

A hand reaching towards a robotic hand against a blue background. The robotic hand is metallic and has a glowing blue light at the tip of its index finger, which is touching the tip of the human hand's index finger. The background is a solid light blue color.

PEPPERDINE | GRAZIADIO
BUSINESS SCHOOL

Millennial Mobility

MILLENNIAL VS. MACHINE

2017

Millennial Mobility Report

Research from Pepperdine Graziadio School of Business and Management

PEPPERDINE GRAZIADIO BUSINESS SCHOOL
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PEPPERDINE GRAZIADIO BUSINESS SCHOOL

"WHILE UPBEAT ABOUT CURRENT JOBS AND SALARIES, FINDINGS SUGGEST MILLENNIALS ARE BATTLE-WORN FROM THE PROLONGED RECESSION."

Millennial vs. Machine:

A Generational Study on Careers, Automation and Getting Ahead in an Era of Uncertainty

Businesses today are interested in millennials - and for good reason. By 2025, that group will make up 75 percent of the global workforce.

Not surprisingly, volumes have been written about millennial work styles and behaviors. But often missing from this discussion are this key group's perspectives on their own careers. How do millennials feel about their future prospects? What are the career risks today and down the road? Will automation disrupt or influence their careers? What financial and employment risks do they see on the horizon? And especially, how has their experience enduring a major recession and economic resurgence shaped their expectations?

Research from the Pepperdine Graziadio Business School of Business and Management explores these questions. This study, "Millennial vs. Machine: A Generational Study on Careers, Automation and Getting Ahead in an Era of Uncertainty", examines the attitudes and behaviors of U.S. millennials. Among many findings, the research shows millennials have deep-seated concerns about their careers, the impact of economic and business trends such as automation and future financial

and career stability. While upbeat about current jobs and salaries, findings suggest millennials are battle-worn from the prolonged recession.

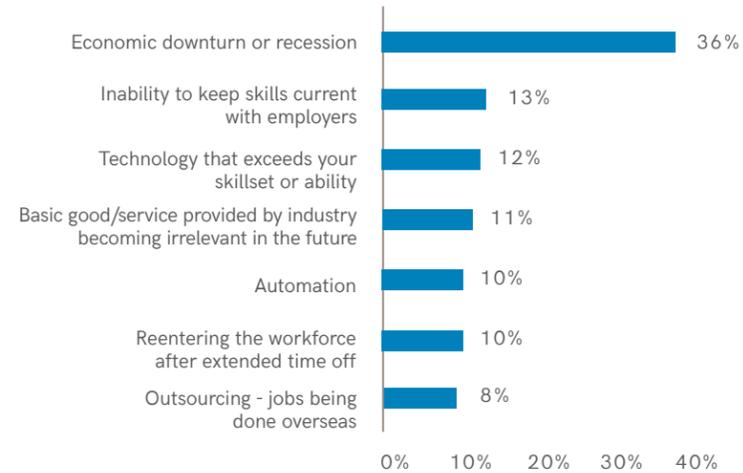
"The findings suggest that the Recession left an indelible impression on young people, similar to that of the Depression on the Greatest Generation," said David M. Smith, associate professor of economics at Pepperdine Graziadio School. "The threat of losing everything they've worked to achieve due to external forces is a very real concern."

However, millennials are - somewhat paradoxically - fairly confident about the future. They believe that they are likely to have good careers, and that they will be able to learn and adapt to ongoing challenges. "While they are acutely aware of the dangers of more economic downturns, they are also focused on the things they can control to counteract those "macro" forces, and the importance of keeping their skills and knowledge up to date," says Dr. Smith. Again, much like the post-Depression generation, they are reacting to past circumstances with a sense of optimism and pragmatism as they move forward.

The Top Concern: Economic Uncertainty

Millennial attitudes have been profoundly shaped by the recession. A decade ago the job market essentially evaporated just as they were entering the labor pool. When asked what the greatest risk to their career is, their No 1 response was "economic downturn or recession"—cited by 36 percent of respondents. By comparison, the second-greatest threat—"inability to keep skills current with the needs of employers"—was cited by just 13 percent.

WHICH OF THE FOLLOWING DO YOU BELIEVE IS THE GREATEST RISK TO YOUR CAREER?

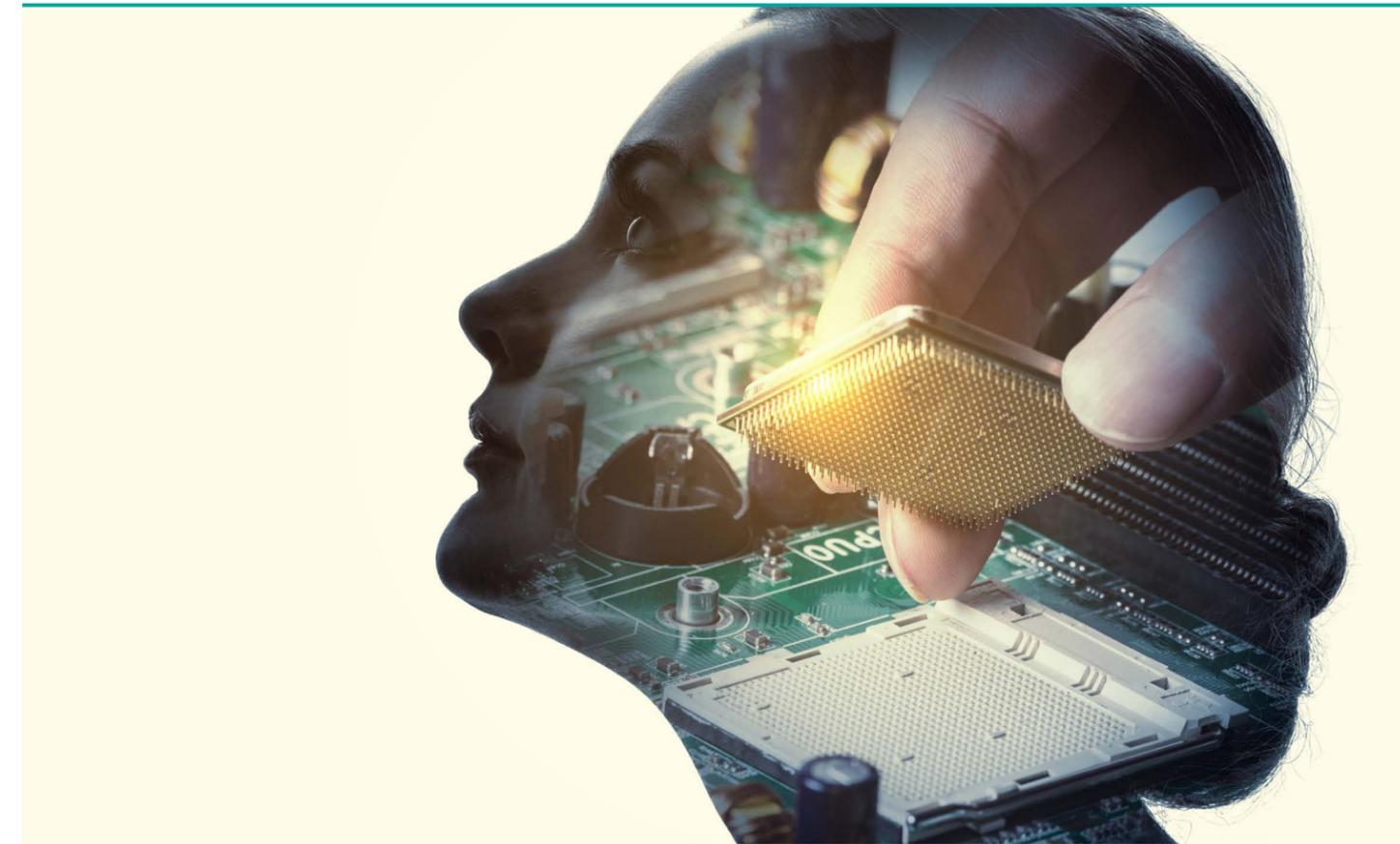
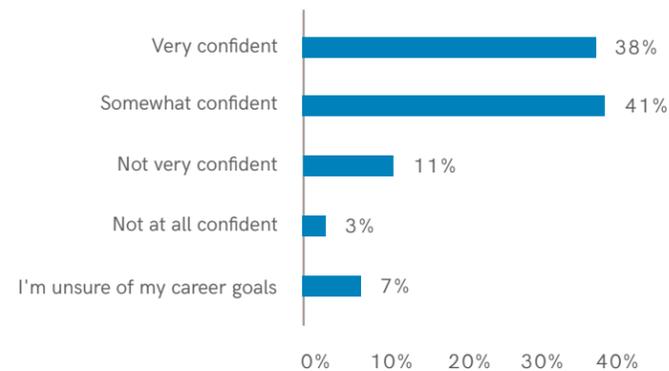


Millennials Upbeat on Personal Career Potential

In spite of their worries about economic uncertainty, millennials are actually quite upbeat about their potential careers. Indeed, 93 percent said that they have clear career goals, and 79 percent are confident that they can meet those goals. "Like the post-Depression generation, millennials seem to have a sense that they will be able to work through the economic challenges they face," says Smith.

While much has been written about millennials' high expectations for work and career, millennials themselves seem to think the job market is doing fairly well at meeting those expectations. Seventy eight percent said that they believe there are job openings that offer career growth for their age group, and 81 percent said that was true for jobs that offer a decent paycheck. What's more, 70 percent believe that there are jobs out there that offer both.

HOW CONFIDENT ARE YOU THAT YOU CAN ACHIEVE YOUR CAREER GOALS?

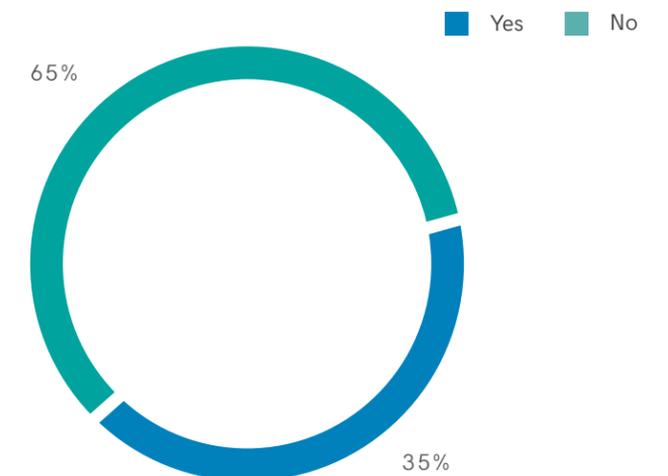


Working with Automation

In the coming years, advancing automation is expected to reshape the nature of work and, in many fields, reduce the need for humans in the workforce. Yet, just 1 in 10 millennials see automation as a primary risk to their careers. However, that does not mean that they are blind to the disruption the technology is likely to bring.

More than one third of employed millennials believe that within 20 years, machines will be able to do the job they do today. What's more, "automation" is a not an abstract concept or distant possibility. Many younger workers are seeing it here and now. About 4 in 10 currently employed millennials either work in or have considered a job that manages automation.

TWENTY YEARS FROM NOW, DO YOU THINK AUTOMATION WILL TAKE OVER YOUR JOB?





The majority of millennials find financial independence out of their reach

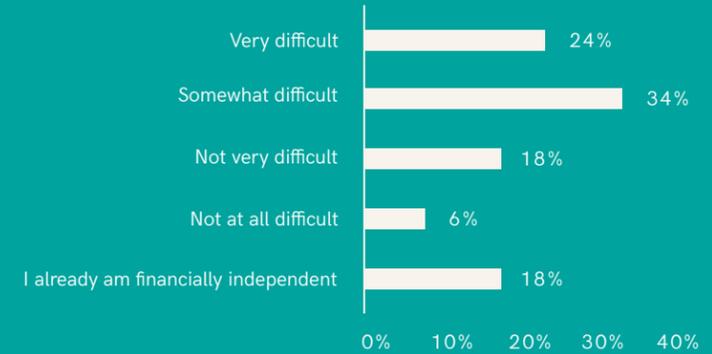
Experience with automation clearly shapes millennials' perspectives on the future. For example, those who work with automation are significantly more likely than others to believe that their roles will be automated in 20 years, (62 percent and 29 percent, respectively). Presumably, the former group's experience gives them a deeper understanding of the growing sophistication and potential impact of robotics and other forms of automation.

Interestingly, while those who are familiar with automation are more likely to think that it will have a widespread impact, they also appear to be more comfortable with that prospect. For example, 64 percent of millennials who have a job managing automation feel

"very confident" they can achieve their career goals, compared to 37 percent of those who do not deal with automation. Presumably, this group has developed an understanding of the role that they could play in an automated workplace. Incidentally, this automation-experienced group is also more likely to feel good about their current situation and are less likely to say that paying for an emergency would be difficult.

For millennials, the recession was not an isolated, one-time event. Instead, a slow recovery has left many struggling to catch up financially. Nationally, 58 percent said that it would be difficult for them to be completely independent financially without help from their family and/or friends.

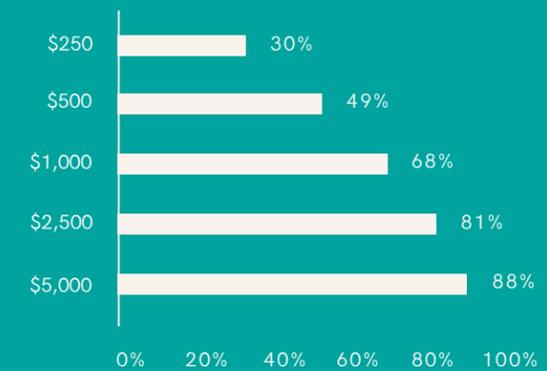
How difficult is it/would it be for you to be completely financially independent without help from your family and/or friends?



A large share of millennials report they would have difficulty paying for emergencies that cost \$250 (30 percent), \$500 (49 percent) or \$1,000 (68 percent).

How easy or difficult would it be for you to afford an emergency that cost?

% saying somewhat difficult



Interestingly, millennials who work in a job managing automation are far less likely to say emergency costs ranging from \$250 to \$5,000 would be very or somewhat difficult for them to afford. For example, about one-third (30 percent) of all millennials said it would be difficult to afford an emergency that cost \$250. The number drops to 12 percent for those millennials who have jobs managing automation.



Conclusion

Overall, these findings can provide insight for businesses as they bring more millennials into the workforce. "Companies can shape the employer value proposition and employee experience to reflect the fundamental views of millennials, such as their concerns about financial security and their interest in ongoing learning," says Smith. "This is a group that is ready and willing to adjust to change." With an approach that draws on these findings, employers can position themselves to tap into millennial attitudes to attract, engage and retain this important age group.

About "Millennial vs. Machine: A Generational Study on Careers, Automation and Getting Ahead in an Era of Uncertainty"

This report presents the findings of a survey conducted among a sample of 1,006 adults between the ages of 18-36. This survey was live on August 29 - September 7, 2017. Respondents for this survey were selected from among those who have volunteered to participate in online surveys and polls. Pepperdine Graziadio School of Business and Management will maintain the anonymity of respondents. No information will be released that in any way will reveal the identity of a respondent.

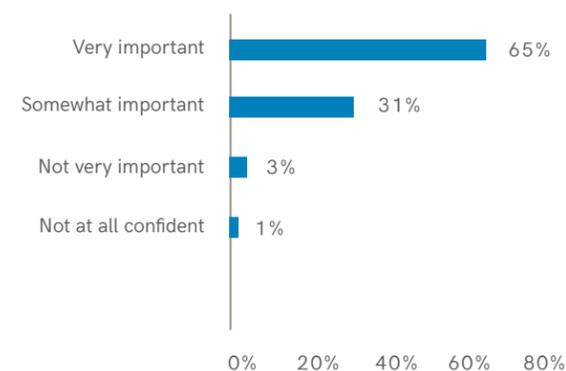
THIS REPORT WAS CREATED BY DOCTORATE ECONOMISTS AND MARKETING PROFESSIONALS FROM PEPPERDINE GRAZIADIO BUSINESS SCHOOL AND ORC INTERNATIONAL POLLING EXPERTS.

Learning to Stay Ahead of Change

As millennials weigh both economic and technology-driven change, they recognize the need to adapt through learning. Overwhelmingly, they aim to keep their knowledge current and relevant. Ninety six percent said that it is important to update their skills as their career progresses. They see a variety of approaches to doing so, from pursuing advanced schooling for a higher degree to formal training, being self-taught or signing on for apprenticeships. When asked what resource is best positioned to aid them in achieving career advancement, more than half (52 percent) said education, while roughly 1 in 3 cited employers (36 percent), professional networks (34 percent) and/or personal networks (31 percent).

Many millennials are on their way to pursuing advanced educational opportunities. For example, 48 percent said that they currently have or plan to get an MBA and 51 percent said the same of specialized business degrees. More than half (52 percent) said that the benefit of an MBA is that it improves business understanding, and 51 percent said that it develops skills that match the needs of employers.

How important do you believe it will be to update your skills as your career progresses?



Study Merits

Doctorate economists and graduate-level marketing professionals from Pepperdine Graziadio School of Business and Management worked with ORC International polling experts to create the survey as a basis for this study. Questions were asked through complex skip patterns to guard against question order bias. The survey also employed question "piping" - inserting text from a previous question into a question on a later page in the survey to ensure accuracy. The questionnaire was also tested for length, fatigue and accessibility among people with a diverse range of hearing, movement, sight, and cognitive ability.

Study Limitations

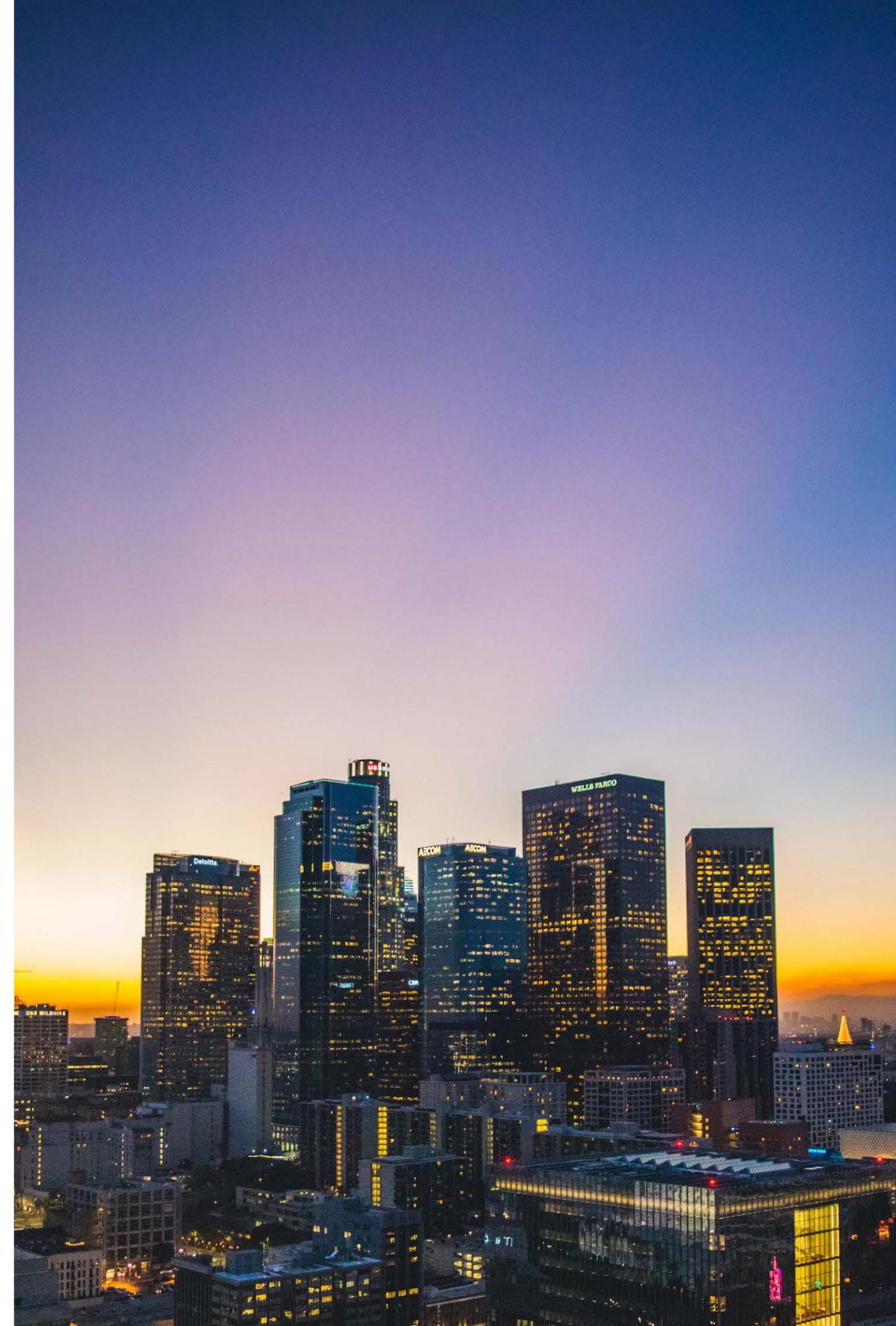
Because the sample is based on those who self-selected for participation, no estimates of sampling error can be calculated. All sample surveys and polls may be subject to multiple sources of error, including, but not limited to sampling error, coverage error, error associated with nonresponse, error associated with question wording and response options.

About Pepperdine Graziadio School of Business and Management

A leader in cultivating entrepreneurship and digital innovation, the Pepperdine Graziadio Business School focuses on the real-world application of MBA-level business concepts. Pepperdine Graziadio provides student-focused, globally oriented education through part-time, full-time, and executive MBA programs at our five Southern California locations including Silicon Beach and Silicon Valley campuses, as well as through online and hybrid formats. In addition, the Pepperdine Graziadio Business School offers a variety of master of science programs, a bachelor of science in management degree-completion program, and the Presidents and Key Executives MBA, as well as executive education certificate programs. Follow the Graziadio School on Facebook, Twitter at @GraziadioSchool, and LinkedIn.

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