Report details massive wealth loss for youth in US

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A recent report from Washington DC-based Urban Institute (UI) shows that overall percentage of wealth in society for those in "Generation X and Y" (those in their 20s and 30s) has been consistently dropping and is currently at a level which may be unprecedented.

The report finds that although wealth accumulation had been relatively stagnant for this sector for some time prior, the 2008 financial collapse impacted young people more deeply than the rest of the population.

"It's a little bit of a tipping-point moment. … If we don't address it today, they might never catch up," Signe-Mary McKernan, one of the report's co-authors told the *New York Times*. The UI study, "Lost Generation? Wealth Building Among Young Americans," is relatively brief, giving a broad overview of the impact of the recession on youth. It cites the depressed job market, stagnant pay levels, and ballooning student debt, which particularly impact young adults' efforts to put away savings.

Those born after 1970 have seen a seven percent loss of household wealth from 1983 to 2010. Those in the 29-37 age-range saw a 21 percent drop in their total accrued wealth. In contrast, those aged 74 or older saw an increase of wealth by 150 percent on average. A significant factor was the impact of a more robust social safety net.

Throughout the past century the amount of wealth obtained from one generation to the next generally increased. In the past several decades, however, this trend has been reversed as social gains made by workers nearly a century ago have been rolled back. The report points out that even before 2008, youth had been falling behind in savings.

Gene Steuerle, one of the study's co-authors explained, "One might expect to see, say, a parent generation accumulate $100,000 by the time its members were in their 30s and $300,000 in their 60s, whereas their children might accumulate $200,000 by their 30s and $600,000 by their 60s. … This normal pattern no longer holds for the younger among us."

The report found that many of those born before 1952 were more likely to hold annuities or defined-benefit pension plans. Such benefits have been almost entirely eliminated for younger workers.

Another recent study put out by the New York Federal Reserve found that the average student loan debt for a 25-year-old in the US has risen to $25,000, with about 17 percent of all borrowers, nearly one in five, at least three months delinquent. This indebtedness has affected the ability of individuals to receive mortgage loans, the report said.

In 2005 nine percent of all mortgages went to individuals in the 25-30 age group. This has fallen to only four percent. Fewer young people own houses today, declining from 40 to 34 percent since the recession first struck.

This growth of debt is compounded by the absence of decent paying jobs. A report last fall by the National Employment Law Project showed that of the jobs generated since 2009, the majority paid between $7.69 and $13.83, near poverty level. These jobs have become the foundation for the Obama administration's claims of "economic recovery."

Though the UI report presents conditions for seniors in somewhat rosy colors, their situation is becoming increasingly dire as well. The report does not state that many have also faced the loss of homes and livelihoods. Likewise, the average time out of a job for members of the workforce above 50 is 17 months.

The same benefits and programs that the report notes have benefited older workers are increasingly under assault. The Obama administration and the Republican

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Party are united in their efforts to slash hundreds of billions of dollars from federal health care and retirement programs.

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