



ATOZ

TAX ADVISERS
LUXEMBOURG

LUXEMBOURG MILLENNIALS

WHAT'S THEIR VIEW OF THE BUSINESS WORLD?

Introduction

2018 will mark the fourth year in a row that ATOZ Tax Advisers have commissioned and made public a survey. Each year, the theme of the survey is different, but we have always chosen to focus on Luxembourg in order to gain a deeper understanding of our local environment. As thought leaders in our industry, we are naturally curious.

In the past, we have wanted to find out what the population thinks about taxes (2015), about money and wealth (2017), and in 2016 we went beyond our borders to find out how the surrounding population in the Greater Region viewed Luxembourg. Our goal is not to drive opinion or push an agenda; we simply hope that the results of our survey contribute to a larger discussion between population, government and

business about the workforce of the future.

It is with this line of thinking that we began our 2018 survey. **Our latest investigation focuses on the perception of private business and entrepreneurialship by the so-called “millennial generation”.** We wanted to know the importance that these young people in Luxembourg place on work, their views on the business world and how they feel they fit into all of it.

By turning our attention to this specific age group, we gain a glimpse into the future as they either transition into the workforce, which is the case for the younger group surveyed, or, for the already active population, gain access to more senior or management roles in their current careers.



Keith O'Donnell, Managing Partner

Methodology

Working with the Luxembourg-based marketing firm Quest, we administered a survey to a random sample of 534 young people between the ages of 18 and 30. **From 13 to 30 July 2018, the survey was carried out either by a web-based questionnaire or an on-street interview.** Therefore, the sample is not representative, but random. Nonetheless, the sample remains quite balanced.

SEX		NATIONALITY		PROFESSION	
Male	241	Luxembourgish	220	Student	216
Female	293	Other nationalities	314	Public sector employee	75
				Private sector employee	206
				Independent / Liberal profession	14
				Inactive	10
				Other	13
AGE		COUNTRY OF RESIDENCE		ACTIVE / INACTIVE	
18-24	284	Luxembourg	414	Active	305
25-30	250	Border countries	120	Inactive	229
TOTAL					534

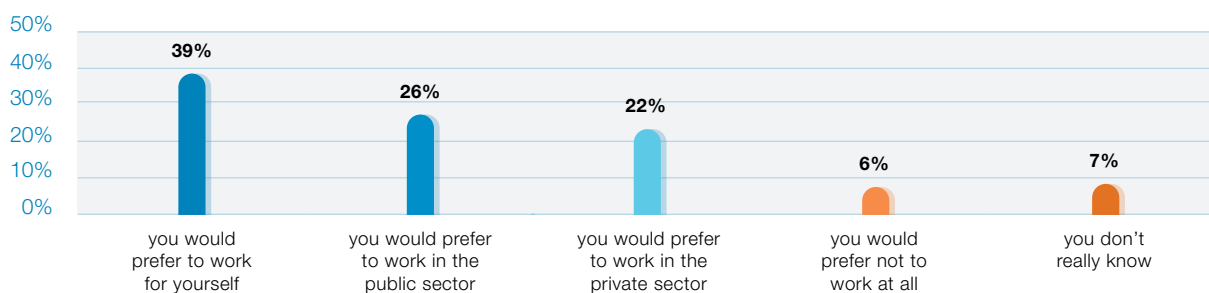
Results

I. Yes to freedom, no to risk!

We asked the group of young people in which sector they would most like to work with the choices being: private sector, public sector, or for themselves, such as an entrepreneur or business owner. **The majority answered that they would prefer to work for themselves.** In fact this number was almost twice as high as those wishing to work in the private sector. Nearly 4 young people out of 10 see this as the most attractive option.



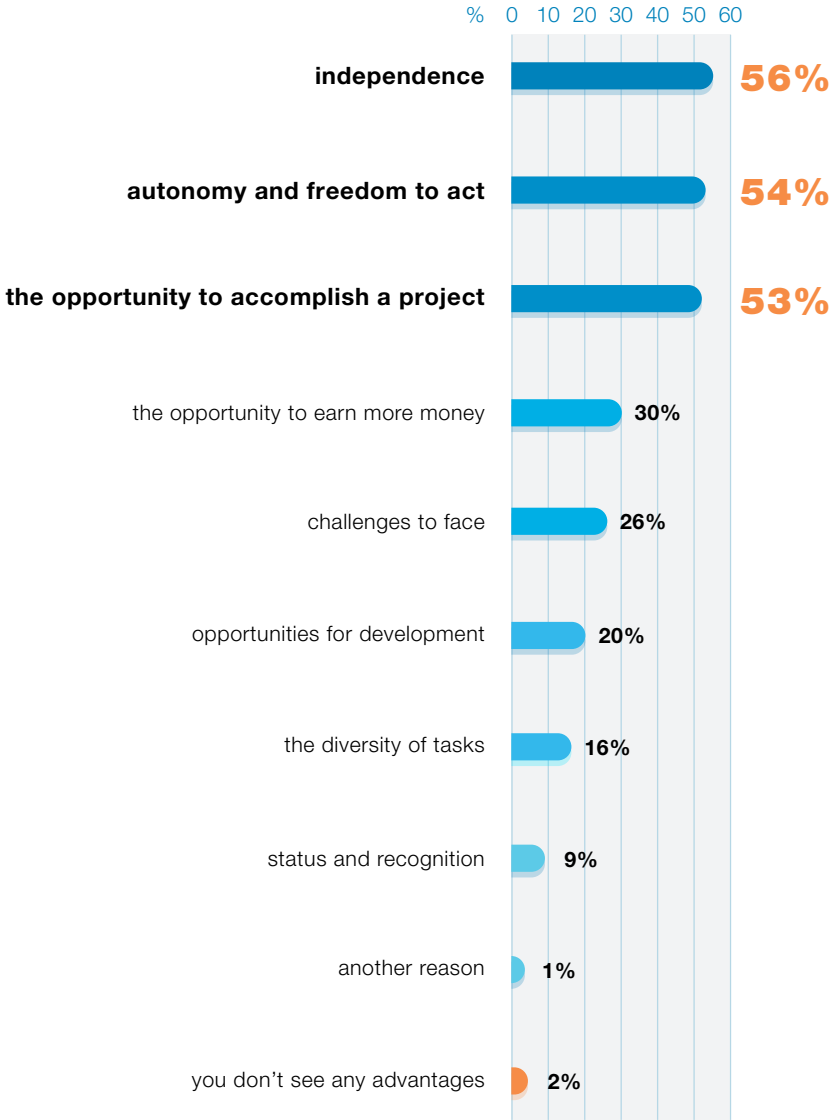
If you could choose...



When we went a little further and asked what the advantages were, in their opinion, of being their “own boss”, the top three cited were, independence, autonomy and freedom to act, and the possibility to complete a project. In fourth place and well behind the others was the possibility to earn more money. This shows us that the material considerations come after other lifestyle-orientated goals.

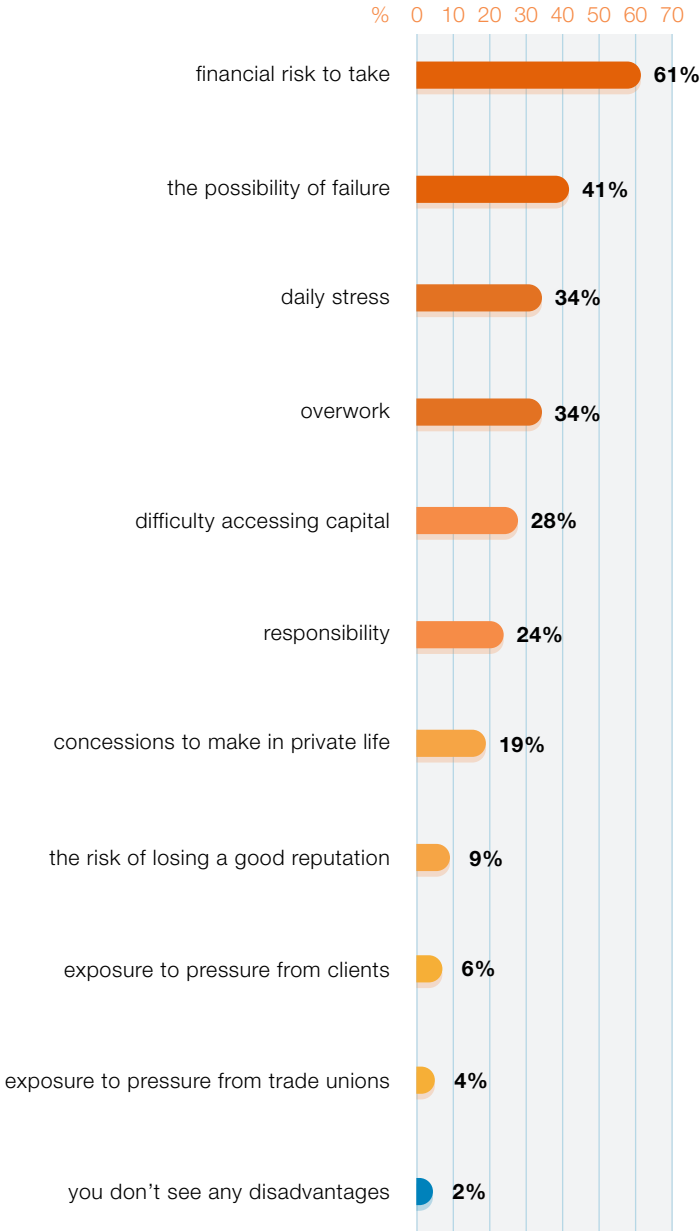
When it comes to being their own boss, young people dream more of the independence that it affords than the wealth that it may bring.

? Being independent or starting one’s own business can have both advantages and disadvantages. What are, for you, the main advantages? (you can choose up to three)



In the minds of young people, what were the downsides to being an entrepreneur? 61% said that the major disadvantage was financial risk, 41% cited the possibility of failure, and 34% said that daily stress and overwork would be a drawback. **We seem to be facing a population of young people who dream about becoming entrepreneurs, but who are frightened off by the risk involved in taking this leap.**

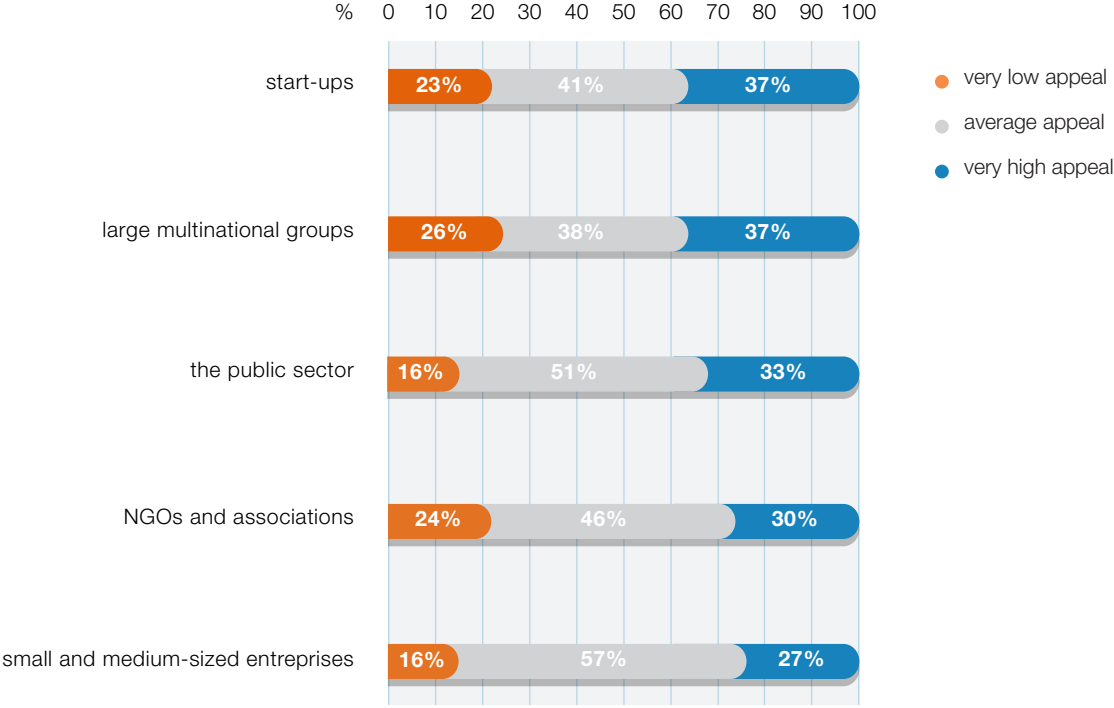
? **And what would be the major disadvantages of starting one's own business? (you can choose up to three)**



When we look at our sample, we only find 4.5% of active professionals declared as “independent or in a liberal profession”. When we compare this with the 39% who would prefer to be in this category, we find a striking disparity. **How do we encourage this risk-averse group to set their fears aside and become the next generation of value creators?**

If not as their own boss, then which type of employer is the most attractive for young people today? Surprisingly perhaps, when we asked this question, we did not see a strong preference for any type of employer in particular. In fact, despite what we could infer from the media, **young people see trendy start-ups to be just as attractive as large multinational groups.** If start-ups embody the entrepreneurial spirit and all the risk and reward that accompany it, then multinational groups are at the opposite end of the spectrum, representing stability and job security. It’s interesting to see that these two opposites have similar scores among young people.

Each type of employer has advantages and disadvantages. For you personally, what is the level of appeal of these different types of employers?



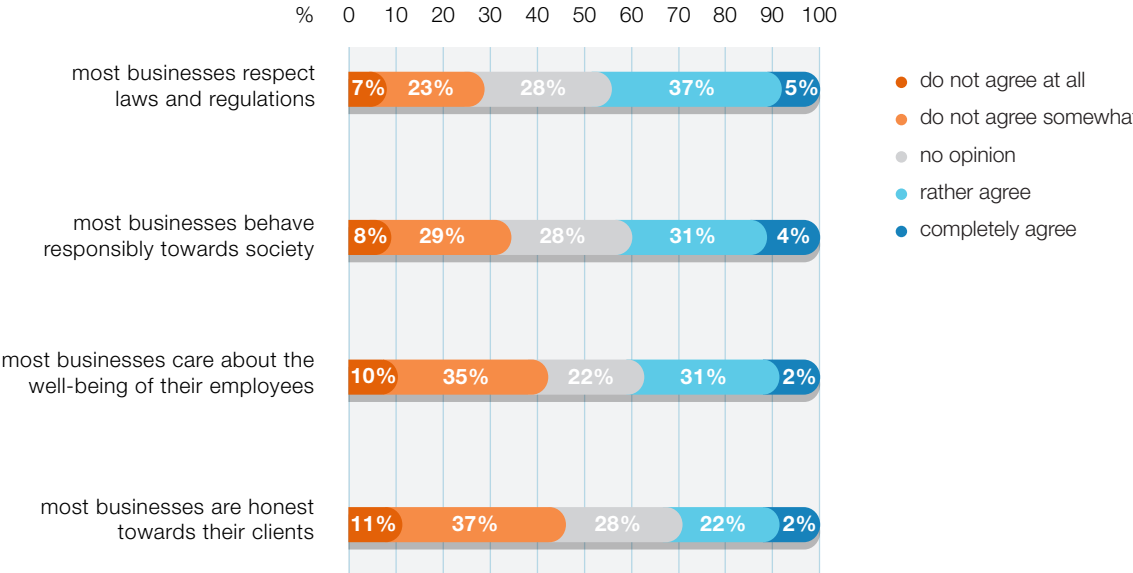
Small and medium-sized companies scored the lowest as to very high attractiveness, but they also scored the lowest when it comes to very low attractiveness. Leaders in the category of “average attractiveness” we may be able to say that young people just don’t have a strong opinion of this type of business. Should small and medium-sized companies, often the backbone of local economies, take any action to remedy this?

II. Critical but not naïve

In our survey, we provided two sets of ideas about private businesses. One set of ideas had to do with the positive economic contribution of enterprises to society, while the second set of ideas had to do more with the social contributions and moral considerations. We asked our sample of young people to what degree they agreed with the statements.

The results were unexpected and surprising with almost half not agreeing to the statement “The majority of companies are honest toward their clients” and 45% disagreeing that “The majority of companies are concerned with the well-being of their employees.” 37% do not think that companies behave in a way that is responsible towards society, and an astounding 1 out of 3 disagree that “the majority of companies respect laws and regulations”. **These results show a young population in Luxembourg which is critical and distrustful towards private enterprise.**

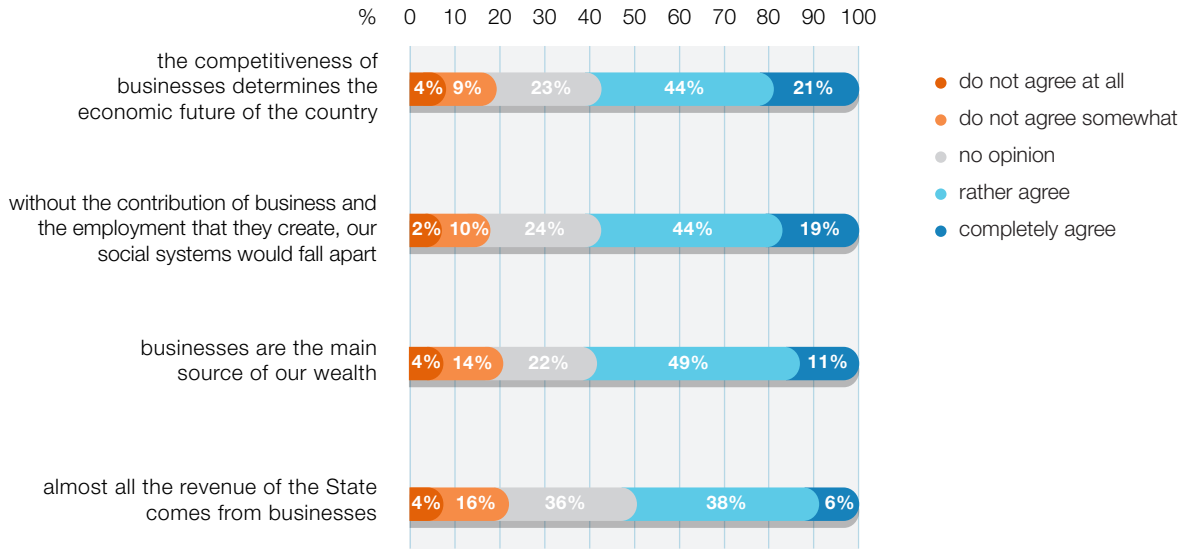
? Here are some statements that have to do with the attitudes and practices of private business. Tell us how much you agree or disagree with these statements.



However, we discovered that **the majority of young people understand the significance of the contributions that businesses make to the economy**, with 63% agreeing that “without contributions of private sector businesses and the jobs they create, our social systems would fall apart”, 60% agreeing to the statement, “private sector businesses are our main source of wealth” and 65% conceding that “competitiveness of private sector business determines the future of the country.”



Here are some statements that have to do with the value created by private business. Tell us how much you agree or disagree with these statements.



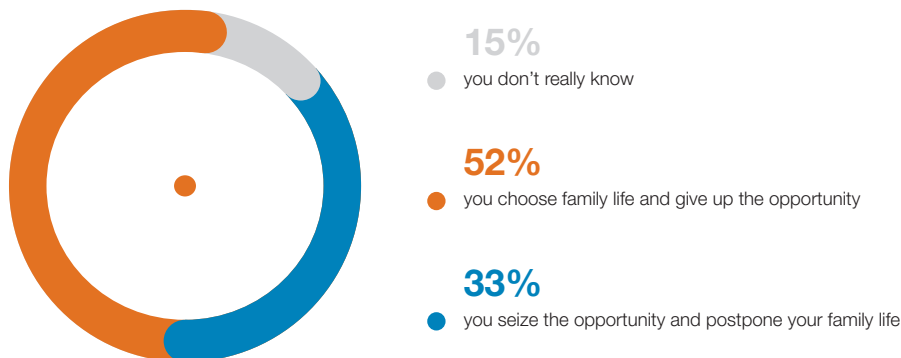
The contrast is striking. On one hand, there is an awareness of the role that private businesses play in wealth creation and redistribution. On the other hand, a majority holds a very disparaging general opinion of private business, the way they treat their clients, their employees and society at large. **It is quite evident that businesses are suffering from an image problem.** Businesses should take note, asking themselves why young people feel this way and how this situation can be dealt with.

III. Tied to family, but not to the land

We asked the group of young people about their willingness to accept a career opportunity at the cost of delaying family life. With only 33% responding that they would pursue the opportunity over family life, we can conclude that despite the young age of our survey takers, **the majority (52%) have a firm desire to build and maintain a private life** which includes a family and romantic relationships.

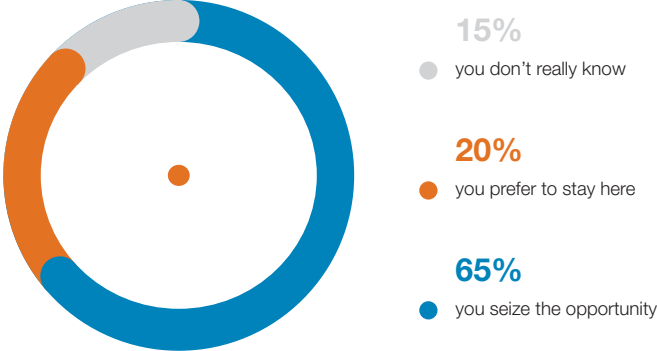


You are offered a career opportunity which does not allow you to have a relationship or start a family. How do you react?



When we asked about mobility however, a different picture emerged. We posed the question of whether our survey takers were willing to pursue a career opportunity on another continent. The answer, from 65% was “yes”. Only 20% would prefer to stay at home. **This is a population who is willing to move**, beyond Europe, for professional reasons.

? You are offered a career opportunity which requires you to work on another continent. How do you react?



Having a family life and being willing to relocate internationally are not mutually exclusive. These two results show us that **young people place great value on relationships, but are not necessarily attached to their home country** (or continent). It is an interesting contrast that current and future employers of young people should take into account.

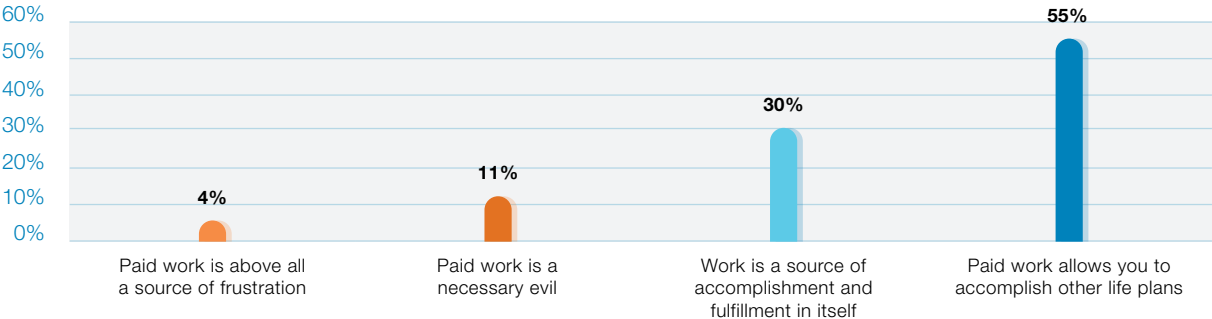


IV. Misunderstood?

What is the relationship between young people and their professional activity? We asked them to pick one of four responses. The majority (55%) affirms that work “allows them to accomplish personal life projects” while 30% find that the work itself is a source of fulfillment. On the other end of the spectrum, a small minority hold negative attitudes, with 4% stating that work is “first and foremost” a source of frustration and 11% saying that work is “a necessary evil”. The fact that **most young people say that, for them, work is only means towards personal growth and development leads us to believe that the majority attitude is not “live to work” but rather “work to live”.**



Which statement corresponds most closely with your personal view of work?

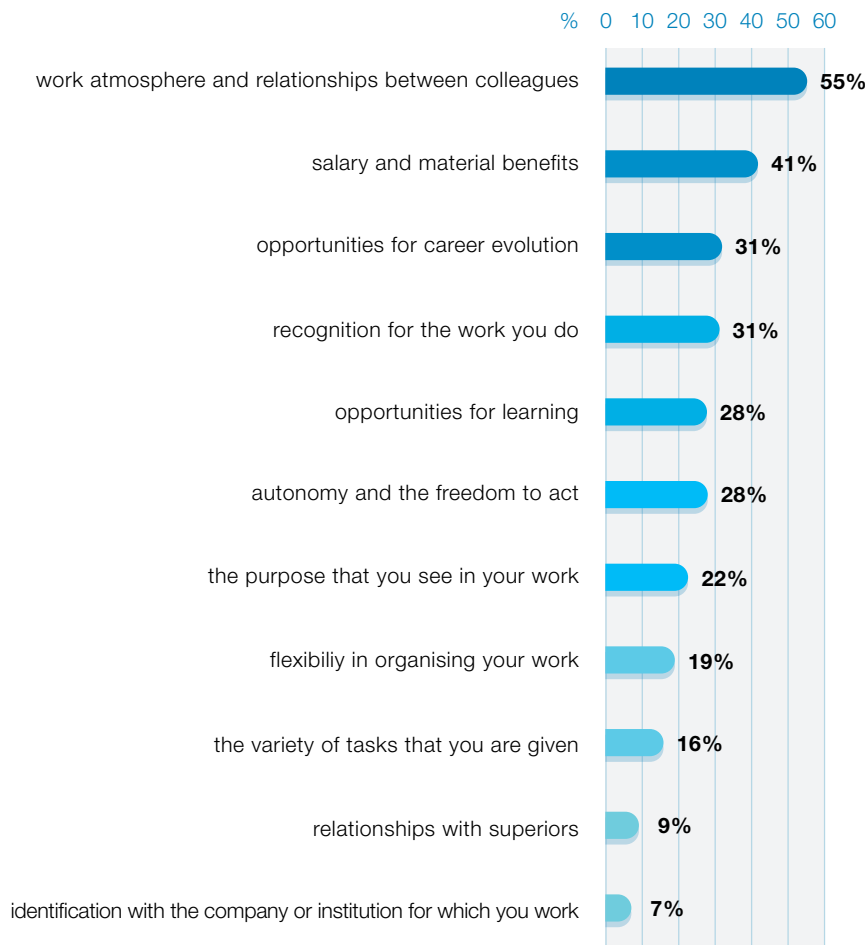


Above, we discussed the general purpose of work, but what are the characteristics that make up a “good job” for these young people? Survey takers had the option to choose 3 responses from a list. The top response, with 55% percent, was “work atmosphere and relations between colleagues”, after that came “salary and benefits” (41%) and tied for third place “possibility of evolution” and “acknowledgement of a job well done”, both at 31%.

Preferring work atmosphere and relationships with colleagues over salary and other material considerations may show us that **this generation cannot be hired and retained by economic considerations alone.** They must feel good at work and within their team. Unlike salary and benefits packages, the workplace atmosphere is difficult to objectively quantify. Nevertheless, employers will certainly have to respond to this reality in order to win the current and future talent war.



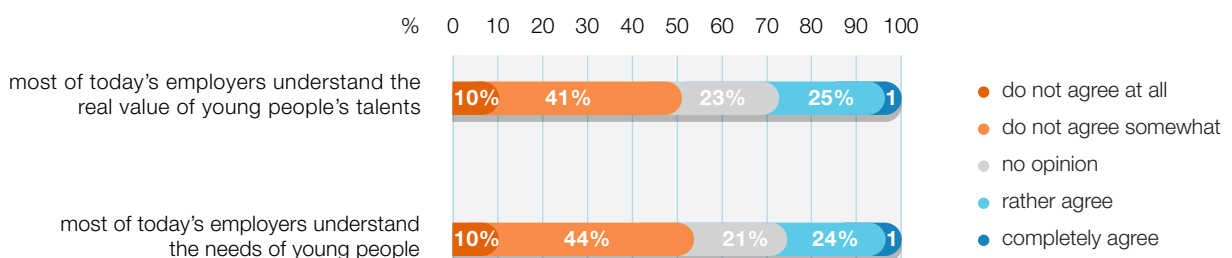
In your opinion, what are three essential elements that characterise a good job?



Lastly, we were surprised to learn that **half of the young people sampled feel that employers today do not understand them.** 51% feel that employers do not recognise their talents, and 54% feel that employers do not understand their needs. This result shows us that there is a **gap which exists between these two worlds, employers and young people, that needs to be filled.** Why do young people feel undervalued in the business world? And what could the future impact of these perceptions be? The answer to these questions would certainly help employers and society at large better prepare for the workforce of tomorrow.



Here are some statements that have to do with employers. Tell us how much you agree or disagree with these statements.



Conclusion

This survey is a glimpse into the future, revealing to us the many contradictions and divisions present between the business world and our young people in Luxembourg. **We have a population of pragmatic, mobile, yet skeptical millennials**, for many of whom starting their own business or entering into a liberal profession is an unattainable dream due to the risks, or perceived risks, involved. Most see work as a means to a fulfilling private life, and not only as an end in itself. They place a high importance on workplace relationships and atmosphere as well as remuneration, but contrary to popular thinking, are not so seduced by flexibility or variety of work. **Moreover, they understand the value of private business to society, but they remain critical of its practices.**

We, as private businesses and employers, should listen and take note. With this knowledge in hand, we can prepare for changing attitudes and expectations. We can explore more deeply the image problem that private business seems to have in the eyes of our young population, in order to understand their reasons, working towards transformation and a better mutual understanding. As members of the community and the private business world, having sprung up from an entrepreneurial dream, we wanted to end this report with a few suggested actions that could be taken to answer some of the questions that we have posed throughout this report, and ultimately bridge this gap between tomorrow's workforce and the reality of today's business world. **Let's start the conversation today.**



What can we do?



PROMOTE OPPORTUNITIES

Make sure that these young people dreaming of creating their own business are aware of the many public resources that they have at their fingertips such as the House of Entrepreneurship, powered by the Luxembourg Chamber of Commerce which provides a one-stop shop for future entrepreneurs including information and guidance concerning how to practically start a business, financing tools, grants and subsidies proposed by the State, taxation, social security, and much more. Target the marketing of resources such as these specifically to millennials to generate engagement.



BRIDGE THE GAP BETWEEN ACADEMIA AND ENTREPRISE

Strengthen partnerships between schools and private businesses. Some of the gaps that we discovered in our survey could have to do with differences between theory, as taught to students, and practice, that is to say what is really expected of them by employers when enter into the workforce. Clear communication from businesses about the practical skills they need from recent graduates, and schools open to adapting curricula based on such recommendations, could lead to a smoother transition into the workforce and a better feeling of understanding and appreciation from young people.



TRANSPARENT EXPECTATIONS FROM BOTH SIDES

We feel that the lines of communication between young people and private business can be stronger. According to our survey, many young people feel misunderstood and unappreciated, but how many have openly communicated their expectations to their employers? And if so, are the employers listening? Conversely, in the war for qualified talents, employers often market themselves heavily to recent graduates and young people. Businesses must make sure that they aren't overselling the opportunities that they can provide to their millennial recruits. The key to understanding would seem to be transparency.

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