connectivity—Creating a Brand

The key to online social media is creating your BRAND. It’s not about who you are but how you want people to perceive you.

• Where you go (check-ins)
• Who you follow (likes)
• Who follows you
• What you post
• How you post
• When you post

“I will spend 10 minutes to achieve the perfect brightness on pictures I post.”
Millennials: That Elusive Cohort
Connectivity—It’s All About the Apps

Facebook
Instagram
Snapchat
Airbnb
Pinterest
Uber
Etsy
GroupMe
Periscope
BuzzFeed
Favor
Mint
Venmo
Millennials: That Elusive Cohort
Connectivity—Not So Much About These Apps

Twitter
LinkedIn
Nextdoor
BRANDS AND RETAIL

Millennials’ affinity for technology is reshaping the retail space. With product information, reviews and price comparisons at their fingertips, Millennials are turning to brands that can offer maximum convenience at the lower cost.

% OF MILLENNIALS WHO COMPARE PRICES IN STORE 57%

When shopping, a product recommendation is a STARTING POINT

1. Receive a recommendation or see something they like
2. Weigh the validity of recommendation based on referrer’s credibility
3. Scour reviews
4. Search product in social media
5. Investigate both brand and product
6. Purchase (or not)

“I never purchase based on a recommendation. I am skeptical about a product initially, so I have to do my research.”
ACCESS, NOT OWNERSHIP

Millennials have been reluctant to buy items such as cars, music and luxury goods. Instead, they’re turning to a new set of services that provide access to products without the burdens of ownership, giving rise to what’s being called a “sharing economy.”

“25 YEARS FROM NOW, CAR SHARING WILL BE THE NORM, AND CAR OWNERSHIP AN ANOMALY.”
—JEREMY RIFKIN, AUTHOR AND ECONOMIST

Source: Goldman Sachs Global Investment Research

“Why would I own something if I can just borrow it?”
“When a Brand Uses Social Media, I Like that Brand More”

- 34% of 18-35 year olds
- 16% of 36+ year olds

Source: Association of National Advertisers, Barkley, SMG, BCG
Connectivity—How they Communicate

“I do use the phone to communicate, but that’s because of the people I work with. They are, you know, OLD.”

Why Millennials Prefer Text to Phone Calls

- **76%** More convenient and on their own schedule
- **63%** Less disruptive than a phone call
- **53%** Text is preferred form of communication
- **19%** Never check voicemail

Source: OpenMarket
MILLENNIALS... That Elusive Cohort

Education
Millennials: That Elusive Cohort

**Education—Who Are They?**

**Most Educated**

% completing at least a bachelor’s degree at ages 18–33

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Men</td>
<td>12</td>
<td>17</td>
<td>18</td>
<td>21</td>
</tr>
<tr>
<td>Women</td>
<td>7</td>
<td>14</td>
<td>20</td>
<td>27</td>
</tr>
</tbody>
</table>

Source: Pew Research

**Education Required**

Median annual earnings among full-time workers ages 25–32, in 2012 dollars

<table>
<thead>
<tr>
<th>Group</th>
<th>Bachelor’s degree or more</th>
<th>Two-year degree/Some college</th>
<th>High school graduate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Silents (1965)</td>
<td>$38,833</td>
<td>$44,770</td>
<td>$43,663</td>
</tr>
<tr>
<td>Early Boomers (1979)</td>
<td>$36,498</td>
<td>$41,989</td>
<td>$45,500</td>
</tr>
<tr>
<td>Late Boomers (1986)</td>
<td>$31,384</td>
<td>$32,999</td>
<td>$30,000</td>
</tr>
<tr>
<td>Gen Xers (1995)</td>
<td>$32,173</td>
<td>$30,525</td>
<td>$28,000</td>
</tr>
<tr>
<td>Millennials (2013)</td>
<td>$30,000</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

$50 thousand

$40

$30,000
Millennials: That Elusive Cohort
Education—The Ifs and Whats

It’s not IF you’re going to College, it’s WHERE

• What are you studying?
• What will you do with your major?
• How much will you make?

“A master’s degree is the new bachelor’s and bachelor’s is the new associate.”
Millennials: That Elusive Cohort
Education—Learning 101

Millennials are passionate about Education

- Committed to personal learning and development
- Learn by exploring
- Are lifelong learners
- DIY—HGTV, YouTube

“My friends and I believe that Education is the #1 way to improve and solve all social problems.”
Millennials: That Elusive Cohort

Education—College = Debt

- **Millennials**
  - 38% Graduated $10K+ in Debt
  - 51% Graduated Debt Free

- **Baby Boomers**
  - 26% Graduated $10K+ in Debt (Adjusted for Inflation)
  - 57% Graduated Debt Free

Source: Study.com
Millennials: That Elusive Cohort

Connectivity—Increasing Student Loan Debt

Mean Student Loan Balance for 25 year olds

Source: Federal Reserve
MILLENNIALS… That Elusive Cohort Renters
Renters as a Percentage of Total Population, 25-34 Years

Source: Organization for Economic Co-operation and Development
Millennials: That Elusive Cohort
Renters—Language of Millennials

- Amenities
- Exceptional
- Design
- Concierge
- Indulgent
- Matchless
- Residences
- Unparalleled
- Sundock
- Resort
- Well-connected
- Premier
- Urban
- Upgrade
- First-class
- Exquisite
- Relax
- Style
- Friends
- Individual
- Terrace
- Luxury
- Universe
- Infinity
- 5-star
- Kitchens
- Cyber
- Elevated
- Private
- Internet
- Cultivated
- Sophistication
- Chef-style
- Architecture
- Cosmopolitan
- Innovative
- Unique
- Exclusive
- Service
- Modern
- Chic
- Prestigious
- Matchless
- Indulgent
- Concierge
- Amenities
- Design
- Exceptional
- Well-connected
- Universe
- Infinity
- 5-star
- Kitchens
- Cyber
- Elevated
- Private
- Internet
- Cultivated
- Sophistication
- Chef-style
- Architecture
- Cosmopolitan
- Innovative
- Unique
- Exclusive
- Service
- Modern
- Chic
- Prestigious
- Matchless
- Indulgent
- Concierge
- Amenities
- Design
- Exceptional
- Well-connected
- Universe
- Infinity
- 5-star
- Kitchens
- Cyber
- Elevated
- Private
- Internet
- Cultivated
- Sophistication
- Chef-style
- Architecture
- Cosmopolitan
- Innovative
- Unique
- Exclusive
- Service
- Modern
- Chic
- Prestigious
- Matchless
- Indulgent
- Concierge
- Amenities
- Design
- Exceptional
- Well-connected
- Universe
- Infinity
- 5-star
- Kitchens
- Cyber
- Elevated
- Private
- Internet
- Cultivated
- Sophistication
- Chef-style
- Architecture
- Cosmopolitan
- Innovative
- Unique
- Exclusive
- Service
- Modern
- Chic
- Prestigious
- Matchless
- Indulgent
- Concierge
- Amenities
- Design
- Exceptional
- Well-connected
- Universe
- Infinity
- 5-star
- Kitchens
- Cyber
- Elevated
- Private
- Internet
- Cultivated
- Sophistication
- Chef-style
- Architecture
- Cosmopolitan
- Innovative
- Unique
- Exclusive
- Service
- Modern
- Chic
- Prestigious
- Matchless
- Indulgent
- Concierge
- Amenities
- Design
- Exceptional
- Well-connected
- Universe
- Infinity
- 5-star
- Kitchens
- Cyber
- Elevated
- Private
- Internet
- Cultivated
- Sophistication
- Chef-style
- Architecture
- Cosmopolitan
- Innovative
- Unique
- Exclusive
- Service
- Modern
- Chic
- Prestigious
- Matchless
- Indulgent
- Concierge
- Amenities
- Design
- Exceptional
- Well-connected
- Universe
- Infinity
- 5-star
- Kitchens
- Cyber
- Elevated
- Private
- Internet
- Cultivated
- Sophistication
- Chef-style
- Architecture
- Cosmopolitan
- Innovative
- Unique
- Exclusive
- Service
- Modern
- Chic
- Prestigious
- Matchless
- Indulgent
- Concierge
- Amenities
- Design
- Exceptional
- Well-connected
- Universe
- Infinity
- 5-star
- Kitchens
- Cyber
- Elevated
- Private
- Internet
- Cultivated
- Sophistication
- Chef-style
- Architecture
- Cosmopolitan
- Innovative
- Unique
- Exclusive
- Service
- Modern
- Chic
- Prestigious
- Matchless
- Indulgent
- Concierge
- Amenities
- Design
- Exceptional
- Well-connected
- Universe
- Infinity
- 5-star
- Kitchens
- Cyber
- Elevated
- Private
- Internet
- Cultivated
- Sophistication
- Chef-style
- Architecture
- Cosmopolitan
- Innovative
- Unique
- Exclusive
- Service
- Modern
- Chic
- Prestigious
- Matchless
- Indulgent
- Concierge
- Amenities
- Design
- Exceptional
- Well-connected
- Universe
- Infinity
- 5-star
- Kitchens
- Cyber
- Elevated
- Private
- Internet
- Cultivated
- Sophistication
- Chef-style
- Architecture
- Cosmopolitan
- Innovative
- Unique
- Exclusive
- Service
- Modern
- Chic
- Prestigious
- Matchless
- Indulgent
- Concierge
- Amenities
- Design
- Exceptional
- Well-connected
- Universe
- Infinity
- 5-star
- Kitchens
- Cyber
- Elevated
- Private
- Internet
- Cultivated
- Sophistication
- Chef-style
- Architecture
- Cosmopolitan
- Innovative
- Unique
- Exclusive
- Service
- Modern
- Chic
- Prestigious
- Matchless
- Indulgent
- Concierge
- Amenities
- Design
- Exceptional
- Well-connected
- Universe
- Infinity
- 5-star
- Kitchens
- Cyber
- Elevated
- Private
- Internet
- Cultivated
- Sophistication
- Chef-style
- Architecture
- Cosmopolitan
- Innovative
- Unique
- Exclusive
- Service
- Modern
- Chic
- Prestigious
- Matchless
- Indulgent
- Concierge
- Amenities
- Design
- Exceptional
- Well-connected
- Universe
- Infinity
- 5-star
- Kitchens
- Cyber
- Elevated
- Private
- Internet
- Cultivated
- Sophistication
- Chef-style
- Architecture
- Cosmopolitan
- Innovative
- Unique
Millennials: That Elusive Cohort
Renters—Those Amenities!

The Mondrian

- Demo and Catering Kitchen
- Dog Park
- Fitness Center
- Workout Room
Renters—Those Amenities!

1900 McKinney

Resident Club

Pool

Lounge

Coffee Bar
Millennials: That Elusive Cohort

Renters—Those Amenities!

Instrata

Fitness Center

Dining and Wine Room

Movie Theater

Clubroom
MILLENNIALS…
That Elusive Cohort

Homeownership
Their home represents their brand

- Minimalist—they don’t want a lot of space to maintain
- They like repurposed items i.e. Chip and Joanna
- Their home needs to have “character”
- Farm to table for everything, not just food
- Outdoor living is just as important than indoor space
More and More Millennials are Living with their Parents – by Choice?

Percentage of 18-34 Year Olds Living with Parents

Source: American Community Survey
Millennials: That Elusive Cohort

Homeownership—Delayed, Not Obsolete

Percentage of Renters that Plan to Buy a Home Some Day

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>18-34 Years</td>
<td>93%</td>
</tr>
<tr>
<td>35-44 Years</td>
<td>75%</td>
</tr>
<tr>
<td>45-54 Years</td>
<td>72%</td>
</tr>
<tr>
<td>55+ Years</td>
<td>39%</td>
</tr>
</tbody>
</table>

Source: Trulia
# Millennials: That Elusive Cohort

## Homeownership—45 Years of Change

<table>
<thead>
<tr>
<th>Years</th>
<th>Median Age</th>
<th>Median Income (in 2011 dollars)</th>
<th>Median Home Price (in 2011 dollars)</th>
<th>Price-to-Income</th>
<th>Percent Married</th>
<th>Number of Family Members</th>
<th>Median Years Renting</th>
</tr>
</thead>
<tbody>
<tr>
<td>1970-1974</td>
<td>30.6</td>
<td>$52,831.53</td>
<td>$87,371.37</td>
<td>1.7</td>
<td>N/A</td>
<td>3.0</td>
<td>2.6</td>
</tr>
<tr>
<td>1975-1979</td>
<td>29</td>
<td>$54,869.55</td>
<td>$98,772.99</td>
<td>1.8</td>
<td>N/A</td>
<td>2.6</td>
<td>4.6</td>
</tr>
<tr>
<td>1980-1984</td>
<td>29.6</td>
<td>$51,178.56</td>
<td>$102,367.05</td>
<td>2</td>
<td>N/A</td>
<td>2.0</td>
<td>5.0</td>
</tr>
<tr>
<td>1985-1989</td>
<td>30.4</td>
<td>$58,296.90</td>
<td>$107,942.98</td>
<td>1.9</td>
<td>52%</td>
<td>2.4</td>
<td>4.4</td>
</tr>
<tr>
<td>1990-1994</td>
<td>32.2</td>
<td>$52,400.80</td>
<td>$98,697.29</td>
<td>1.9</td>
<td>44%</td>
<td>2.0</td>
<td>5.0</td>
</tr>
<tr>
<td>1995-1999</td>
<td>33.3</td>
<td>$51,418.35</td>
<td>$112,528.86</td>
<td>2.2</td>
<td>44%</td>
<td>2.3</td>
<td>5.5</td>
</tr>
<tr>
<td>2000-2004</td>
<td>33.5</td>
<td>$58,738.00</td>
<td>$144,796.52</td>
<td>2.5</td>
<td>47%</td>
<td>2.0</td>
<td>5.5</td>
</tr>
<tr>
<td>2005-2009</td>
<td>33.3</td>
<td>$58,087.91</td>
<td>$162,648.76</td>
<td>2.8</td>
<td>40%</td>
<td>2.0</td>
<td>6.0</td>
</tr>
<tr>
<td>2010-2013</td>
<td>32.5</td>
<td>$54,339.84</td>
<td>$140,327.58</td>
<td>2.6</td>
<td>40%</td>
<td>2.0</td>
<td>6.0</td>
</tr>
</tbody>
</table>

Source: Zillow
Millennials: That Elusive Cohort
Homeownership—Marriage Later

“I plan to buy a home first, then get married and have kids.”

23% 27% 43% 56%

Percentage of 18-31 Year Olds Married and Living in their Own Household

Millennials: That Elusive Cohort

Homeownership—They Want It, Just Not Now

“How Important is it for You to Own a House?”

7% I might purchase one if I really need it, but indifferent otherwise
8% I do not feel strongly about it
15% Do not intend to purchase in near future
30% Important, but not a big priority
40% Extremely Important

Source: Goldman Sachs Fortnightly Thoughts intern survey, 2013
“I’m spending $1,700/month on an apartment. I can’t afford to buy a home, though.”

Mean income for 15–24 year olds as a percentage of total population

Source: Bureau of Labor Statistics
WHAT DOES IT MEAN TO ME?

Presented By

Penny Arensdorf—Vice President of Consumer Segmentation
• Millennials are mobile and I am not just talking smartphone usage they account for 43% of the moves

• Millennials moves are more than job motivated. Key criteria Millennials consider are:
  • Commute times
  • What the city has to offer
  • Access to peers/health care
  • Climate- infinity to outdoor activities
  • Millennials are moving to up-and-coming neighborhoods that have lower rents, direct access to the big cities, and a trendy atmosphere of their own
Millennials’ new home buying performance strengthening across markets

In the top 100 CBSAs, Millennials buying more NEW homes than

- **88%** Baby Boomers
- **33%** Generation X
The bottom line is that millennials shop for homes differently. They want to be engaged and involved in researching their choices and they seek expert advice online. They want the best products and they want those products to come from companies that care about and share their generation's values.

Source: Pew Research
What brands are getting the Millennials mind-set right?

- Tide Pods is a good example. The product—no-fuss, quick and energy efficient
- Uber—Brings utility in a smart way
- Intel—Created branded content to engage
- YouTube (GOOG)—70% of millennials are most likely watch a company video while purchasing online
- Focus on storytelling and watch those views and revenue dollars rack up
Use the Millennials desire for learning to TEACH them

- How to improve their credit score
- Help determine how much house they can afford—they have no idea!
- It is possible to own and carry student debt
- Millennials are savvy investors—buying a home is a solid investment!
Build your Online Brand

• Network across all social media apps/outlets
• Create a profile for every community (@)
• Post often (#)
• Include geotags
• Find some ambassadors that love your product
• Align yourself with popular local brands and people
• Look at everything you have (website, pictures, directions) on a phone
• Make it easy to find you on a smartphone!
Millennials want a luxurious lifestyle

- Think about your amenities—gathering spaces, sharing, convenience, fitness, lifestyle
- Understand their need for shared and private spaces
- It’s not about the four walls, rather it’s about the entire community
- Homes are about quality, not quantity
- The spaces need to be efficient; not large
Millenials want a luxurious lifestyle

• Open Floor Plans
• Less maintenance- HOA with lawn services are appealing
• No Formal Dining Rooms
• Energy Efficient Appliances
• Comfort- Bedrooms and Bathrooms- warm colors and reading spaces in these areas should be key
• Connectivity- Ensuring excellent cell/Wi-Fi services are available
• Hardwoods – Ease of pet clean up
It’s still all about location

- They don’t want to spend all their free time commuting, if they can avoid it
- Will spend more for less to be close to work & entertainment
- Proximity to public transportation is important (DART)
- But, they want many of the perks apartments provide

“Builders do themselves an injustice by posting the price range on their signs. When I see the price, I know I cannot afford to live there.”
They want a community that is diverse

- What are the demographics?
- Are there places to gather?
- The location is an amenity
- They like events such as monthly brunch or cocktail hour
- Provide fitness related amenities and activities

“I want to live in a community of like-minded people.”
Look at your community through the eyes of a Millennial

- Find yourself some Millennials to interview!
- Ask them to evaluate your website and social media
- Meet with them frequently to understand their hot buttons
- Listen!
- Load the apps onto your phones and follow popular people
- Follow your competitors and see what they are posting
ZERO IN
Know Where & What to Build
Know Who & Where to Target
Know How to Activate
Integrating segmentation intelligence leads to understanding:

• What they are like?
• Where do they live?
• How to best connect with them?
• One Size fits all is not a strategy anymore
• Create the right experience!
• Maximize ROI with more efficient, effective marketing
• Activate your best homebuyer with:
  ▪ Right Products/Price Points
  ▪ Connectivity—Millennials want an emotional connection to their future home
  ▪ Understand competitive activity to provide education to your buyer
  ▪ Uncovering the buyers readiness stage!
Thank you for attending our housing webcast.

For any questions or suggestions contact Heather Knutson—Director of Demand Generation at hknutson@metrostudy.com

Visit us at www.mетrostudу.com to sign up for future events