

The Young are getting the Worst Deal Ever!

The ever shrinking economic opportunities for the millennials and generation-Z are leaving them with the worst deal ever.

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Because of the continual displacement of jobs by technology, I've been saying that the youth of America is getting the worst deal ever, worst than the Indians selling Manhattan Island for just \$24. Now Andrew Van Dam of the Washington Post has written an article with the numbers to substantiate that premise. Dated the 27th of May, this year, his "Millennials are the unluckiest generation in US history", shows how the millennials have experienced slower economic growth upon entering the labor market, and the generation-Zs has even less to be expected.



As with so many analysis of economic opportunity for the millennials and generation-Z, there is no consideration for the obsolescent of people, the ever increasing displacement of people and their jobs by technologies. Their decline in economic well-being is due in large part because those good paying jobs of their parents are disappearing to machines. You now have 20 to 25% of new college graduates unemployed or under employed, simply because those jobs once open to these graduates have faded away . . . largely because of new technologies.

Mr. Van Dam's article gives the facts as the Gross Domestic Product per person, a measure of the average personal wealth. In this case, the GDP after the first fifteen years from starting work, with the dollar amounts adjusted for inflation. Coming out of the Great Depression, the World War II era people, born between 1901 and 1924, had the highest with a GDP of \$59,600, while their kids, the Baby Boomers were about half as much at \$35,500. In turn, their kids were again about half of their GDP with \$15,400. Each generation is reaching significantly less wealth in their early working years as seen in Mr. Van Dam's table below:

Generation Group	Birth Year	GDP
World War II, GI	(1901-1924)	\$59,600
Baby Boomers	(1946-1964)	\$35,500
Millennials	(1981-1996)	\$15,400

The next generation, those born after about 2000, the generation-Z, are too young now to have 15 years of working data to compare, since they are just starting to work. But there's every indication they will do worse than their fathers. For the millennials, first 9/11 followed by the Great Recession and now the new recession has continually set them back erasing their gains leaving them with little compared with their forefathers. While their fathers lost little in wages, which they were mostly able to recover, for the millennials there was limited recovery. The average millennial lost about 13% of earnings from 2005 to 2017 compared with 7% for the baby boomers. This loss continues with depressed life time earnings leaving the millennials with less wealth than previous generations, which translates into the homes they own, their savings for retirement, their long term debt. More importantly, for a hyper-consumerism economy, the millennials have a shrinking disposable income, which means fewer things of luxury to be bought, an important part of consumerism. So this leaves the hyper-consumerism economy shrinking as evident by the shrinking of retailing from all the closing of stores. Estimates are that 25,000 stores will close by the end of the year, and 100,000 by 2025. But if hyper-consumerism collapses, what economic system will replace it?

More puzzling, even after years of economic growth, the millennials are below previous age groups. Why? This is the critical part so many are missing . . . the impact of automation and technology displacement. The millennials were born in 1981 to 1996, and started coming into the work force just when computers were an exploding technology finding their way into more and more of America business, and not just the large corporations, but down in the small business arena with just a few workers. For instances, look at the sophisticated accounting software that became available at that time. Less skilled people were needed to run a business, and less skill translates into lower pay. For the most part, technology didn't directly replace millennial people with 'robot machines' rather technology chipped away at the intellectual and skill levels required at work. This meant that more people could do a job, and that in turn lowered the pay needed to get workers. This started the era of economic growth but with zero wage growth. To better understand, read "How to Make Obsolete People" at www.peopleobsolete.com, clicking on 'Down Load Articles' on the top menu, then the third article down.

The real problem for the future of millennials and generation-Z is their growing obsolescence which decreases their value and worth to the economic system. Mr. Van Dam's article shows that the two generations has a 'lesser future' than previous generations, but in not considering the growing problem of technology displacement and its real impact on the employment environment, there isn't any real understanding of why the millennials are the unluckiest generation in U.S. history.

The fact is, the millennials and generation-Z are getting the worst deal since the Indians sold Manhattan for just twenty-four dollars.

The thing to know is economic turmoil stimulates introduction of new technologies as businesses seek the means to survive, which then means more jobs lost to machines.

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