Time for a New Deal for Young People.

March 2014
A poll conducted for the Broadbent Institute shows deep unease with economic policies tilted more to the needs of corporations than citizens. The institute asked 983 Canadians aged 20-30 who are in the job market—millennials—and 1,064 people aged 50-65—boomers—who have at least one child aged 20 or older.

Separately asking boomer parents and millennial children is an approach that sheds new light on Canadians’ collective fears about the direction the country is heading. The key findings are:

- Millennials think they face a future of precarious work and expect the income gap to grow over their working life. Boomers are more likely to think their children will slip in economic class than move up.

- Neither parents nor children trust corporations to make the creation of good jobs in Canada a priority, even as governments enact policies businesses want.

- Boomers fear their children’s generation won’t be able to raise the tax revenue needed to pay for the social programs they will need in retirement.
Canadian millennials and baby boomers make up the two largest generational groups in Canada. Baby boomers born between 1946 and 1965 make up 29% of the Canadian population or 8.9 million people. Their children, Generation Y or the millennials, are the 8.0 million Canadians born between 1980 and 2000 who make up 24% of the Canadian population.

The Broadbent Institute commissioned polling firm Abacus Data to conduct a national survey of Canadian millennials aged 20 to 30 who have entered the job market and baby boomers aged 50 to 65 who have at least one child aged 20 or older.

The objective of the study was to understand inter-generational similarities and differences when it comes to employment expectations and perceptions about trade, the role of government, and unionized workplaces. The poll also examined the two generations' views on the role of businesses and government in creating good paying, secure jobs and in reducing income inequality in Canada.

The survey was conducted online from February 6 to 10, 2014 and interviewed a representative sample of 983 millennials and 1,065 baby boomer parents.
The Broadbent Institute asked millennials to describe the work life they think they and their friends will experience. The results reveal that there are four times as many millennials who think they will face contract work than what baby boomers report they faced in their life.

Fifty two percent of millennials think their generation will work on contract—either mixed with permanent jobs, or contracts alone. In contrast, only 14% of their parents’ generation had a work life similar to the one their children expect for themselves. About half as many millennials expect their work life will be permanent job-to-permanent job (39%) than their parents (66%).

The millennials’ views on these issues were fairly consistent regardless of gender and education levels, although those with a university degree were somewhat more likely to believe they will face a mix of contract and permanent work over their life than those who have attained either a college or high school education only.

### Employment Expectations/Reality by Generation

<table>
<thead>
<tr>
<th></th>
<th>Millennials</th>
<th>Baby Boomers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Permanent job to permanent job</td>
<td>39% 41% 2% 7% 11%</td>
<td>66% 10% 4% 3% 1% 7%</td>
</tr>
<tr>
<td>Mix of contracts and permanent jobs</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mostly contract jobs</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Long periods without work</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mostly unemployed</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Managed the house for most of my life</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Supporting Social Programs through Taxes

The consequence of a life of mostly precarious work is seen in boomers’ fears about how their social programs will be paid for. More than twice as many older Canadians are worried their children’s generation will be able to pay the taxes needed than are confident.

Overall, 41% of millennials are worried that their generation will be able to pay enough tax to support their parents’ social programs, while 56% of baby boomers with millennial children are at least a bit worried about their children’s ability to support their social programs through taxes.

Confidence in Ability of Younger Generation to Support Older Generation’s Social Programs through Taxes
The Generational Pension Gap

The low-benefit, high-instability work life that millennials expect is also seen in the number of people they know whose retirement is secured through workplace pensions. Fully 92% of boomers know someone with a workplace pension, with 51% of them knowing some or many. This compares to only 30% of millennials who know at least some people who have a workplace pension—and one-in-five knowing no-one at all.

Millennials with a university degree are somewhat more likely to say they know anyone with a pension provided by their employer (35% some or many) compared with those with lower educational attainment.

The same relationship exists among baby boomers. Those with a university degree are more likely to say they have many or some friends who have an employer provided pension (60%) than those who have obtained a high school diploma or less (41%).

Do you personally know anyone with a pension provided by their employer?

![Graph showing comparison between millennials and baby boomers on knowing someone with a pension provided by their employer.](image-url)
Union Membership, Job Security and Wages

Neither generation shows much appetite for the right-wing argument that weaker unions will lead to secure, decent jobs. 59% of millennials and 55% of boomers say lower union membership makes good jobs harder to find, compared to 8% and 11%, respectively, who think fewer union members make it easier.

Over the last several decades, the percentage of Canadians belonging to unions has decreased. In your opinion, what is the impact of this trend on the ability of people to find secure, decent jobs?
Fear about the future that precarious, low-benefit work will create

Boomers and millennials share fears about the kind of future that high-instability, low-benefit work will create.

Overall, only 40% of boomer parents believe their child’s or children’s economic opportunities are better than they were when they were the same age. Almost a majority (49%) believe that things are worse for their children today.

Millennials are not much more optimistic than their parents. While 45% believe that the economic opportunities are better today than with those of their parents, 34% believe things are worse.

And among millennials, the divide in economic optimism crosses demographic groups and educational attainment levels. Even among those millennials with a university degree, thirty-eight percent (38%) believe that their economic opportunities are worse than those of their parents.

**Millennials: Generally, how do you feel your economic opportunities are compared with those of your parents?**

**Boomers: Generally, how do you feel your child’s/children’s economic opportunities are today compared with your own when you were their age?**
Most Millennials believe the gap between the rich and poor will grow over their lifetime.

Millennials are more optimistic than their parents about their individual chances, but when asked about Canada in general, 60% think the gap between rich and poor will grow over their life with only 16% thinking it will shrink.

These opinions are consistent across demographic and regional subgroups.

Over your life, what do you think will happen to the gap between rich and poor? (Millennials Only)
Homeownership Perceived to be Out of Reach for a Third of Millennials

And while more than half of boomers are certain they’ll own their home at retirement, only a third of millennials are as confident.

With rising housing prices and looming interest rate increases, millennials are less confident that they will be able to own their home when they retire but many still hope to achieve the dream of homeownership.

How likely are you to own a home at retirement?
They differ on what kind of work life and benefits they’ll enjoy, but the boomer and millennial generations agree that current policies that shrink the role of government and grow the role of corporations do not create good jobs.

Boomers are five times more likely to agree that corporations have kept savings from lower taxes than invested in creating jobs in Canada: 60% say they’ve kept the cash, versus 12% who say they’ve invested. Millennials are a bit more generous, but not by much: 48% to 19%.

And both agree—by margins of 60% and 59%—that governments are better than businesses in reducing income inequality.

When we asked respondents to project ahead over millennials’ work life, the generations agree by huge margins that corporations will focus more on profits than creating good jobs. Fully 85% of boomers and 79% of millennials think things will get worse, not better. This perhaps isn’t surprising given the devastating impact of the Great Recession of 2008-09, which a large majority of both generations say wasn’t a natural part of the business cycle but caused by irresponsible corporate behaviour.

Over the past two decades, Canada has reduced corporate taxes. Which of the following statements best describes how you think corporations have responded to those tax cuts?
Which of these do you think are more effective at reducing income inequality in Canada?

And while both generations agree businesses should be profitable and people have personal responsibility, more respondents agree—78% of both generations—that most people will be worse off if government retreats and off-loads social programs onto individuals.

Over the next 30 years, which statement best describes what you think will happen?

- Corporations will work harder to make sure good jobs are created in Canada
- Corporations will concentrate more on their profits, even if good jobs are not created in Canada
Which sentence comes closest to your thoughts about what caused the Great Recession of 2008-09?

- It was the result of irresponsible business behaviour.
- It was a natural part of the business cycle.

Think for a moment about the role of government and whether different functions should be done by the private sector (businesses) or by government. Do you agree or disagree with the following statements? (% Agreeing/Split Samples)

- Most people will be better off if they provide for themselves and enjoy lower taxes.
- The smaller government gets, the faster the gap between rich and poor grows.
- Most people will be worse off if government continues to withdraw and make individuals make up the difference.
- The larger government gets, the harder it is for businesses to be profitable.

Time for a New Deal for Young People.
On the trade front, there’s overwhelming agreement that manufacturing (which includes value-added sectors; i.e. taking raw lumber and making a table, or processing energy) is key to good jobs. Over nine in ten of boomers (95%) and 91% of millennials say the sector is important.

This may reflect differences in expectations among millennials, many of whom are raised to think that manufacturing jobs are less desirable than those in technology, health care, or other service sectors.

In fact, among millennials there is a strong relationship between one’s educational attainment and one’s view of the importance of manufacturing jobs in providing good jobs for Canadians. Among those with high school or less, 47% consider the manufacturing sector to be very important to providing good jobs for Canadians. This percentage decreases as the level of educational attainment increases as 38% of those with a college diploma or some university and 29% of those with a university degree believe the manufacturing sector is very important in providing good jobs.
Free Trade: Some Generational Differences

The survey also asked both millennials and baby boomer parents their views on free trade. Overall, Canadians do not oppose free trade but they do recognize the mixed benefits and costs that free trade means for workers in Canada.

A large majority of both millennials and boomers agree that free trade agreements have made Canadian businesses more profitable by making it cheaper to make things in other countries. But a majority of these same respondents also agree that trade agreements have cost Canadians jobs and opportunity by lower salaries.

Moreover, both millennials and baby boomers agree that trade agreements have hurt Canadian businesses by making it cheaper to buy things made in other countries. When asked whether trade agreements have created Canadian jobs and opened new markets for Canadian businesses, millennials were more likely to agree (59%) than baby boomers (45%).

These results suggest that Canadian millennials and baby boomers recognize that free trade agreements are a mixed bag. On the one hand they help some businesses become more profitable and hire more workers while other businesses suffer, costing Canadian jobs.
Over the last three decades, Canada has passed several trade agreements. Do you agree or disagree with the following statements? (% Agreeing/Split Samples)

**Split Sample A**
- The agreements have made Canadian businesses more profitable by making it cheaper to make things in other countries. 72% Millennials, 68% Baby Boomers
- The agreements have cost Canadian jobs and opportunity by lowering salaries. 77% Millennials, 73% Baby Boomers
- The agreements have hurt Canadian businesses by making it cheaper to buy things made in other countries. 66% Millennials, 72% Baby Boomers

**Split Sample B**
- The agreements have created Canadian jobs and opening new markets for Canadian businesses. 59% Millennials, 45% Baby Boomers
Conclusion

The Broadbent Institute's survey of Canadian millennials in the job market and baby boomer parents finds that there is a significant level of anxiety about the economic situation for Canada's emerging millennial generation. It shows a common concern that Canada is failing on the fundamental promise that each generation will be better off than the one before.

The Institute is in the process of developing ideas it hopes will form the basis of a New Deal for Young People, and believes the survey's findings are invaluable in describing the problem the New Deal must fix.
Survey Methodology

The survey, commissioned by the Broadbent Institute, was conducted online with 983 Canadians aged 20 to 30 who are in the job market, either employed, unemployed, or completing additional post-secondary and 1,064 Canadians aged 50 and over who have at least one child aged 20 or over. The interviews were conducted in English and French using an internet survey programmed and collected by Abacus Data. A random sample of panelists was invited to participate in the survey from a representative panel of Canadians. The survey was completed from February 6 to 10, 2014.

Since the online survey was not a random, probability based sample, a margin of error could not be calculated. The Marketing Research and Intelligence Association prohibits statements about margins of sampling error or population estimates with regard to most online panels.

The margin of error for a probability-based random sample of 983 respondents using a probability sample is +/- 3.2%, 19 times out of 20. The margin of error for a probability-based random sample of 1,064 respondents using a probability sample is +/- 3.1%, 19 times out of 20.

The data was weighted according to census data to ensure that the sample matched Canada's population according to age, gender, educational attainment, and region. Totals may not add up to 100 due to rounding.

For more information about the poll’s methodology or the results, please contact David Coletto, CEO at david@abacusdata.ca or at 613-232-2806.