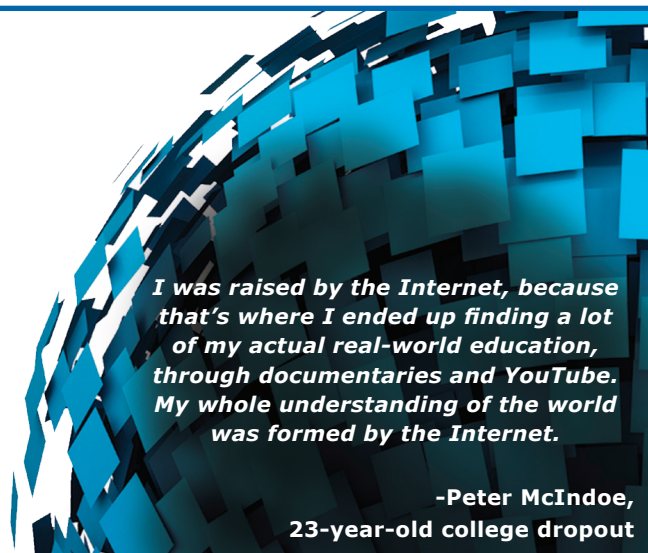


# NEW RULES OF ENGAGEMENT: YOUNG ADULTS, A DIFFERENT ADULthood AND A VERY NEW WAY OF OPERATING



## CONTEXT & DYNAMICS

*Young adults – those born since 1981 – have been raised surrounded by perilous and oftentimes disastrous events, and those experiences have shaped them into individuals who are developing a different kind of adulthood with a different way of getting things done. Creating a different concept of being adult also means developing a new way to interact with peers, bosses and systems – meaning new rules of engagement. We have monitored these young adults for more than a decade and have been piecing together specifics on their acculturation. They are a **Dissatisfied Cohort**, having been raised amid elevated risks and catastrophic events that challenged their physical health and fiscal well-being. This kind of “nurturing” environment, accompanied by digital capabilities, prompted them to develop a **Different Way of Operating**, discovering more resourceful ways to communicate with their “friends,” formulating new ways of functioning in a changing world and leading the way into a digitized world. And finally, the variety of experiences, risks and opportunities has given them a **Unique Mindset**, showing an indifference to risk, a penchant for practicality, a curious lack of self-doubt with a do-it-on-my-own perspective, a preference for play (and humor) and a tendency to challenge hierarchical ways of organizing institutions. Yet oddly enough, while young adults have been dealt a weak hand for addressing stressful realities, they are also the generations that are writing the software code, organizing digitized systems and piecing together operational networks that are changing how the world operates.*

## IMPLICATIONS

- A different kind of adulthood is becoming the new normal - get used to it.
- Today's young adults' digitized upbringing and digitized skillset will make their perspective predominant in all things digital.
- The workplace will have to absorb this cohort's perspectives and integrate them into operations.
- Young adults will be the pioneers of society as it moves toward a more virtualized world.
- An emerging, altered concept of maturity will challenge existing conditions in many traditional institutions, such as those in education, finance and politics.
- The capability of employees to become more autonomous challenges traditional management preferences for control; autonomy wins out.
- Aggressive new options, in such endeavors as stock trading, will disrupt more traditional practices.
- New “hustle” occupations will become viable and popular ways to earn money, as a “job” rather than a “career” becomes more accepted.



## Conditions and Development

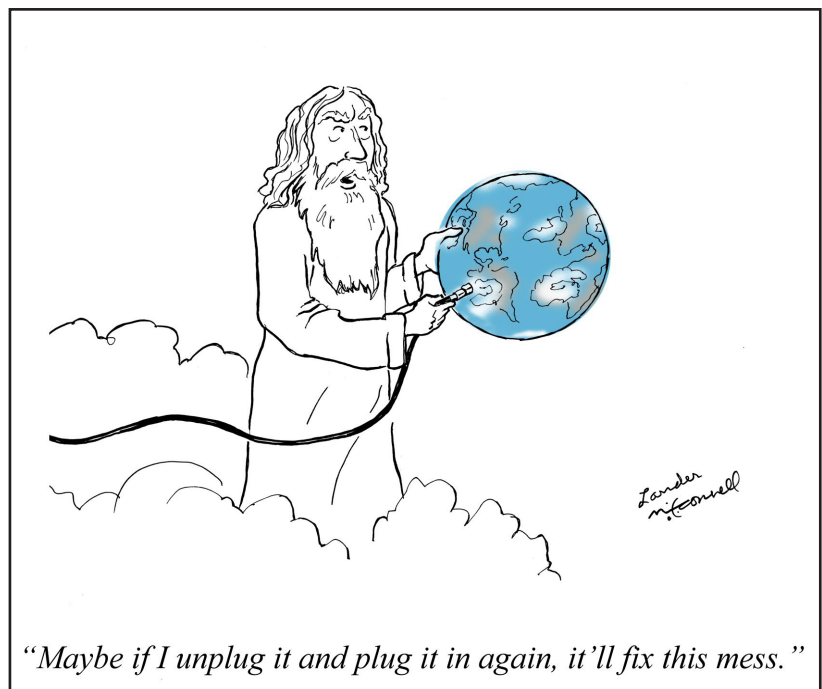
Individuals are shaped by their experiences, as social scientists claim. But what about entire generations?

Entire generations do seem to develop traits, perspectives, habits and competencies seemingly unique to them. Certainly, not all members of any generation develop exactly the same characteristics, but enough do to persuade demographers and social commentators to label generations. When thinking about the conditions experienced by those born since 1981, examine the following list of societal experiences and consider what impact collectively they have had on the maturation and perspectives of the young.

- ◆ Deadliest act of homegrown terrorism in U.S. history (1995)
- ◆ Largest foreign terrorist attack on U.S. soil in U.S. history (2001)
- ◆ Largest economic collapse since the Great Depression (2008-09)
- ◆ Four of the five largest equity market declines in modern U.S. history (1997, 2001, 2008, 2020)
- ◆ Largest health disaster in U.S. history (2020 - ?)
- ◆ Largest number of layoffs in the shortest period of time (2020)
- ◆ Largest and most damaging fires and floods in U.S. history (2019-21)
- ◆ Forty-five consecutive years of global surface temperatures exceeding the twentieth-century average, with the past eight years being the hottest on record since records started being kept, in 1880.
- ◆ Largest technological innovation in personal computing, communications and information distribution in world history (Internet and smartphones)

“Our belief in putting aside childish things,” offered Millennial writer Sady Doyle, “has decayed, as we’ve given up the idea that childhood and adulthood are separate spheres, with separate sources of fun.”

Oh, and today’s young adults also have survived repeated mass killings in their educational institutions and multiple “active shooter” drills; encountered the fastest increase of college tuition costs in U.S. history, triggering massive indebtedness that weighs them down financially; dealt with the domestic and personal financial and psychological shock of their parents getting laid off during the Great Recession; suffered extreme droughts and the shrinkage of water supplies in parts of the country and increasingly damaging hurricanes and tornadoes in other parts; faced extended episodes of depression and anxiety, caused in part by their unique digital experiences; contended with the rapid onslaught of misinformation and disinformation across the Internet and society; and encountered, for the first time in American history, a U.S. President who failed to accept election results. That is quite a burden to carry through youth, adolescence and onward.



In a 2015 *Briefing*, we explained that young people were no longer migrating smoothly from adolescence to traditional roles of adulthood. We observed that “society has been slowly erecting higher and higher barriers along the pathway to adulthood, to the point that no clear pathway to a socially prescribed adulthood exists.” Young adults were doing things that once signaled immaturity but that in 2015 seemed curiously appropriate, given the realities they faced. “Our belief in putting aside childish things,” offered Millennial writer Sady Doyle, “has decayed, as we’ve given up the idea that childhood and adulthood are separate spheres, with separate sources of fun” (see [IF 3609](#)).

We put such experiences into context when we wrote a *Briefing* in 2020, entitled *It’s Great Being Young, Right?*

*The generation born between 1981 and 1995, curiously labeled Generation Y or Millennials, and the next cohort, born between 1996 and 2020, surprisingly called Generation Z, have been dealt and continue to be dealt a very poor set of economic and social conditions upon which to begin careers, enter adulthood and start a life. (IF 4119)*

Being a traditional adult meant being “mature” and “trustworthy,” and being grown-up was a mental achievement – one **feels** grown up. But being an adult and feeling grown-up are no longer synonymous to many. When one writer googled “adult not feeling grown-up,” her computer spouted out one billion results. More and more individuals might have reached the age of adulthood but do not feel the way traditional adults have felt about being mature, responsible and, say, serious. Being a grown-up adult is difficult enough at all times, but it has been especially difficult for the current young generations. Not surprisingly, the young have been putting together their own form of adulthood. (*Psychology Today*, 2/22)

The characteristics of the younger generations’ different kind of adulthood are many, and for convenience, we have aggregated those many traits into three categories. They are: **A Dissatisfied Cohort**, which means young adults are distressed by the hurdles placed before them by society in everything from education to buying a home, and that distress has made them political; with **A Different Way of Operating**, which means they are resourceful and do-it-on-my-own generations in search of alternative ways of doing things; and with **A Unique Mindset**, which means they have a different attitude toward risk and are practical, playful and anti-hierarchical. A look at each of these three compilations of perspectives in greater detail might help us better understand what these stressed and stretched young adults have put together from their experiences.



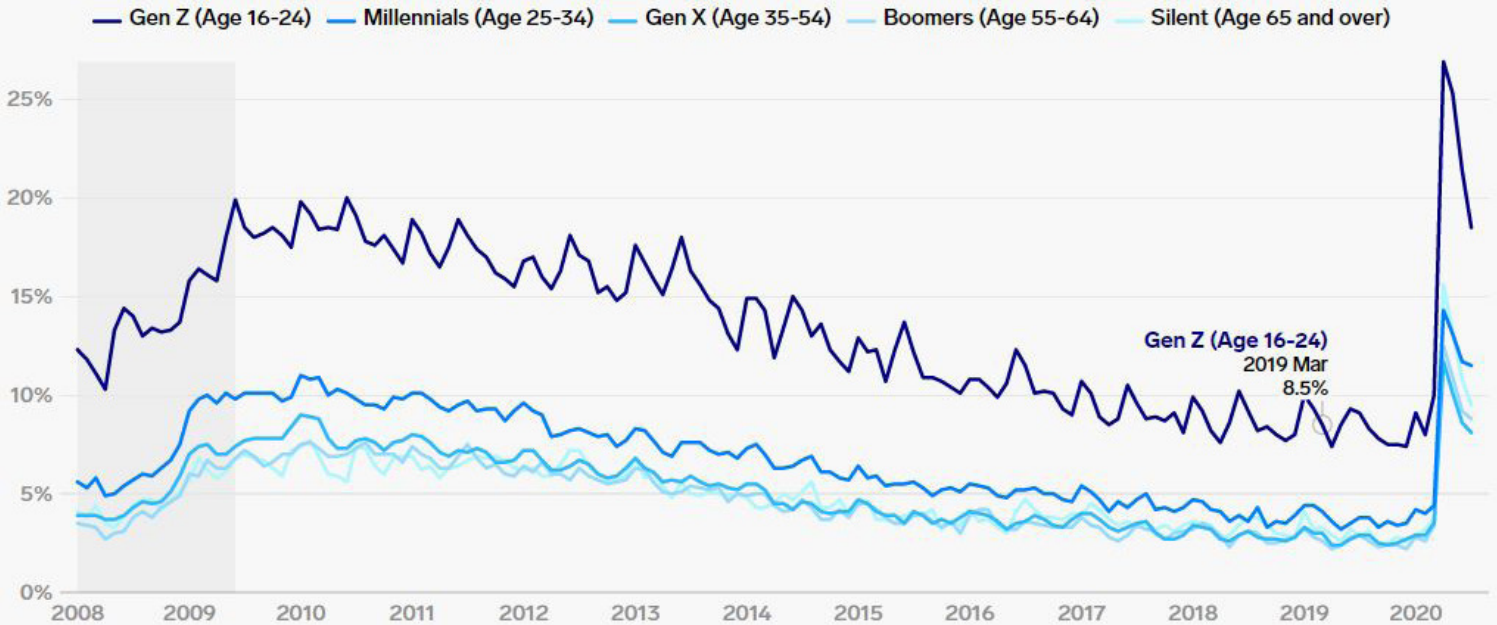
## A Dissatisfied Cohort

Parents of children born since 1981 worry that their offspring will be the first generation in U.S. history not to exceed their parents’ standard of living. While such worry will be borne out (or not) in the years and decades ahead, the realities that have greeted young adults as they seek their own fortunes in a rapidly changing economy have been daunting.

- ◆ **Education** – A disrupted education has been young adults’ reality, from school shootings (and the many “active shooter” drills) and the ongoing reality of at-home learning, alternating with in-person learning. Meanwhile, college costs increased by 169 percent in the past four decades, while the number of people between the ages of 22 and 27 increased by 19 percent.

- ◆ **Keeping a Job** – More than half of those under 45 years of age lost their jobs in the pandemic, and those in Generations Y and Z who were working, reached unemployment rates of 11.5 percent and 18.5 percent respectively. Those same generations experienced 10 percent unemployment in the Great Recession, well above the national average.

## Unemployment rate by generation



Note: Data is not seasonally adjusted

Chart: Madison Hoff/Business Insider • Source: US Bureau of Labor Statistics via FRED

INSIDER

◆ **Finding Housing** – For decades, buying a home and taking out a mortgage have been signs of adulthood, but these have become more difficult for younger generations to achieve. The supply of entry-level housing, currently defined as a house with up to 1,400 square feet, has dropped to a near **five-decade low**, while the median sales price for U.S. homes surpassed \$350,000 as compared with \$119,600 in 2000. As of 2020, the median age of first-time home buyers reached 33, up from 30 in 2010.

◆ **Raising a Family** – Having children is another sign of traditional adulthood, but costs have increased. Since 2000, the costs of childcare and nursery school alone have increased at twice the rate of inflation.

◆ **Day-to-Day Expenses** – Inflation hit these young adults before it hit the wider economy. In the middle of 2021, 60 percent of the Millennial generation who are making more than \$100,000 annually said they are living paycheck to paycheck. In 2019, the older segment of young adults had debt-to-income ratios 23 percent higher than experienced by previous generations at the same age.

(CNBC, 11/2/21; *New York Times*, 7/19/21; *Wall Street Journal*, 8/12/21 and 10/24/21; *Business Insider*, 8/12/20 and 6/19/21)

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◆ **Frustrated** – These kinds of hurdles have made most young adults feel put-upon and thwarted – that is, frustrated. And their frustration has had negative effects on the way they live and how they function.

◆ More than half of young Americans reported feeling “down, depressed and hopeless” at least several times in the two weeks prior to being asked.

◆ Roughly half of young adults said the pandemic had made their lives worse. Gen Z members said the pandemic made interpersonal communications more difficult and meeting new friends harder; distance learning made school more difficult and more stressful; and isolation from school and instruction made career planning impossible.

◆ Compared to older adults aged 60 and above, young Americans between the ages of 18 and 29 were more likely to see declines in their exercise routines during the pandemic and increases in the consumption of fast food, alcohol and cigarettes. The spread of cigarette smoking among the young, which, according to one Gen Z smoker, is “more of a pleasure activity,” resulted in cigarette manufacturers enjoying the first increase in sales in more than two decades.

◆ Female models have recently joined male models in ceasing to smile in ad photos. As one model explained, "I don't smile so I can protect myself a little bit." Another model hinted at a sociological reason, one that resonates with the young: "As much as we can criticize no smiles, is there anything worse than a fake smile?" Evidently, marketers who use these models' images agree.

(*Washington Post*, 12/1/21 and 12/7/21; *USA Today*, 10/14/21; *New York Times*, 7/10/21 and 1/13/22; *Allure*, 12/21/21)

**Political** – In their frustration, young adults have become politically active. They have been the main forces behind marches for the Black Lives Matter (BLM) movement and demonstrations in support of climate-change action.

◆ More than 50 percent of young adults voted in the 2020 national elections in the U.S., a larger percent of that cohort than any prior generation at the same age.

◆ When young workers said their employers should support the BLM protesters, many bosses were taken aback. "You talk to older people and they're like, 'Dude, we sell tomato sauce; we don't sell politics,'" explained the head of a certified B corporation. "Then you have young people being like: 'These are political tomatoes. This is political tomato sauce.'"

(*U.S. Census*, 4/29/21; *New York Times*, 10/31/21)

**Humor and Satire** – Young adults' satirical point of view hit even the very concept of adulthood. The young sarcastically refer to acting mature as "adulting," a curious language term that makes a gerund from a noun rather than the traditional verb-to-gerund conversion. Such a humorous lingual variation seems to make fun of the entire range of conduct associated with being mature and adults, making it into an act to be performed for others to watch. "Watch me; I'm adulting."

Or take for instance the young's challenge to conspiracy theorists and their misinformation campaigns. In an effort to combat the power of conspiracy theories, members of Gen Z have started a satirical movement that claims birds do not actually exist and are only

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drones flying under some malicious centralized control. Giant billboards blazoned with the phrase "Birds Aren't Real" have surfaced in Pittsburgh, Memphis and Los Angeles, with more appearing constantly; the phrase spawned accounts on Instagram and TikTok, and an alleged former CIA agent – a hired actor – appeared on a video claiming he worked on bird-drone surveillance while employed for the spy agency. "My favorite way

to describe the organization," according to a 22-year-old participant, "is fighting lunacy with lunacy."

(*New York Times*, 12/10/21)



Young adult dissatisfaction with the lives society and the economy have given them has resulted in their being Frustrated and Political, with an ironic sense of life, which they express through Humor. They also function differently in the world.

## A Different Way of Operating

As the Birds Aren't Real movement suggests, young adults operate differently than traditional and mainstream adults. Social media and the Internet are where they fight their own kind of turf warfare. They are uniquely resourceful in how they muster their

capabilities, exploiting social media and the Internet to enable them to circumvent and overcome the stressful conditions the economy and society have presented to them.

### **Social Media Entrepreneurs** –

With 82 percent of those younger than 49 using social media, these so-called digital natives – individuals born and raised with digital devices in or near their grasp – have exploited that capability and have started creating new kinds of jobs, such as influencers and online content creators. Before the pandemic in a 2019 survey, 54 percent of Millennials said that, if they could find a way, they would prefer being an influencer to their current form of employment. That job description now fits more than 50 million people around the world, making it the fastest-growing small-business job. The young have exploited the range of YouTube and Spotify videos to jumpstart music and acting careers; they have made playing video games on Twitch into a professional, money-making career; and they have entertained themselves by posting millions of short, funny videos, thereby helping make TikTok the number one online site in 2021, surpassing even the suite of sites associated with the all-powerful Google (see [IF 3111](#)).

**Resourcefulness** – Young adults turned TikTok into a competitor of LinkedIn, posting résumés and job offers via the video site and prompting Chipotle, Target, Alo Yoga, Sweetgreen, Shopify, WWE and three dozen other businesses to start hiring through TikTok. Young adults also transitioned the traditional habit of shopping into the more direct practice of buying, taking advantage of information available online about products and services, bypassing marketing campaigns and using direct-to-consumer systems as their go-to resource for accessing products and services.

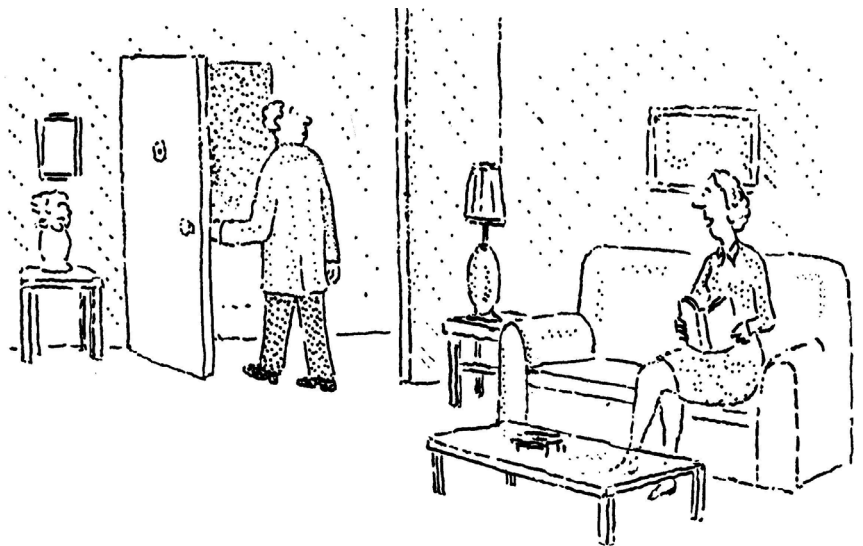
**Find Alternatives** – Facing hurdles in their pathway to traditional adulthood, the young have circumvented those hurdles by searching for alternative ways forward. For instance, current enrollment at colleges and universities in the U.S. is one million students fewer than prior to the pandemic, reaching **a fifty-year low**. In place of earning a college degree, more and more young potential employees have started completing certificate programs, which train them in specific skills and, upon their successful

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completion, provide certification of that competence. Such skill-based résumé-building programs prompted Google to announce that it would treat job candidates with appropriate certification of their skills equal to candidates with college degrees. In addition, young adults adopted “side hustles” as a means to complement their lower salaries in the workplace and eventually to replace working for anyone else. More to the point, many of them discovered that no

experience was necessary. For instance, Kevin Paffrath, a 29-year-old real estate agent, made \$5 million in his first three months providing stock-market advice to his 1.7 million YouTube subscribers (see [inF 1601](#)).

(*Hubspot*, 12/17/21; *New York Times*, 7/14/21, 7/19/21, 8/27/21 and 1/16/22; *NPR*, 1/13/22)



*“As long as you’re going out, how about hustling up a few bucks.”*

## A Unique Mindset

The frustration Gen Y and Gen Z feel as a result of having to deal with a world of constant disasters and needing to get around more and more hurdles placed before them on their way to adulthood has forced them to consider how they choose to live, personally and with society. Their experiences, with conflicts between digital training and real-world events, have resulted in a different way of viewing reality with different perspectives and new ways of thinking – that is, they have developed a different perspective toward society and how they wish to interact with others (see [IF 3815](#)).

**Risk Indifferent** – Young adults have a divided sense of risk. Given their life experiences, they were, at first, risk averse at work and in financial affairs, but as the road forward became bumpier and their financial status worsened, they became seemingly indifferent to the realities of risk, sometimes being restrained and at other times taking large risks. Roughly half of Gen Z investors bought a meme stock in 2021; the same percentage of those between the ages of 18 and 26 chose a cryptocurrency as their first investment; and more than 60 percent of current sports gamblers are younger than 40. Because of worries generated by the pandemic, 27 percent of those between the ages of 18 and 34 have completed a will, up from 18 percent in 2019, but at the same time, life insurance sales among those younger than 40 declined between 2011 and 2021 at a faster rate than in other generations. Young adults make pessimistic comments about the Earth under the threat of global warming, but they seem optimistic about the economy, less worried, for instance, about inflation than older adults.

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**Practical** – Young adults' online exploits shed light on another characteristic of their cohort: despite being risk indifferent, they are still quite pragmatic. Economic realities plus their digital experiences have made them that way. They have made second-hand clothing stores popular; they shop at discount stores; and they have pulled back from buying stuff, instead spending on personal experiences. Gen Z women have become more pragmatic, even in their hair color, returning salon demand for their more commonly occurring brunette color because, well, it is more

practical. One salon customer in New York City noted, "I think the brown hair brings out my hardworking and serious side...And I don't have to worry about my roots." As beauticians know, of all available colors, brunette seems to require (for the young) the least amount of maintenance.

**Do-It-Your-Own** – Given the frustration with society's roadblocks in their pathway to adulthood, their comfort with digital capabilities has given them the confidence to do things on their own. "I have a rule," explained a 31-year-old investor. "Don't pay for something you can get free." This quote highlights the purposefulness and resourcefulness of the young as well as their ambition, impatience and confidence, especially their lack of self-doubt. Many young have simply set aside in their mind the entire meritocratic system that favors education and professional experience. Take, for instance, Jack Spencer, a 23-year-old who had grown tired of his career as a personal trainer and so – like Kevin Paffrath,

#### How different age groups think inflation will rise



Data is monthly survey results, through Nov. 2021, of the median expected inflation rate for the next three years by demographic. • Source: New York Fed • By The New York Times

above – started offering stock advice on YouTube, where he quickly attracted 94,000 paid subscribers. Or how about Haley Sacks, whose career in comedy had her working for David Letterman and Saturday Night Live, but who is now known as Mrs. Dow Jones for offering investment advice to 215,000 Instagram followers. In 2021, the number of hours spent on finance apps increased by 90 percent, compared to the year prior, as young people undertook their own training to make their own investments. When starting to invest, 78 percent of African American women and Latinas used self-directed educational courses, including online, apps and television shows (see [IF 4005](#)).

“Kidult” products include games, toys and puzzles, and those between 20 and 35 years of age account for 40 percent of kidult sales in England.

a small town in Vermont returned to in-person instruction, they quickly made catching fellow students sleeping in class on video into an ongoing mockumentary of sorts. One student captures a snoozing classmate and posts the video to a local account on Instagram, although posters remove the image if the target asks. Students tease slouching or sleeping peers and make them fodder for amusement (see [inF 1415](#)).

**Anti-Hierarchical** – All their experiences and all their comfort with new digital technologies have not prepared young adults to assume a bottom-rung role in a traditional hierarchical management system. Their resourcefulness, pragmatism, playfulness and other traits seem to make them capable of circumventing or ignoring higher powers in a traditional managerial ranking. They would prefer to be in charge, as they have been in their online enterprises. When they do have jobs, they do strange things: give their bosses assignments; challenge the need to stay at work after completing the day’s tasks; believe they should be put in charge of things immediately; and, since they fixed their families’ Internet problems, think they can fix their employers’ problems.

(*Financial Times*, 8/27/21; *SP Global*, 10/20/21; *Bloomberg*, 9/17/21; *New York Times*, 10/31/21, 12/26/21 and 12/30/21; *Guardian*, 11/13/21; *Wall Street Journal*, 8/27/21 and 12/7/21; *Atlantic*, 7/30/21)



**Playful, Literally** – Whether playing, watching or creating video games, TikTok performances, YouTube videos or any other of the many activities young adults do routinely, playfulness is critical. Young adults have made buying products designed for kids into a unique market. “Kidult” products include games, toys and puzzles, and those between 20 and 35 years of age account for 40 percent of kidult sales in England. The young are also at times tricksters. For instance, when students in

## A New Kind of Adulthood

What does it mean for society in general and leaders in particular to have younger generations coding software, creating systems and piecing together networks as well as launching new social media and producing new apps that are forcing those older than they are to adjust their behavior and to assimilate new devices and services? Creativity often arises from the young, but rarely, if ever, has that creativity revolutionized the way society operates the way digitization has. The young have been creating a new way of being (see [IF 3418](#)).

In 2015, we put that new way of being into a chart:



## The New Adulthood



GROWING UP ISN'T WHAT IT USED TO BE:  
SOCIETY AND AN EMERGING NEW CONCEPT OF ADULTHOOD

An overall shift from focusing on a better living to a better life  
Access over assets; process over products; experience overall  
Adept at managing distractions, navigating digital processes,  
outsourcing decisions and sustaining communications  
(getting less patient and more confident as a result)  
Risk-avoidance in the workplace (and financial activities)  
Debt perceived as a burden, not as an opportunity

A focus on freeing up disposable income  
Fewer obligations for longer periods

Risk-taking in personal activities

More personalized experiences

Smaller financial wherewithal

Flexibility and Mobility

More freelance work

Optimizing resources

Smaller living spaces

Later parenthood

Resourcefulness

Fewer children

More renting

More singles

Simplicity



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The extensive change in how individuals think and behave has forced a new kind of interaction between the young and those in positions of authority who must now attract and hold valued employees with their different way of operating and unique mindset. Goldman Sachs raised salaries for incoming employees and did so sufficiently to lower the company's earnings. But attempts to attract and hold members of Gen Y and especially Gen Z by increasing salaries is proving less and less effective as the young find alternatives to traditional employment. And conventional marketing practices, such as advertising, are less and less helpful in attracting and retaining customers, especially the young who, being resourceful, express little loyalty to products and services when an alternative surfaces. Companies need to realize that they might need different ways to penetrate the

The extensive change in the way individuals think and behave has forced a new kind of interaction between the young and those in positions of authority.

unique mindsets of young people, who have new ways of operating.



◆ Generations Y and Z comprise a **Dissatisfied Cohort**, with a sense of having been **unfairly treated** and of being **constantly frustrated** by hurdles placed before them, recognizing their elders' control of the levers of power, and turning to **political activism** to change the world in which they live.

◆ Because of the unique environment they have inhabited since birth, they have developed a **Different Way of Operating**, with a **resourcefulness** and **pragmatism** that keep them engaged and thriving, **counting on social media** as being their "own" domain and **seeking alternatives** to traditional ways of doing things.

◆ They have developed a **Unique Mindset** that has become **risk indifferent**, choosing at some times to play it safe and at others to play the economy's roulette table; that prioritizes practical and direct answers and solutions; that gives them self-confidence and an amazing lack of self-doubt; that favors **playfulness** (and humor) as a means to deal with depressing issues, both political and personal; and that has arrived in the workplace with a decidedly **anti-hierarchical** way of operating, seeking to overcome barriers that block them from their **"rightful position" as decision makers**, mostly because they have a new way of operating.

Young adults are products of the digital technology and a long-ongoing series of extreme events that have nurtured them through maturation into a new kind of adulthood, which they now embody. The old managerial model based on control, given the culture of the young, will prove less and less effective.

**Some of our previous looks at this topic:**

- IF 4213** An Assisted-Living Economy: Money Comes From Everywhere, And Everyone Gets Assistance, 7/8/21
- IF 4211** The Next Internet: The Digital Industry Fancies A Metaverse, 6/17/21
- IF 4209** Agonizing Reappraisal In The Time Of Covid-19, Part I: Individuals Take A New Direction In Their Lives, 5/26/21
- inF 1603** Less Of This, More Of That: The Focus On Sustainability, 2/16/21
- inF 1601** Hustling In The New Economy, 1/21/21
- IF 4119** It's Great Being Young, Right? Youth And Shifting Realities In The New Economy, 12/30/20
- inThought 4/23/20** Busted Trust: Undermining Trust And Finding A Way Back
- inF 1415** Never Stop Playing: An Implication Of "A Different Adulthood," 10/21/19
- IF 4009** Work And Happiness: Meaning Gets Drained From Work, And People Seek It Elsewhere, 4/29/19
- IF 4005** Game Ready And Virtually Engaged: Online Gaming Alters Offline Behavior, And Influencers Alter Interpersonal Relations, 3/28/19
- inF 1402** China Now, China Later, Part II: Beijing Stays Focused On China Later, 2/19/19
- inThought 1/11/19** The Axis Of Anxiety And A Search For Solutions: The New Economy Drives A Quest For A Better Life
- IF 3815** Digital Technology Is Training Consumers: Consumers Think And Operate Differently, And Retailers Are Forced To Change, 7/20/17
- IF 3609** Growing Up Isn't What It Used To Be: Society And An Emerging New Concept Of Adulthood, 6/1/15
- IF 3418** "What's The Matter With Kids Today?" Young Adults, The Bleeding Edge Of Big-Shift Realities, 10/25/13
- IF 3111** "We Reach For Our Devices": Youth And Society's Ongoing And Unofficial Digital-Communications Experiment, 6/8/10