OK Vroomer: Millennials and Car Culture

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What is the outlook for U.S. consumption of private cars?

- Millennials will soon be the largest living adult cohort in the U.S. and will remain a primary consumer market for decades.
- So their car ownership and use choices will have a large influence on this outlook.

<table>
<thead>
<tr>
<th>U.S. generations</th>
<th>Birth years</th>
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<tbody>
<tr>
<td>Generation Z</td>
<td>1995-2015</td>
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<tr>
<td>Millennials (Generation Y)</td>
<td>1980-1994</td>
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<tr>
<td>Generation X</td>
<td>1965-1979</td>
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<tr>
<td>Baby boomers</td>
<td>1946-1964</td>
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<tr>
<td>Silent generation</td>
<td>1928-1945</td>
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<td>Greatest generation</td>
<td>1901-1927</td>
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Millennials are buying fewer vehicles, driving fewer miles, and have lower rates of licensure.

“go-nowhere generation” “Millennials are killing U.S. car culture”
Are existing gaps in behavior a result of real differences in attitudes and preferences across generations or are they explained by external factors?

Will existing gaps close as millennials enter later life stages?

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<th>Approach 1</th>
<th>Approach 2</th>
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**Approach 1**
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**Approach 2**
Use longitudinal data on car ownership and use to compare travel behavior across individuals of different generations, controlling for endowment variables
We know that car ownership and use are motivated by much more than instrumental or utilitarian value, they are motivated by attitudes (emotional and symbolic values)

“car pride” – the attribution of social status and personal image to owning and using a car
There is a reinforcing cycle among car pride, car ownership, and car use

Among individuals in U.S. cities:
- Car pride is strongly predictive of car ownership,
- Car ownership enables greater car use, and
- Car use reinforces car pride, even after controlling for socio-demographics.

Moody 2019
Moody & Zhao 2019
Millennials have the highest median car pride of any generation
Californian Millennials’ attitudes towards urban living, car ownership, and sustainable transportation choices differ from those of Generation X by small but statistically significant amounts on average.

Etezady, et al. 2020
But the gaps in these attitudes grow even smaller once you control for life stage and other sociodemographic variables (“endowments”)

- Use Blinder-Oaxaca decomposition to explain existing gaps with endowment variables
- Accounting for differences in life stage (income, employment, and marital status) lead to a reduction in the gap of:
  - 24% for pro-urban attitudes
  - 32% for pro-car ownership attitudes
  - 6% for pro-environmental attitudes
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Car ownership (vehicle #) across U.S. generations:

Baseline controls
- Income
- Education
- Age
- Gender
- Race
- Household size
- Location: urbanity
- Location: state
- Survey year

Regression models
- All ages, no controls
- All ages, baseline controls
- Ages 18-37, no controls
- Ages 18-37, baseline controls
- Ages 18-37, no age control
- Ages 18-37, state-year interactions
- Ages 18-37, state macroeconomics
Vehicle miles traveled (VMT) across U.S. generations:

Regression models:
- All ages, no controls
- All ages, baseline controls
- Ages 18-37, no controls
- Ages 18-37, baseline controls
- Ages 18-37, no age control
- Ages 18-37, state-year interactions
- Ages 18-37, state macroeconomics
Evidence suggests that millennials’ attitudes and behaviors are not so different from those of previous generations if you control for their socioeconomic environment and as they enter later life stages.

Without intervention, the U.S. is not on a trajectory of decreasing car ownership and car use.

So are Millennials “killing” U.S. car culture? The short answer is “no.”
References


