

Study: Worsening conditions for young people throughout the developed world

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15 March 2016

Incomes for young people born between 1980 and 1994 have hit unprecedented low levels in the aftermath of the 2008 financial collapse, according to a recent investigative series conducted by the UK's *Guardian* publication titled "Millenials: The Trials of Generation Y." The study draws on income statistics from eight of the world's 15 most advanced economies, including the US, Canada, Great Britain, Australia, France, Italy, Spain and Germany to paint a picture of dimming social prospects for young people throughout the developed world.

The *Guardian* cites as contributing factors "a combination of debt, joblessness, globalization, demographics and rising house prices" which "have grave implications for everything from social cohesion to family formation." Whereas during the 1970s and 1980s people in their 20s averaged more than the national income, the study found that young couples and families in five of the eight countries listed made 20 percent less than the rest of the population today.

"It is likely to be the first time in industrialized history, save for periods of war or natural disaster, that the incomes of young adults have fallen so far when compared with the rest of society," the British newspaper states.

In the US and Italy, incomes were lower in actual figures than they were a generation ago, with Americans averaging a yearly salary of \$27,757 in 2010 compared to \$29,638 in 1979. The study notes that young US workers currently make less than those in retirement. In France, households headed by individuals under the age of 50 made less disposable income than recent retirees. In Italy, an 80-year-old pensioner possesses more income than someone under the age of 35.

In many cases, the 2008 financial collapse simply

accelerated trends that were already underway. Housing prices in Great Britain and Australia are among the most expensive in the developed world. The average price for a home in Sydney, Australia, is \$1 million in Australian dollars, more than 12 times the median household income in the city. The average home loan for first-time buyers in New South Wales is A\$424,000. This figure has increased by 43 percent in the past four years alone.

According to the Australian Bureau of Statistics, housing prices have increased more sharply and for a longer period in the past 20 years than at any time since 1880. The *Guardian* notes that housing costs in the UK and Australia have been increasing at a "neck and neck" pace ahead of the average household income. "We're heading for a world where rates of home ownership among young people are below 50 percent for the first time," states Alan Milburn of the Social Mobility and Child Poverty Commission, adding that the UK is heading toward becoming "a society that is permanently divided." Income for those in their late 20s in the UK remain below levels seen in 2004-2005.

A recent survey by British polling firm Ipsos Mori found that 54 percent of those questioned thought the next generation was or would be worse off than the previous. "It's the highest we've measured—it's completely flipped around from April 2003," stated Bobby Duffy, managing director of Ipsos Mori's Social Research Institute of the findings.

In addition, more than a quarter of individuals in this age group live with their parents. An average woman in this age group today waits 7.1 years longer to become married than in 1981; and the average age of childbirth for young families is nearly four years later than those in 1974.

"My greatest worry is working all my life, constantly

chasing debt and never being to own a house or have children,” writes a millennial named “Gemma” in a section of the series entitled “#Itsnotjustyou: Millenials share their secret fears.” Continuing, she states: “The cost of renting privately is rising, the cost of travelling is rising, the cost of living is rising and yet the salaries don’t reflect this rise. ... I am worried that capitalism is pushing this and creating a greater wealth inequality gap. It seems unsustainable and to be driving people apart—a recent example is the demonization of our own NHS service and the junior doctors.” Many others share similar nightmares.

The study comes amid other findings revealing similar declines in living standards for youth in the developed world. A 2013 Organization for Economic Co-operation and Development (OECD) report found nearly 30 million youth in the developed capitalist countries without a job or an education, the basic requirements for functioning in society.

The circumstances faced by young people throughout the world speak to a systemic breakdown of the social order in both the so-called developing and advanced countries, which has been compounded by war and militarism, consecutive attacks on living standards and cuts to social programs, which invariably hit the youngest and most vulnerable the hardest. Though not covered by the study, European nations such as Greece have been reduced to conditions unseen in the developed world, with youth unemployment at over 60 percent due to attacks on living standards demanded by the European Union and enforced by consecutive governments, both right and “left,” under Syriza.

The authors of the *Guardian* investigation, in an effort to divert rising anger away from the social system responsible for the poverty, destruction of living standards and attendant social misery, single out the relatively-better off living conditions of retirees in order to make a case for attacking pensions and other benefits accruing to the older generation. The publication quotes a recently published interview with Mario Draghi, head of the European Central Bank (ECB), who states “in many countries the labor market is set up to protect older ‘insiders’—people with permanent, high-paid contracts and shielded by strong labor laws. ... The side-effect is that young people are stuck with lower-paid, temporary contracts and get fired first in crisis times.”

Rather than receiving expanded employment, pay and access to better living conditions, it is proposed that the young and the old fight over the rapidly diminishing resources made available by bourgeois public officials and the wealthy. While Draghi advocates attacking the pay and benefits of older workers, the ECB head has funneled billions into the hands of European banking institutions; recently upping the monthly total of cash infusions to €80 billion from €60 billion previously and adding to the wealth of the financial elite.

The fate of retirement benefits and wages under the profit-system is pointed to when the newspaper notes “pensioners’ incomes are likely to rise for at least the next decade, after which future generations will be unlikely to benefit [due to] a drop in home ownership, weaker private sector pension schemes and the expectation that state pensions will be less generous in the future.”



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