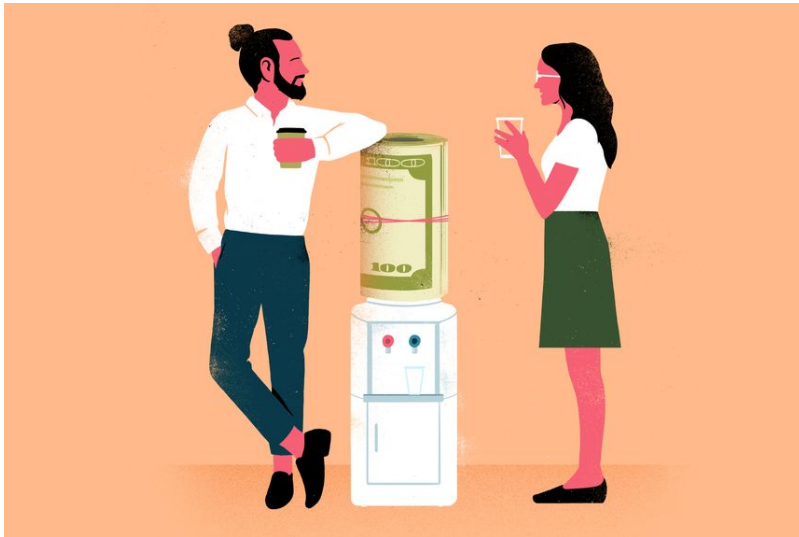


MANAGEMENT & CAREERS

Younger Workers Report Biggest Gains in Happiness With Pay

Millennials, Gen Z employees say they're more content with compensation than baby boomers



Nearly 54% of U.S. workers said they were satisfied with their jobs in 2018, the highest share reported in more than two decades, according to the Conference Board. PHOTO: SEBASTIEN THIBAUT

By Lauren Weber

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American workers under 35 report being happier with their paychecks than people over 55 for the first time since at least 2011, according to a new report from the Conference Board, a business-research organization that polls U.S. employees about workplace satisfaction.

Overall, the share of workers satisfied with their paychecks rose to 46.4% in 2018, from 43% in 2017, an increase that mirrors federal data showing that wage growth accelerated in 2018. The biggest leap came from millennials and Generation Z, whose enthusiasm for their compensation shot from 36% in 2017 to nearly 46% a year later.

Despite the needle-moving moment on salary perceptions, no age group reported that a majority of people were content with their pay. But, in all, nearly 54% of U.S. workers said they were satisfied with their jobs in 2018, the highest share reported in more than two decades, said the Conference Board, which has been polling about workplace satisfaction since 1987.

With unemployment at historic lows and many managers worried about holding on to the employees they have, Americans reported feeling far more secure at work. The share of people who said they were satisfied with their job security jumped to 59.2% in 2018, from 53.8% the prior year.

“The components that improved the most are directly related to labor-market conditions,” said Gad Levanon, chief economist for North America at the Conference Board. The group surveyed approximately 2,000 workers about 23 separate topics, from promotion policies to whether they like their co-workers.

Young workers may report greater happiness with pay because people tend to change jobs more in the early years of their careers, data show, and switching to a new position or employer often comes with a raise. With the demand for labor prompting many companies to lure workers with higher salaries, younger people are reaping the benefits.

Overall, median weekly earnings rose 5% from the fourth quarter of 2017 to the same quarter in 2018, according to the Bureau of Labor Statistics. For workers between the ages of 25 and 34, that increase was 7.6%.

“Young workers are more likely to be new hires,” Mr. Levanon said. “When you hire someone new, you have to go to the market and those wages are much more sensitive to labor-market conditions.”

Millennials were born between 1981 and 1996. Gen Z refers to Americans born roughly beginning in 1997 up until a few years ago.

Some young people are also arriving in the workforce with fresh skills that employers covet. Ira Blossom graduated from Villanova University in 2013 after studying psychology, computer science and cognitive science, and having completed several internships during his college years. An early job doing user experience design for a government contractor in a rural town—“I literally saw tumbleweeds on my drive to work,” he says—paid well and put him in a strong position to negotiate future compensation.

Mr. Blossom, 28, moved to New York City and in early 2015 started a job at Alphabet Inc. 's Google, making a base salary of around \$110,000. Following two promotions and experience working on large products, his salary has increased by more than 50%. Bonuses and stock grants bring his total compensation to more than \$250,000.

“I feel great,” said Mr. Blossom, who is now a research manager with Google Cloud. “I’m right on market value if I were to switch to another top tech firm.”

Broader job satisfaction for workers under 35 slumped last year to 54%, down from 56%, converging with other age groups, largely because of marked declines in feelings about their commutes and their supervisors.

Among the issues Americans report being most content with: people at work, their interest in work and workspaces.

The survey showed a split between how men and women perceive their work situations. Men had a slightly higher level of overall job satisfaction than women, and were more likely to report they were happy with wages, bonuses, promotion plans and retirement benefits. Women were substantially happier than their male counterparts with their commutes, performance-review processes and physical environments.

But employers, take note: Workers reported they were least happy with some of the factors that the Conference Board found most influence their overall satisfaction, including communication from managers, potential for growth and recognition for their work.

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Many millennials and Gen Z workers report being happier with their wages. How do you feel about your salary and your prospects for earning more money? Join the conversation below.

The data also nod to a bifurcated labor market, where some are prospering and others are feeling left behind. Respondents who say they believe jobs are plentiful—either because of their skills or their location—report higher satisfaction than those who believe that job opportunities are scarce, at 64% versus 35%, respectively.

Despite the mostly good news for workers and their employers, the 2018 data look less rosy in historical context. In 1987, the first year of the survey, job satisfaction hovered above 61%. Since then, the quality of Americans' work lives has been eroded by a fraying sense of loyalty between employees and employers, the decline of workers' bargaining power through unions, and the rise of outsourcing, among other factors, Mr. Levanon said.

“Even though we had eight years of continuous improvement, we’re still far from where we were 30 years ago, and we probably will never get there again,” he said.

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