

Demographic shifts: are millennials trending away from buying and using cars?

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The millennial generation, born between 1982 and 2000, is believed to have changed the economic and societal norms established by previous generations. However, these perceived changes that separate millennials from earlier generations have affected every generation, not just millennials. The Great Recession, which lasted from December 2007 to June 2009, and the growth of student debt affected the millennial generation greatly.

In “[Generational trends in vehicle ownership and use: are millennials any different?](#)” (National Bureau of Economic Research, Working Paper 25674, March 2019), Christopher R. Knittel and Elizabeth Murphy examine whether millennials’ vehicle ownership and use differ from previous generations. The authors focus their research on vehicle ownership (i.e., how many vehicles are in a particular household) and on vehicle usage, which they measure using annual vehicle miles traveled (VMT). Data for this study come from the U.S. Department of Transportation’s National Household Transportation Survey, U.S. Census Bureau, and the American Community Survey.

The study’s goals are to determine two primary factors that may account for the perceived generational changes and may affect transportation purchase and use. One factor is transportation choices based on demographics and the internal household makeup, such as marriage. The second factor is how these choices could affect vehicle ownership and use. To provide consistent and fair data, the authors surveyed the households using data from the eldest member of each family. Demographic information is based on the characteristics of the head of the household.

Results from the household demographics data reveal that no marked differences exist in millennial’s vehicle ownership relative to baby boomers. Without including any external or internal factors, the data also show that millennials own approximately 0.4 fewer vehicles per household than the average baby boomer at the same stage of life. However, after including external and internal factors, the authors discovered that the millennials’ choice to own fewer cars disappears. Regarding the usage of vehicles, once again without any demographic factors included, results show that millennials drove nearly 2,000 fewer miles compared with the miles that baby boomers drove. However, with control variables included, once again the result is no significant statistical difference in vehicle usage among the two generations.

The authors administered tests to show whether millennials’ transportation choices affect vehicle ownership and use. Results show that millennials are more likely to live in urban areas, are less likely to marry by age 35, and have slightly larger families—all of which reduces the percentage of vehicles per household to less than 1 percent. The same tests conclude that without control factors, millennials are traveling less than the baby boomer

generation. Once internal and external factors were added, such as educational attainment, marital status, children in the household, and area of residence, results show that millennials have more VMT than their predecessors.

The authors' conclusive results show that the assumptions that millennials own and drive vehicles less than previous generations are invalid.