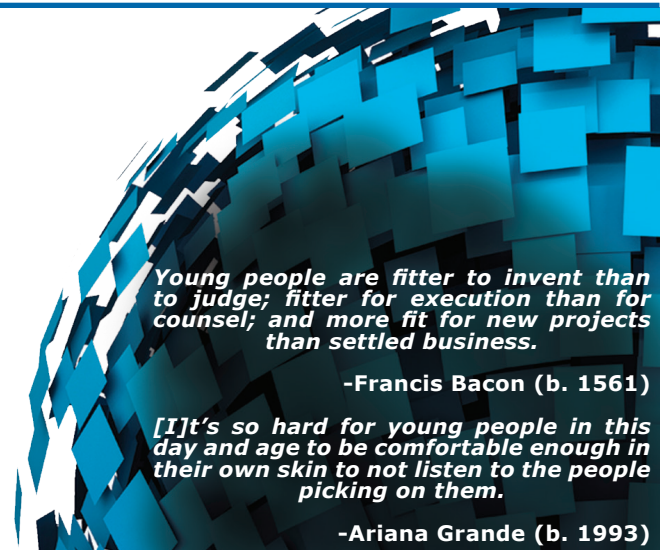


YOUNG PEOPLE ARE DIFFERENT: THE UNDER-30 COHORT IS SEPARATING FROM THE HERD



CONTEXT & DYNAMICS

The young have endured plenty of research seeking to locate their secret point of view and to identify, in common parlance, "what makes them tick." We have described the young's lack of a clear pathway to adulthood, as the historical steps along that path (e.g., home ownership, careers, marriage with children) have become too expensive or just too risky. We have also observed characteristics of the young, given the realities they face. Here, we add some perspective on how young people are responding to those realities, and what those experiences are doing to their mindset. We look at: Financial Stresses, Debt Worries, Sharing Opportunities, Activist Mindsets and Unique Traits. These lead to the following: Young adults feel the negative effects of a distorted economy; they know that climate change is dampening their optimism about their own future; they are turning a cold shoulder to the political extremes that soil American political life; they realize that their pathway to traditional adulthood is blocked, requiring them to achieve a unique kind of maturity; and they believe that they must act to change their environment because those currently charged with such responsibilities seem indifferent to the challenges.

IMPLICATIONS

- The young will force social change, pushing politics toward moderation, demanding mitigation of climate risks and suggesting the economy needs reforms.
- The young will continue to lead changes in how we work, where we work and what we wear to work.
- Some young adults will continue to labor outside the traditional workforce, driving the creator and influencer economy.
- The two major political parties will try to lure the young into their folds, but the parties might find they are being lured to the young people's positions.
- Moderated and practical activism will become more commonplace in this group's efforts to push social change.
- Retirement accounts will receive more contributions from the young.
- The shift from the quest for a "quantity of life" to the search for a "quality of life" will accelerate.
- Traditional gender definitions will continue to shift and expand.



Putting Labels on the Young

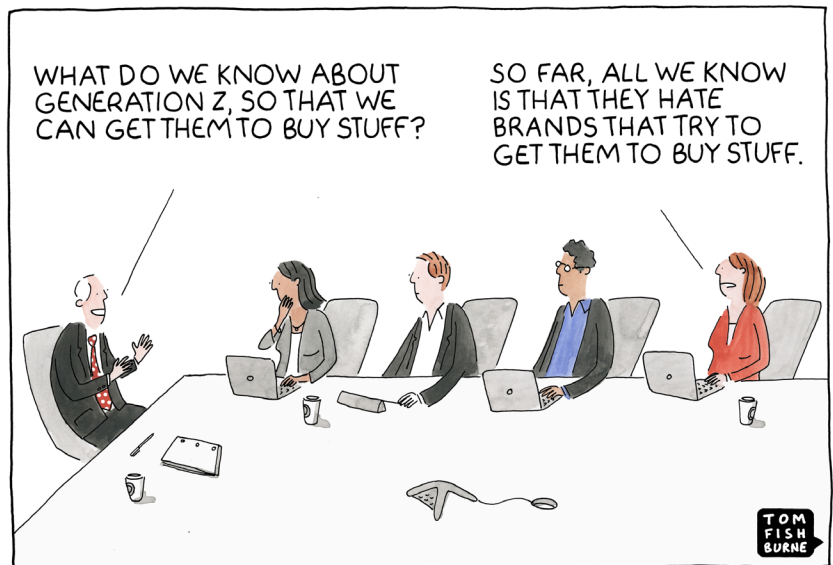
Ever since marketers labeled the young as drivers of a sizable consumer culture, leaders, researchers and “experts” have been parsing, dicing and combining demographic, sociological and psychological data, just to identify a fresh new market, a new category of voters and another way to segment society into something more controllable than dealing with the whole. First came Baby Boomers, and then Generation X, followed by Generation Y (a.k.a. Millennials), and recently, Generation Z.

The history of capital letters being applied as labels to entire cohorts might seem superficial; it started sarcastically with Douglas Coupland’s first novel, *Generation X: Tales for an Accelerated Culture* (1991). The story follows the lives of the author’s friends, all of whom were born after 1960. Coupland’s aggregating his cohort under the X label was intended to challenge the practice of separating generations into market segments. One of the chapters in *Generation X* is titled “I Am Not a Target Market.” Coupland (b. 1961), author of 13 novels, seven nonfiction books and several screenplays, is now a columnist for the *Financial Times* and wrote this about his cohort in *Generation X*: “We’re sick of stupid labels, we’re sick of being marginalized in lousy jobs, and we’re tired of hearing about ourselves from others.” (*Boston Globe*, 11/10/91)

Marketers, despite Coupland’s admonition, saw low-hanging fruit and quickly turned Generation X (which marketers defined as those born between 1965 and 1976) into a segment moniker, thereby joining Baby Boom (the label for those born between 1945 and 1964) as shorthand for a consumer aggregate. The cohortization of everyone had started.

Later in that same decade, labelers added Gen Y (b. 1977-95), who later also became known as Millennials, a cohort that confounded analysts with their new ways of

thinking, working and living. Lately, the entire enterprise of segmentation and marketing has turned its attention to the new prize: Gen Z, those born between 1996 and 2015.



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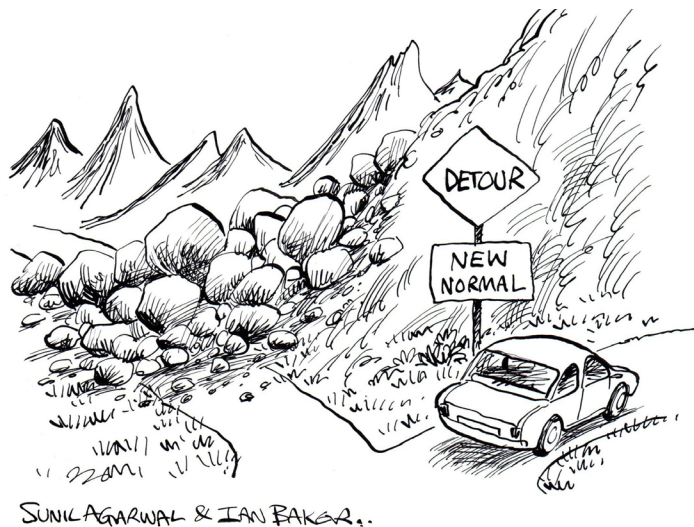
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Based on our observations, the older segment of Gen Z has much in common with the younger segment of Gen Y, essentially a group of those between the ages of 18 and 30. Those in ad agencies and market consultancies tagged with the responsibility of locating the unique characteristics, secret lives and personal wants of this young cohort have produced a long list of traits, including: Accessible, Authentic, Flexible, Indifferent (also, Lazy), Open, Naïve, Greedy, Socially Engaged and Vulnerable. (*Fast Company*, 11/18/22; *Houston Business Chronicle*, 11/28/22)

That is a handsome list of qualities, which might apply to a few, some, many or all young people. How accurate are those attributes? What are the observable realities? We know that this age group is highly proficient with digital technology, often labeled “digital natives,” and that they spend an inordinate amount of time on various social media platforms. We also know that they have exhibited an unusually high level of psychological stresses, in terms of anxiety, attention deficit hyperactive disorder (ADHD) and depression. When provided with the capability, they took to investing online, specializing in meme stocks in

higher percentages than other cohorts. We also know they face a risky future. As we wrote back in 2020, “The realities these young people have faced require them to process information differently, to see jobs and handle money differently and to behave differently with each other and society” (see [IF 4311](#) and [IF 4119](#)).

While the characteristics we have previously identified persist, what are the granular details of the lives of the young today? Perhaps a closer look at some specifics of their lives might lead to more precise inferences about their personalities, mindsets and priorities.



Their Lives Are Different...and So Are They

We have written about the disruption and changes taking place in young people’s transition to adulthood. Economic, sociological and psychological changes in the way society contributes to and guides the maturing process have been so interrupted (e.g., pricey housing, education debt, psychological challenges, job insecurity) that, essentially, no clear pathway to adulthood exists (see [IF 4119](#)).

In youth’s earlier transition to adulthood, individuals focused on assuming responsibilities, and to do that they sought to expand their abilities and responsibilities and to enhance their financial and social stability. To find their own path forward today, young people must hack their way through the menacing underbrush of an uncertain economy, a confused workplace, an insecure lifestyle and

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a precarious global society, all elements of what we have described as the Disorienting Environment. No wonder 40 percent of the young generation say they are “happily single”; accepting the responsibilities associated with marriage, which would be a first step toward adulthood, would in their minds bring along many new and elevated risks (see [inThought, 10/22/18](#)).

Not only is the pathway to adulthood getting overgrown with a thicket of economic and social issues, the road forward for the youth of today includes a significant number of hurdles and pitfalls. While not all these obstacles are new, the coincidence of so many makes creating a prosperous or even a happy life unusually daunting. Not surprisingly, more than 68 percent of the young say they feel stress much of the time. (*Gallup, 11/11/22*)

The stress, anxiety and depression the young are experiencing are real. The way they deal with the underbrush on their pathway forward deserves attention, because they are affecting not only markets, education, workplaces and their own identity but also society as a whole. We have observed a few specific challenges they face and how they are responding.

Financial Pressures – Those approaching 30 years of age faced labor market conditions generated by the aftermath of the Great Recession, and the younger segment of the under-30 cohort (those under age 25) face workplace realities triggered by COVID-19 and the economic fallout it has caused. Both of those realities will affect the lifelong wages of the young. For instance, those entering the labor force in the years following the Great Recession lost an average of 13 percent of what, historically, that age group would have earned, and based on studies of past recessions, they will never make up that economic loss. (*Fast Company, 11/15/22*)

◆ Americans in their twenties today have 86 percent less purchasing power than did Baby Boomers when they were in their twenties.

◆ Twenty-eight percent of those under 25 are having trouble paying their bills on time, and 73 percent say they are having trouble saving money.

◆ One-fifth of individuals who closed their investment accounts this year were young people in need of cash.

◆ In August, rent payments for older Americans increased three percent year-over-year, while rent for the young cohort jumped 16 percent.

◆ The Organization of Economic Cooperation and Development (OECD), which, as part of its task of promoting economic growth among member countries, **tracks the share of people not accounted for in employment, education or training areas**, known as NEET. For U.S. workers ages 20 to 24, their percent of NEET increased from 14.67 percent in 2020 to 18.27 percent in 2021, the highest percent since 2014. The overwhelming majority of that group cited a lack of childcare as their primary reason for not accepting a job.

(*Fast Company*, 8/12/22 and 11/15/22; *Fortune*, 10/12/22; *Wall Street Journal*, 11/13/22)

One response to such financial instability is to focus on finding stability, and that has been the latest objective of job searches for the young. "It's not about the dream job anymore," offered a job recruiter in New York City. Rather, according to a 27-year-old job searcher, "It's a reality check for most people." Their optimism, a traditional attribute of youth, has been weakened by years of financial and career frustrations.

◆ In a survey by Bain & Company, 61 percent of those under the age of 35 said they are concerned about finances, job security and their ability to meet career goals, compared to 40 percent of the older-than-35 cohort who feel that way.

◆ A look at the "most-regretted college majors" revealed that recent graduates with majors in journalism were the most regretful, followed by those in sociology, communications and education.

(*New York Times*, 12/2/22; *Investor's Business Daily*, 12/5/22)

In Short – The young are at a financial disadvantage, feel that they have been taken advantage of and sense that the economy has left them behind, and that reality colors their view of everything from job searches to college majors. Many young people have responded to their situations by turning to meme-stock speculation, buying

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into cryptocurrencies and trying legalized gambling – all to overcome the financial disadvantage that the economy has thrust upon them. Many have also exhibited a self-reliant focus on developing what is called the creator economy, a way to create and post content online, thereby making direct contact with others in a way that generates income and avoids the tribulations of job searches and micromanaging bosses. Others, however, have been lately focused on landing jobs and choosing majors that will help them realize heretofore undeveloped (and even unrecognized) priorities: financial and personal stability.



"It's warm in here and I don't have to pay rent.."

Debt Worries – Should they wish to purchase a home, the young will pay more than their counterparts in the 1970s. In that earlier period, the average house cost \$185,600 in today's dollars; now, the average house costs \$309,400, meaning more and more debt to enter the housing market. For the 40 million Americans who jumped through the hoop of higher education, student debt has

weighed down their options, especially in terms of the ability to buy a home. The prospect of student-loan forgiveness was pulled back by a federal appeals court in St. Louis and a federal judge in Texas, who said the effort by President Joe Biden's administration was "an unconstitutional exercise of Congress's legislative power." (*Time*, 12/5/22)

◆ Fifty-four percent of those under age 25 have chosen to live with their parents in order to make their money stretch further.

◆ The financial stresses of the pandemic forced 87 percent of those under age 25 to rethink their financial priorities, including focusing on their retirement.

(*Fast Company*, 11/15/22; *Fortune*, 10/12/22)

That second item leads to behavior that seems at odds with young people's financial stresses. Many of those in the youngest segment of the 18-to-30 cohort – those turning 19 – have opened retirement accounts, **the youngest starting point of any generation ever.** Moreover, the median amount of money in those new accounts reached \$33,000. Sixty-eight percent of this young cohort presume they will work past retirement age, based on their underlying belief that Social Security and retirement health benefits, such as Medicare, will not be around when they reach retirement age. (*Fortune*, 10/12/22)

The young worry about their finances and are anxious about their future. That future includes damage from climate change, which colors their outlook, and risks from autocratic leaders and micromanaging bosses, who threaten their livelihood. They perceive their future as depending on themselves – what they do and how they react. Many believe they are "on our own" and consider their survival in the longer term to be dependent on themselves and themselves alone.

◆ "Cash stuffing" – that is, taking cash payment for jobs or handling cash at home rather than relying on digital payments – has been gathering young people's attention, with 61 percent of young people in one survey saying they use cash stuffing in some way each

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month. Advocates of this financial practice use credit cards but pay the balance off each month. (*The Week*, 11/25/22)

In Short – The debt burden placed on many young people by student loans and the added risks associated with buying a house – that, and being priced out of the housing market altogether – temper their attitudes about their futures. When those personal concerns are placed atop other macro worries, such as climate change, the young's mindset is being pushed toward a weaker optimism.



"Students who major in these subjects have a 7% less chance of moving back in with their parents after graduation."

Learning and Sharing Opportunities – Those under 30 years of age are among the best-educated young people in American history, and they want more. Roughly half a million individuals in their 20s are missing from the worker participation rate. Curiously enough, many of them are back in school, in an effort to stay ahead of the changing demands of an advancing and technological workplace. While enrollment in undergraduate institutions this past autumn fell 3.2 percent compared to two years ago, enrollment in graduate schools, among those aged 21 to 24, increased 8.5 percent during the same time frame. Prolonging higher education makes sense to a

generation starting to seek stability. And then there is the huge segment of the generation that decided to forego higher education, avoid student loans and start making money through a trade. Meanwhile, the under-30 group is focused on gathering experiences through travel, with roughly 70 percent saying they are planning a major trip this year, compared with 56 percent of those in the Baby Boom cohort. (*Wall Street Journal*, 11/13/22; *Travel Perk*, 6/19/22)

◆ Data provided by Accenture revealed that last year 70 percent of those under age 25 made most of their holiday purchases in physical stores, while only 56 percent of Baby Boomers did. Early reports from retailers suggest that this year during the five shopping days around Thanksgiving, the young turned out in force and spent as if inflation was not an issue. (*Financial Times*, 10/14/21; *CNN*, 12/4/22)

In Short – Sharing experiences has become a critical part of young people's lives, and contrary to what is expected of the digital natives, shopping together in physical retail stores is one of their shared experiences and of the way they operate. Education is a social and economic pursuit, while learning is a personal one. The social and the personal work together for young people. Traveling and learning together have added to that pleasure in sharing. Their mindset finds pleasure in the camaraderie they can get even by shopping together at the mall or other retail outlets.

Activist Mindsets – This is not a passive generation. They act, and they act with a moral and personal bent. For instance, on a personal level, the young felt stressed by their financial conditions and moved to places where their finances fit the economy. In 2021, the young moved out of New York City, Chicago, Boston, Washington, D.C., and Los Angeles and moved into Austin, Denver, Dallas, Raleigh and Jacksonville (FL). (*SILive*, 11/26/22)

Their activism can take a more political slant, as well.

◆ In the 2022 U.S. midterm elections, 27 percent of those between the ages of 18 and 29 voted, the second-highest turnout for the youth vote in more than 30 years, with the highest percent having been

set in the 2018 midterm elections. "There's very much a popular belief that young voters are apathetic," noted Cristina Tzintzun, president of NextGen. "This is the most politically engaged cohort of young voters in American history." (*Guardian Weekly*, 11/18/22)

◆ A survey of college-age voters discovered that a majority say they are not members of either the Republican or the Democratic parties and that a plurality of that group self-identifies as "moderates." (*Los Angeles Times*, 11/19/22)

The young are dissatisfied with the *status quo*, especially the extremes at either end of the political spectrum. In their personal lives, they are turning away from the aggressive negativity expressed in places like Twitter and Facebook and joining groups in places such as the social network Gas, which has become the most popular free iPhone app and the number one social-

networking download in the App store. The app encourages the young to compliment each other – that is, "gas" each other up. (*Wall Street Journal*, 10/17/22)

But being moderate does not mean being indifferent. For issues important to them, the young are quite active. They have walked out of classes on college campuses to protest the lack of government action to mitigate the damages of climate change and address its causes. Parkland (FL) students, after the 2018 shooting

at the Marjory Stoneman Douglas School, put together protests in 800 communities nationwide, with adjunct demonstrations in London, Madrid, Rome and Tokyo, all within five weeks. Emma Gonzalez, one of the leaders of the movement, explained: "Maybe the adults have gotten used to saying, 'It is what it is,' but if us students have learned anything, it's that if you don't study, you will fail. And in this case, if you actively do nothing, people continually end up dead; so, it's time to start doing something." That young group is now squarely in the 18-to-30 cohort and representative of its activist mindset. (*Facing History*, 1/11/21)

In Short – The 18-to-30-year-old cohort has an activist bent, motivated by the short end of the economic stick they have been given and by the critical and unaddressed risks their generation faces. Yet they favor moderation because of a practical streak, which wants results, not conflicts.

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"EVERYTHING in moderation? .. Don't you think that's a bit EXTREME?"

Unique Traits – The segment of young people under age 25 has a different, even a unique relationship with work. For example, some women in that cohort have been wearing crop tops to the office, triggering stunned reactions from those accustomed to Casual Friday being the limit to leisure clothes in the workplace. One crop-top fan explained the simple reason: "I'm not going to buy clothes specifically for my job. I'm stubborn that way."

The style of wearing a crop top with a blazer has become fashionable, showing up in retail windows and on TikTok's "For You" fashion video. Young adults' openness to different ways of thinking, dressing and behaving might relate to the different ways they identify themselves. For instance, 21 percent of the young cohort under 25 identify as LGBTQ, a rate five times that of the older Gen X and eight times the number of the Baby Boom generation. In addition, the average age of all racial and ethnic minorities is 27, solidly inside the under-30 cohort, while the average age of non-Hispanic whites is 58. Essentially, the young are different in ethnicity from older generations. In other words, the under-30 cohort is more diverse than prior generations and more sensitive to the societal pressures put on minorities. (*New York Times*, 11/2/22 Pew Research Center, 7/30/19)

Twenty-one percent of the young cohort under 25 identify as LGBTQ, a rate five times that of the older Gen X and eight times the number of the Baby Boom generation.

In Short – Young adults are a different kind of cohort, one not connected to traditional ways of progressing to adulthood and demographically different from earlier generations. They are unique, and that uniqueness is becoming more and more pronounced.

How Does This Come Together?

In a *Briefing* earlier this year, we wrote that the young were moving toward a different kind of adulthood and that their many characteristics could be aggregated into three categories: A Dissatisfied Cohort, A Different Way of Operating and A Unique Mindset. As this *Briefing* suggests, this demographic is still quite dissatisfied, they have a unique way of functioning in the digitized world, and they have developed their own perspectives, points of view and a willingness to voice them (see [IF 4302](#)).

This *Briefing* sharpens that earlier perspective, pointing toward a distinction and separation of this age group from older cohorts. They feel the negative effects of a distorted economy; they know that climate change is dampening their optimism about their own future; they are turning a cold shoulder to the political extremes that soil American political life; they realize that their pathway to traditional adulthood is blocked, requiring them to achieve a unique kind of maturity; and they believe that they must act to change their environment because those currently charged with such responsibilities seem indifferent to the challenges.

The young are, in short, giving broad behavioral expression to what Douglass Coupland wrote thirty years ago: "We're sick of stupid labels; we're sick of being marginalized in lousy jobs; and we're tired of hearing about ourselves from others." While many might like to focus on the young's "short message brain," young people's behavior suggests they also have a long-term brain with a self-reliant perspective and a highly refined and critical filter.

Some of our previous looks at this topic:

- IF 4311** The World Runs Through Social Media: Despite Frequent Warnings, Social Media Move To The Center Of Societal Activities, 7/14/22
- inThought 5/11/22** Sucker Punched By The American Dream: The Quest For A Satisfied Self In An Era Of Uncertainty
- IF 4302** New Rules Of Engagement: Young Adults, A Different Adulthood And A Very New Way Of Operating, 1/24/22
- IF 4119** It's Great Being Young, Right? Youth And Shifting Realities In The New Economy, 12/30/20
- inF 1407** It's A Different Adulthood These Days, 5/6/19
- inThought 1/11/19** The Axis Of Anxiety And A Search For Solutions: The New Economy Drives A Quest For A Better Life
- inThought 10/22/18** The Disorienting Environment: A Missing Grand Narrative, The Greater Restructuring And A Rethinking Of Nearly Everything