

# The Generation Effect

Millennials, employment precarity and the  
21st Century workplace

EXECUTIVE SUMMARY



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## Millennials, employment precarity and the 21<sup>st</sup> century workplace

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### Acknowledgements

The authors and research team would like to thank all those who took the time to complete this survey.

The Hamilton Millennial Study began as a Major Research Project (MRP) thesis by Jeffrey Martin, as part of his Master of Arts in Work and Society at McMaster University's School of Labour Studies. The thesis drew its inspiration from the work of the Poverty and Employment Precarity in Southern Ontario (PEPSO) research group.

Several people and organizations contributed to this project: Dale Brown, Grace Diffey, Alyssa Lai, Ginete Segui Lines, Kerry Lubrick, Nick Marquis, Sharon Molnar, Michael Parente and Andy Zimmerman, as well as Hamilton HIVE, Hamilton Community Foundation, McMaster Alumni, McMaster Research Ethics Board, Mohawk College Alumni and Redeemer University Alumni, Pier 8 Group, and the City of Hamilton made important contributions. Special thanks to the Hamilton arts and culture institutions that provided incentives for our post-survey draw: CORE Entertainment, Hamilton Philharmonic Orchestra, Theatre Aquarius, Hamilton Tiger-Cats and the Other Bird Restaurant Group.

This report was made possible with funds from McMaster University and the Social Sciences and Humanities Research Council/Community University Research Alliances project on Poverty and Employment Precarity in Southern Ontario (PEPSO) and the LIUNA Enrico Henry Mancinelli Professorship in Global Labour Issues.



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September 2018



POVERTY AND  
EMPLOYMENT PRECARITY  
IN SOUTHERN ONTARIO





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## GLOSSARY OF TERMS

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- **Fordism:** A term widely used to describe (1) the system of mass production that was pioneered in the early 20th century by the Ford Motor Company or (2) the typical postwar mode of economic growth and its associated political and social order in advanced capitalism. As a mode of regulation, Fordism comprises an institutionalized compromise between organized labour and big business whereby workers accept management prerogatives in return for rising wages; and state intervention to secure full employment and establish a welfare state.<sup>i</sup>
- **Keynesianism:** The macro-economic policies that came into vogue after WWII that were closely associated with Fordism. Based on the writings of John Maynard Keynes, the state was asked to implement short-term counter-cycle policies that increased government spending when the economy slowed and reduced spending when the economy improved.
- **Other employment:** Composed mainly of workers in full-time employment but either receive no benefits beyond a wage or are unable to confirm they would be with their current employer for at least 12 months. A small percentage are self-employed with employees or are in full-time employment but hours of work varied from week to week and in some cases could be less than 30 hours.
- **Neoliberalism:** An ideology and policy model that emphasizes the value of free market competition and that free markets are the most efficient allocation of resources. Its emphasis is on minimal state intervention in economic and social affairs, and a commitment to the freedom of trade and capital. As national economies became more interdependent in the new era of economic globalization, neoliberals also promoted free-trade policies and the free movement of international capital.
- **Secure employment:** Workers who score the lowest on the Employment Precarity Index.
- **Self-employment** (own-account self-employed): Self-employed person with no people working for them.
- **Short-term employment:** Comprised of temporary, temp agency and contract work
- **Stable employment:** Employment relationships that scored just above workers in Secure employment on the Employment Precarity Index.
- **Standard employment relationship** (SER): Full-time employment with one employer who provides at least 30 hours of ongoing employment per week, provides some benefits as well as a wage or salary, and with whom they expect to be employed for at least another 12 months.
- **Precarious employment:** Workers who score the highest on the Employment Precarity Index. This is also a term that often refers to temp/seasonal/casual employment, self-employment without any employees, permanent part-time work. Work that does not “fit” the standard employment relationship (SER). The Employment Precarity Index is a more precise way of measuring precarity as some workers in other forms of employment are included in the precarious category using the EPI.
- **Vulnerable employment:** Employment relationships that scored just below workers in precarious employment on the Employment Precarity Index.

# 1. SUMMARY | THE GAME *is* GETTING HARDER

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*The Generation Effect* tells the story of a generation whose hopes and dreams are shaped by an economy that no longer provides the job and income security that their parents and grandparents experienced. It is a story of the game of life getting harder, not easier.

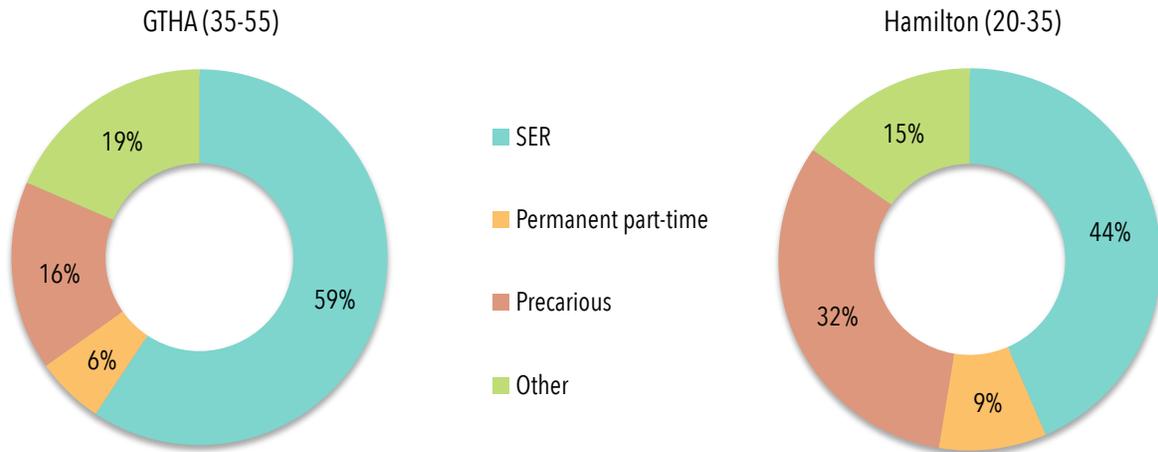
Baby boomers entered a very different world of work and workplace, one where secure jobs were not a given, but were plentiful and expected upon college or university graduation. The world they left for their children, however, barely resembles the one left for them. Forty years of neoliberalism and globalization have resulted in structural changes to our economy and workforce. Statistics Canada reported the 2016 Census revealed that, for the first time since comparable data was collected, less than one in two jobs in Canada is a full-time and full-year job. Full-time permanent jobs – i.e., standard employment relationships – were the foundation of the Fordist era and welfare state, and the work experience of the baby boomers. Full-time permanent employment is out of reach for far too many millennials.

In this report, secure employment refers to workers who score the lowest on the Employment Precarity Index (EPI). Their jobs are full time, permanent and are provided provided with extended benefits. Precarious employment refers to workers who score the highest on the Employment Precarity Index. The work does not “fit” the standard employment relationship and often refers to temp/seasonal/casual employment, self-employment without any employees and some permanent part-time work.

Millennials born between 1982 and 1997 are the first generation to begin their work careers in this new labour market. Work is hard to find and many of the jobs on offer are temporary. Jobs that provide pensions and extended health benefits are few and far between. In short, when it comes to work, millennials are getting the “short end of the stick.” It is not because they’re young, but rather, it is an outcome of neoliberalism and its consequential employment precarity. It is not that there are no “good jobs.” Some millennials do have well-paying, full-time permanent jobs with benefits and pensions. However, they are relatively few and reflect the growing polarization of jobs and income within this generation. *The Generation Effect* documents the numerous social consequences of precarious employment, from more frequent mental health and anxiety concerns to challenges forming relationships and engaging in one’s community.

Despite the high level of post-secondary, education only 44% of millennials have found permanent full-time employment. Another 47% are working at jobs with some degree of insecurity including over one-third who are on short-term contracts, freelancing, or working through a temporary employment agency. Millennials have had to absorb higher costs of post-secondary education compared to previous generations. They are carrying high levels of debt upon graduation, often into their late 20s and early 30s. The cost of housing – whether renting or buying – has soared over the past 10 years making it out of reach for many millennials in vulnerable and precarious employment.

**Figure 0: Employment categories for millennials in Hamilton/Burlington, 2017.**



### Key findings

The 1,189 employed Hamilton millennials not in full-time education who participated in the 89-question online Hamilton Millennial Survey (HMS) in 2017 provide a snapshot of their work experience and the impact work is having on their day-to-day lives. We do not claim that our sample is representative of all millennials, but we do believe it provides a reasonable picture of what it is like to be a working millennial, and the contrast between those in secure employment and those in precarious employment. The study findings are summarized under five themes: health and mental health; community participation; quality of life and household wellbeing; work and the workplace; and financial security. The key findings are reported below. The full report provides a detailed analysis of the study's findings and is available at [www.pepso.ca](http://www.pepso.ca)

Millennial workers in general have a high prevalence of less than good mental health. Those in precarious employment show an even higher prevalence of mental health concerns, depression and anger than millennials in secure employment. These findings are among the most significant in this study. The close correlation between mental health and the quality of employment is a red flag, suggesting that structural changes to work in general are having a negative impact on the lives and wellbeing of millennials.

The majority of Hamilton millennials reported a strong sense of community and attachment to the city. While most millennials participate in a range of community activities mainly to network and improve work opportunities, they also volunteer to give back to the community and to help their families.

Music events and festivals topped the list of community activities, followed by professional events and sports/recreational clubs. Worrysome is a significant proportion of millennials are unsure whether Hamilton provides good networking and work opportunities.

Millennials are surprisingly optimistic about their future quality of life. Just over half expect to have the same or a better quality of life than their parents' generation. However, nearly 40% expect to be worse off. This is despite the fact that the vast majority of millennials think the "game" is getting harder. The lack of full-time jobs and housing were cited as the two biggest challenges for their generation. They have been forced to put off major life decisions – milestone events like relationships or marriage, starting a family, or buying a home, a car or taking a vacation. One-quarter of millennials have been forced by economic circumstances to remain or move back home with their parents.

An important sign of the times, the majority of millennials have jobs that do not provide extended health benefits, pension plans or other employer-funded benefits, nor do the majority of millennials receive employer-funded training. Millennials in precarious employment are most likely to not be paid in full for work done, and also risk consequences if they raise an occupational health and safety or employment standards issue with their employer. Workers in precarious employment have lower job satisfaction and do not see their current job as one offering good prospects for career advancement. Overall, 9 in 10 of millennials would prefer full-time, permanent employment, yet less than half are in full-time permanent employment.

A majority of millennial workers reported incomes less than what is considered a middle-class income in Canada.<sup>ii</sup> Many are having difficulty covering basic living expenses, are challenged by even small, unexpected expenses, and are concerned about meeting their debt obligations and maintaining their current standard of living. Millennials are also carrying much higher student debt from their post-secondary education than previous generations. The overall financial insecurity and uncertainty among millennials only aggravates their stress levels, mental health and overall wellbeing.

### **Future outlook**

The findings reported in *The Generation Effect* raise several serious questions that need to be answered. How will the continuation of income and job insecurity affect families, local neighbourhoods, housing markets and our healthcare system? What is the long-term impact of low-income earnings on the quality of life and career opportunities of millennials, as well as the impact on future government tax revenues and the ability to fund and provide services? If the millennial generation is having fewer children not by choice but by necessity, and work is in fact a key reason, then what are the consequences of an unintended lower birth rate?

*The Generation Effect* shows that employment precarity is penalizing a generation. Precarious employment has become an unwanted, unnecessary and not-by-choice, new reality of our workforce and economy. Despite the recent changes to Ontario employment regulations, most legislation remains outdated and provides for a workforce and economy that no longer exists. Our social support systems are outdated and currently unable to support the growing ranks of the working poor and people living in poverty. The continued adherence to neoliberalism, an economic philosophy and ideology that has made it easy for corporations to trade and enhance their profits and, at the same time, eliminate full-time permanent jobs, has made life more difficult for millennial workers.

*The Generation Effect* provides a snapshot of the lives of Hamilton-area millennials working in a labour market that differs significantly from that of their parents. It is a starting point for a long overdue conversation about the current nature and structure of work, its impact on millennial workers and their families, our communities and society at large.

## 2. THE MILLENNIAL PRECARIAT

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Meet three of the millennial workers we interviewed as part of this project. Their stories capture the challenges the millennial generation faces.

**Jessica is in her late 20s** with a university degree and college diploma. She is still paying off her student loan. She **works on contract** through a local temporary employment agency and also does some freelance work on the side. Her annual income is less than \$30,000, which is less than the living wage for Hamilton. Jessica lives at home with her parents as she cannot afford to rent her own place and buying a home is out of the question. While her general health is good, Jessica often feels depressed or angry because of her work situation. She loves living in Hamilton but isn't sure whether she will remain if better full-time work opportunities don't materialize. Jessica is unsure about her future as her current job doesn't offer any career prospects and she wonders whether she will have a lesser quality of life than her parents.

**Mike has a college diploma and university post-grad certificate.** He has a **full-time job** but the hours of work are not guaranteed as his weekly schedule changes and can be as low as 30 hours per week. The schedule uncertainty often prevents him from doing things that are fun with his family and friends. He does not receive any employer benefits or a pension plan, nor does his employer provide any training. Mike and his girlfriend share a rented apartment — their combined household income is between \$40,000 and \$80,000. Although he would like to buy a house, get married and start a family, the costs are prohibitive at the moment. Both of them are still paying off student loans. For leisure, they like to go to local music events and outdoor festivals. Mike's biggest concern is the lack of full-time permanent jobs in Hamilton and increasing cost of housing.

Since graduating from university, **Rebecca is self-employed.** The hours are long and her earnings fluctuate regularly. Rebecca's office is located in a co-sharing set-up with many other young entrepreneurs. She doesn't have any health benefits or a pension plan. Rebecca belongs to a local young professionals organization and takes advantage of the networking and professional development opportunities it offers. She loves Hamilton very much and volunteers whenever she can. Rebecca lives at home, takes local transit and doesn't see herself getting married or buying a house in the near future. On a few occasions, paying for basic living expenses and keeping up with her bills and financial commitments has been a challenge and resulted in her feeling anxious because of her work situation. Rebecca still receives financial support from her parents when necessary.

## 3. KEY FINDINGS

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### 3.1 | General + Mental Health

Millennials are not a healthy generation. This is especially true of the more than 30% of millennials in precarious employment.<sup>1</sup> Only 58% of millennials reported their general health was very good and only 40% reported their mental health was very good. One in four reported poor/fair mental health. Millennials earning less than \$40,000 are almost twice as likely to report their mental health as poor/fair than those earning more than \$40,000.

- Female millennials are 30% more likely than males to report being depressed as a result of work.
- Millennial workers in general reported a high prevalence of poor mental health.
  - One in 4 millennials indicated their mental health was poor/fair.
  - Almost 40% of millennials in precarious employment or earning less than \$40,000 reported their mental health was poor/fair.
  - Almost 3 in 10 millennials reported being depressed or anxious often because of their work situation.
  - Almost one-half of millennials in precarious employment reported being depressed or anxious often as a result of work or work status.
  - Almost 4 in 10 millennials in precarious employment reported being angry often because of work or work status.

We can speculate several reasons why millennials report frequent health concerns. Workers in less secure employment experience several types of insecurity and uncertainty. This includes less satisfaction with their employment, uncertainty over work schedules, and how this might affect personal and family life.

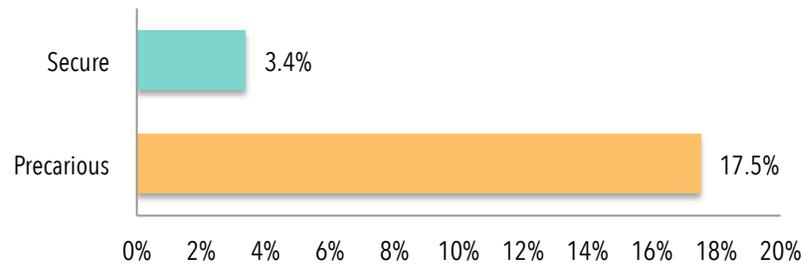
They face uncertainty related to future employment prospects and greater difficulty with financial commitments and obligations (i.e., covering basic expenses, inconsistent income). It is likely that some of these factors and others influence stress, anxiety, anger and other potential mental health issues. The high levels of poorer mental health, depression and anger among millennials should be viewed as a red flag warning as they pose serious consequences for the millennial generation's future.

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<sup>1</sup> We categorized millennials into secure and precarious employment categories using the Employment Precarity Index developed by the Poverty and Employment Precarity in Southern Ontario research group. Details of how this index was constructed can be found at [www.PEPSO.ca](http://www.PEPSO.ca).

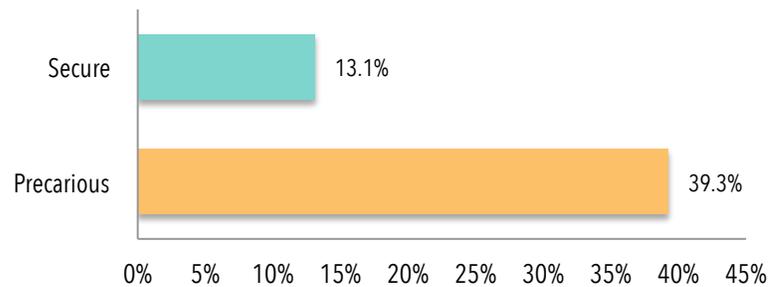
**Figure 2: General health reported poor/fair by employment security categories.<sup>2</sup>**

SOURCE: HMS survey 2017. Significant at  $Pr \leq 0.001$



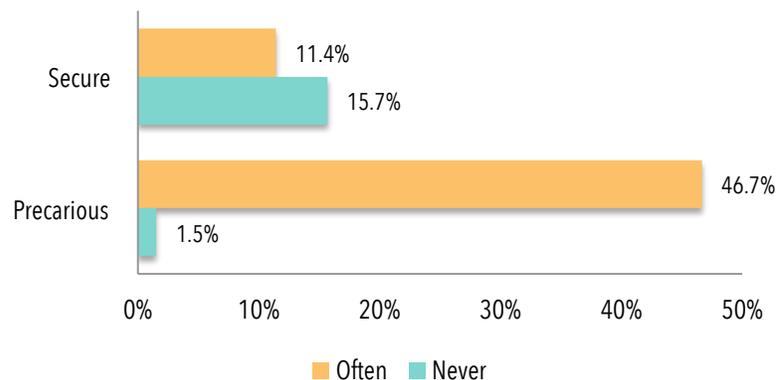
**Figure 4: Mental health reported poor/fair by employment security categories.**

SOURCE: HMS survey 2017. Significant at  $Pr \leq 0.001$



**Figure 6: Depressed or anxious as a result of work or work status by employment security.**

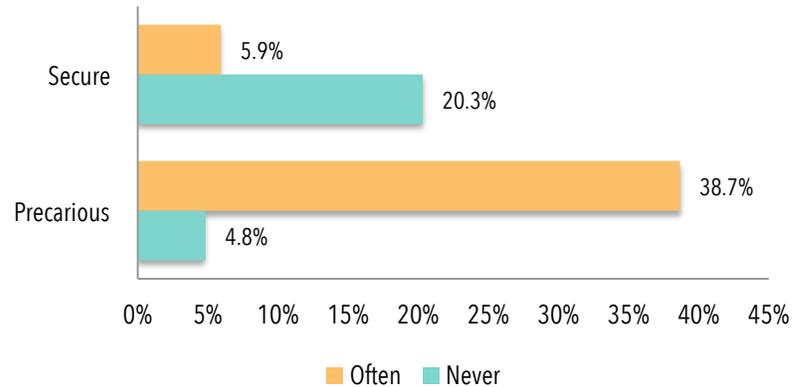
SOURCE: HMS survey 2017. Significant at  $Pr \leq 0.001$



<sup>2</sup> All figures in this executive summary are numbered the same as they appear in the full report.

**Figure 8: Angry as a result of work or work status by employment security.**

SOURCE: HMS survey 2017. Significant at  $Pr \leq 0.001$



### 3.2 | Community belonging

Our survey explored millennials' sense of belonging to the Hamilton community, how often and why they volunteer, how their work schedules affect doing community activities and whether they see good networking and job opportunities in Hamilton. Overall they report a strong sense of belonging to the Hamilton community. Their views on why they volunteer, their ability to participate in community activities and whether they see good networking and job opportunities in Hamilton are affected by their degree of employment precarity.



Millennials volunteer mainly to network and to improve work opportunities. They also volunteer to contribute to their community and to help their family but less frequently. Workers in precarious employment are more likely to volunteer than other workers. As income increases, millennials volunteer less for networking or to improve work opportunities.

Uncertainty about work schedules prevents many millennials from doing community activities. Millennials in precarious employment or low incomes are more likely to not see good networking or job opportunities in Hamilton.

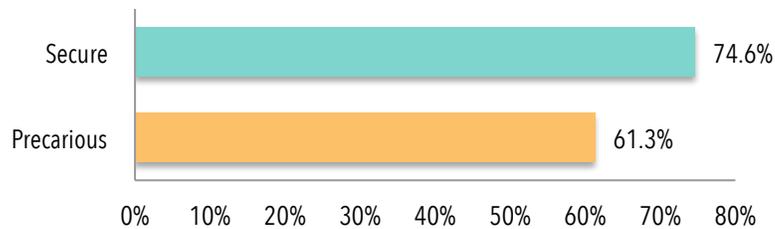
The sense of belonging was strong regardless of employment security, suggesting the sense of belonging to the Hamilton community goes beyond just the realm of work and that other factors about Hamilton may be having a positive impact on millennials.

- Two-thirds of Hamilton millennials indicated their sense of belonging to the Hamilton community was strong regardless of income, employment security or type of job.
- Two-thirds of millennials volunteer to improve job opportunities and networking.

- Slightly more than one-quarter of millennials reported that uncertainty about their work schedule often/always prevents them from doing community activities.
- Millennials are split on whether the Hamilton area provides good work opportunities for their generation — 42% agree, 46% disagree and 12% are unsure.
- Only one-quarter of millennials in precarious employment agreed the Hamilton area provides good work opportunities for their generation compared to 6 in 10 millennials in secure work.
- Just over one-half of millennials in precarious employment indicated that uncertainty about work schedules prevents them from doing community activities.
- Hamilton millennials in precarious employment volunteer more than those in secure employment to improve networking and more to improve job opportunities.

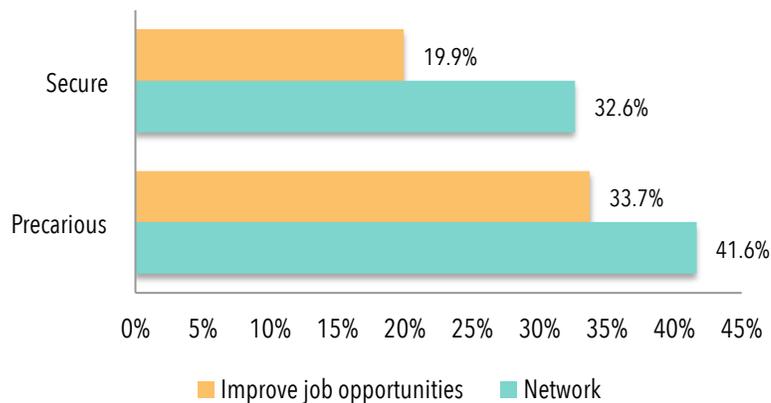
**Figure 10: Sense of belonging to Hamilton community strong/very strong by employment security.**

SOURCE: HMS survey 2017. Significant at Pr=0.036



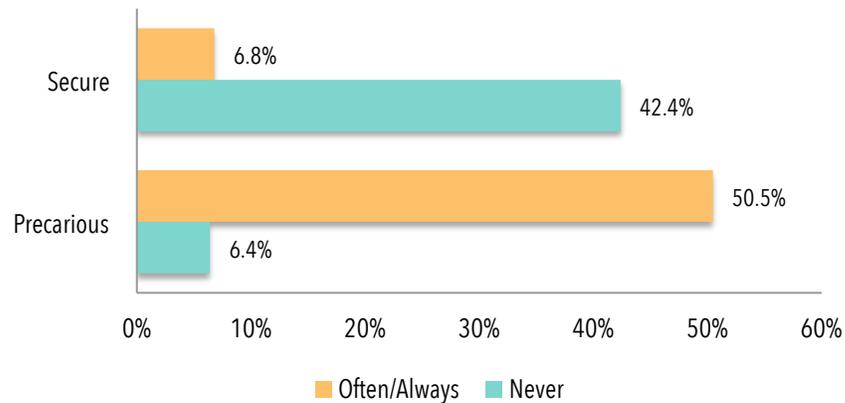
**Figure 12: Reasons for volunteering by employment security.**

SOURCE: HMS survey 2017. Networking significant at Pr=0.045. Job opportunities significant at Pr<=0.001



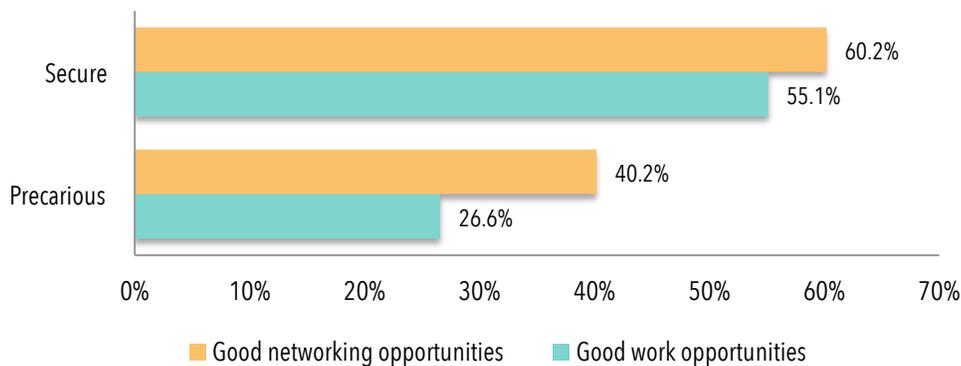
**Figure 14: Uncertainty about work schedule prevents you from doing community activities by employment security.**

SOURCE: HMS survey 2017. Significant at  $Pr <= 0.001$



**Figure 17: Greater Hamilton area provides good work and networking opportunities for millennial generation by employment security (agree/strongly agree).**

SOURCE: HMS survey 2017. Both significant at  $Pr <= 0.001$



### 3.3 | Household wellbeing + quality of life

Millennials look at their future with less optimism and assurance than previous generations. Overall, millennials agreed the lack of full-time jobs and affordable housing are the two biggest challenges facing their generation. Both of these issues were identified by a majority of millennials in every employment security category and income level. Low wages were a distant third.

Precarious employment can influence household wellbeing and quality of life in many different ways. Forming a relationship or marriage, starting a family or buying a home or car are major life decisions that are negatively affected by employment precarity and low income. Uncertainty about work schedules and its associated anxiety affect the quality of family life, and the ability to do fun things with family and friends. This is most likely to affect millennial workers with precarious employment or lower income.

## Family life

- Millennials in precarious employment are six times more likely than those in secure employment to report that anxiety about their employment situation often interferes with personal or family life.
- Almost one-half of millennials in precarious employment reported:
  - Uncertainty about work schedules negatively affects their quality of life.
  - Anxiety over work schedule often interferes with personal and family life
  - They have delayed forming a relationship or having children.

## Household wellbeing

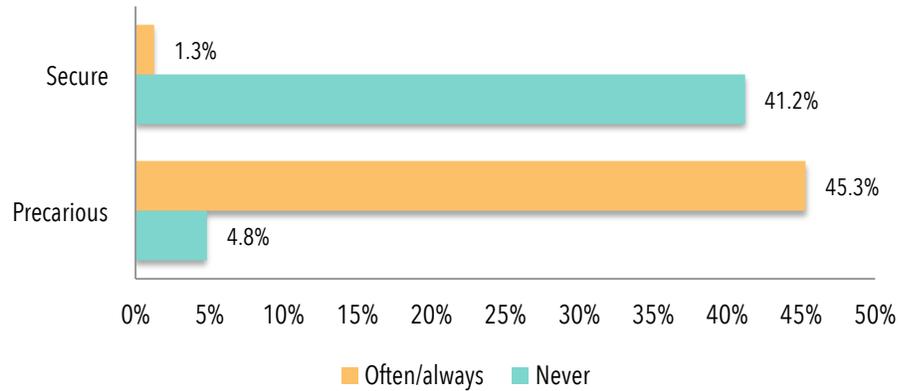
- Home ownership is more likely with millennials in more secure employment and in higher income households.
- Millennials working in precarious employment or earning less than \$40,000 are more likely to live with their parents.
- Six in 10 millennials have delayed large spending decisions (i.e., house, car, vacations, children's activities). Almost 9 in 10 of millennials in precarious employment have delayed large spending decisions.

## Quality of life

- 55% of millennials agreed they expect to have the same or better quality of life as their parents, 38% disagreed and 7% were unsure.
- Only 4 in 10 millennials in precarious employment agreed they expect to have the same or better quality of life as their parents.
- Almost 7 in 10 millennials born outside of Canada expect that their quality of life will be the same or better than their parents compared to 5 in 10 millennials born in Canada.
- Two-thirds of racialized millennials also expect the same or better quality of life compared to just over one-half of white millennials.
- Three-quarters of millennials believe "the game" is getting harder, not easier.
- Just over three-quarters of millennials not born in Canada agreed "the game" was getting harder compared to almost 9 in 10 of millennials born in Canada.

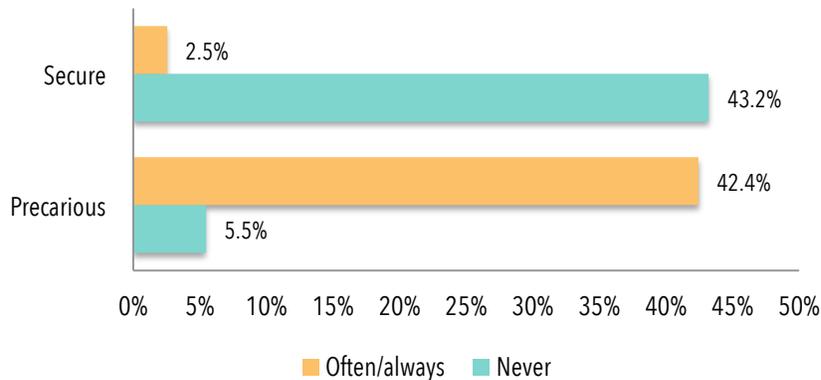
**Figure 20: Uncertainty about work schedule negatively affects quality of life by employment security.**

SOURCE: HMS survey 2017. Significant at  $Pr \leq 0.001$



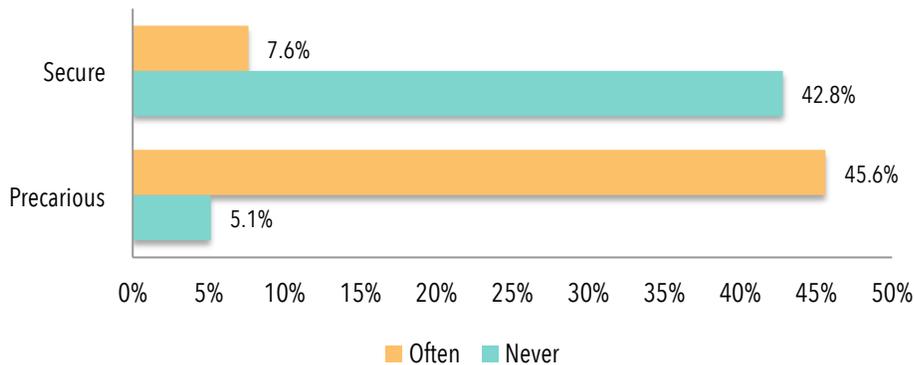
**Figure 22: Uncertainty about work schedule negatively prevents you from doing things that are fun with your family, friends and/or significant other by employment security.**

SOURCE: HMS survey 2017. Significant at  $Pr \leq 0.001$



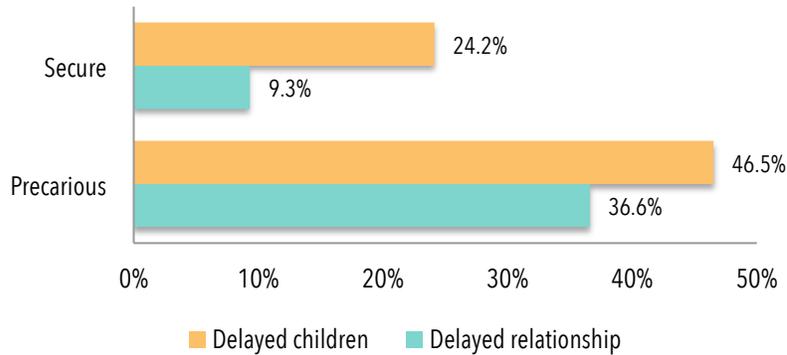
**Figure 24: Anxiety about employment situation interferes with personal or family life by employment security.**

SOURCE: HMS survey 2017. Significant at  $Pr \leq 0.001$



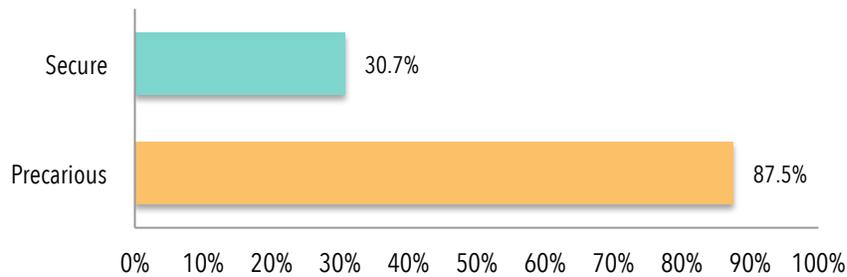
**Figure 27: Have delayed having children or forming a relationship as a result of uncertainty regarding employment situation by employment security.**

SOURCE: HMS survey 2017. Both significant at  $Pr <= 0.001$



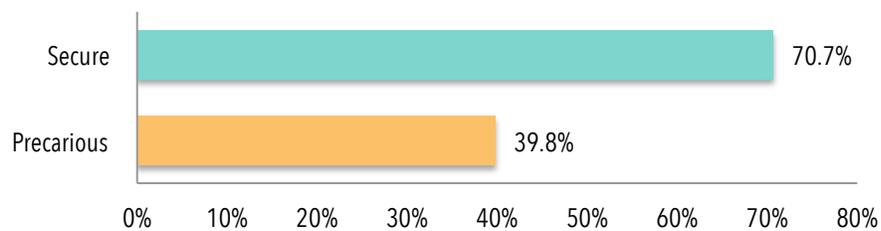
**Figure 28: Concern over employment situation has negatively influenced large spending decisions (i.e., large purchases like a house or car, children's activities, vacations) by employment security.**

SOURCE: HMS survey 2017. Significant at  $Pr <= 0.001$



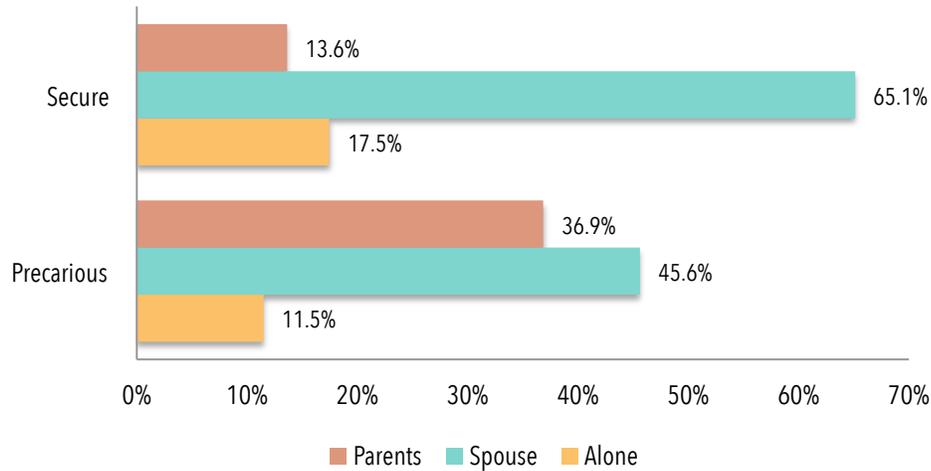
**Figure 34: Expect to have the same or better quality of life than your parents' generation by employment security.**

SOURCE: HMS survey 2017. Significant at  $Pr <= 0.001$



### Figure 30: Whom do you live with by employment security?

SOURCE: HMS survey 2017. Alone significant at  $Pr=0.151$ . Spouse significant at  $Pr\leq 0.001$ . Parents significant at  $Pr\leq 0.001$



### 3.4 | Work + the workplace

Despite their high levels of education, many millennials work at jobs that are insecure, provide limited training opportunities, uncertain schedules, low overall job satisfaction and a limited career outlook. They are also at risk of suffering negative consequences from asserting their rights related to occupational health and safety or employment standards, and more likely to experience unexpected work schedule changes.

Workers in secure employment or in a high-income category are more likely to report higher job satisfaction and see good prospects for career advancement from their current jobs. The overwhelming majority of millennial workers across all demographic and employment categories would prefer full-time permanent employment.

- Almost 3 in 10 millennials belong to a union. Union membership is less likely in precarious employment.
- 1 in 5 millennials in precarious employment are not always paid for work done. Millennials in precarious employment are almost 10 times more likely to not get paid in full compared to workers in secure employment.
- As employment security increases, the likelihood that income in six months will be the same or higher increases. Millennials in secure employment are 5 times more likely than those in precarious employment to say that their income in 6 months will be the same or higher than current income.



## Training

- Employer-paid training is more prevalent in jobs with high employment security or income.
- Four in 10 millennials in precarious employment paid for their own training and 3 in 10 had no training last year.
- Only 3.5% of millennials reported accessing any training paid for by government.

## Work schedules

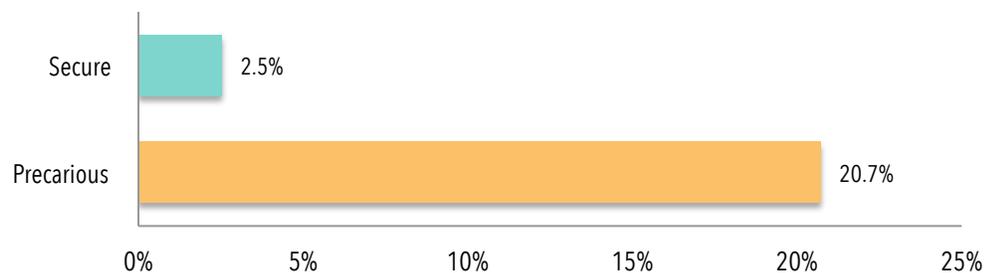
- One-third of millennials in precarious employment indicated unexpected work schedule changes happen often.
- Day-to-day evaluations of work performance are more likely to affect the amount of paid work provided to millennials workers in precarious employment.

## Job satisfaction

- Satisfaction with current employment increases with higher income and employment security. Millennials in precarious employment have the lowest job satisfaction. Workers in secure employment are 2.5 times more satisfied with their current employment than workers in precarious employment. Workers in precarious employment were the least likely to see good job prospects for career advancement from their current jobs.
- Workers in precarious employment have the lowest job satisfaction.
- Six in 10 millennials in precarious employment are not satisfied with their current employment situation and agree their current job does not offer good prospects for career advancement.

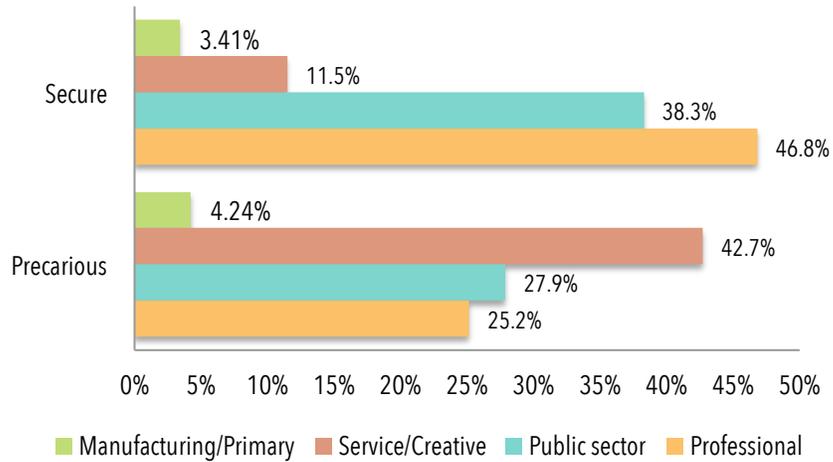
**Figure 52: NOT always paid in full for work done by employment security.**

SOURCE: HMS survey 2017. Significant at  $Pr \leq 0.001$



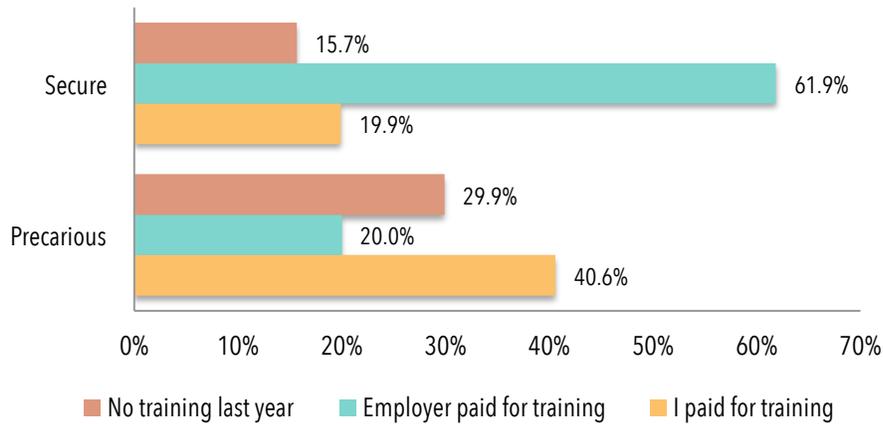
**Figure 48: Job sector by employment security.**

SOURCE: HMS survey 2017. Significant at  $Pr \leq 0.001$



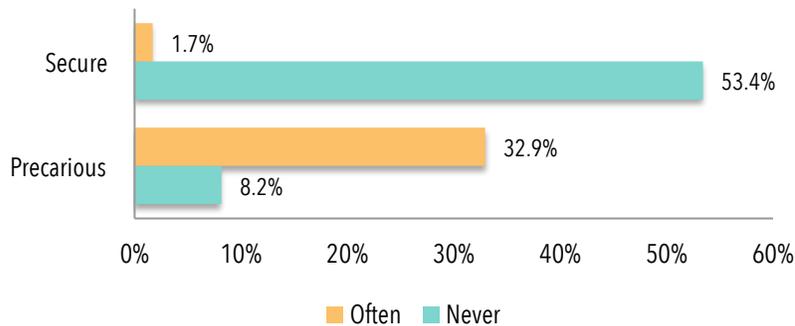
**Figure 64: Training to upgrade skills/knowledge and improve employability by employment security.**

SOURCE: HMS survey 2017. All significant at  $Pr \leq 0.001$



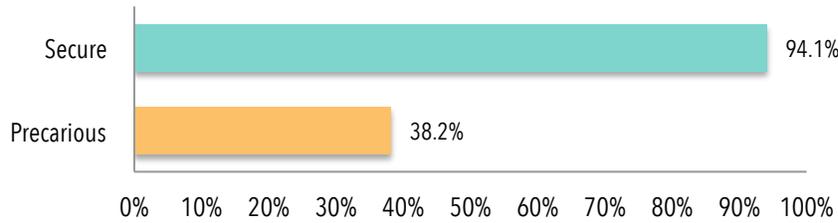
**Figure 66: How often does work schedule change unexpectedly by employment security.**

SOURCE: HMS survey 2017. Significant at  $Pr \leq 0.001$



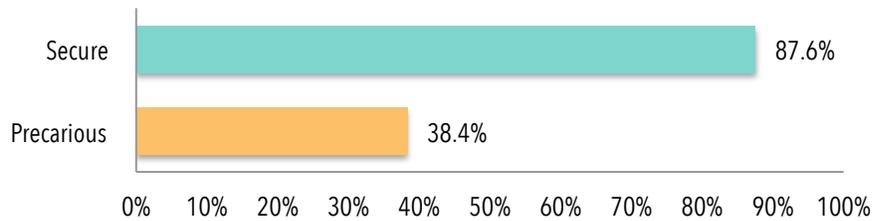
**Figure 70: Satisfied with current employment situation by employment security.**

SOURCE: HMS survey 2017. Significant at  $Pr \leq 0.001$



**Figure 74: Agree current job offers good prospects for career advancement by employment security.**

SOURCE: HMS survey 2017. Significant at  $Pr \leq 0.001$



### 3.5 | Financial security

The majority of millennials in precarious and vulnerable employment are having difficulty with basic living expenses, unexpected expenses, bills and debt obligations, and maintaining their standard of living. Many millennials are carrying high levels of student debt from their post-secondary studies.

More than half of all millennials in precarious employment have no savings or less than \$5,000 in savings. The majority of millennials in precarious employment earn less than a living wage salary, and 4 in 10 have incomes below the LICO poverty level. Workers in precarious employment are more likely to be turned down for various financial services.

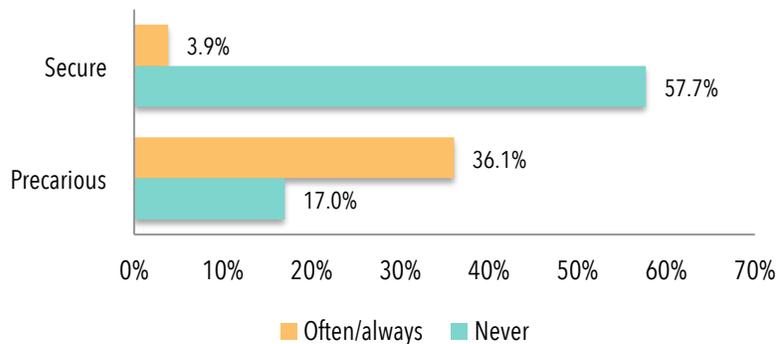
#### Income stress

- Almost 4 in 10 millennials in precarious employment indicated they often found it difficult to cover basic living expenses. Workers in precarious employment were nine times more likely to find it difficult covering basic expenses than secure workers.
- Workers in precarious employment were the most likely to be falling behind on bills and other financial commitments.
- Workers in precarious employment are most challenged by unexpected expenses.
- Six in 10 millennials are concerned about meeting debt obligations over the next 12 months.

- More female millennials were concerned about meeting debt obligations than males.
  - 74% of millennials in precarious employment are concerned about meeting debt obligations. Three times more workers in precarious than secure employment are concerned about meeting their debt obligations.
- One-half of millennials are concerned about maintaining their current standard of living over the next 12 months. Female millennials were more likely to be concerned than males.
  - 67% of millennials in precarious employment are concerned about maintaining their standard of living over the next 12 months.
- Three-quarters of millennials in precarious employment would be financially challenged by an unexpected expense of \$1,000.
- One-quarter of millennials in precarious employment have no savings.

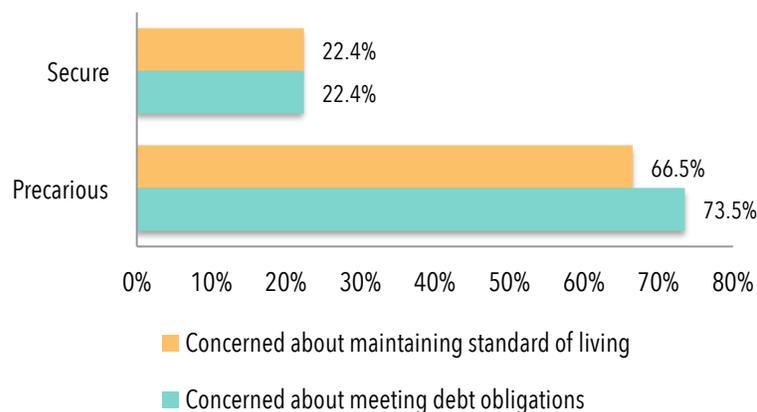
**Figure 78: How often have you found it difficult to cover basic living expenses by employment security?**

SOURCE: HMS survey 2017. Significant at  $Pr \leq 0.001$



**Figure 82: Over the next 12 months, does your employment situation raise concerns about your ability to (1) meet debt obligations (2) maintain your current standard of living by employment security?**

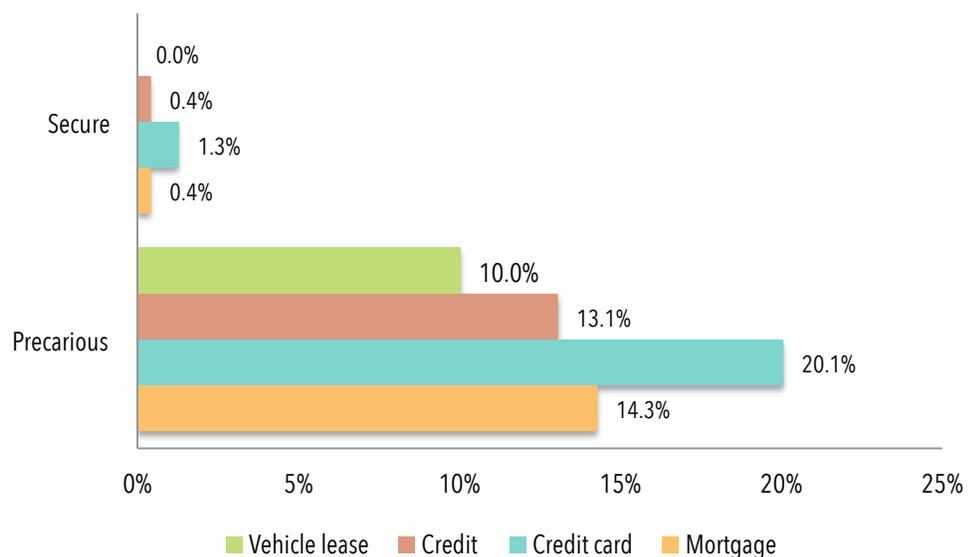
SOURCE: HMS survey 2017. Both significant at  $Pr \leq 0.001$



- Workers in precarious employment are more likely to have lower incomes than all other workers.
- Almost 3 in 10 millennials reported incomes below the Hamilton living wage annual income (\$30,908) and 15% reported income below Canada’s Low Income Cut-Off (LICO) poverty line (\$24,600).<sup>iii</sup>
  - 8 in 10 workers in precarious employment earn less than \$40,000
  - 6 in 10 millennials in precarious employment earn less than the living wage calculation for Hamilton; 4 in 10 live below the Low Income Cut-off (LICO) poverty line.
- More female (30%) than male (21%) millennials earn less than \$29,999 (less than Hamilton living wage). More racialized millennials (35%) earn less than \$29,999 than white millennials (15%).
- Overall, one-half of all millennials reported their personal income was the same as one year ago, while one-third reported a higher income and 15%, a lower income.
- More female millennials (46%) earn less than \$40,000 than males (34%), while three times more males earn more than \$80,000. Just less than one-half of both male and female millennials earn \$40,000 to \$80,000.
- One in 4 millennials in precarious employment receive financial help from someone outside of their household compared to less than 1 in 10 millennials in secure employment.
- Millennials in precarious employment are most likely to be refused a financial service (i.e., mortgage, credit cards, credit, vehicle lease).

**Figure 104: Has employment situation resulted in being turned down for any financial services (i.e., mortgage, credit cards, credit, vehicle lease) by employment security?**

SOURCE: HMS survey 2017. Significant  $Pr <= 0.001$





## Benefits + pensions

Survey participants were asked whether they receive a range of employer-funded benefits.

Overall, 6 in 10 millennial workers have no employer-paid pension and just less than one-half have no extended health benefits. Three-quarters of all millennial workers who are without employer-funded extended health benefits are not covered by someone else's employment benefits. The overwhelming majority of millennial workers (85%) agree that the government should provide benefits.

- Workers in precarious employment are significantly less likely to receive employer-funded benefits, pensions, dental plans or other benefits — 18% receive a company pension plan/RRSP; 8.5% received extended health benefits; and 12% have an employer-paid dental plan.

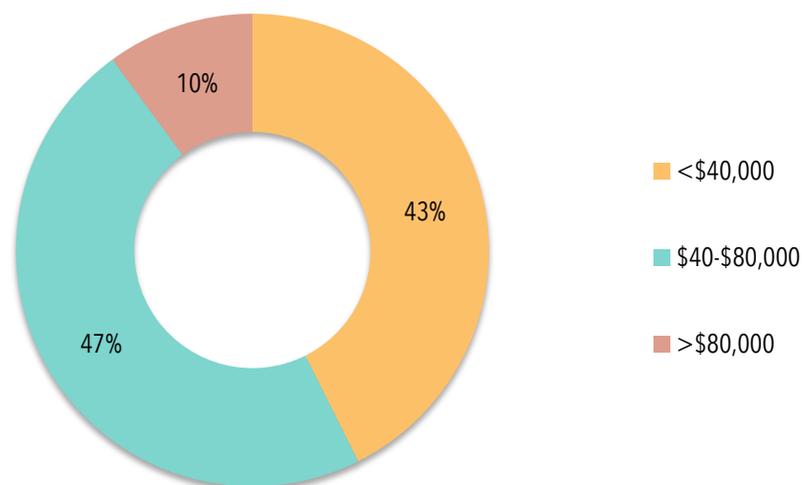
## Debt

High post-student debt has become one of the defining features of the millennial generation. The amount of debt carried by Canadians under 30 is now double what it was in 1999. Young Canadians are now more likely to live in poverty than older Canadians. 15% of Canadians aged 20-34 are living in poverty, which is "drastically and exponentially expanding the working poor."<sup>iv</sup> Research suggests that such a large amount of debt can have an impact on a student or graduate's mental health.

Overall, one-third of all Hamilton millennial workers had no student debt when they finished school. Of the millennials with debt, 1 in 5 had loans of less than \$10,000; 1 in 3 millennials had loans between \$10,000 and \$30,000; 1 in 5 had loans between \$30,000 or greater. Five percent of millennials had loans more than \$50,000.

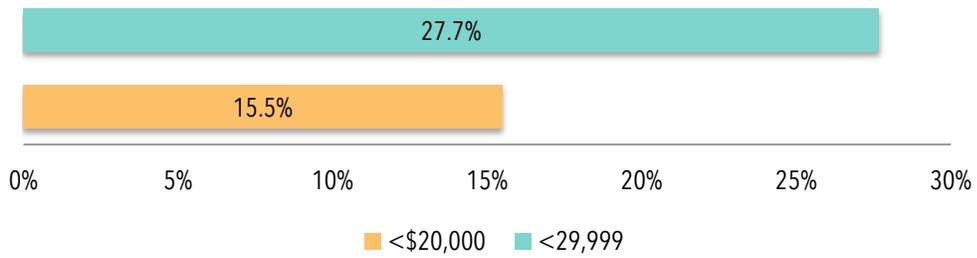
**Figure 94: Individual income of all millennials.**

SOURCE: HMS survey 2017.



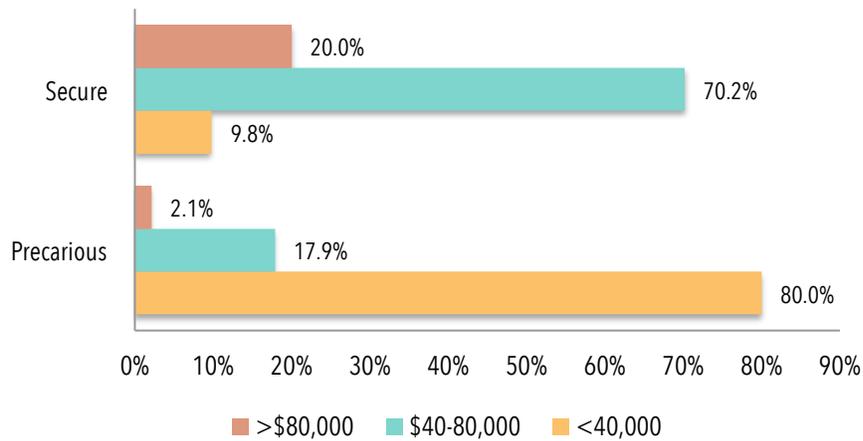
**Figure 95: Low income earners**

SOURCE: HMS survey 2017



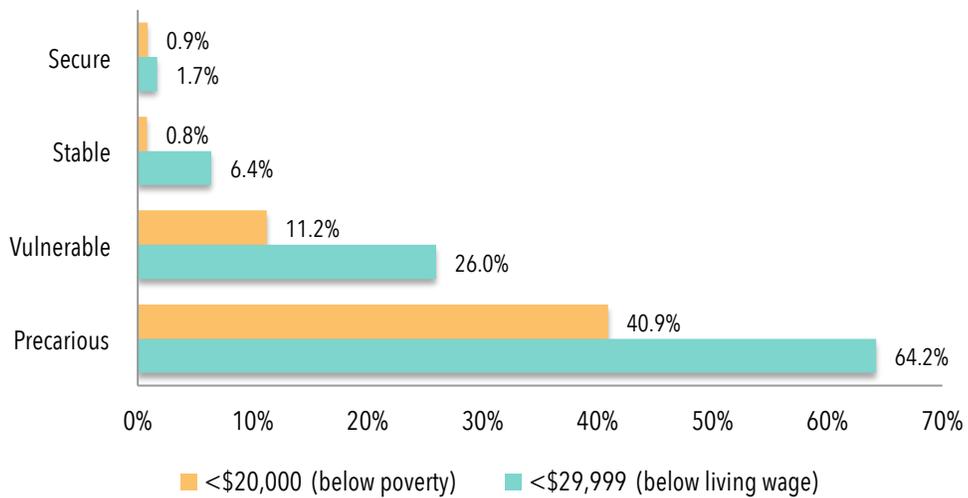
**Figure 96: Individual income by employment security.**

SOURCE: HMS survey 2017. Significant at  $Pr \leq 0.001$



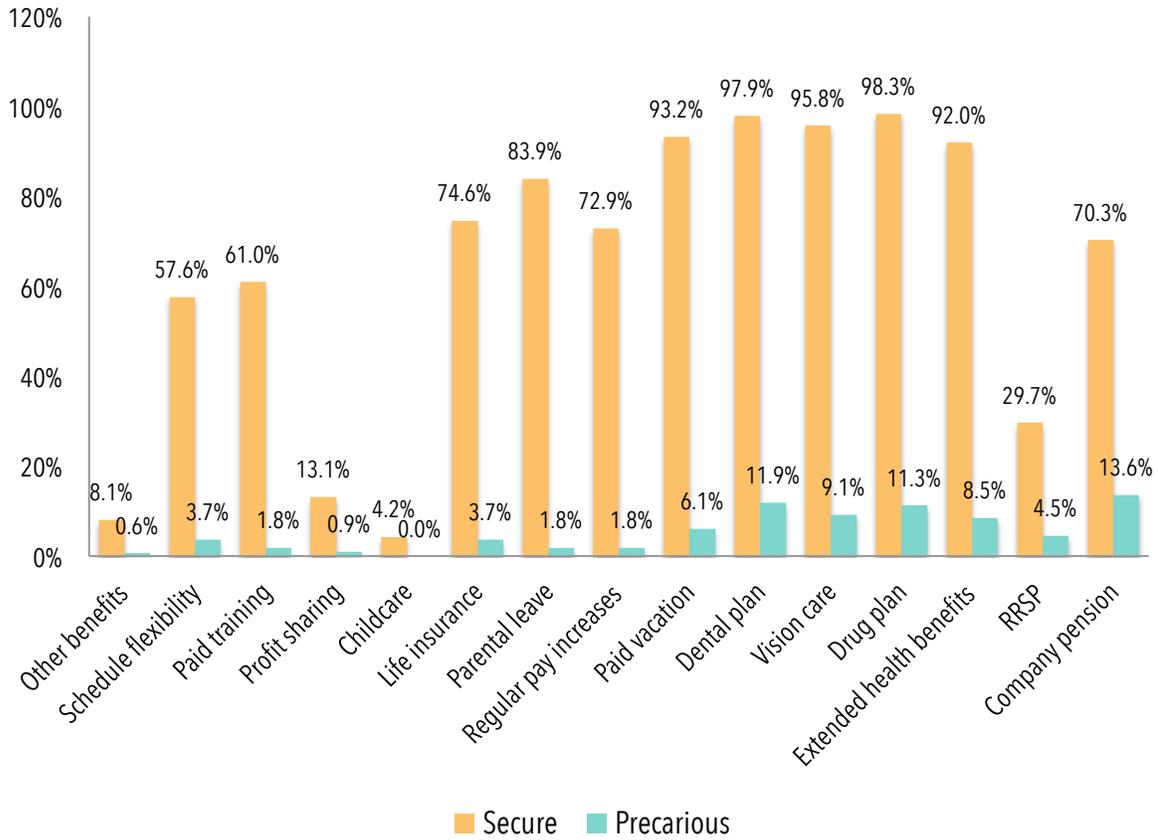
**Figure 97: Low individual income by employment security.**

SOURCE: HMS survey 2017. Significant at  $Pr \leq 0.001$



**Figure 108: What employment benefits do you receive by employment security – secure vs. precarious employment?**

SOURCE: HMS survey 2017.



## 4. OUTLOOK

### Closing thoughts

*The Generation Effect's* findings suggest that while all is not complete doom and gloom for the millennial generation, the overall outlook is not encouraging for many. There are some serious and, in some cases, very disturbing issues affecting millennial workers across sectors and industries — as a result of their work and/or work situation.

This generation entered a job market that was fundamentally different from that of their generational predecessors. Neoliberalism has replaced Fordism, the “kinder” welfare state is in steep decline, precarious employment is growing at a faster rate than traditional full-time jobs, and the labour market and world of work has changed significantly from what their parents had experienced.



Millennials not only started their formative years in a world of polarizing politics and events, but also entered adulthood and started their working lives in an economy that had transitioned to neoliberal capitalism — trade liberalization and globalization. The economic reality for this generation is one of financial challenge and insecurity, an extended reliance on family, far higher tuition fees and post-student debt, and increasing income inequality. They face an unstable labour market with precarious employment and underemployment, a housing market in crisis and with it, high rates of mortgage debt. Many are delaying key life decisions such as buying a car or a home, getting married, or having children. Young people cannot continue to sustain low-wage work and precarious employment, and overall low earnings as “the more long-term the damage to young people’s careers, the less they will earn over their lifetimes and the less tax they will pay.”<sup>v</sup>

Precarious employment is helping to fuel income inequality, structural poverty and a working poor. It poses a major health risk to millennial workers and their families, and makes work-life balance a challenge. The impact is far-reaching, and we are only beginning to see its consequences on workers, their families, communities and society at large. Without some significant structural and policy changes to the social safety net, and employment and labour laws, it is not hard to imagine that the social and economic reality for millennials may worsen. The outcome could easily lead to more hardship for this generation and most likely the younger Generation Z that is just now starting its post-secondary education and will begin to enter the workforce within the next five years.

Millennials need help, here at home in Canada and in many other countries. Globalization has not only created an interconnected global economy that favours capital and the wealthy, but also has “globalized” work forces which are now experiencing the same social and economic challenges regardless of country.

In the U.S., PEW Research Centre reported similar findings and conclusions. “[American] millennials are the first generation to have higher levels of student loan debt, poverty and unemployment, and lower levels of wealth and personal income than their two immediate predecessor generations (Generation X and baby boomers) had at the same stage in life.”

### **Going forward**

We hope this report will make a contribution to our understanding of the impact of neoliberalism on our workforces and workplaces. Work has changed. Many or most would say not for the better. The standard employment relationship is no longer the norm for the majority of millennial workers. Precarious employment is growing faster than all other types of employment.

These changes are having a serious impact and influence on our personal, family and community lives. *The Generation Effect* shows us that we have to view “work” through the different employment security lenses to better understand the problems and propose real, meaningful and effective solutions.

This study has revealed the many social and economic dilemmas facing millennial workers. Employment precarity is a defining part of the contemporary workplace fabric. Income insecurity and inequality are growing and polarizing this generation into “have” and “have-not” millennials. The combined impact of precarious jobs, low income, few if any benefits or pensions has resulted in the delay of forming relationships and marriage, having children and being able to buy a home. It has created instability in households, forced many millennials to return to or stay with their parents, and limited their family and community activities. Almost one-half of millennials are unsure of their career opportunities and whether their quality of life will be the same or better than their parents. But it is the alarming pervasiveness of poor mental health, anger and depression among a large percentage of millennials that is the most disturbing finding. These are the consequences of a neoliberal economy, a fragmented labour force, inconsistent legislation, and growing “workplace inequality.”

Numerous studies have shown that millennials are significantly challenged by the state of work and the labour market. *The Generation Effect* adds to this understanding. American researcher Ruth Milkman sums up the outcomes of the 2008 financial crisis and impact on millennials: The crisis created “a generation of twenty-somethings whose projected life-arc has switched, quite suddenly, from an upward curve to a downward one.”<sup>vi</sup>



## 5. ENDNOTES

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<sup>i</sup> <https://www.britannica.com/topic/Fordism>

<sup>ii</sup> Anderssen, Erin. “The Middle Class: Just Who Are They, Anyway?” *The Globe and Mail*, September 18, 2015 (November 12, 2017). <https://www.theglobeandmail.com/news/politics/who-are-the-middle-class-anyway-how-politicians-risk-missing-the-mark/article26431270/>

<sup>iii</sup> Canadian Immigration Consultant ICCRC Full Skills Exam Preparation. “Federal Income Table, 2017 LICO.” Posted January 28, 2017. <https://fullskillsexamprep.com/blog/2017-lico/>.

<sup>iv</sup> Norgang, Emily. “Ensuring decent work for young Canadians.” *Policy Options*, March 17, 2017:2. <http://policyoptions.irpp.org/magazines/march-2017/ensuring-decent-work-for-young-canadians/>.

<sup>v</sup> O’Connor, Sarah. “Tragedy of the millennials is they are not entitled enough.” *Financial Times*, January 26, 2016. <https://www.ft.com/content/ab749c5a-c357-11e5-b3b1-7b2481276e45>

<sup>vi</sup> Milkman, Ruth. “A New Political Generation: Millennials and the Post-2008 Wave of Protest, *American Sociological Review* 1-31, 2017:10.



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