



The many reasons millennials are shunning cars

October 14, 2014 |Emily Badger

There's a lot of evidence that millennials don't drive as much — or care as much for cars in general — as previous generations their own age did. They're less likely to get driver's licenses. They tend to take fewer car trips, and when they do, those trips are shorter. They're also more likely than older generations to get around by alternative means: by foot, by bike, or by transit.

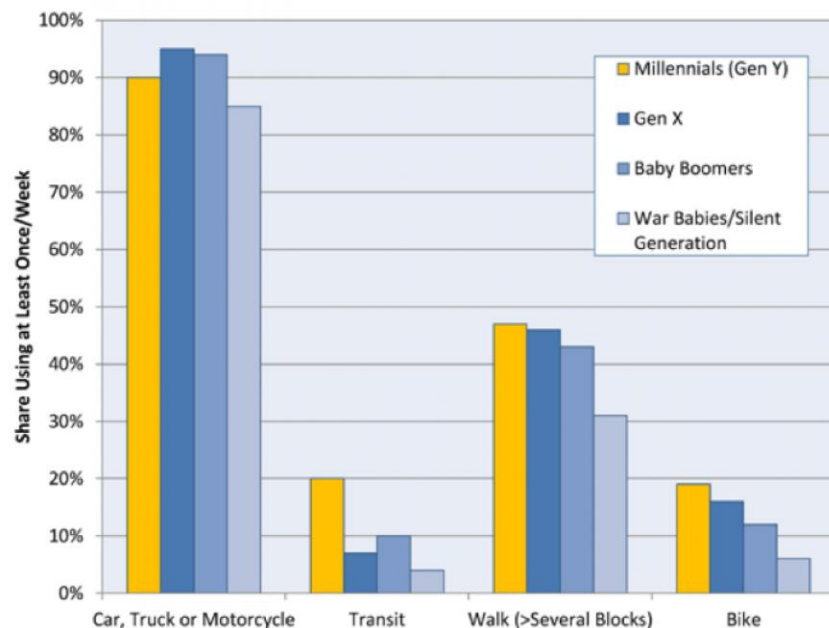
There's still a lot of dispute, however, over exactly what these trends mean. Are millennial driving habits a byproduct of the weak economy? (If you have no job to go to, chances are you drive less.) Or do they signal deep and permanent shifts in the American relationship to automobiles? If the latter is true, these nascent millennial indicators could have major implications not just for car dealers and gas stations, but for how the U.S. invests in transportation.

We probably won't know the answer with certainty for at least several years. But researchers at the U.S. Public Interest Research Group and the Frontier Group, who have been tracking these trends, argue that the case is growing stronger for a major and lasting change in how today's youngest would-be drivers — and those to follow them — use cars. In a new report (an update to an earlier survey two years ago), they argue that this also means it's time to rethink how we subsidize, encourage and invest in car use.

As for the millennials themselves, Tony Dutzik, Jeff Inglis and Phineas Baxandall write, "they have the most to gain or lose from the transportation investment decisions we make today, as they will be affected by those investments for decades to come."

Their report defines millennials as born between 1983-2000, the youngest of which are just on the verge of their first driver's licenses (should they choose to get them). The case for durable changes in their behavior — beyond the recession — is three-fold.

Figure 1. Millennials' Day-to-Day Transportation Experience Differs from Other Generations⁷



U.S. PIRG, using data from the Urban Land Institute

The economic argument

It's true that the recession has probably dampened car use, not just for millennials but for everyone. But there are also some relevant, long-term socioeconomic shifts underway that will likely continue to affect car use even after the economy fully recovers. As student loan debts rise, alongside the cost of housing in many big cities, budgets for car payments will be squeezed. This is particularly true in cities like Washington, D.C., where the high cost of housing is partly subsidized by the low cost of transportation for young professionals who rely on transit and bikes instead of cars.

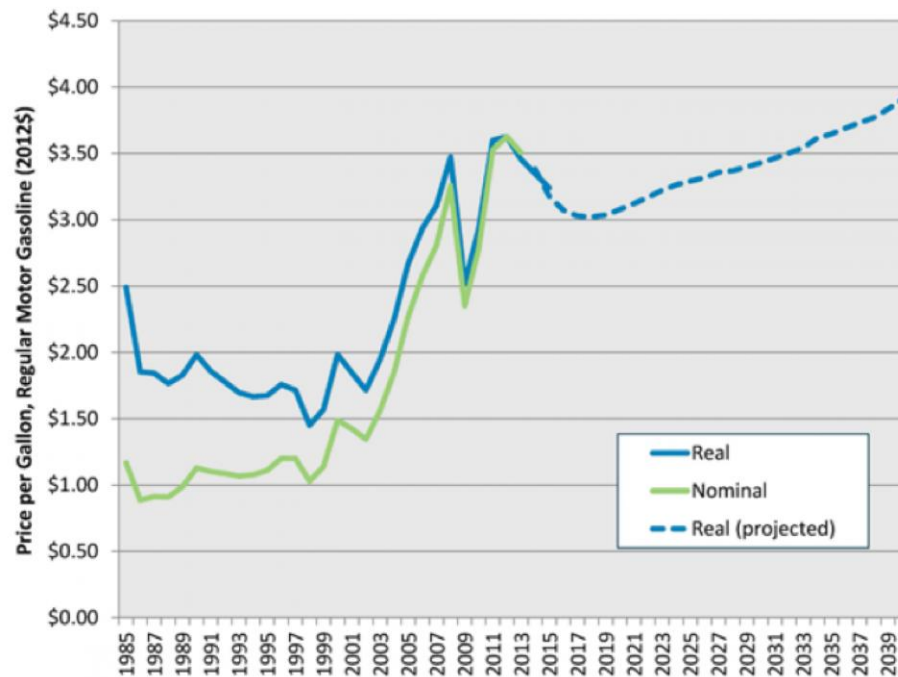
Americans are also forming their own households, getting married and having children later — all trends that predate the recession and that postpone life stages associated with the peak driving years. Of course, this means that as millennials age, as they move into their own homes and have their own children, they'll likely start to drive more. But these long-term demographic shifts also suggest that future twenty-somethings may continue to drive less than baby boomers, for example, did at that age.

Add to this research that shows that millennials are driving less than previous generations did at this stage of life, even when accounting for the state of the economy or for household income.

And one more economic argument: Americans just reaching driving age today "have no living memory of consistently cheap gasoline," the PIRG and Frontier Group authors write.

And they're not likely to see it again in the near future, regardless of what the economy does:

Figure 7. Historical and Projected Gasoline Prices⁷⁶



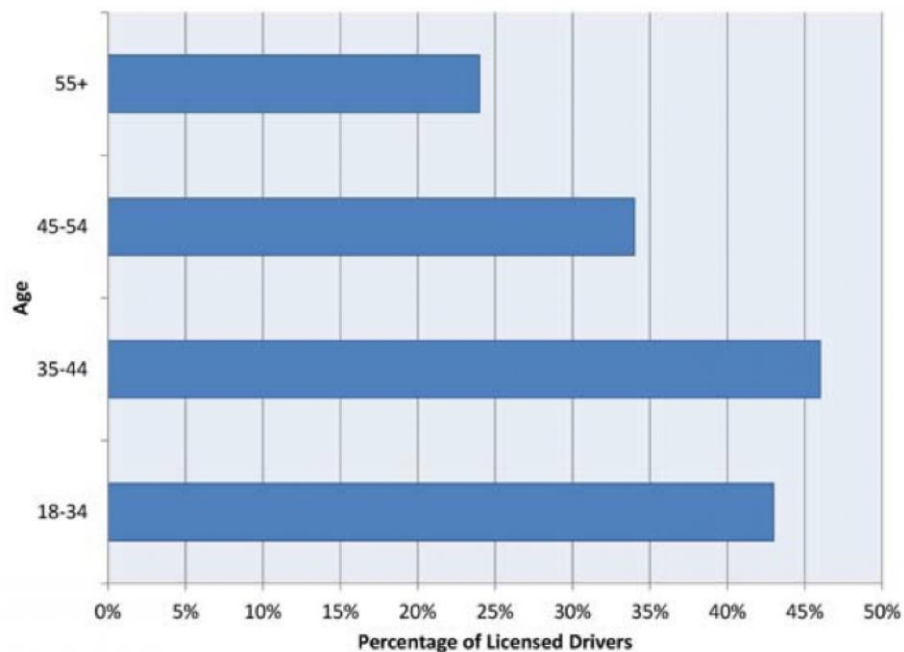
U.S. PIRG

The technology argument

Many of the economic arguments address whether millennials can *afford* to drive, which is a different question from asking whether they *want* to. This second strand of technological arguments suggests that maybe they simply chose not to, precisely because they now have more and better alternatives.

One popular argument is that young people no longer have to get in a car to visit friends because they can meet up online. These results from a Zipcar survey suggest, not surprisingly, that millennial and 34-44-year-olds are a lot more likely to say they do this:

Figure 9. Percentage of Licensed Drivers Reporting that they “Sometimes Choose to Spend Time with Friends Online Instead of Driving to See Them” (Zipcar Survey)¹²⁹



U.S. PIRG, Zipcar

This isn't the most compelling technological argument, though. More importantly, technology has made it possible to travel by car without owning (or driving) one, by fueling the advent of car-sharing schemes like Zipcar and car2go, or taxi-like "rideshare" platforms like Uber and Lyft. Most of the data on driving patterns doesn't capture these newer activities very well. So it's possible that part of the millennial decline in miles traveled or trips taken by car fails to account for the growth of trips taken in cars that belong to someone else.

But technology has also enhanced other alternatives to the car. It's made bikeshare systems possible and transit more appealing (through real-time arrival apps). Smartphones and WiFi have also increased the relative costs of driving. You can now read your email on the train, starting your workday during your commute. But you can't (or at least you shouldn't) do that from behind the wheel of a car.

There's every reason to think the influence of this technology on transportation will only grow, regardless of what happens next with the economy.

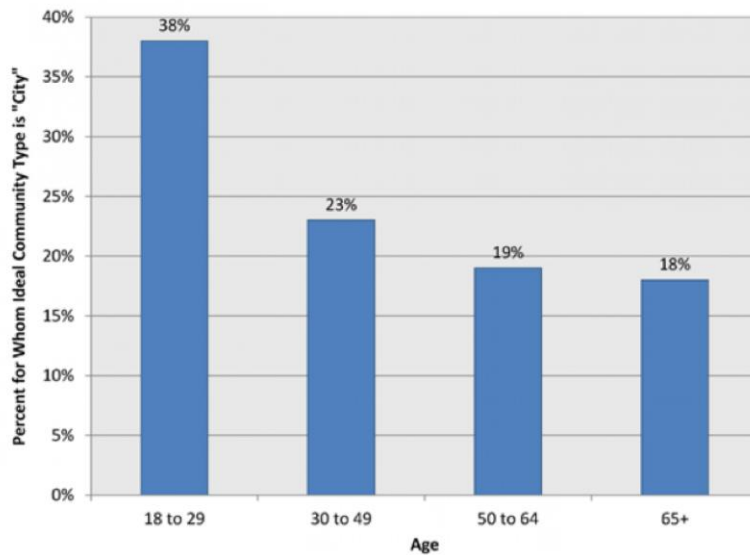
The cultural argument

This last theory posits that the underlying cultural preferences of millennials are changing, too, in ways that make them less dependent on cars than their parents. They'd rather spend their money on experiences than things. Of the things they do own, they value smartphones and laptops over cars. They keep telling survey-takers that they view cars as mere

transportation, not status symbols. And there's some evidence that millennials factor the environment into their driving decisions (although not as an overriding factor).

The housing preferences of millennials — which are equally up for debate — are also closely tied to their transportation patterns. If, in fact, they chose cities over suburbs, apartment living over detached homes, and "walkable" places over drivable ones, those preferences would translate into less car use as well.

Figure 8. Percentage of People Preferring to Live in a City, By Age (Data from Pew Research Center)¹⁰²



U.S. PIRG, Pew Research Center

Whatever millennials do right now, it's highly likely that they'll drive more as they age into their 30s and 40s. The question is whether they'll continue to drive less than their parents did at each stage of life — and whether future generations will replicate their patterns.