A generation ago, young US households were three times wealthier than today

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8 November 2011

The wealth of typical households headed by people under 35 has collapsed over the past quarter-century, while the disparity in wealth between generations has quadrupled, according to a new analysis of Census Bureau data released Monday by the Pew Research Center.

In 2009, the median household headed by people under 35 had 68 percent less wealth than their counterparts in 1984. The household wealth of the typical family headed by someone under 35 was $3,662, down from $11,521 in 1984.

This has left the generational gap in wealth at the highest level on record. A typical household headed by someone 65 and older now has a median household wealth of $170,494, a figure 47 times greater than that of the younger generation. In 1984, this ratio had been 10 to one.

The wealth squeezed out of young people was not transferred between generations; rather it went into the pockets of the super-rich. Between 1979 and 2007, roughly the period covered by the Pew Research study, the richest 1 percent of US households nearly tripled their income and doubled their share of the national income.

The growth in the generational disparity has been the result of a confluence of social maladies. The fall in wages since the early 1980s has affected young workers more immediately than older ones. Likewise, the growth in education costs has affected young people more than other groups.

The report also notes that the collapse of home values has affected the distribution of wealth; young households were more likely to buy a home at the height of the real estate bubble, and lose more of their investment. As the report notes, "If it had not been for home equity, the median net worth of older American households in 2009 would have been 33% lower than that of older households in 1984, instead of 42% higher."

Younger people have also been disproportionately affected by unemployment. The share of the under-35 population employed has fallen 9 percentage points in 2010, compared to a 6.2 percent drop for the working-age population as a whole.

But growing poverty and indebtedness are by no means confined to the young. The same day as the Pew Research Center published its report, the US Census Bureau introduced a new, alternative measure of poverty that increases the number of people classified as poor, particularly among the elderly.

The report found that 49.1 million people lived in poverty in 2010, up from the official estimate of 46.6 million released in September. The figure put the poverty rate at 16 percent, up from 15.2 percent according to the official figures.

The new measure estimates the poverty rate among Americans 65 and older at 15.9 percent, compared to 9 percent in the earlier data, because it factors in medical bills.

The new poverty statistic is more complex than the official figures released September—which were derived simply by multiplying a minimum food budget by a factor of three—and includes regional and age-based variations in costs of living and healthcare expenses.

The new figure represents a half-hearted response to criticism that the official poverty rate vastly underestimates the number of people facing poverty. But it in represents an array of statistical tweaks while keeping the threshold for poverty unrealistically low, resulting in a continued underestimation of the real prevalence of poverty.

These figures come only days after another report, by the liberal non-profit policy group Demos, showing the disastrous impact of the economic crisis on young people. This report examines the social basis of the collapse in household wealth, including skyrocketing education costs, falling wages, and a precipitous drop in employment.

Tuition and healthcare costs are among the main drivers of growing living costs for young people. The report noted that tuition is, on average, three times higher today than in 1980, from $7,600 in the 2010 academic year, up from $2,100 in 1980 for public 4-year colleges.

As health care costs have skyrocketed, more and more workers are forced to pay medical costs out of pocket. The report noted, "In just 10 years, employer-sponsored insurance dropped 12.8% for workers 18-24 and 8.5% for workers 25-34."

Falling wages and growing costs have caused an increase in indebtedness. The report notes that credit card debt for those between 25 and 34 rose 81 percent between 1989 and 2007, to an average of $6,255. But this is dwarfed by the increase in student loan debt, which for all sections of the population has grown an amazing ten-fold between 1997 and 2011.

This growing indebtedness, combined with mass unemployment and falling wages, has caused a growth of defaults and bankruptcies among young people. Between 2007 and 2009, the proportion of student loans in default after two years increased by almost a third, from 6.7 percent of all loans to 8.8 percent.

These conditions have drastically altered young people's domestic and family-planning decisions. The economic crisis has caused half of young people to postpone purchasing a home, one third to delay moving out on their own, and 30 percent to delay starting a family, according to the study.

The report noted that in 1980, ten percent of men aged 25 to 34 lived with their parents. By 2010, that figure had jumped to 16 percent.

These figures show the extent to which the economic crisis is affecting all sections of society. The younger generation is so beset by unemployment, skyrocketing tuition, and falling wages, that the average young person does not have enough cash to pay for a hospital stay.

The older generation, meanwhile, faces the prospect of continual attacks to the Medicare, Medicaid, and Social Security programs, on which they depend. Even among the older population, despite being eligible for Social Security and Medicare, fully 15 percent, according to the new study, are below the poverty line.

The Obama Administration's policy of promoting low-wage jobs—particularly for young people—and endless austerity measures, directed against the retired, will only further exacerbate the miserable conditions facing both sections of the working class.