

# Go easy on the environment -- and our wallets, says Generation Y

January 21 2010

---



A study by Clay Voorhees, assistant professor of marketing at Michigan State University, suggests that eco-savvy Gen Y'ers have grown up and are coming to grips with the economic reality of paying bills. Credit: Michigan State University

When it comes to saving the environment, Generation Y is all for it - as long as it comes with an economic benefit, according to new research by Michigan State University in collaboration with Deloitte LLP.

Based on a scientific survey of 18- to 30-year-olds, researchers from MSU's Eli Broad Graduate School of Management found that young consumers will not pay a premium price for an automobile simply because it is environmentally friendly. Instead, the determining factor - by far - is [fuel efficiency](#).

Clay Voorhees, MSU assistant professor of marketing and lead faculty

researcher on the project, said the findings indicate an eco-savvy generation that has grown up and is coming to grips with the economic reality of paying bills.

"Generation Y is aging, and the stereotypical assumption that they are a spoiled generation of pierced, tattooed outcasts couldn't be further from the truth," Voorhees said. "They're maturing into a pragmatic generation that wants to do the right thing for the environment but also has real economic concerns."

MSU and Deloitte, a New York-based marketing and accounting firm, teamed to study the attitudes toward the auto industry of Gen Y - at 75 million strong, the largest generation since the [baby boomers](#). MSU also launched an in-depth investigation into Gen Y's view of sustainability as it relates to the industry.

According to the sustainability study, young consumers will pay only \$1,500 extra for a \$20,000 automobile simply because it is a hybrid and considered environmentally friendly. But those same consumers will pay an additional \$8,000 for a vehicle that gets 15 extra miles per gallon - regardless of whether it's a hybrid.

"It's all about economic motivation," Voorhees said. "While people want to do the right thing - they want to save the world, particularly Gen Y - they need an extra incentive on top of the motivation of owning a car that produces less emissions."

Jeremy Vanisacker, an MSU graduate student who was involved in the project, said initially he was surprised that his fellow Gen Y'ers needed such a large economic incentive to buy an eco-friendly car. But the more he thought about it, the more it made sense.

"We've grown up with a green mindset but we haven't really had to pay

for it. Think about curbside recycling and free social networks," said Vanisacker, 26, who's scheduled to graduate in May with a master's in business administration. "As a generation we've come to expect more for less."

Voorhees said the auto manufacturers need to do a better job of educating consumers on the financial benefits of owning eco-friendly vehicles, which typically cost more than combustion-engine vehicles but theoretically pay for themselves over time.

"Why put the burden on a Gen Y customer to walk in the showroom and figure out how many miles they have to drive this Ford Fusion before they break even?" he said. "Automotive manufacturers need to make the investment in education to assist consumers in understanding how these technologies work and how they will ultimately help the environment and save them money."

Provided by Michigan State University

Citation: Go easy on the environment -- and our wallets, says Generation Y (2010, January 21) retrieved 17 April 2024 from <https://phys.org/news/2010-01-easy-environment-wallets.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.