
The Generational Convergence of the Baby Boomers & the Millennials in St. Louis County, Missouri

Policy Brief: Boomers & Millennials

The Impact of America's Two Largest Generations

The Baby Boom generation, those born between 1946 and 1964, is the largest generation in American history; the second largest generation is the Millennial generation, which includes those born between 1980 and 2000. The impact of these two generations is expected to influence American society for the next several decades. There are many differences in attitudes, values, behaviors and lifestyles between generations as a result

of the common life experience shared by each group. The size and particular characteristics of generations can influence housing and neighborhood choices, transportation, jobs and the workplace, technology, and consumer spending habits.

Currently, the Baby Boom and Millennial generations account for approximately 55 percent of the population in St. Louis County. Just as the needs of the Baby Boom generation have shaped every aspect of our communities since the 1970s, it is likely that the Millennial generation will have a similar impact on community trends in the future. As the Baby Boom and Millennial generations move into their next life stages, St. Louis County needs to poise itself to provide the kind of choices that Baby Boomers and Millennials are looking for in order to retain current residents while attracting still more to the area.

The Baby Boom generation is moving into their retirement years just as the Millennial generation is entering the workforce and establishing households. Despite their different life stages, these groups seem to have similar tastes when looking for a place to live: walkable communities with easy access to shopping, entertainment and transit. While not all Baby Boomers and Millennials are looking to leave their traditional suburban single-family homes, it must be noted that even small shifts in preferences will have a big impact on the community fabric given the sheer size of these two generations.

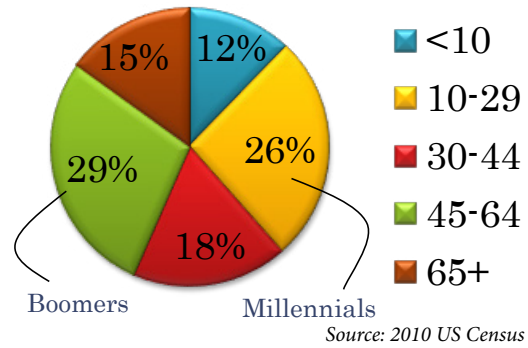


This policy brief is one of a series produced by the St. Louis County Department of Planning as part of the 2012 Strategic Plan. This brief summarizes current research, data, and trends and is intended to provoke questions and promote strategic thinking on relevant policy and service delivery.

Generations Defined

The notion of a generational group, or a group of people bound together by sharing the experience of common historical events, developed in the early 1920s. Names for these groups are often drawn from a historic event; from rapid social or demographic change; or from a big turn in the calendar. Today, such names are referenced in popular culture through well known phrases like “Baby Boomer,” “Generation X,” and “Millennials.” These generations are defined as follows:

Age Breakdown St. Louis County



- The **Baby Boomer** name is drawn from the dramatic increase (“boom”) in the number of births that began in 1946, right after the end of World War II, and ended in 1964. According to the 2010 Census, there are approximately 81 million Baby Boomers in the United States. The Baby Boomers account for 28 percent of St. Louis County’s population, making them the largest demographic group in the County.
- **Generation X** is the generation of people born roughly during the years 1965 to 1979. This generation is the smallest in United States history. The 2010 Census indicates that the United States’ population includes 61 million from this generation. Generation X accounts for only 18 percent of St. Louis County’s population.
- The **Millennial** generation generally refers to those born from 1980 through 2000, although there is not consensus for when this generation begins and ends. They are, however, the first generation to come of age in the new millennium. The 2010 Census indicates there are over 85 million Millennials in the United States. The Millennials are the second largest demographic group in St. Louis County, representing 26 percent of St. Louis County’s population.

Millennials Enter Workforce as Baby Boomers Reach Retirement

Millennials are more highly educated than previous generations at comparable ages. More than half of all Millennials have at least some college education (54 percent) compared with 49 percent of Gen Xers and 35 percent of Baby Boomers. Not surprisingly, Millennials are also more likely to have completed high school. However, the Millennial generation has been hit hard by the recession. As the newest entrants into the labor force, jobs are harder to come by as positions have been eliminated and older employees are delaying retirement. They find themselves the last hired and the first to lose their jobs as businesses close and jobs disappear. As a result, many have lost jobs, are



underemployed or are trying to land a full-time job when no one is hiring. In 2010, only 41 percent of 18- to 29-year-olds were working full time. (“Millennials: A Portrait of Generation Next”)



While the Millennials are having a hard time breaking into the job market, many Baby Boomers are finding it hard to leave the job market. Baby Boomers have always been career-focused and many are postponing retirement either by choice or necessity. One recent survey found that 52 percent of working adults ages 50 to 64 plan to delay their retirement. Forty-four percent of participants in another study said they will continue working either “much later” or a “little later” than age 65. That percentage compares with 38 percent of those in their 40s and only 25 percent of workers under the age of 40. According to U.S. Bureau of Labor Statistics, members of the workforce aged 55 and up will grow at an annual rate of 4 percent, four times faster than the growth expected for the entire workforce. (“Generations at Work Research Summary”)

Whether it’s the inability to find meaningful employment or the need to stay in the job market longer than anticipated, the recent recession has affected all demographic groups in St. Louis County. Approximately 5 percent of St. Louis County’s employment base was lost during the recession. This reduction in the number of jobs and the fact that many Baby Boomers are delaying retirement means there are fewer jobs available for the Millennials who are ready to enter the job market. As a result, many young adults have either returned to school for post-graduate degrees or accepted positions for which they are over-qualified. In turn, today’s teenagers are largely unemployed as young adults are filling positions that are typically held by teenagers.

Looking for a New Type of Suburban Development

As the Baby Boom generation moves into retirement, housing markets across the nation are beginning to change. During their child-rearing years, Baby Boomers fueled demand for the prototypical single-family house in the suburbs. As a result, this type of housing came to dominate the housing stock. Yet Baby Boomers are now reaching the period in their lives when they no longer need the large houses in which they raised their children. The Baby Boomers are becoming empty nesters just as the Millennials are coming of age. This convergence of the two largest generation groups is creating a strong and growing demand for compact, walkable, mixed-use communities.

As the primary purchasers of condominiums, townhouses and villas, the Baby Boomers and Millennials want the same things for different reasons. Baby Boomers are retiring in increasing numbers, but the traditional enclosed retirement community is no longer as

58% of Baby Boomers and 62% of Millennials show a strong preference for communities that are walkable, transit-oriented and contain a variety of houses and businesses.

Source: “Housing for the Generations.”

attractive to these empty nesters as it once was. Baby Boomers now want to be in an area where services and amenities, such as museums and cultural events, restaurants, and stores, are more plentiful and accessible. Millennials, on the other hand, grew up in suburbia. They are ready to trade the uniformity of that environment and the dependency on automobiles for small, simple spaces for living, a sense of community, access to transit, and proximity to services and amenities. (“Housing for the Generations”)

While many Baby Boomers and Millennials are choosing urban locations that offer culture and entertainment, restaurants, shopping activities, mass transit accessibility and walkability, there are still large numbers of these groups that are choosing to live in the suburbs. Yet the type of suburban communities they want is different from what’s readily available. They’re not interested in living in sprawling, single-use suburbs that are far from employment and activity centers. Instead, they are looking for a more convenient suburb – one that is walkable, transit-oriented and contains a variety of housing and businesses.



St. Louis County continues to have the largest housing stock within the metropolitan area with 437,293 housing units. The most popular type of housing in St. Louis County is single-family detached homes, which make up 72 percent of St. Louis County’s housing stock. The vast majority of these homes are located in traditional communities consisting of all single-family homes on large lots, no sidewalks, and little public transportation. This type of housing is still popular with many households, including Baby Boomers who have postponed retirement, Gen Xers who have migrated to the suburbs to raise their families, and Millennials who are beginning to form households. However, there is clearly an insufficient supply of alternative housing choices in St. Louis County. A new type of suburban development – one with a variety of housing and businesses, more sidewalks, nearby transportation and proximity to amenities – needs to be expanded in St. Louis County in order to provide attractive housing choices for residents at different stages of life.

Shift in Transportation Choices

As the Baby Boomers age, many will reduce the amount of driving they do – some will even stop driving altogether. Meanwhile, Millennials own fewer cars and drive less than previous generations. They’d rather walk, bike, carpool and use public transportation. As a result, both generations are becoming increasingly enamored of transit-oriented living. (“The Boomer Effect” and “How Millennials Move”)



For the most part, St. Louis County is made up of numerous suburban-style, auto-oriented communities where single-family houses are located well away from commercial and office areas. There is still a market for this type of development. However, many Baby Boomers and Millennials are looking for a new type of

suburban development – one with updated housing, urban amenities, walkable neighborhoods and transportation options. In order to make its communities more attractive and livable for this growing segment of the population, St. Louis County needs to find opportunities and encourage the retrofitting of some of its communities to be more walkable and transit-friendly.

As these types of communities are built, residents will find that only a single car, if any, is needed per household resulting in an increased dependency on the public transportation system. Therefore, easier mobility and good transit access (i.e., bus or rail routes within walking distance) will be a critical components of these new communities.

In 2010, young adults (ages 21-34) bought just 27% of new vehicles in America, down from the peak of 38% in 1985.

Source: "The Cheapest Generation."

The New Retail “Store”



Companies that have spent the past several decades catering to the Baby Boom generation are now struggling with how to adapt their businesses to serve the next wave of consumers from the Millennial generation. A recent study provides information on a range of digital and social habits of American Millennials, as well as their attitudes in the areas of retail marketing, grocery, restaurants, apparel and travel. More Millennials than non-Millennials report greater exposure to campaigns through social media (40 percent vs. 22 percent) and online news (28 percent vs. 22 percent); non-Millennials tend to rely on newspapers and direct mail. Millennials also appear to have substituted television and print media for the increased online

activity and media consumption. More Millennials also reported using a mobile device while shopping to research products (50 percent vs. 21 percent). Given this information, companies need to change their customer engagement by using social networking, peer marketing, better online support, text messaging and blogging in order to attract and retain Millennials. (“The Rise of the Millennials”)

With an increased reliance on the internet to serve the Millennial generation, there is less of a need for typical “bricks and mortar” stores owned and operated by most companies. This trend is not to suggest that physical stores are no longer popular or necessary because that is not the case. Yet, as a growing segment of the population chooses to shop and deal with their customer service issues online, the number and size of physical stores needed by most companies has decreased in recent years and will continue to decrease in the future. With an already abundant supply of retail space available in St. Louis County, communities will need to rethink the amount, type, and location of future commercial development.

Looking Ahead

With more than half of St. Louis County’s population falling into these two generations, the convergence of the Baby Boom and Millennial generations will shape the future economic, housing, transportation, and retail choices in St. Louis County. Therefore, St. Louis County

needs to continue to build its employment base in order to attract new jobs for the unemployed and underemployed Millennials. As they find employment and begin to form households, many Millennials are looking for housing choices that are similar to what many Baby Boomers are looking for in their next life stage – a new type of suburban development with a variety of housing and businesses, more sidewalks, nearby transportation and proximity to amenities. With its large stock of single-family, detached houses in suburban communities, St. Louis County needs to provide alternative housing and transportation choices that appeal to residents in their various life stages. Finally, as an increasing percentage of the population relies more heavily on the internet for their retail needs, the “right sizing” of retail in St. Louis County needs to reflect these changes.

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