

Millennials and the city

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OVERVIEW

This document has been updated to reflect changes brought about by the coronavirus pandemic. While not necessarily being impacted in terms of health, the measures will have a financial impact on many millennials.

Many advertisers and commentators would have us believe that Millennials are a monolith. They are all white middle classed vegan Guardian readers who are too woke for their own good.

Frustrated by the overuse of the term Millennials, Metrix Data Science (MDS) decided to carry out some analysis specifically looking at Millennials living in London. Using machine learning algorithms MDS investigated whether this narrative holds water. The clustering analysis produced eleven distinct groups which casts doubt on the Millennial stereotype. The groups reflect the deep diversity within London and most segments are unrecognisable from the general perception of the typical Millennial.



GROUPS

The following table shows the breakdown of the 11 groups. This document outlines the key characteristics of the 11 groups.

Segment	Number of Consumers	% of Total Base
1. Fractured Towers	630,000	18
2. Outside the Bubble	560,000	16
3. Young Warriors	280,000	8
4. South of the Thames	315,000	9
5. Apron Strings	595,000	17
6. Joe Average	315,000	9
7. Gym Junkies	175,000	5
8. Tech Warriors	315,000	9
9. Golf Awaits	144,000	4
10. Streets of Gold	175,000	5
11. Nightsbridge Knights	4,500	<1

1) FRACTURED TOWERS (18%)

This group is the largest millennial segment in the City. As suggested by the name, the lion's share of these individuals live in high-rise tower blocks strewn across the poorest parts of London. These struggling young adults are very likely to be politically unengaged, however those that take to politics do so in a vehemently anti-EU manner. This segment has a high level of ethnic diversity, in particular there is an overrepresentation of the black community.

Unable to afford to rent property, let alone own property, a large section of this group relies on social housing. Their economic instability is exacerbated by a high rate of single parenthood with dependent kids. Those that have a child tend to have only one child due to the restrictive spacing in their apartment blocks and limited financial means.

Fractured Towers tend to live in Zones 2 & 3 with a slight bias towards the East. Typical areas are the likes of Sydenham, Blackheath, Canning Town, Limehouse, Shadwell Tottenham Hale and Haringay. These more downmarket areas find themselves inundated with sub-prime loan companies, budget retailers and betting shops. Iceland, Aldi and Lidl are regularly frequented by Fractured Towers, being the only retailers where a weekly shop is affordable. Residents make use of weekly payment stores to buy electrical goods and furniture.

Clearly, this group have no resemblance to the well-to-do Guardian readers portrayed in the Media. If the stereotypical privileged and pampered Millennials were dealt a royal flush a birth, Fractured Towers were given a low pair.

Covid financial effect

Medium

Surprisingly lots of these millennials are not very badly financially effected by the virus as there employment is less likely to have been impacted, compared with other sectors. Many Fractured Towers work in service jobs like hospital porters, transport etc.

2) OUTSIDE THE BUBBLE (16%)

These millennials are limited to living in the aging tower blocks that populate London's skyline. The larger families within this segment may make use of terraced housing to accommodate larger families, however these are still situated within the poorest parts of London. The average house price for this segment is slightly above Fractured Towers with an average value of around £325,000. 44% are council or social renters.

More often than not, these cash poor young Londoners are struggling to keep pace with their bills and are hit severely by rises in the cost of living. They come from an ethnically diverse range of backgrounds with many being first generation from outside the EU. Despite being ethnically diverse, these millennials do not represent the cosmopolitan lifestyle. The majority voted to leave the EU and they are overrepresented in voting for anti-immigration parties like UKIP/Brexit Party and more far right political parties. This is an active manifestation of their resentment towards both the political elite and the politically correct middle class Corbynistas.

Typically, they work in semi-skilled and manual jobs which do not pay an income that is tantamount with the costs of living in London. Further to this, many work in the gig economy or on zero hour contracts or other unstable employment.

Add into the mix the burden of dependent children, it is no wonder that they shop at downmarket retailers and utilise local high streets that are populated with independent stores with discount prices.

They live in similar areas to Fractured Towers in the poorer parts of South East and East London.

Covid financial effect

High

Lots of these millennials work in service industries badly affected by the virus, e.g. restaurants and gyms.

3) YOUNG WARRIORS (8%)



The Young Warriors represent a more educated and financially sophisticated group who are nonetheless prevented from realising their potential due to monetary constraints. They are likely to earn more than groups 1 & 2 and are more likely to be private renters, a sizable amount taking advantage of help to buy and getting on the property ladder.

They are most likely to be single and not have dependent children which explains why they are more cash rich compared with the more downmarket groups. Ethnic minorities are underrepresented in this segment, with almost two thirds being White and born in the UK. In terms of occupation Young Warriors are often found in intermediate professions, mainly lower managers with qualifications in IT. It is common for Young Warriors to have a degree level education in degree subjects such as IT and Business Computing.

Although they share some interests with the archetypical 'hipster', they are perhaps less intellectually focused. More of a Love Island gossipier than a bleeding-heart Guardian reader, more likely to have a spray tan than a beard.

Covid financial effect

Medium

With not many working in jobs effected by covid, the impact could be muted. However, those affected would be doubly impacted by the fact most rent and therefore did not benefit from a mortgage holiday.

4) SOUTH OF THE RIVER (9%)



The South of the River millennials are likely to be mortgage owners who live in terraced houses. The majority of this group live alone and just over a quarter have dependent children.

For the most part they are free of the shackles of children, therefore they have a decent amount of disposable income and can afford to shop at Tesco's/Sainsburys and occasionally treat themselves with a trip to M&S.

This segment work in administrative and skilled occupations, typical jobs being security guards, secretaries and social workers. In addition, there are a notable number who own their own small business or work as a self-employed contractor. Most of these millennials did not go to university.

They tend to live in places with affordable properties mainly in the Lewisham area. With more disposable income and less responsibility than more down-market groups, this segment is more likely to be pub regulars and enjoy a flutter on the football.

Covid financial effect

Medium

Although this group works in a variety of jobs, they do not have massive financial commitments as many live with their parents.

5) APRON STRINGS (17%)

Apron Strings are still tied to their mother's aprons in that they are yet to fly the nest and often benefit from their parents financially. They do not come from particularly well-off families, but the fact they live rent free/do not pay for bills and food means they can afford relative life of luxury.

They tend not to live near a station and therefore require a car to get about, perhaps sharing with their parents or the lucky ones having one bought for them. They tend to live in Zones 4-6 and those who have flown the nest live further out.

Covid financial effect

Medium/High

Many working in jobs effected by the virus but shielded by furlough and mortgage holidays.

6) CIVILIANS (9%)



Civilians are found across London and represent the London middle class. Although widely dispersed they are overrepresented in places like Barnet and Enfield, a majority owning their own home.

Despite some still being indebted from the hangover of the financial crisis, Civilians are a socially emerging and well-off group. They have valuable assets like their houses and occasionally stock market investments, although this usually consists of modest holdings in Stocks and Shares ISAs.

Civilians are towards the higher end of the millennial age spectrum; therefore many have dependent children. This is made easier for the majority of the group for two reasons: most are married and therefore have shared incomes and most of them have a degree education which enables them to occupy higher occupations in professional services and IT.

They tend to be a politically conscious bunch, they voted remain and are positive about the benefits of immigration.

A large proportion of these Millennials shop at places like Next and Asda and their hobbies include the cinema, gardening, puzzles and bingo

Covid financial effect

Low

With working from home an option and mortgage holidays, this group did rather well during lock down. Many saving and having cash left over to start investing.

7) GYM JUNKIES (5%)



This group has a penchant for fitness and can mostly be found at the gym or jogging to and fro between Clapham and Wandsworth Commons. They are very health conscious, and this is reflected in how and where they shop. Often picking up healthy/high protein/plant-based food from the likes of planet organic or their favourite independent store. When not at the gym or exercising they can be found at cultural events or enjoying craft beers at up-market pubs.

Many of these will own properties with mortgages, very few have dependents and they tend to cohabit with a partner or flatmate. They are overrepresented in professional occupations that require technical knowledge in which they utilise the skills that a university education equipped them with.

Although 25% live in Wandsworth, they are also found in trendy corners of Islington and Lambeth. They are likely to support a variety of charities including UNICEF, Samaritans and Battersea Dogs Home.

Covid financial effect

Very low

The main gripe with these millennials was lack of gym access during lockdown. They have barely been affected financially – indeed some had their boss drop of gym equipment to their home!!

8) TECH WARRIORS (9%)



Tech Warriors are the archetypal millennial. The majority either, work in the tech industry, work in a start-up or work in the City or Canary Wharf. Needless to say, they attended the top universities and achieved academic success.

This group are very politically engaged and almost all voted to remain. They are heavily influenced by liberal leaning newspapers and magazines, reading the Guardian, the Economist, the FT and a variety of online blogs. They are likely to be active users of social media like Twitter and Instagram.

Many in riverside modern apartments found in the likes of Greenwich. They can afford to buy nice properties and live a luxurious lifestyle because they work long hours and are paid well. They have a tendency to party hard and enjoy holidays to exotic places.

In many ways this group more closely mimics the young and prosperous middle class in NY in their occupations and outlook.

Covid financial effect

Low

Some of the start-ups may have been affected, but on the whole came out of lock-down unscathed.

9) GOLF AWAITS (4%)



This group is the oldest of all Millennials in the city. They have the highest proportion of home ownership and boast comfortable detached or semi-detached homes with plush interiors. They typically have kids and live-in well-off boroughs on the periphery, places like Barnett. They live on the periphery out of choice rather than necessity, seeing it as a good place to raise children. They are very particular about where they live, with a focus on living in catchment areas so their children can attend top institutions.

The typical Golf Awaits will work in central London in a management role, or perhaps as an insurance broker, which will require a good pedigree of education. Car ownership is very high, often this group will need to be very mobile for their job, visiting other parts of the UK.

Their well-off lifestyle means they can afford luxuries like organic produce and health food as well as membership at the likes of David Lloyd, Virgin Active or Nuffield.

These Millennials are less 'edgy' than the typical Millennial advertised in the Media. They tend to be quite conservative politically, favouring a smaller state and eschewing the political correctness.

Covid financial effect

Medium

Some of these who have small companies paying themselves dividend may have fallen out with Rishi, but the rest of them prospered by furlough and saving money on commuting and eating out.

10) STREETS OF GOLD (5%)



This super prosperous group are principally defined by where they live. They almost exclusively inhabit the enclaves of Chelsea and Kensington. They are likely to drive expensive cars and dine at the likes of Scott's, Colbert and stay at the Bulgari for a weekend treat.

They are primarily Remainers who are politically engaged and work across all professionals with a high representation within the arts and entertainment. They are Millennials who went to the likes of St. Pauls, Eton, Radley and Harrow. Unsurprisingly, they come from wealthy families and have enjoyed a luxurious lifestyle all their lives.

In terms of professions, many have utilised family networks and will be working as interns at investment/private banks, consultancies and law firms. Their attendance at top university translates into high paid and competitive jobs that work long hours but afford them special privileges.

Streets of Gold's interests range from everything from skiing to eating out at a whole range of restaurants from cheap eats to gourmet. This group shop at non high street stores and brands that are unknown to the public. It would not be uncommon for this group to be members of clubs like The Ned, Home House and Soho House.

Covid financial effect

Low/None

Financially immune to the financial effects of the virus.

11) KNIGHTS BRIDGE KNIGHTS (<1%)

As the name implies, these people live in the areas of Knightsbridge, Belgravia and Mayfair. Although live is perhaps an imprecise term, their parents own mansions in these parts of London although for 70% of the year the house is uninhabited. Having parents that own properties all around the world means that they happily bounce from continent to continent without concern of the cost.

A 19-year-old Middle Eastern teenager driving a Lamborghini encapsulates the essence of this group. They live in a bubble with Harrods as their favourite store and probably have never stepped foot on a bus or the tube.

In terms of nationality, many are from Russia, the Middle East and China who see a house in the UK as a safe investment. These residents enjoy the best health in the capital, with most having no need for the NHS and opting for expensive private medical cover. Travel for this segment will usually take the form of a chauffeur driven car and first-class flights.

Covid financial effect

Low/None

These fortunate millennials saved a fortune during lockdown by having a break from their extravagant lifestyles. Also, many made a killing on the markets.