

# Millenniums and Sunshine

## Millenniums Struggle to Find a Place in the Sun in Today's Economy

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I'm reading Gordon's new book, "The Rise and Fall of American Growth", which makes the statement, "The historic decline in infant mortality centered in the six-decade period of 1890-1950 is one of the most important single facts in the history of American economic growth".<sup>1</sup> In other words, there were more young people, and that resulted in more economic growth for that period. For the twentieth century, the youth of America has been the prime market segment of growth for our economy which businesses vigorously competed to capture. That's new markets ... and that's growth! Each new generation met expanded markets and created new markets. Until the turn of the century, that is!

So what HAPPENED!!

So why aren't the millennials enjoying the sunshine of prosperity as earlier American generations did ... that my generation certainly did? Quite simply, my world, the world of parents and grandparents for millennials, has slipped away and die. It's simply gone ... never to return. In my recent blog, "The Intersection of Jobs - No Jobs", I explained how since the start of the new century, technology is no longer creating new jobs while at the same time research predicts that technology will displace as much as 47% of the present jobs. Adding to this dilemma is the millennials continue to prepare themselves for the world of their parents/grandparents - you know ... the one that no longer exists! In other words, the environment has changed, but they haven't!



The basic premise of Gordon's book is that the Great Inventions<sup>2</sup> occurred from 1870 to 1940, which was the driving force for the phenomenal growth of America's economy in this period. The technological inventions after 1970 didn't have the pervasive impact across American society that the Great Inventions did. That's when growth started to taper off. But one of the inventions after 1970 was small and powerful computers, and this growing technology was used in machines that began to replace jobs. Slowly at first, then increasingly faster with the net result of people's income first stagnating then declining as people were forced to find new jobs that usually paid less. Finally, creation of new jobs started a steady decline so by 2000, there was no growth. Millennials are coming into the new environment of no job growth<sup>3</sup> coupled with displacement of jobs by technology (principally computers)<sup>4</sup>, and therefore an environment of no growth or opportunity for so many millennials.

For years, many American's have been getting the definite short end of the stick, but nothing compared to what is in store for the millenniums. While their parents are established with jobs and extensive work histories to seek new employment if laid off, the millenniums start at ground zero with limited and diminishing employment opportunities. For their parents, a college education was the ticket to higher incomes and greater financial security, while millenniums now face a 20% to 25% unemployment or under-employment upon graduation and a future filled with far more uncertainty than their parents or grandparents.

The bottom line is America's youth, the millenniums, are getting gypped as no others have in recent history. The lives they assumed they would have, the same lives enjoyed by their parents and grandparents, is slipping through their fingers like water, and all they can do is stand and watch. Millenniums got their necks stretched out a foot, across the chopping block, just waiting for the ax to fall. No one has as much to lose as the millenniums, and this is apparent by no mention of this problem by anyone in the sixteen election process. The Government is doing absolutely nothing about it, with no indication it will in the future.

For the economy in general, there is shrinking market size as millennium college graduates are unable to find adequate work. While the college graduate use to be the major disposable income group which businesses actively sought, the new markets they represent is now shrinking which means even less growth for America in the future.

The millenniums are signaling further contraction of the American dream.

1) "The Rise and Fall of American Growth, The U.S. Standard of Living Since the Civil War", Robert J. Gordon, Robert University Press, 41 William Street, Princeton, New Jersey, 08540, 2016, p209

2) The Great inventions encompass electricity, running water, sewers, internal combustion engine, telephone, phonograph, radio, movies and modern medicine.

3) "Race Against The Machine, How the Digital Revolution is Accelerating Innovation, Driving Productivity, and Irreversibly Transforming Employment and the Economy", Erik Brynjolfsson and Andrew McAfee, Digital Frontier Press, Lexington, Massachusetts, 2011.

4) "The Future of Employment: How Susceptible are Jobs to Computerization?", Carl Benedikt Frey and Michael A. Osborne, University of Oxford, Oxford, United Kingdom, September 17, 2013