



Millennials: The multimodal generation

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Economics push young adults to expand their transportation menu beyond the automobile

Consider Jake Gau a multimodal millennial.

On chillier mornings, the 25-year-old rehabilitation aide hops on the No. 30 bus in northeast Minneapolis bound for his job at the Courage Kenny Rehabilitation Institute in Golden Valley. On warmer days, he pedals his mountain bike westward to work.

Noticeably missing from his array of transportation options — a car. And that's just fine with him.

Much of the millennial generation — roughly 77 million Americans born between 1983 and 2000 — is decidedly lukewarm when it comes to

Americans' century-long love affair with the automobile. They appear to prefer biking, walking, taking mass transit and sharing cars, exhibiting behavior that could have a profound effect on transportation and land-use policies for years to come.

"Transportation policy tends to be a generation behind, we're still trying to build our grandfather's interstate highway system," said Phineas Baxandall, a senior analyst with the consumer group U.S. PIRG. Policymakers should not only accommodate Gen Y's desire to drive less, but encourage it, he said.

This demographic shift comes as Minnesota lawmakers prepare to debate transportation funding in the 2015 session, a conversation likely to pit urban interests — those pushing for increased mass transit and bike-pedestrian infrastructure — against the upkeep and expansion of roads and bridges.

"We've spent a number of years talking about millennials and how they have different sensibilities when it comes to transportation," said Sen. Scott Dibble, DFL-Minneapolis and chair of the Senate Transportation Committee. "Now we have to respond with policy."

But Rep. Tim Kelly, R-Red Wing, who is about to become chairman of the House Transportation Policy and Finance Committee, said whether millennials eschew cars "really depends on where they live. If you grew up in Eveleth, and there's no other way to get around than to hop in a vehicle. ..."

Kelly said it is imperative that Minnesota policymakers “look to see what kind of changes this new generation provides us. It’s important to listen.”

Entering adulthood during the Great Recession, many millennials are too debt-laden and underemployed to afford a car. They see mass transit, biking and walking as not only cheaper, but good for their health and the environment.

Gau, for example, often walks several miles in the final leg of his commute. Whippet-thin, he says it’s “a great workout. I’m calmer; it’s a great way to start and end my day.” Whether he’s part of the mittened masses on the bus or pedaling solo, he observes commuters alone in their cars.

“They seem really stressed out,” he said.

Driving less

In the past decade, more and more young people have opted to drive less — in stark contrast to the Gen X and baby boomer generations, where a driver’s license was the ticket to adulthood and freedom from their parents.

According to a 2013 study by the AAA Foundation for Traffic Safety, less than half (about 44 percent) of teens obtain a driver’s license within 12 months of the minimum age for licensing in their respective state. Roughly 54 percent are licensed before their 18th birthday. AAA says the findings are a significant drop from two decades ago, when two-thirds of teens were licensed by the time they were 18.

More recent data indicate that the national trend holds true in Minnesota: The number of 18-year-olds with a driver’s license in 2013 was 50,688 compared with 51,603 in 2011.

The reasons for the decline likely include the rise of telecommuting, online commerce, housing options that tout walkability and social media.

“People are more connected now, it’s easier to reach out to your friends,” said Lacey Plache, chief economist for the auto website edmunds.com.

“It’s less likely that [millennials] will gather up their friends and go cruising,” as was the case with previous generations.

The Great Recession that hit in 2008 slowed economic growth, particularly for millennials entering the workforce, Plache said. For someone still encamped in his parents’ basement, buying a car doesn’t seem terribly practical.

“Millennials are not driving much, and it seems to come down to cost,” said Michael Green, AAA spokesman. “The weakness in the economy has disproportionately affected millennials, and owning a car can cost money, plus gas and maintenance.”

Whether the delayed-driving trend will reverse once millennials enter their peak employment and child-rearing years — ages 35 to 54 when driving tops out — remains to be seen.

But don't rule out the allure of the car, at least to some millennials.

An analysis released by the research firm J.D. Power indicates that Gen Y (defined in the report as people born between 1977 and 1994) now account for a larger percentage of U.S. new-vehicle sales than Generation X. (Baby boomers, however, still remain the biggest buying bloc.)

As of July, Gen Y buyers accounted for 26 percent of new auto sales for the year, slightly above 24 percent for Generation X. This year, Gen Y sales are expected to grow 17 percent, a surge auto analysts attribute to these young consumers entering new life stages as their income increases and families grow.

Baxandall, of U.S. PIRG, says certain generational habits formed at a young age tend to stick, such as the thriftiness imbued in those who grew up during the Great Depression of the 1930s. "If, before you've settled into middle age, you've experienced that you don't need a car, that could shape your expectations in the future," he said.

Rush to drive

Of course, not all millennials are waiting to apply for their license, particularly those living in areas where public transit options are few.

K.J. Olson and Liz Gfrerer, both 15, can't wait to test their driving mettle. For these freshmen at Roseville Area High School, driving represents independence. "I really want a license," Gfrerer, said while shopping recently at Rosedale. "I want to be able to go out on my own."

She says her mother is supportive, too. "She's sick of chauffeuring me around."

When asked whether they ever take the bus, Olson replied, "You mean the school bus?"

But overall, AAA found that one in three teens wait to get their licenses until they're 18. Observers see a link between that and the growth of graduated driver's license systems across the country. That includes Minnesota, where 15-year-olds may first apply for a learner's permit, leading to a provisional license at 16 and a full license a year later.

So many options

The millennial "meh" over driving also comes as transit options are widening, enabling a generation that is comfortable patching together a multimodal existence.

In the Twin Cities, the options for mass transit have broadened remarkably over the past decade, with the Blue and Green light-rail lines opening, as well as the Red Line bus rapid transit and the Northstar Commuter line in the suburbs. More is expected, with both light-rail lines slated to expand, as well as the introduction of the Orange Line rapid bus service linking Burnsville to downtown Minneapolis.

Furthermore, the Twin Cities' bike infrastructure has been lauded nationally for its comprehensiveness and convenience. Car ride-sharing programs, such as Car2Go and Hourcar, have also grown in popularity.

St. Paul-based Hourcar began nine years ago and now has 73 vehicles at 62 hubs through the Twin Cities as well as plans to expand. Program Manager Megan Hansen said drivers ages 18 to 85 have signed up, "but it is weighted on the younger end, college students and people in their 20s and 30s." Hourcar is especially popular with college students and drivers who, in general, can't afford a car, she said.

"Millennials are changing the conversation," said Hilary Reeves, spokeswoman for the St. Paul nonprofit Transit for Livable Communities, which plans on lobbying during the impending legislative session for more transit options. "When it comes to transportation, millennials are signaling they want options for getting around — transit and communities connected by bicycling and walking."

A 2013 survey by the Urban Land Institute indicates millennials will have a profound impact on land use in years to come. Fifty-nine percent say they prefer diversity in housing choices; 62 percent desire housing near shopping, dining and office space; and 76 percent place a high value on walkability in their communities.

This dovetails with the recent construction explosion in the Twin Cities of apartments, many of which were purposely located close to mass transit. Since January, more than 3,400 new apartments have hit the metro market — a trend has been fueled by young professionals, empty nesters and former homeowners burned by the housing crash in the Great Recession.

But many of the new luxury apartment buildings may be too expensive for millennials' frugal finances. While the Twin Cities is considered one of the hottest rental markets in the nation, it's also the 10th-most most expensive, according to Zumper, a national real estate database.

Jonathan Reiner, 26, a young lawyer who commutes to downtown Minneapolis on the Metro Transit Green Line, said he and his girlfriend, Emma Fazio, deliberately chose to live in the Midway area of St. Paul because of its proximity to light rail. Each morning, they leave their house and head to the Snelling Avenue Green Line station — she departs on the St. Paul-bound train, and he heads to Minneapolis.

"Where we live, everything is centrally located," he said.

Reiner grew up in Forest Lake and, as a teenager, was “immediately on the bandwagon to get my driver’s license.” He worked multiple summer jobs, saving his money so he could buy a used Honda Accord. “Let’s just say there were zero transit options in Forest Lake,” he noted.

Now that he’s living in the city, the allure of his hard-won Honda has diminished. The car is currently sitting in storage at his parents’ house in Forest Lake.