

The millennial generation in the US: Life on the brink

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For the American ruling elite, life has never been better.

The father of US Treasury Secretary Steven Mnuchin just completed the most expensive purchase of a living artist's work in US history, spending over \$91 million on a three-foot-tall metallic sculpture. Ken Griffin, the founder of hedge fund Citadel, recently dropped \$238 million on a penthouse in New York City, the most expensive US home ever purchased. And Amazon's Jeff Bezos, the world's richest man, has invested \$42 million in a 10,000-year clock.

The stock market is booming, and President Donald Trump is boasting at every turn that the unemployment rate is lower than it has been in five decades.

However, the working class, the vast majority of the population, is confronting an unprecedented social, economic, health and psychological crisis. The same processes that have produced vast sums of wealth for the ruling elite have left millions of workers on the brink of existence.

Perhaps no segment of the population reflects the devastating consequences of these processes so starkly as the generation of young people deemed the "millennials," those born roughly between the years 1981 and 1996. More than half the 72 million American millennials are now in their 30s, with the oldest turning 38 this year.

A recent exposé by the *Wall Street Journal* noted that millennials are "in worse financial shape than prior living generations and may not recover." The article, "Millennials Near Middle Age in Crisis," concludes by stating that people born in the 1980s are at risk of becoming "America's Lost generation."

The older side of this generation was born at the beginning of the Reagan years, which heralded in an era of social counter-revolution against the working class that saw the dismantling of much of the industrial infrastructure of the country, and the restructuring of economic life to benefit the banks, hedge funds and other financial firms, with the collaboration of the trade unions.

By the time these youth reached the job market, the 2008 financial crash hit, vastly accelerating all of the processes begun in the 1980s. The Obama administration organized the bailout of the banks and a massive transfer of wealth from the working class to the rich.

The results have been devastating.

Education

More millennials have a college degree than any other generation of young adults. In 2013, 47 percent of 25- to 34-year-olds received a postsecondary degree. For most, however, getting a college education has not led to a significant increase in quality of living.

Instead, millions of young people are working jobs for which they are vastly overqualified and are shackled with unprecedented levels of debt.

For the millennials who did not go to college, the situation is even worse.

- Millennials have taken on 300 percent more student debt than their parents' generation. [Source: The College Board, Trends in Student Aid 2013]

- The number of hours of minimum wage work needed to pay in-state tuition and fees for each year of a four-year public college for the "Baby Boomer" generation (born between 1946 and 1964) was 510. For millennials, it is 1996. [Source: National Center for Education Statistics. Calculations based on four-year public universities from 1973–1976 and 2003–2006]

- Since 2010, the economy has added 11.6 million jobs, and 11.5 million of them have gone to workers with at least some college education. In 2016, young workers with only a high school diploma had roughly triple the unemployment rate and three-and-a-half times the poverty rate of college grads. [Source: *America's Divided Recovery*, Georgetown University]

- Average college debt for millennials that have debt is around \$33,000, with the median household income remaining the same since 1999. [Source: PEW Research and *USA Today*]

- National college debt is now at \$1.3 trillion, and college tuition has increased by 1,140 percent since the late 1970s. [Source: Economic Policy Institute (EPI) *Wage Stagnation in Nine Charts*]

- By 2014, 48 percent of workers with bachelor's degrees are employed in jobs for which they're overqualified. [Source: Labor Economist Stephen Rose, published by Urban Institute.]

Jobs and wages

Many millennials rely on what is referred to as the "gig economy," where workers often make minimum wage, have no benefits or retirement plan, and are forced to work two, three or even four jobs to make ends meet.

This work is often paid by task, assignment or sales, and it requires only a short-term relationship between the worker and the customer. These include jobs like freelance work, driving for Uber, sales on Etsy, renting out rooms on Airbnb, and other various temp jobs.

- The number of workers in the United States participating in the gig economy is expected to triple to 42 million workers by 2020, and 42 percent of those people are likely to be millennials. [Source: Freshbooks]

- Most "young millennials" have less than \$1,000 in their savings accounts. *Nearly half have nothing saved at all.* The share of millennials with \$0 in savings is on the rise, from 31 percent in 2016 to 46 percent in 2017. [Source: GOBankingRates 2017 annual survey report]

- Between 1978 and 2017, according to the EPI, CEO compensation rose in the US by 1,070 percent, while the typical worker's compensation

over these 39 years rose by a mere 11.2 percent.

- The average net worth of a millennial household is about 40 percent less than “Gen X” households (born between 1965 and 1980) in 2001, adjusted for inflation, and about 20 percent less than Baby Boomer households in 1989. [Source: Federal Reserve, Christopher Kurz]

- The St. Louis Fed recently found the median wealth of a family headed by someone born in the 1980s was a third below the level that they would expect, compared with the earlier generation at the same age and adjusted for inflation.

- One in 5 millennials are living in poverty. [Source: US Census, young adults ages 18–34.]

Housing

Between 2001 and 2014, the number of households spending over half their incomes on rent grew by more than 50 percent. As housing prices have exploded, the number of 30- to 34-year-olds (the older segment of millennials) who own homes has plummeted.

- Millennials are half as likely to own a home as young adults were in 1975. [Source: US Census, young adults ages 24–35.]

- In the 40 years leading up to the recession, rents increased at more than twice the rate of incomes. [Source: Joint Center for Housing Studies at Harvard University.]

- About one-third of millennials owned homes in 2016, compared with half of Gen Xers at similar ages in 2001, and just under half of Baby Boomers in 1989. [Source: Pew Research Center]

- The share of American young adults living with their parents is the highest in 75 years. [Source: Pew Research Center]

Andréa is a 25-year-old non-profit worker from California. “I didn’t go to Columbia or Harvard. I got a *basic* education. I was responsible and stayed local to pay in-state tuition. Now, tens of thousands of dollars in debt, the lowest my monthly bill can possibly be is \$200 a month.

“It has an impact on every decision I make. Any extra bill matters. I can’t think about buying a car or getting sick. In the winter, I had to go to the emergency room. I spent no more than an hour in the ER. Two months later I got a bill in the mail saying they were charging me \$9,000.

“Nowadays your money is split so many ways. I feel like all my life decisions are made in the shadow of my debt. It affects decisions about starting a family, where and how to live. I honestly feel that there is not really even room to dream of owning a home.”

Health and healthcare

Being poor in America is a clear predictor that the healthcare you receive will be far inferior to that of your wealthy counterparts. The statistics on the access, cost and quality of healthcare for millennials is, above all, an indictment of former president Barack Obama’s signature domestic “Obamacare” policy, which further restructured the US healthcare system in the interests of big business.

- One in 5 millennials say they cannot afford routine healthcare expenses. Many of these millennials are uninsured because of the cost. An additional 26 percent say they can afford routine health-care costs, but only with difficulty. [Source: Harris Poll]

- Based on a study of 55 million insured millennials by Blue Cross Blue Shield, between 2014 and 2017 alone, major depression rates increased by 31 percent, rates of psychotic conditions increased by 15 percent and rates

of substance use disorder rose by 10 percent.

- A 2018 report from Blue Cross Blue Shield found that diagnoses of major depression had risen 47 percent for millennials since 2013.

- In 1980, 4 out of 5 employees received health insurance through their jobs. Now, just over half of them do. [Source: Health affairs Vol. 25, No. 6]

- Suicide is now the second-leading cause of death for those aged 10 to 34. The biggest increase in death rates came among the older millennial cohort, from 25 to 34. [Source: CDC data]

- Millennials are reporting the highest levels of clinical anxiety, stress, and depression of any other generation at the same age. [Source: American Psychological Association, *Stress in America: Paying with Our Health*]

Emma is a 30-year-old from Massachusetts. She is a college graduate, who works as a singer and performer.

“When something hurts or I am sick, I wait a while and see if it will go away because I am scared to spend a bunch of money to see a doctor. Two summers ago, I got pretty sick. I ended up going to the doctor and had to spend \$1,200 to treat strep throat. It was a cost I couldn’t afford. At the time I was between two contracts with the same company. Because I was not under contract, I was no longer something they needed to worry about.

“I think for working-class millennials, it feels like your whole life is a constant crisis.”

Social patterns and societal milestones

The precarious financial situation facing millennials has profoundly altered demographic and economic conditions for an entire generation, which is expected to last through the end of the century.

- Men and women in their thirties are marrying at rates below every other generation on record. [Source: *The Atlantic*, “The Death (and Life) of Marriage in America”]

- Millennials account for only 27 percent of new vehicles sold in the United States, compared with 38 percent of new vehicles bought by Gen Xers at the same point in life. [Source: CNW market Research]

- It is predicted that most millennials will not be able to retire until age 75. [Source: NerdWallet analysis of federal data]

Millennials and the working class

While the comparison between generations is useful in marking the significant decline in conditions for the working class as a whole, it can give a distorted view of the real issues involved in this immense social crisis.

Many mainstream media narratives, obscuring the fundamental class issues, attempt to pit generations against each other, with headlines such as “How the baby boomers wrecked the economy for millennials” from *Vox*, or “The coming generation war,” which recently ran in *The Atlantic*.

However, millennials as a generation are divided by class just as with all generations. Among the many historic milestones shattered by the millennial generation is also that of income inequality.

There is a significant layer of the millennial generation that has entered the ranks of the ultra-rich. In 2003, there were only 21 billionaires under 40. By 2017, the number had more than doubled, to 46.

The average wealth of young billionaires is also on the rise. Seven years ago, the average young billionaire was worth \$3.2 billion. Today, the

richest millennials are worth some \$4.1 billion.

The conditions facing working class millennials are the same conditions facing the entire working class, of which those in the millennial generation are a particularly vulnerable layer.

Every age group of the working class has been deeply affected by the decline in living standards over the last forty years. Recent data shows that suicide deaths and other “deaths of despair” have increased most dramatically among those aged 45 to 64 (largely Generation X).

Among those who are older, including many Baby Boomers, some 14.7 percent are said to be food-insecure, totaling at least 9.8 million people. Compared to 2001, this constitutes a rise of 37 percent, with the number of seniors increasing in the same period 109 percent.

The younger generation has come of age in world of immense contradiction, with enormous developments in technology and science, while at the same time thrown into living conditions of the past, more and more resembling the 1920s. Instability and uncertainty are among the defining features of everyday life. Most millennials are just one life event away from losing everything.

However, these conditions have also created the objective basis for a vast radicalization of young people and workers across the globe. The past two years have been marked by the reemergence of the class struggle internationally.

As the *Journal* itself nervously points out, the millennial generation is also the first generation to favor socialism to capitalism. As poll after poll shows, the popularity of socialism among young people is growing at a rapid pace.

Far from becoming the “Lost Generation” predicted by the *Wall Street Journal*, this generation of workers carries within it an enormous source of revolutionary potential.



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