

# THE STATE OF YOUNG AMERICA: KEY FACTS

The Great Recession has had a formidable impact on all Americans, intensifying the trends of increasing economic vulnerability that developed over the past 30 years, but young people fared especially poorly. But even before the crisis, the new generation of workers was already falling behind. New obstacles to economic opportunity that emerged throughout the past three decades were reinforced in the aftermath of the crisis. As a result, for young people today it is harder to either work or educate one’s way into the middle class than it was for the generation that preceded them.

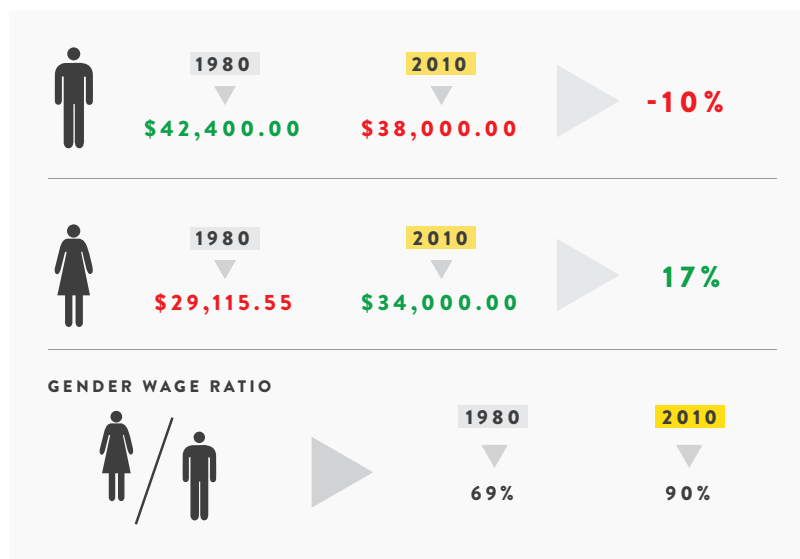
Dēmos and Young Invincibles partnered to complete the State of Young America report, the first comprehensive look at the economic challenges facing young adults since the Great Recession. The databook and poll findings are available at [stateofyoungamerica.org](http://stateofyoungamerica.org)

## KEY FINDINGS FROM THE DATABOOK

### JOBS AND THE ECONOMY

- Only workers with at least a bachelor’s degree saw earnings increase over the last generation. Overall, young men today earn just 90 cents for every dollar they earned in 1980. Young women saw gains, with typical earnings of \$1.17 for every dollar earned by their moms in 1980—a positive trend driven almost exclusively by higher levels of education, greater career opportunities and longer working hours.<sup>1</sup>
- Earnings by race and ethnicity still show wide disparities: the median earnings for young African Americans are 75

MEDIAN ANNUAL EARNINGS, FULL-TIME WORKERS, MEN AND WOMEN, AGES 25-34, 1980 AND 2010 (2010 DOLLARS)



SOURCE: Dēmos analysis of Current Population Survey Annual Social and Economic Supplement. All CPS and ACS data extracts from IPUMS, Miriam King, Steven Ruggles, J. Trent Alexander, Sarah Flood, Katie Genadek, Matthew B. Schroeder, Brandon Trampe, and Rebecca Vick. Integrated Public Use Microdata Series, Current Population Survey: Version 3.0. [Machine-readable database]. Minneapolis: University of Minnesota, 2010

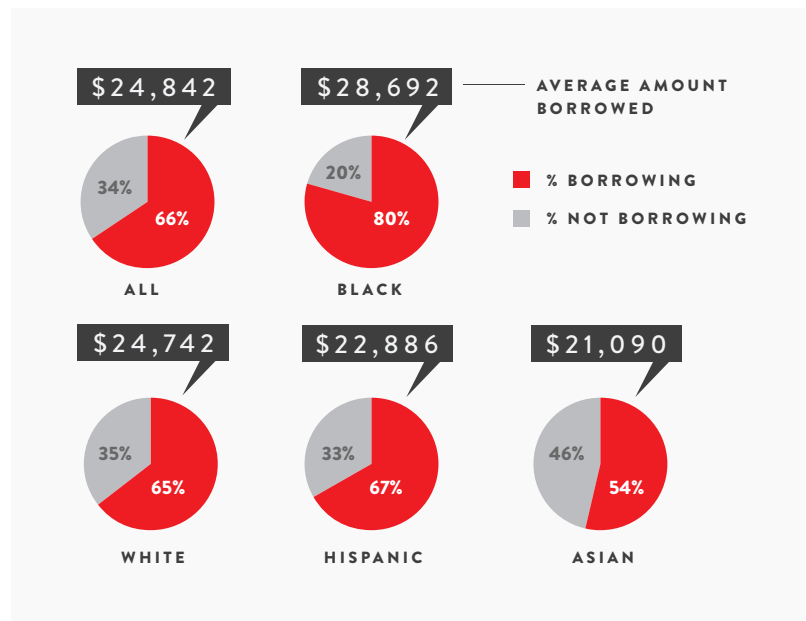
percent of the earnings of whites; Latinos earn 68 percent of the median for whites.

- In the past 30 years the gender pay gap narrowed, but did not disappear. Young women earn less than men at every level of education.
- The percentage of young adults with jobs is at its lowest point in a generation. This means more young people than ever are not engaged in the economy, not acquiring necessary on the job experience, not producing value for society, and not accumulating savings.
- Of those young adults who are in the labor market, 28 percent of 18-24 year olds and 16 percent of 25-34 year-olds are underemployed.

## HIGHER EDUCATION

- Average tuition has more than tripled since 1980, and federal aid has failed to keep up.<sup>2</sup>
- Two out of three students graduate with student loan debt, at an average of almost \$25,000.
- African American students are more likely to take out student loans, and to graduate with higher debt levels.
- The student loan default rate rose 31 percent over just 2 years.<sup>3</sup>
- For the first time, the amount of total student loan debt in the U.S. is greater than the total amount of credit card debt.<sup>4</sup>

UNDERGRADUATE STUDENT LOAN DEBT, 2008 GRADUATES, BY RACE/ETHNICITY

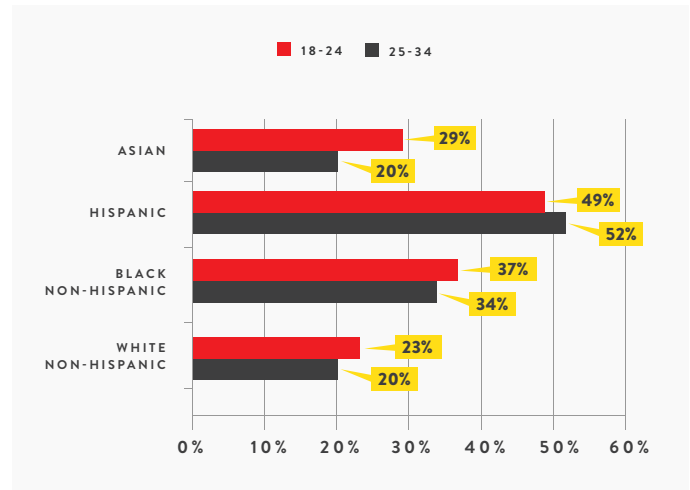


SOURCE: U.S. Department of Education, National Center for Education Statistics, B&B: 09 Baccalaureate and Beyond Longitudinal Study.

## HEALTH

- In just 10 years, employer-sponsored insurance for workers ages 18-24 dropped by 12.8 percent; and by 8.5 percent for workers 25-34.
- Young people of color are disproportionately likely to lack insurance; young Latinos were by far the most likely to be uninsured. 51.7 percent of Latinos and 33.8 percent of African Americans ages 24-35 were uninsured in 2009, compared to 20.8 percent of whites the same age.
- Recent reforms to the health care system have begun to bring down those high

UNINSURANCE RATE, BY AGE AND RACE/ETHNICITY, 2009



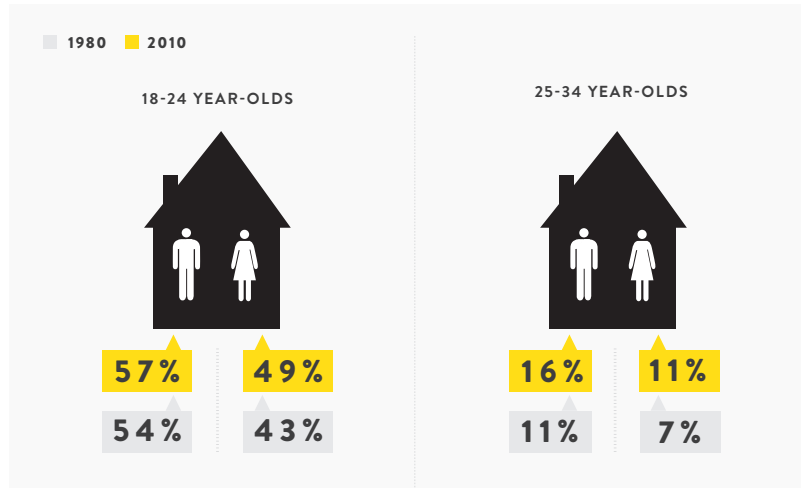
SOURCE: Dēmos Analysis of Current Population Survey Annual Social and Economic Supplement

levels, as 2.5 million young people under the age of 26 joined their parent's plan in the last quarter of 2010 and the first two quarters of 2011.<sup>5</sup>

## COST OF LIVING

- More than 40 percent of 25-34 year-old households spend over 30 percent of their income on rent—the threshold commonly used to determine affordability.
- The share of young adults living with their parents increased significantly over the past 30 years, as rising rental prices, long-term economic trends, and the Great Recession all made it more difficult for young people to start households of their own.<sup>6</sup>

SHARE OF YOUNG ADULTS LIVING AT THEIR PARENTAL HOME, 1980 AND 2010



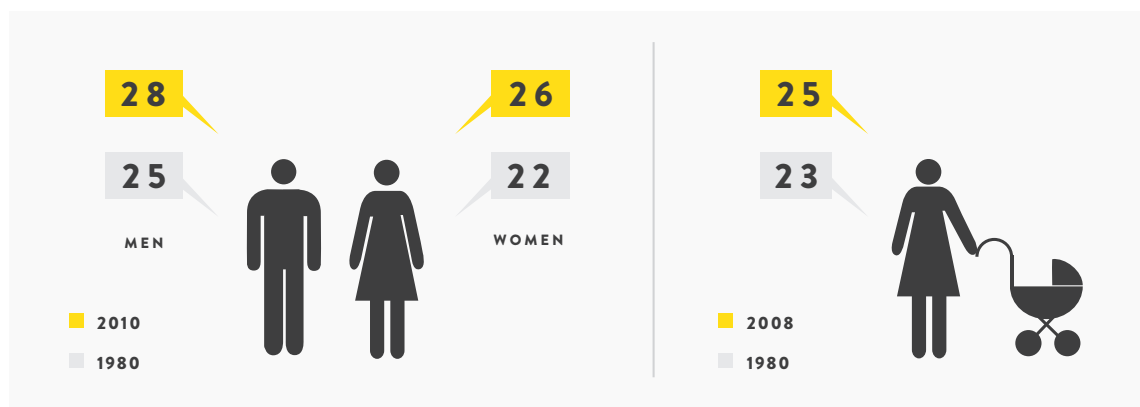
SOURCE: US Census Bureau: Families and Living Arrangements 2010 Table AD-1

- Levels of credit card debt among those ages 25 to 34 rose 81 percent since 1989, to an average of \$6,255 in 2007.

## RAISING A FAMILY

- Young people are starting families later, as the average age of marriage and the average age of childbirth both increased significantly over the last 30 years.
- The labor force participation of mothers with young children rose 25 percent since 1980.
- Just 11 percent of all workers had access to paid family leave benefits.
- Center-based child care fees for two children exceeded annual median rent payments in every state.<sup>7</sup>

AVERAGE AGE OF FIRST MARRIAGE AND CHILDBIRTH\*, 1980 AND 2010



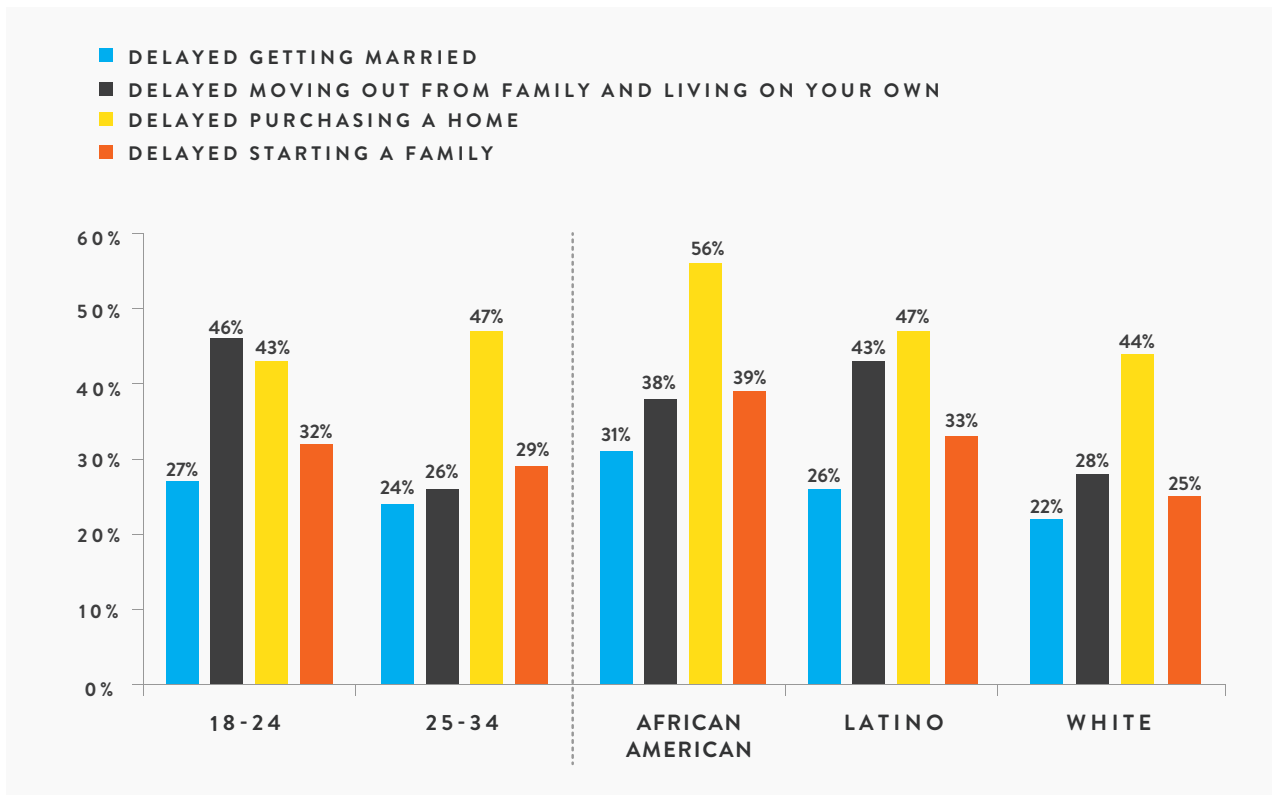
\* First childbirth data not available for men.

SOURCE: 1. U.S. Census Bureau, Current Population Survey, March and Annual Social and Economic Supplements, 2010 and earlier. Table MS-2: <http://www.census.gov/population/www/socdemo/hh-fam.html>  
2. T.J. Mathews and Brady Hamilton, "Delayed Childbearing: More Women Are Having Their First Child Later in Life", NCHS Data Brief No. 21, August 2009 [Machine-readable database]. Minneapolis: University of Minnesota, 2010

## KEY FINDINGS FROM THE POLL

- Overall, young adults express concern with the current economic situation, but hope for their future. Almost half (48 percent) of young people think they will be worse off than their parents, and 77 percent express some concern that the middle class is disappearing.
- Young people remain optimistic about the future, however: 77 percent of young people personally believe they can achieve the American Dream, a belief which was held equally across race/ethnicity.
- Just over half (53 percent) of young workers have seen earnings increases over the past four years, leaving 46 percent of the working population with stagnant or even decreasing earnings across the period.
- Many young Americans are falling into personal debt. Forty-two percent of those under age 35 have more than \$5,000 in personal debt that does not include a mortgage. Among all young people who have seen their debt increase, school loans (42 percent), credit cards (35 percent), and medical bills (27 percent) are the most common kinds of increased debt.
- A full 71 percent of uninsured young adults said they were uninsured because they could not afford coverage, their employer did not offer health insurance, or they had been denied coverage due to a pre-existing condition. This contradicts the conventional wisdom that most uninsured young people voluntarily choose to go without insurance.

### WHAT HAVE YOU DELAYED BECAUSE OF THE ECONOMY?



- The continued economic slump has caused a delay in important life decisions and concerns about future family life. Almost half (46 percent) of all young people have delayed purchasing a home, and nearly one-third of young people have delayed moving out on their own (33 percent) or starting a family (30 percent). A quarter has delayed getting married (25 percent). Minorities postponed these decisions with more frequency.
- When asked what Congress' top priorities should be, young Americans want them to focus on jobs, education, and on ensuring that Social Security is available for their generation.

## DĒMOS POLICY RECOMMENDATIONS

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Young people have the highest rates of unemployment and are earning less than the previous generation in the jobs they do hold. In order to ensure this generation and future generations can enter the middle class, America must create jobs and also increase job quality so that more jobs are good, middle-class positions—or, at minimum, offer a means to climb into the middle class. Suggestions for achieving this goal include:

- A temporary direct public jobs program coupled with a long-term public investment plan.
- Increasing the federal minimum wage.
- Strengthening the rights of workers to organize and collectively bargain.

The rapid rise in educational attainment during the last century contributed to the prosperity that built the middle class. We need to improve the ability of high school graduates to afford and complete college, and at the same time, provide alternative options for development and training for those young people for whom going back to college is no longer an option by:

- Creating a Contract for College that better targets aid and information about aid to those who need it most.
- Strengthening the community college system by promoting partnerships between employers and community colleges in order to regionally tailor job training programs.

Providing the next generation with a good start in life begins with the ability of parents to spend time with their newborns and to provide high-quality child care for their children through their infant and toddler years. We can enable them to do so by:

- Providing paid family leave to all workers through a national trust.
- Ensuring high quality care for all children through a range of policies designed to enable parents to find and afford high-quality child care.

## YOUNG INVINCIBLES CAMPAIGN FOR YOUNG AMERICA

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Young Invincibles is proud to announce the next step in our work to expand opportunity for all young Americans between 18 and 34. Along with dozens of our national and local partners we will soon launch the “Campaign for Young America” to help turn the youth energy and frustration around a lack of economic opportunity into concrete steps for change. The Campaign will engage and mobilize young adults across the country to share their voices on how to expand opportunity for our genera-

tion, putting the ideas and activism of young adults front and center in the local, state and national conversation. We believe it is our generation's responsibility to not only describe the problems, but to use all our skills, insights, passion and hard work to create the way forward. We will work with hundreds of thousands of young adults to develop concrete solutions and a mechanism to get involved, be heard, and make a difference at the federal, state and local level.

In early Spring 2012, we will launch the "What's Your Solution" online application, letting thousands of young people share their economic solutions and commit to take action. We will follow by hosting the National Youth Bus Tour across the country, with dozens of youth roundtable discussions, events on campuses and off, and direct action bringing the voices of young adults to our political leaders. In June, we will present the culmination and synthesis of the youth roundtables, a coherent, specific agenda on federal policy—the Young American Dream Agenda—that will describe the changes hundreds of thousands of our generation demand. With youth partners around the country, we will bring the Agenda directly to our state and national political leaders, to demand that they do their part in making that Dream a reality.

## ENDNOTES

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1. All data from Dēmos analysis unless otherwise indicated.
2. The College Board, Trends in College Pricing 2010, Table 4, "Average Published Tuition and Fee Charges in Constant 2010 Dollars, 1980-81 to 2010-11 (EnrollmentWeighted).
3. US Department of Education, Direct Loan and Family Education Loan Programs, Institutional Default Rate Comparison as of September 12, 2011.
4. Mark Kantrowitz, FastWeb.com.
5. U.S. Office of Health and Human Services, Office of the Assistant Secretary for Planning and Evaluation, Issue Brief, "One Million Young Adults Gain Health Insurance in 2011 Because of the Affordable Care Act," (September 21, 2011). <http://aspe.hhs.gov/health/reports/2011/DependentCoverage/ib.pdf>.
6. US Census Bureau: Families and Living Arrangements 2010 Table AD-1.
7. National Association of Child Care Resource and Referral Agencies "Parents and the High Costs of Child Care, 2011 Report" (2011). <http://www.naccrra.org/publications/naccrra-publications/publications/Cost%20Report%202011.pdf>.

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