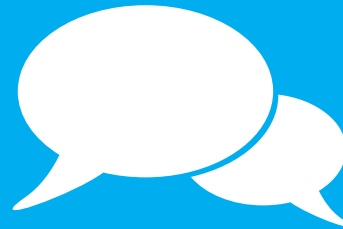


# THE STATE OF YOUNG AMERICA

ECONOMIC BARRIERS TO  
THE AMERICAN DREAM



STORIES

A JOINT PUBLICATION  
DĒMOS | YOUNG INVINCIBLES

## ABOUT DĚMOS

Dēmos is a non-partisan public policy research and advocacy organization. Headquartered in New York City, Dēmos works with advocates and policymakers around the country in pursuit of four overarching goals: a more equitable economy; a vibrant and inclusive democracy; an empowered public sector that works for the common good; and responsible U.S. engagement in an interdependent world. Dēmos was founded in 2000.

In 2010, Dēmos entered into a publishing partnership with *The American Prospect*, one of the nation's premier magazines focusing on policy analysis, investigative journalism and forward-looking solutions for the nation's greatest challenges.

## ABOUT YOUNG INVINCIBLES

Young Invincibles is a non-partisan, non-profit youth organization that seeks to expand opportunity for all Americans between the ages of 18 and 34. Young Invincibles engages in education, policy analysis, and advocacy around the issues that matter most to this demographic, focusing primarily on health care, education and economic opportunity for young adults, and working to ensure that the perspectives of young people are heard wherever decisions about our collective future are being made.

## ACKNOWLEDGEMENTS

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# TABLE OF CONTENTS

## STORIES

ANA	<i>1</i>
ETIENNE	<i>2</i>
BRYAN	<i>2</i>
ALANA	<i>3</i>
ELGIN	<i>3</i>
BRANDON	<i>4</i>
ERICA	<i>4</i>
GRANT	<i>5</i>
KHADIJAH	<i>5</i>
JASON	<i>6</i>
SEAN AND MELISSA	<i>6</i>
LAUREN	<i>7</i>
ERIN	<i>7</i>
PAUL	<i>8</i>
ISBAH	<i>8</i>

**STORIES OF YOUNG ADULTS**

# STORIES

**A**s part of the broader State of Young America project, Young Invincibles set out across the country in the summer and fall of 2011 to hear first-hand what young people face in today's economy. We held roundtables everywhere from Omaha, Nebraska to Richmond, Virginia, and talked to groups of young people from a variety of backgrounds—community college students, construction workers, and young professionals, to name a few. We also strove for diversity, listening to the unique perspectives of young voices in communities of color and young people from a variety of income levels.

One result of this project is the Stories of a Generation, a collection of the experiences of young people facing adulthood in a time of uncertainty. These stories reach through the data to reveal the real, human impact of recent economic trends. Their voices express anxiety in the face of the enormous challenges faced by this generation, but also their resolve to tackle those challenges head-on.



**ANA**

*Age: 27* | Jupiter, FL

When Ana's family moved to Florida from Brazil, she was 16 and didn't speak any English. She was enrolled at the local high school before she had learned the language. That's when survival mode kicked in. Within three months she was holding conversations—and she graduated two years later with her high school degree.

Ana paid her way through community college and, after securing her immigration status, decided to pursue an Associate's Degree in respiratory care. She graduated a few months ago. Jobs in respiratory care are competitive in Florida, so she's continuing her education and hoping to complete a bachelor's degree in the biomedical field at Florida Atlantic University. To pay her way, she continues to clean houses on the side. With her income she is just able to afford school, a cell phone, her car, and paying for her own health insurance. The health insurance piece is expensive, she says, but she sees the necessity of it—particularly since she racked up \$3,000 in emergency room bills after two bouts of food poisoning when she first arrived in the U.S. Finding houses to clean, however, has gotten a bit more difficult during the recession. Families have

reduced spending, and if business gets too tight, it could make school difficult to afford. Books are always expensive, and this year Florida, in the midst of a state budget crunch, raised tuition 15 percent. So she will continue working at least as many hours as she pursues her degree and moves toward her new goal: a job in pharmaceuticals.



## **ETIENNE**

*Age: 22* | Palo Alto, CA

Etienne grew up in a bad neighborhood outside of Palo Alto, California. Things were tough from the start. The dysfunctional schools in his area were discouraging and by age 16 he had dropped out of high school to join the family construction business.

They managed to make ends meet until the stock market crashed in 2008, taking the construction industry down with it. Etienne's family lost their house along with their business. Amid severe economic stress, Etienne found himself at odds with his father, who kicked him out. At age 19, Etienne was homeless with no job and only a GED that he had earned in 2005.

With the poor economy, no one was hiring, and Etienne had another strike against him: like many young men from tough neighborhoods, he has a criminal record. A couple of arrests for minor offenses during his youth have forever scarred Etienne's employability. Even after acing interviews, he says, he has been repeatedly rejected from jobs for which he is qualified, all because of his background.

Facing these extensive employment barriers and desperate for options, Etienne knew he needed to add to his credentials, and he enrolled at a local community college in nearby Los Altos Hills, California. His first attempt at higher education ended—with debt—when tuition became overwhelming, but his continued unemployment sent him back to campus once more. It's unclear how his record—and the recession—will affect his employability when he graduates, but, for now, all he can do is work hard.



## **BRYAN**

*Age: 34* | Aberdeen, SD

When Bryan graduated in 2004 with his bachelor's degree, he didn't expect to find himself in the position he is today. While he chose a local university so it would be more affordable, his family still couldn't cover the cost and he was forced to take on over \$25,000 of student loan debt. Now, 12 years later at age 34, Bryan has a full time job in the internet services industry, but still has only been able to pay off half of his loans, despite living with his wife, who also works full-time manufacturing wind turbines, and cutting every nonessential living expense. Looking back, Bryan thinks that had he known about the debt burden he would not have taken on the extra debt to attend school and would have just gone straight to work after high school instead.

These days, however, Bryan is more focused on trying to make it until the next paycheck. He has two kids in daycare, and even with a two-earner household struggles to afford daily expenses. He looked in every area to cut costs, but with the rising costs of everyday staples, including an increase in his health insurance premium, his family resorted to using credit cards to cover in between paydays, adding to his already substantial debt. While Bryan would like to avoid adding to his debt, he doesn't see any other option. His wife, who didn't attend college, would like to go get her degree, but doesn't think she'll be able to fulfill her dream. While Bryan thinks he's at a better economic place than his parents were at his age, he looks to the future with uncertainty, unsure of what it holds for him or anyone else in his generation.

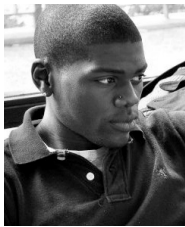


### **ALANA**

*Age: 26* | Reno, NV

Alana is a part-time college student in Reno, Nevada. She works as a bar manager four nights a week to make ends meet. Even with her degree only one year away, Alana describes her economic situation as bleak. With a weak labor market lingering from the recession and a local economy supported primarily by the tourism industry, post-graduation employment prospects are dim. Right now, her life consists solely of working at nights and attending classes or studying during the day: for Alana, sleep is an elusive luxury. Yet despite all her efforts, Alana cannot get out of debt. She lives in a house with two other roommates, and though the cost of living in Reno is relatively low, she still pays \$470 a month for rent, plus utilities. In addition, she must pay insurance premiums and put gas in her car, adding another \$75 per month to Alana's basic bills.

Alana worked throughout school, spending nights and weekends earning money to cover her basic living expenses. But even so, she still has \$3,000 in credit card debt. School fees account for some of that debt, but so do everyday living expenses. Between the price of attaining a good education and the cost of basic necessities, she can barely make ends meet. Alana wants to invest in her future. But when weekly wages are just enough to get by, that investment means the bills pile up and credit is the only way to manage the expense.



### **ELGIN**

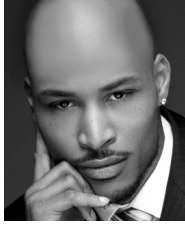
*Age: 22* | Los Angeles, CA

Elgin worked two jobs and an unpaid internship while finishing up his undergraduate degree at UC Berkeley in 2010. He also took out a large sum in student loans for his education. After graduation, he was forced to move home to L.A., when he couldn't find a job.

During the next six months, Elgin sent out countless job applications and couldn't even find an internship. Without health insurance, he could not get the medication that he needed, and he eventually resorted to collecting cans and bottles to have a small amount of spending cash. Finally, in March, Elgin got an internship for \$8 an hour.

But the shaky job market convinced him that grad school was the next logical step. Elgin landed a merit scholarship at University Southern California School of Public Diplomacy. His huge load of undergraduate student loans have been deferred since he is still in school. The school is expensive, but with the scholarship he only has to pay a few thousand dollars a year—a miracle, he says. Many of his friends in graduate school are going deep in debt from student loans.

Despite his recent achievements, Elgin is skeptical about the job market and not confident that he will be able to reach his goals. New graduates can only get internships which are unpaid or paid low hourly wages, he says: the only way to get ahead is to get more education, but to do that, you have to take on more debt. It's a cycle that traps many people.



## **BRANDON**

*Age: 29* | Detroit, MI

When Brandon finished college at Eastern Michigan University he returned to his native Detroit only to find that his background in business and technology was not enough to guarantee employment, much less a good job. Despite the relative prosperity of 2005, Brandon encountered a lesson learned by millions of other young workers: navigating the 21st century American economy can be hard for young people.

Even workers like Brandon who hold a college degree—and are overall much more likely to be employed—struggle in the labor market. Minority men, as Brandon can attest, face a particularly tough time finding work. And while Brandon came from a union family, union jobs were not there for him or his friends. With some persistence Brandon found work. In the supposedly bullish market, Brandon helped to improve the job prospects of people who were having an even harder time finding a job: those workers without a post-secondary degree. Brandon maintained a computer lab that retrained displaced workers in the latest technology for the growing health care field.

But when the housing bubble burst in late 2007 and the stock market tanked Brandon was no exception to the fallout of an economic decline. The program he helped to run lost its funding and ended his contract in 2009. Brandon returned to the job search with one million other young adults. He, like many others, faced the prospect of long-term unemployment. Instead, Brandon recently applied the skills he learned in college to start his own business: entrepreneurship is one of the few positive by-products of the recession for struggling young people. Now, despite facing an extremely fickle boss—the struggling Detroit economy—Brandon is hopeful about his current path.



## **ERICA**

*Age: 19* | Tempe, AZ

Erica is a 19-year-old college student at Fordham University in the Bronx. She has a partial scholarship and is paying the rest of her tuition through student loans. Erica estimates that she will owe \$75,000 in student loans when she graduates. Both of her parents are educators in Tempe, Arizona, where they have recently received both pay and benefit reductions because of state budget cuts. Erica now knows she cannot fall back on her family for support if she has a difficult time paying back her student debt.

She had hoped to reduce her need for loans by working her way through school, but that has not turned out as planned. Though she has sent out more than 150 job applications in the past few years, she has only found short-term employment that doesn't contribute much to her income. Erica also applied to the work-study program at her university, but the program was full. Her largely unsuccessful job search while still in school is making Erica doubt about her job prospects for the future.

Ideally, she would like to attend graduate school and work in economics, but the uncertain job market has led her to look into other opportunities. The Peace Corps is one possibility. Erica thinks that applying for more loans to continue her education may not be the right decision since the current job market is so volatile. She says that imagining the state of her financial goals in 5 years is “a scary proposition” in the current economic climate.



## GRANT

*Age: 21* | Bloomington, IN

Grant was an entrepreneur from the beginning. At the age of 14, Grant bought three servers with \$20 of webspace. Within a few years, he turned the web-hosting business he ran out of his bedroom into a booming company. However, a transition to new software didn't go as smoothly as planned, and so he went to work negotiating manufacturing and design contracts with companies like Walmart. Eventually, frustrated with the field, he decided to get an education and be his own boss.

Grant is currently pursuing a career in information technologies at Ivy Tech University. Like so many others students he faces a litany of economic struggles: long hours at work, burdensome student loans, and, for awhile, a lack of affordable insurance. Grant gets a Pell grant and works 30 hours a week at Apple as a tech advisor, but the job barely covers living expenses so he turned to loans. With hopes of a graduate degree, he expects to be close to \$100,000 in debt. Unsurprisingly, he could not afford health insurance for some time. He recently returned to his mom's health insurance plan after the passage of health reform – not a minute too soon, as Grant suffers from severe asthma and had three major attacks that landed him in the hospital, and if he'd been forced to pay out of pocket would have resulted in tens of thousands of dollars in additional debt.

Grant plans to continue on the entrepreneurial track after school. He already has plans for his next great idea, but knows that finding funding is difficult in this economy, particularly for young people. Nevertheless, he remains confident that his abilities and ideas will lead the way.



## KHADIJAH

*Age: 22* | Charlotte, NC

Khadijah is a third-year student at Central Piedmont Community College in Charlotte, NC and expects to graduate in two more years after finishing the nursing program. Like many community college students, she has overcome many challenges to get where she is, and has more ahead before graduation.

She's grateful that she qualifies for the federal Pell Grant program. "Without [it], going to college would have only been a dream for me because I do not have the resources to pay for my education." Because there were no jobs when she graduated high school, working her way completely through school was simply not an option. Khadijah took on three on-campus jobs one year through federal work study, but had to stop because the long hours affected her grades.

Once Khadijah gets her nursing certification, she hopes to transfer to a 4-year college and then go on to study in a master's degree program. Ultimately, Khadijah wants to run a pediatric clinic in her community.

There are many steps to get there, however; she will have to take extra classes because, at the onset, she was confused about which courses and prerequisites she needed to take for nursing. Maintaining financial aid amid budget cuts is another potential obstacle. "I think that if the Pell grant gets taken away, not as many young people would be able to attend college and serve their communities in the future."

## JASON

*Age: 31* | Detroit, MI

Jason grew up in Detroit. He went to broadcast school at Michigan State and spent three years in radio, but then everyone was let go from their station near Flint. Eventually, without a full-time job, Jason returned to school to study journalism. He took out student loans and worked, completing a Master's degree in May. But now he's still writing part-time for the Detroit News, living in the same small apartment, hoping his car hangs on a few more years, and looking for a "regular gig." He is willing to move anywhere for full-time work, but nothing has materialized.

Jason attends career fairs, but expresses extreme frustration with the companies that attend. He regularly waits in long lines only to be told that the company isn't actually hiring, but he should "visit the website." And he knows plenty of people with his credentials working in fast food and retail. He says he is frustrated with his state and region: for years the Midwest has been struggling, and they have done nothing improve the job market – particularly for the lowest levels of employees, the manufacturers and hourly laborers.

For his own part, Jason sometimes has to decide between buying groceries and paying the bills. Yet he is grateful that his burdens are as minimal as they are, including this month's bills and the student loan debts looming ahead. These are not small considerations, but things could be worse.

Things were much different for his parents' generation: Jason says that when his parents graduated they could walk out of high school into a pretty good job. And while Jason is looking on the bright side, all of the economic stress starts to weigh heavier over time. He is constantly trying to make due and keep himself above water, hoping a full-time job is just around the corner. But it is hard to say when things will get better.



## SEAN AND MELISSA

*Age: 25, 26* | Massillon, OH

For Sean and his fiancée Melissa, financial constraints have meant that family life hasn't been easy. Sean usually works 2 jobs, and is on the clock 5 days a week from 7:30 am to 10:00 pm, while Melissa stays at home with their 5 month-old. Going back to work isn't an option for Melissa, because the \$8/hour wage at her old job would only partially cover the cost of daycare. On top of that, Sean would have to quit one of his jobs to pick up and drop off their son.

Their financial constraints are a constant struggle. Melissa is thankful that they qualify for the WIC program, which helps her pay for her son's formula and basic food that they otherwise could not afford. Their family is lucky enough to have health insurance through Sean's job, but they still have difficulty paying their monthly premium.

Melissa and Sean want to get married and have more children, but they don't expect that to happen any time soon. They have no money to save up for a wedding; any extra money they have goes towards paying off \$20,000 of student loans and credit card debt, as well as the \$2,500 hospital bill they now owe after the birth of their son. They expect that their debt will be paid down in 6 years. Until then, their lives are on hold.

"At the end of the day," Sean says, "one of the hardest things for me to accept is that even though my workload has increased, I have nothing to show for it. All the talents I have, all the skills I learned in college are wasted. And yet, to afford to pay my bills, to repay my debt, and to support my new son, I can't look for anything else. There's no time for interviews. There's no mobility for me here."



## LAUREN

*Age: 22* | Wayne, NE

Lauren attends Wayne State College, pursuing her political science degree, relying on loans and scholarships to pay her tuition, room and board. Although Lauren has worked since her sophomore year in high school, she is not at all confident that her degree will enable her to find a job. Her goal is to work with a non-profit, a local political campaign, or with a city government.

Meanwhile, being in school means tough choices and times are lean for Lauren and her husband. For example, the young couple does not currently have health insurance. When they got married, they researched various health insurance plans—some basic, some with better coverage, and the plan offered by the college. All of them cost too much. The premiums ran around \$200-300 a month, but still didn't cover doctor's appointments until enrollees had already paid \$5000 out of pocket, nor emergency care until \$25,000 was spent out of pocket. The couple decided to take a chance and just pay for doctor's appointments as they came up.

The next few years are full of transition and uncertainty for Lauren and her husband. They will move from their small town in Nebraska to a large city so that he can study at the seminary. Right now their rent is \$200, but they know that in the city rent will be \$800 at a minimum. Lauren doesn't know what her career prospects will be like in the new location. The uncertainty is frustrating, nerve-racking and discouraging—and even more so given the slow crawl out of the Great Recession.



## ERIN

*Age: 28* | Los Angeles, CA

Erin has \$130,000 in student loan debt after graduating from a top art college in 2010, where she got a bachelor's degree in advertising. She never thought her loans would be a problem because her professors, friends, and even lenders assured her that she would find a high-paying job straight out of college. After more than a year of searching, Erin was still unemployed and made barely enough money through freelancing to survive.

Because she could not afford rent, Erin slept in her car or at different friends' homes to get by—but this was the least of her concerns.

Since graduation, Erin has not been able to pay back any of her student loans. Collectors and lenders call Erin on a regular basis, and refuse to accept partial monthly repayments. Her credit rating and finances have been severely damaged, and Erin is afraid she'll never be able to buy a car or home in the future. "I'm engulfed in debt before I can even start my life. The interest rate and late payments from my loans just keep piling up. I feel like I have made mistakes I will never be able to outlive, and education should never feel like a mistake. I wish I could start my life all over again loan-free."

She recently landed a \$10/hour internship with an advertising firm and hopes that this will lead her to a full-time position. Because her current salary still can't cover the cost of rent, let alone Erin's student debt, she continues to live day by day without a home, health insurance, and most other essentials.

Erin hopes that one day she'll be able to finally make a decent living and afford rent, but she remains pessimistic about her future.



## **PAUL**

*Age: 29* | Sacramento, CA

Paul joined the Army National Guard in 2000 after completing his GED. At the time, it was the only branch that would accept someone without a high school diploma immediately; no waiting list required. Soon after, of course, was September 11th, and a lot of things changed for those in the military. In 2005 Paul deployed to Egypt where he spent a year in active duty. That's when, he says, he really grew up and felt like an adult. He returned home at the age of 25, and remained in the National Guard until 2009, when an injury in his civilian life finally forced his discharge.

At 29, he took advantage of the recently-enacted GI Bill and enrolled at nearby Sierra College. Paul had previously enrolled in community colleges and technical schools, but none of them worked out. One particularly ill-fated attempt to become a medical assistant through a for-profit program ended with Paul so deep in student debt that he is still unable to take out student loans and must pay for classes as he goes. Luckily the GI Bill covers much of the cost of his college – though not all of it. National Guard veterans only receive 60 percent of the GI Bill stipend – about \$1,000 a month – to go towards school costs. While this contribution definitely helps, Paul's bills are still higher than his stipend, so he works weekends as a security guard at a club. He enjoys the work, but the pay isn't great (about \$10 an hour) and it definitely takes time away from studying, hurting his GPA. Paul plans to drop down to part-time in the future to raise his GPA so that he can fulfill his dream of attending law school.



## **ISBAH**

*Age: 21* | Austin, TX

When Isbah was 18 years old, she started to have symptoms of fatigue, making it hard to concentrate or complete her schoolwork. In the same year her father transferred jobs and her family had to find private insurance coverage. But the new insurance company denied her coverage based on her history of fatigue. She was left with no options, so she limited visits to the doctor and hoped that her health wouldn't get worse. She went uninsured.

A year later, she began losing weight uncontrollably and other symptoms appeared. Soon after, she was diagnosed with Lupus, a chronic auto-immune disease that can result in hair loss, joint pain, loss of appetite, and much worse if left untreated. Her father transferred jobs but the new insurance again denied her coverage because of her pre-existing conditions. She bought generic drugs instead of prescribed brand-name drugs, and limited doctors visits.

Like many young people, Isbah simply could not afford her medical care without coverage. But also like many young adults, health coverage was difficult to come by. As a student now at the University of Texas, she turns increasingly to her parents for financial support as she struggles to continue her studies, and to deal with the emotional stress of a chronic disease and the monetary stress of the high cost of care. Things have begun to look up for Isbah though. Her father's insurance finally covered her and she will stay on that plan due to the new dependent coverage extension until she turns 26.



