Work, Interrupted

How the Recession and a Changed Labor Market Will Affect Millennials in North Carolina for Years to Come
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Introduction</strong></td>
<td>2</td>
</tr>
<tr>
<td><strong>SECTION 1:</strong></td>
<td></td>
</tr>
<tr>
<td>Bridging the Generational Experience of a Changed Labor Market</td>
<td>3</td>
</tr>
<tr>
<td>CHAPTER 1: What a Generational Lens Can Tell Us About the Labor Market</td>
<td>3</td>
</tr>
<tr>
<td>Special Section: Millennials Know the Economy Isn’t Working for Everyone</td>
<td>8</td>
</tr>
<tr>
<td>CHAPTER 2: The Slow Recovery &amp; Millennials</td>
<td>9</td>
</tr>
<tr>
<td>CHAPTER 3: Millennials and the Institutional Retreat from Quality Jobs</td>
<td>16</td>
</tr>
<tr>
<td><strong>SECTION 2:</strong></td>
<td></td>
</tr>
<tr>
<td>Millennials and Institutions that Promote Economic Security</td>
<td>23</td>
</tr>
<tr>
<td>CHAPTER 4: The Generational Asset Gap</td>
<td>23</td>
</tr>
<tr>
<td>CHAPTER 5: Health Insurance Access for Working Millennials</td>
<td>29</td>
</tr>
<tr>
<td>CHAPTER 6: Millennials and Community Economic Development</td>
<td>36</td>
</tr>
<tr>
<td><strong>Meet the Contributors</strong></td>
<td>45</td>
</tr>
<tr>
<td><strong>Appendix</strong></td>
<td>46</td>
</tr>
</tbody>
</table>
Introduction

When someone comes of age has a lot to do with where they end up—their income, their education, their opportunities for upward mobility, and the places they can afford to live. It matters whether they start to look for work in a period of boom or bust, enter the job market at a time of technological change or disruption, or can benefit from robust institutions focused on increasing the skills and wages of its participants. These factors will shape the experience of their work and ability to achieve security and mobility. They also shape the experience of those who were born, came of age, and entered the job market at roughly the same time—the groupings of people we consider a “generation.”

In this year’s report on the state of working North Carolina in 2017, we focus primarily on the generation that entered the job market and came of age roughly starting in the year 2000—the so-called Millennial generation. We look at the long-term and short-term trends in the economy and policy environment that have shaped their experience.

So why are we focusing on Millennials? As we discuss in the following chapters, this generation has been affected by a unique combination of long-term and short-term trends in the economy and policy environment—everything from the lack of good jobs, the impact of retreating institutions that provided those jobs, rising healthcare and housing costs, and diminishing opportunities for building assets. The Millennial generation, now the majority of the labor force, also includes more people of color than any generation before, which means it is more urgent than ever that we address the barriers that are hurting people of color.

Not everyone in a generation experiences things in exactly the same way—different members of a generation may be influenced very differently depending on the place they live, their race, their ethnicity, and their gender. Longstanding barriers and historical disinvestment in communities of color, for example, tend to magnify the negative consequences of recessions and policy retreats for people in these communities, while minimizing the benefits of better times and better policies. Over the long term, these disparities can create different trajectories for income, education, and social mobility, even within the same generation.

The policy choices that North Carolina makes matter, and by embracing the policies that help Millennials, we can help build an economy that works for everyone.

And we know the problems we address can be overwhelming – that’s why, at the end of each chapter, we’ve included a recommendation for a small first step that our state can take to solve the problems that we’ve discussed.
Emerging research has shown that policy choices and resulting opportunity has unnecessarily been limited for too many people working in the current economy. Researchers at Harvard and Stanford universities have found that absolute income mobility as measured by children’s income at 30 relative to parent income at 30 has been cut in half for children born in the 1980s relative to children born in 1940. Ninety percent of children born in the 1940s moved up in the income distribution, while just 50 percent of children born in 1980s have achieved the same type of mobility.1

The fallout from the Great Recession that began in 2007 may appear to be far behind us, but as the national recovery takes hold in North Carolina, its impact will be felt for a lifetime. This persistence of economic harm is still being understood, but, as noted, it already has the potential to place even more downward pressure on opportunity for future generations.

The ways in which these issues continue to evolve for Millennials and the broader economy will depend on our policy choices.

Recessions and the pace of recovery can define generations

The Great Recession that began officially in December 2007 is not often discussed in policy circles in North Carolina, despite its enduring effect on the state’s labor market.2 That downturn and the subsequent slow recovery, which officially began in July 2009, were considered historic in nature by virtue of the scale of job loss, the damage to public institutions and private enterprise, and the lasting harm to the country’s income and wealth.3

It was a defining event for the Millennial generation. While the oldest Millennials turned 20 in the first recession of the 2000s, the majority of the members of that generation entered the labor market in the years during and after the Great Recession. In their early adult years in the workforce, the Millennial generation immediately experienced historically high and long periods of unemployment and underemployment, followed by a slow recovery.

As evidenced by Figure 1, young entrants to the labor market during downturns in North Carolina have experienced elevated unemployment rates in each recession and significantly higher unemployment rates than the average North Carolinian. In 2011, the unemployment rate for 16- to 24-year-olds was 22.5 percent, well above the historic experience of this age group in prior recessions and above that for the average

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### Defining the Generations

A generation has various meanings. One such delineation would be the people who are born and living around the same time or as having experienced the same historical events. While there is some variation in how generations in the United States are delineated by year, for the purpose of this research, we are following the birth dates and age groupings below. For more context about each generation, please see page 46.

<table>
<thead>
<tr>
<th>Generation</th>
<th>Birth years</th>
<th>Ages in 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Millennial</td>
<td>1981 to 1997</td>
<td>20 to 36</td>
</tr>
<tr>
<td>Generation X</td>
<td>1965 to 1980</td>
<td>37 to 52</td>
</tr>
<tr>
<td>Baby Boom Generation</td>
<td>1946 to 1964</td>
<td>53 to 71</td>
</tr>
<tr>
<td>Silent Generation</td>
<td>1928 to 1945</td>
<td>72 to 89</td>
</tr>
<tr>
<td>Greatest Generation</td>
<td>Before 1928</td>
<td>90+</td>
</tr>
</tbody>
</table>
North Carolinian seeking a job in the slow recovery.4

Entering the labor market in periods of downturn doesn’t just temporarily harm people’s well-being. Research has found that it lowers people’s lifetime earnings and prolongs periods of mismatch between people’s skills and their jobs.5 Researcher Lisa Kahn was among the first to analyze the long-term harm to people who enter the labor market in a downturn. Her research is clear that those entering labor markets in downturns have at least a 10-year deficit in wages that translates into a $100,000 lifetime earning penalty.6 Moreover, the effects of a downturn on workers and their families range from affecting their wealth and housing to influencing their physical and mental health outcomes.7

Understanding just how people’s experience of the current labor market will shape their trajectory in careers and attainment of economic security is important. This year’s State of Working North Carolina goes beyond our traditional annual labor market analysis by bringing a generational lens to the issues of labor market performance and the connection of that performance to the well-being of people and places in our state.

The research is still emerging on the ways in which the Great Recession and slow recovery has influenced the careers and economic security of Millennials. In part, this is because the Millennial generation is still coming into the labor market and just reaching their prime working years. As a result, there also remain unanswered questions in the academic research about the relative influence of the Great Recession and slow recovery, as well as the effects of the longstanding barriers that face communities of color and immigrants, of whom Millennials represent a greater share.8

The 2017 State of Working North Carolina report seeks to provide the best available data on the labor market experience in the state for different generations, present preliminary findings, and raise questions for ongoing research.

A Recap of the Great Recession and Slow Recovery

The Great Recession in North Carolina was one of the most severe displays of the economic downturn in the nation. It resulted in the loss of nearly 8 percent of North Carolina’s employment, a decline of more than 325,000 jobs from December 2007 to the state’s labor market low point in February 2010.9 At its peak, the unemployment rate reached 11.3 percent in the state.10

Just as the state’s loss of employment was deep, its climb out has been slow. For months, as newcomers
sought to enter the labor market in North Carolina, they faced too few jobs and/or jobs that would not deliver a living wage or career pathway.

While job growth has finally aligned with the national average eight years after the official national recovery began in June 2009, it has not been growth significant enough to bring employment levels back to pre-Recession levels, nor to deliver robust wage growth.

The state’s overall employment-to-population ratio remains below historic levels (Figure 2).

The state’s median wage also has shown meager growth over the recovery. In real terms, the state’s median wage has actually fallen by 1.4 percent since 2009, meaning that people working receive fewer dollars for an hour’s work than they did before the recovery began. The year-over-year nominal median wage growth, which economists agree must reach 3.5 to 4 percent to ensure that benefits of growth are shared by those working, was just 2.5 percent from 2015 to 2016.11

Not surprisingly, the economic outcomes of many people and places have not returned to pre-recession levels, much less progressed toward removing the barriers that are blocking too many North Carolinians from reaching economic security. The result is that the full economic potential in North Carolina is under-realized because there continues to be a mismatch between where jobs are and where people live, as well as discrimination in hiring and career mobility.12

Take for example, the employment-to-population ratio. Overall, the employment-to-population ratio in 2016 for the state was 55 percent for Millennials. To move all racial groups in the Millennial generation to that level of employment would require moving over 31,000 North Carolinians into jobs.13 Looking at the data by race and ethnicity, to bring all workers to the same employment level would mean moving 29,000 African-American Millennials and 1,350 Native American Millennials into jobs.14
Broader Implications of the Millennial Experience on the Economy for Us All

Policy choices shape economic outcomes. At the same time, economic outcomes for one group are intertwined with economic outcomes for everyone. When people are able to best match their skills to the jobs available, find work in their community, move up in a career and earn a living wage, they are able to contribute to the economic and civic life of their communities at a higher level. If an entire generation is held back from achieving its full economic potential, it will affect the broader economy and future generations’ prospects as well.

The institutions that have traditionally delivered better economic outcomes for more people and places have been dismantled or damaged over the years. Standard & Poor’s own analysis of the financial behaviors of different generations found that Millennials share many commonalities with the Silent Generation. Both generations entered the labor market at times of unprecedented job loss, and both exhibit conservative financial habits and employment choices. Notably, the Silent Generation benefited from a shorter downturn. From the Standard & Poor researchers:

By the time many of them finished their education, the Silent Generation walked into a strong economy, thanks in large part to New Deal programs such as the Works Progress Administration, which created millions of jobs in public projects and infrastructure. By contrast, government spending on infrastructure projects as a percentage of U.S. GDP is now at a two-decade low, which Standard & Poor’s projects could significantly impact long-term competitiveness.

Looking through a generational lens makes the shift in the way we set out the rules of the game and the implications for the outcome even clearer. Current outcomes fall woefully short on most measures of economic well-being and equitable access to economic security.

This will hold our economy back from reaching its full potential.

Low levels of economic mobility in the country and North Carolina in particular are well documented. According to a study by the Pew Center on the States, North Carolinians ranked lower than Americans and Southeasterners on average in absolute mobility, which the study defined as earnings increases over the 10-year period. The study found that North Carolinians experienced average earnings growth of 14 percent, 3 percentage points lower than the American average. North Carolina also ranked lower on upward mobility, which is defined as the ability of individuals in the bottom half of the earnings distribution to move up 10 or more percentiles over the 10-year period. Only 26 percent of North Carolinians were upwardly mobile relative to their peers, compared to 34 percent of Americans.

Lower economic mobility is more likely when income inequality is high: It is more difficult to move up when the ladder has rungs too far apart. Low economic mobility and high inequality together can reach far to do harm. Economies that are more unequal grow slower and have shorter periods of growth. Beyond direct ways in which these issues affect the economy we all experience, there is also an emerging body of research on the connection between economic mobility and participation in civic life, strength of the community ties, and resiliency of regions.

The research is clear that harnessing the economic potential of a generation is essential. For North Carolina, minimizing the damage of the Great Recession and the slow recovery for Millennials could deliver an additional $164 billion in earnings circulating in the state’s economy over the working life of that generation. To do so will require connecting all North Carolinians to opportunity, not just for one generation. But it will also require particular attention to the ways in which barriers are removed for communities of color, women and those who have immigrated...
to the United States who are an increasing share of the state’s workforce and whose economic potential realized can drive better economic outcomes for us all.

Chapter 1 - Endnotes


6. Ibid


9. Economic Policy Institute, JobWatch, June 2017

10. Economic Policy Institute, JobWatch, June 2017


17. Ibid.

18. Ibid.


22. Author’s calculation based on the documented $100,000 lifetime earnings penalty of entering in a bad labor market.
Millennials know the economy isn’t working for everyone

Having come of age during one of the worst economic collapses in generations, Millennials have plenty of cause to view unfettered capitalism with a jaundiced eye. Millennials harbor deep misgivings about their generations’ economic prospects and strongly support a range of policies that would lower barriers to prosperity.

Millennials are increasingly anxious about their economic prospects

- Millennials are more anxious about the economy in 2017 than they were in 2015.¹ Economic anxiety is up for people in the US generally, but the increase was larger for millennials.
- Millennials in many countries have actually become less anxious over the last year, so slumping attitudes in the United States are particularly notable.

Many millennials think the current economic order is a rigged game.

- Only 42 percent of Millennials support capitalism.
- Millennials more dubious about “free enterprise” than any other generation
- Two-thirds of Millennials think that the rules in America have changed, with hard work and sacrifice no longer being rewarded.
- Almost two-thirds of Millennials believe that politicians stacking the deck in favor of wealthy people and corporations is the biggest barrier to a strong economy

Millennials support policies to lower barriers to prosperity

- 75 percent support expanding apprenticeship programs.
- 66 percent would be more likely to support a candidate who would put people to work using government funds.
- 77 percent say government has responsibility to ensure all children receive a quality education.
- 68 percent would be more likely to support candidates who put affordable child care and paid family leave within reach.
- 67 percent would be more likely to support candidates who favor a $15 per hour minimum wage.

⁶ Ibid
⁷ Ibid
CHAPTER 2. The Slow Recovery & Millennials

By Alexandra F. Sirota, Director of the Budget & Tax Center, with Patrick McHugh, BTC Policy Analyst

There is much mythmaking about Millennials, their participation in the economy and their financial decisions. While some research has begun to separate fact from fiction, there remain many questions about the ways in which current conditions for Millennials are driven by their experience of the Great Recession or the shifting demographic of the generation and the systemic barriers that persist for people of color and women broadly. Clearly more data in a more robust recovery will be needed to determine the relative weight of these factors.

For now, Millennials are dealing with both the current slow recovery of the past eight years and the failure of policy to remove roadblocks to opportunities that have been in place for far longer.

National research conducted on how the Millennial generation is faring shows that the challenges are likely to be long-lasting. Researchers at the Federal Reserve Bank of Atlanta and former President Obama’s Economic Council have found Millennials have delayed household formation and marriage.1 Compounded by higher student debt, this has led to lower homeownership (See Chapter 4).2 Researchers have also found changes in migration patterns and a return to cities that may however be shifting as Millennials age.3

This chapter provides an overview of available data on the labor force and labor market outcomes across generations with a particular focus on the Millennial generation (See box on page 3). The findings are largely consistent with national analysis to date, but they present a few areas of divergence important to determining state solutions to the challenges and opportunities of moving all North Carolina’s generations forward.

The Torch is Being Passed

Nationally, Millennials recently became the largest age group in the labor market in 2015. Here in North Carolina, that passing of the torch happened in 2016.

Over 750,000 Millennials entered the labor market between 2009 and 2016, driving the total labor force participants in their generation to almost 1.8 million. Generation X was the only other age cohort to increase labor force participation during the recovery, but the growth was a more modest 100,000. During the same span of years, 125,000 members of the Silent Generation and over 400,000 Baby Boomers exited the labor market. As a result of this generational transfer of workload, Millennials went from roughly 22 percent of the labor force in 2009 to nearly 40 percent of the labor force today, now representing the largest share by generation of the labor force.

It is important to note that generations are not monolithic, but vary based on their race and
The Millennial generation is also nearly two times as likely as Baby Boomers to be foreign-born. One in ten Millennials is foreign-born in North Carolina, which is slightly down from the 14 percent of Generation Xers who are foreign-born.

This increasing diversity is important, as communities of color and immigrant workers face barriers that have resulted from policy choices over the years. In North Carolina, those policy choices have meant more difficulty accessing a good quality education, limited investment in communities and support for entrepreneurship, and cutting public sector employment, like in the administration of state services, maintenance of public buildings or at the local level public safety and transportation workers, that are major employers of workers of color.

The Recovery Isn’t Delivering for Many Millennials

Many Millennials had the misfortune to enter the labor force during the Great Recession, or as the nation slowly pulled itself out of the deepest economic hole in decades. At the worst of the recession, roughly 18 percent of Millennials of working age were looking for a job, a rate of unemployment nearly twice that of the next worst-off generation, Gen X.

Employment prospects improved for all age cohorts as the recovery unfolded, but Millennials are still more likely to be looking for work than any other generation. In 2016, the unemployment rate for Millennials had fallen to 7.9 percent, which is still almost three percentage points higher than the average for all workers in North Carolina. This leaves Millennials 2.2 times more likely to need...
a job than a member of Generation X, and 2.6 times more likely than the average Baby Boomer.

The challenge facing Millennials is daunting. While they make up roughly one-third of the workers in North Carolina, they include more than half of all North Carolinians actively looking for a job. Of the approximately 250,000 North Carolinians looking for work in 2016, 140,000 were Millennials, more than all of the other generations put together.

Importantly, though, Millennials have one of the lower average durations of unemployment, at just 22 weeks, while it’s 30 weeks for Generation Xers and 33 weeks for Baby Boomers. Fewer than 1 in 4 Millennials out of work have been out of work for 26 weeks or more, but that figure remains far higher for Generation X and Baby Boom workers. One in three out of work Generation Xers and Baby Boomers were considered long-term unemployed.

Too few jobs have in part driven lower rates of changing jobs among this generation (contrary to myths of a job-hopping generation). It has also meant that wage growth has not been as strong, as detailed on page 12.

Millennials’ employment-to-population ratio in 2016 was 63.3 percent, below the employment level for those North Carolina workers in Generation X (79.3 percent). Employment levels for Millennials, however, have improved by nearly 10 percentage points since 2009, whereas for Generation X—also still in their prime working years—employment levels have improved only slightly.

Digging deeper into the data on the percent of people employed in the labor force by race and ethnicity suggests the ways in which barriers continue to persist for some, while others have seen barriers removed. The table below presents the percent of the labor force employed in the Millennial and Baby Boom generation. Comparisons within generations are most appropriate with this data and raise a number of preliminary findings that merit further exploration. First, it appears that the difference in employment rates between whites and African-Americans remains persistent across the two generations. Second, those North Carolinians identifying as multiracial, a growing group in the state and country, have higher employment levels than whites. Finally, while Asian Millennials have employment levels below white Millennials, Asian Baby Boomers have higher employment levels than white Millennials. The opposite is true for Latinx Millennials 71 percent of whom are employed, on par with whites.

### FIGURE 4: Barriers to Employment Persist for Specific Workers of Color

<table>
<thead>
<tr>
<th>Generation</th>
<th>Millennials</th>
<th>Baby Boomers</th>
</tr>
</thead>
<tbody>
<tr>
<td>White</td>
<td>71.9%</td>
<td>56.4%</td>
</tr>
<tr>
<td>African-American</td>
<td>64.8%</td>
<td>48.9%</td>
</tr>
<tr>
<td>American Indian or Alaska Native</td>
<td>58.8%</td>
<td>49.5%</td>
</tr>
<tr>
<td>Asian</td>
<td>63.6%</td>
<td>59.3%</td>
</tr>
<tr>
<td>Other</td>
<td>71.1%</td>
<td>64.0%</td>
</tr>
<tr>
<td>Two or More Races</td>
<td>66.9%</td>
<td>50.0%</td>
</tr>
<tr>
<td>Multiracial</td>
<td>74.2%</td>
<td>63.0%</td>
</tr>
<tr>
<td>Latinx</td>
<td>71.0%</td>
<td>54.9%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>69.7%</strong></td>
<td><strong>54.9%</strong></td>
</tr>
</tbody>
</table>

SOURCE: Author’s Analysis of American Community Survey 2015, US Census Bureau from IPUMS, University of Minnesota at ipums.org

### Millennials’ Job Opportunities Are a Reflection of the Ongoing Economic Transformation

The reality for Millennial workers, as for all workers in the current labor market, is that there is still a significant economic transformation underway. It is reducing the concentration of opportunities in middle-skill jobs, typically available in manufacturing, and increasingly growing low- and high-skill jobs. As prior work has noted, the highest growth in North Carolina of low-skill jobs has been in service occupations like food preparation, housekeeping and retail sales while high-skill job
growth has happened in health care, engineering and technology.

Despite higher educational attainment levels, however, there continue to be barriers for Millennials ability to connect to jobs in the industries growing that are paying higher wage. Georgetown’s Center on Education and the Workforce has found that the increase in entry-level job requirements and the decline of employer-provided entry level training created, for example, present significant barriers to entry into new industries.

In North Carolina, the occupations where Millennials are concentrated are retail trade and professional services. Interestingly, too, manufacturing continues to represent an industry with a high concentration of Millennials.

**Millennials Have Gotten the Message about Educational Attainment**

The Millennial generation nationally is the most educated of all prior generations, with 24 percent attaining a Bachelor’s degree, despite some in the generation still being of college-going age.

In North Carolina, 19.5 percent of those in the Millennial generation have a Bachelor’s degree. As researcher Rebecca Tippett finds in her analysis of earlier American Community Survey data, educational attainment levels are increasing for North Carolinians overall as younger generations who are more educated replace older generations who were less likely to attain degrees.

Much of the analysis of labor force participation decline has focused on higher numbers of people pursuing post-secondary education. While this is true it is likely only a fraction of the explanation for the decline in the labor force participation which economists have continue to largely attribute to too few jobs.

Interestingly, data on the reasons for not being the labor force because of school attendance show a significant increase for the Millennial generation and the Baby Boom generation (Figure 9).

**Earnings and the Generational Wage Gap**

Let’s return to a critical measure of the health of the labor market—wage growth—across generations. When jobs are available and wages grow in close alignment with productivity, people working to provide for their families are more likely to reap the benefits of the economic recovery. In the current recovery, however, wage growth at a level that would signal a robust labor market has failed to materialize.
As has already been noted, the failure of wage growth to materialize in a significant way will contribute to the lower lifetime earnings of Millennials as a generation. This will make it more difficult to close the difference in wages across generations. The Center for American Progress finds that despite higher educational attainment and a more productive economy, a 30-year-old in 2014 earned less than a person the same age in 1994.

Indeed, 30-year-olds today make around the same amount of money as 30-year-olds in 1984, despite the facts that they are 50 percent more likely to have finished college and that they work in an economy that is 70 percent more productive.

As can be seen in Figure 7, which details the median wage and salary for each generation over the past decade, Millennials in North Carolina have seen some growth. But it’s not sufficient to close the difference in earnings with Generation X and Baby Boomers.

Much has been written about the Millennial generation and progress in removing barriers to equal pay for women, which is largely attributable to increased work experience and educational attainment.

However, despite increased educational attainment and work experience, the wage difference...
between African-Americans and whites has grown since 1979. The research suggests the driver of this trend appears to be an overall increase in earnings inequality and persistent discrimination, which has actually hit Black male college graduates the hardest. From the research:

Black male college graduates (both those with just a college degree and those who have gone beyond college) newly entering the workforce started the 1980s with less than a 10 percent disadvantage relative to white college graduates, but by 2014 similarly educated new entrants were at a roughly 18 percent deficit.

Closing the difference in earnings for communities of color would have a significant impact on North Carolina’s economy. PolicyLink estimates that North Carolina’s economy would have been $66.06 billion larger if there were no differences in income by race.

Taken together, the available data on Millennials and the current labor market point to the potential for lasting economic harm from the economic recovery if policy is not used to ensure that employment opportunities increase, wages grow, and barriers are removed to ensure people can pursue every opportunity.

Chapter 2 - Endnotes


GOOD POLICY: The First Step

North Carolina policymakers can take a first step towards connecting more Millennials to good, paying jobs by enhancing the state’s existing Apprenticeship program to ensure greater access to skills training and preparation for careers, as well as connecting those Apprentices to subsidized employment industries in high-growth, high-wage industries with specific focus on reaching Millennials of color and women.


CHAPTER 3. Millennials and the Institutional Retreat from Quality Jobs

By Allan Freyer, Director of Workers’ Rights

Compared to their parents and grandparents, Millennials face a dramatically different landscape for finding a job, building a career, and benefitting from workplace protections. Unlike their predecessors who came of age when the nation’s policy environment and norms of corporate governance promoted relatively broadly shared prosperity, Millennials have entered the workforce at the tail end of a long-term retreat from the institutions that once provided millions of workers with access to good jobs, relative economic stability, opportunities for upward career mobility, and a strong legal framework for protections on the job.

The Private-Sector Retreat from Good Jobs

During the 30-year period from the 1950s to the 1980s, Millennials’ counterparts in earlier generations who worked in manufacturing and business service industries could expect employment in a single “integrated” firm that carried out all aspects of business operations, from sales to product assembly to corporate management. During this period, the firm generally kept its workers employed from their hire dates to their retirements, with occasional short-term layoffs of non-management, hourly workers during economic downturns. These workers would generally be re-hired during economic expansions. For both salaried and hourly workers, the firm typically provided health benefits, a pension, and—critically—opportunities for training and upward advancement within the firm.¹ This period is widely recognized as a golden age of economic growth that provided widely-shared economic prosperity.

¹ In the 1970s and 1980s, however, rapid technological change coupled with new corporate attitudes about how workers should be treated spawned an almost entirely new world of work. New communications and logistics technologies allowed companies to out-source or spin-off entire parts of their operations to other, entirely separate companies, often in other parts of the world. With the rise of global competition and out-sourcing, companies increasingly sought to maximize their profits by investing in productivity-enhancing technology and holding down labor costs.
As a result, business productivity—the value of goods and services produced by each worker—has skyrocketed, almost doubling since 1979, on the cusp of the Millennial generation. Yet, wages have remained largely stagnant over the same period, growing by just 22 percent (Figure 1). Similarly, almost two-thirds of workers lack access to a pension, down from just over half in 2000, and 40 percent of workers lack another important form of compensation—paid sick days. These two problems are especially acute in industries that predominantly employ people of color—for example, more than 70 percent of workers in industries like food preparation, construction, and domestic work lack paid sick days.

The never-ending quest to squeeze payrolls has also contributed to the breakdown of the traditional employer-employee relationship and the accompanying erosion of stable work. Under the standard employment model of the 20th Century, “integrated” firms in the manufacturing and service industry employed thousands of people across the country. They were directly accountable to those employees for providing safe workplaces, adequate salaries and benefits, and reasonable working conditions. Today, those same big businesses still play a role in shaping the labor market, but instead of playing the role of employer they are purchasing labor from an expanding array of smaller business units. Unsurprisingly, the proliferation of lower level firms supplying labor to big firms has also created increased competition and pressure to cut costs among staffing agencies and labor suppliers, as they endeavor to underbid each other.

This competition has led to an explosion of temporary and non-traditional work arrangements known as contingent employment, which the Bureau of Labor Statistics defines as “any job in which an individual does not have an explicit or implicit contract for long-term employment.” Under a contingent work arrangement, workers are hired on a temporary basis to complete discrete tasks, but are not considered formal employees of the business for whom they are completing it. Examples include the Uber driver voluntarily working on the side to earn some extra income and the temp worker at a manufacturing facility who wants a full-time job but can’t find one. As a result, contingent jobs are characterized by low pay, lack of benefits, little job security, high turnover, and lack of upward career mobility. Additionally, these jobs have higher rates of health and safety violations due to the lack of legal clarity around who is responsible for complying with workplace protection standards.

In Their Own Words:
Jeffrey, 32
RALEIGH, NC
Service Industry

Jeffrey works as a line cook and a door man at a local music venue, and he has an associate’s degree in Human Services. Like many in the service industry, Jeffrey holds multiple part-time jobs, and making ends meet while managing variable schedules can be challenging.

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He says that trying to request time off can be dicey, and can even lead to losing your job. “I’m not one of those people who randomly calls out of work, because I can’t afford it. But once I was fired for calling into a place where I’d worked for three and a half years to let them know I’d be half an hour late because I was dealing with a [repetitive stress injury].”

Jeffrey notes that getting ahead financially working for service industry wages is possible, but it takes a serious toll. “Last year, I was working three jobs. I’d pretty much work 25 to 30 hours a week at each of my first two jobs, and then another 10 hours a week at my third job. I rarely had a day off, sometimes working from 9 a.m. until 4 a.m. It’s the only time I’ve ever made enough money to save any. Eventually my body just couldn’t do it. My legs would seize up from standing on concrete for 12 hours at a time. You realize at a certain point, when you’re working like that and you’re still at the poverty level, it no longer seems worth it.”

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Although businesses and some workers may benefit from the flexibility contingent work can provide, the growth of some forms of contingent employment is troubling for a majority of working people, especially those who want longer term employment. And there is no question about their growth in this state—the number of temporary workers in North Carolina has grown by 52 percent since Millennials began entering the workforce en masse in 2009, compared to the 39 percent growth experienced over the same period by the nation as a whole.9

In short, global competition and technological change have played an important role in the private sector’s institutional retreat from quality jobs—lower wages, skimpier (or non-existent) benefits, less job stability, and fewer opportunities for career advancement in low-skill occupations. But if technology generates pressures to reduce labor costs, public policy has also always played a crucial role in determining what those pressures mean for workers and their access to quality jobs.

The Policy Retreat from Good Jobs

Unfortunately, national and state policy makers have largely chosen an approach that benefited corporate investors and executives over working people in the United States. Just as American businesses began experiencing these competitive cost pressures in the late 1970s, and Millennials were on the cusp of entering the world, national and state policy makers began enacting a series of tax, trade, and economic policies that undoubtedly helped spur corporate profits, but also served to minimize the ability of employees to benefit from their company’s prosperity.

This institutional retreat from good jobs has cast a long shadow over Millennials as they joined the labor market in the late 2000s.

- **Trade deals that hurt the American worker.** Trade deals like the North American Free Trade Agreement (1994) and Permanent Normal Trade Relations with China (2000) drastically reduced trade barriers with countries having much lower labor costs. In turn, these agreements made it significantly easier to offshore American jobs to these cheaper countries. This is resulted in ongoing wage stagnation and significant (and ongoing) domestic job losses, first in manufacturing and then increasingly in business services.10 For example, one recent analysis found that North Carolina lost a net total of 107,000 jobs over the first decade of this century due to the trade deficit with China, mostly in textiles, apparel, and even biotechnology.11

- **Tax policy that advantaged investment income over work.** Tax policy also played a role in the institutional retreat from good jobs. Income tax changes in 1986, 1997, 2001, and 2003 have created financial incentives for investors and executives to invest in productivity-enhancing (and labor-saving) technology rather than in hiring and wages. These bad tax policies also hurt workers in a second way, by reducing the federal revenues that would otherwise have been available to make college and vocational training more affordable and invest in genuine job creation strategies like infrastructure development.

- **Regulatory decisions that weakened investment.** Two major regulatory changes also account for a significant portion of the growing gap between productivity and wages. In the early 1990s, the US Treasury Department began treating executive bonus income differently from earned income if the bonuses were taken as options on their employers’ company stock. Because the Treasury taxes investment income at a much lower rate than the income earned through work, this simple rules change suddenly created an incentive for executives to put their company’s profits into tax-preferred stock options instead of investing it in their company’s workforce, as previous generations of executives had done.12
The second major regulatory change involves a quirk in financial rules that allows publicly-traded companies to buy back their own stock in order to artificially inflate their own stock prices on the financial markets. The Brookings Institute estimates that this practice alone accounts for 95 percent of where the nation’s productivity gains have gone. In other words, for every dollar of new productivity generated by America’s businesses, 95 cents has been spent on buying the company’s own stock, leaving only 5 cents to be invested in new plants, new jobs, or better wages.

- **The stagnating minimum wage.** The minimum wage is an important tool that was originally intended to provide workers with enough earnings to make ends meet. But over the past 40 years, policy makers have allowed the wage to stagnate. Today, Millennials face a minimum wage of $7.25. In contrast, when Boomers entered the workplace in the late 1960s, the value of the minimum wage was $10.71, taking into account increasing costs of living by 2013. And indeed, Millennials face costs of living—housing, groceries, education, and healthcare—far higher than their parents and grandparents. Economists have developed a range of estimates for how much it truly takes to make ends meet (see Figure 2). Yet it is clear that regardless of which living wage estimate one prefers, the current minimum wage doesn’t come close to paying enough to make ends meet. Additionally, unlike previous generations who earned the minimum wage as teenagers working a summer job, Millennials benefitting from a minimum wage increase are typically working full-time, have kids, and are older than 20.

- **Declining power of unions.** Collective bargaining strengthens workers’ ability to negotiate with their employers for better wages and safer working conditions. It provides an important vehicle for ensuring that business productivity gains are rewarded with increased earnings rather than siphoned off to stock buybacks, executive compensation, or other investor income and has historically played a key role in addressing wage stagnation and income inequality. As Boomers came of age, more than a third of the nation’s workforce belonged to a union. That number has now dwindled to less than 10 percent. North Carolina has experienced an especially acute drop—58 percent since 1983. This is largely due to laws that make it illegal for a group of unionized workers to negotiate a contract that requires all employees who benefit to pay their fair share of the costs of administering and enforcing the contract. By design, these laws make it much more difficult for unions to financially sustain themselves. As a result, Millennials are entering a labor market where the important protection of a union contract is scarce.

Thanks to these policies, North Carolina’s Millennials have been born into an era almost entirely defined by this historically unprecedented disconnect between wages and business productivity. Unlike previous generations, Millennials’ efficiency, productivity, and ability to help their employers profit are not winning them higher wages and better benefits (see Chapter 1), and due to trade-
related job losses, they have entered a labor market that is missing millions of jobs that they would otherwise be able to access.

**Coming of Age Amid the Long Retreat**

As a result of the policy and technological changes of the past 40 years, the single “integrated” firm of Millennials’ Boomer parents has increasingly become a relic of the past, and with it the expectation of life-long employment and opportunities for upward mobility. As with older GenXers, many Millennials workers now have to find a way to build a career and achieve upward mobility outside the comforting embrace of a single firm, and to leverage their skills for employment and wages in a more flexible—and far less secure—labor market.15

Traditionally, the idea of a “career” has involved a workers’ long-term participation in an occupation or a profession, often with opportunities for upward mobility. In contrast to the more stable experiences of their counterparts in previous postwar generations, Millennials typically face a far more fragmented and unpredictable career—indeed, most of them will have multiple jobs and careers over the course of their working lives and many of them will be disrupted by technological change.

For example, Gallup has found that low wages and lack of opportunities for advancement—two main consequences of the institutional retreat from good jobs—are contributing to this disengagement.

A recent study by the Boston College Center for Work and Family found that Millennials in high numbers strongly agreed with the idea that they would actively seek new jobs that provided better income and opportunities to take on more challenging and self-fulfilling tasks. Moreover, the lack of these values at their current employer motivated looking for new jobs.16 This may explain the historic levels of disengagement many Millennials feel toward their employer. Recent Gallup surveys have found that 55 percent of Millennials are not emotionally and behaviorally connected to their job and company—significantly higher levels than other generations.17 The study further suggests that low wages and lack of opportunities for advancement—two main consequences of the institutional retreat from good jobs—are contributing to this disengagement.

A second major aspect to the fragmented millennial job market is the specter of technological change eliminating entire occupations and jobs for the people they employ. One particularly important example predicts driverless trucks could eliminate the trucking industry and eliminate the employment of an estimated 15 million Americans. Some researchers have estimated that these trends could push North Carolina’s unemployment rate as high as 25 percent by 2050.18

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**In Their Own Words:**

Garrison Clark, 26

GREENSBORO, NC

Organizer | NC Piedmont DSA

“I was lucky to have fairly low tuition costs at Appalachian State, but I still came out with about $25,000 in student loans, and I have felt it weigh me down at times. Student debt creates a situation where you have to find some sort of decent work immediately after school, and given the lack of middle class jobs it can create huge hardships for graduates. I don’t know very many folks who don’t have student debt. They all have had to put off any sort of savings or big purchases (like a house), and it’s really straining Millennials.

“Thankfully, I found decent job that I can pay down my loans with, but it doesn’t have benefits and it’s a contractor position. That’s also a hard truth facing Millennials -- the jobs that would give you decent healthcare and a good retirement plan are draining away. Something is sick in our economy and I’m afraid that the policy options of the past will not suffice.”
practice, this could mean that Millennials face tighter competition for fewer available jobs than their counterparts in previous generations.

Finally, the threat of occupational transformation adds an additional challenge to the millennial worker seeking opportunities for upward mobility. Unable to find secure job training and mobility within a single firm like their Boomer parents, Millennials will have to develop their skills and build a career by purchasing the education they need through vocational and post-secondary training programs, often at community colleges. In this environment, working people can achieve upward mobility by securing stackable credentials that demonstrate increasing skill that should theoretically command higher wages—in effect creating an external pathway to career mobility.

Unfortunately, educational costs are rising and financial aid is declining (see Chapter 4)—a problem that is most acutely felt among Millennials of color. At a time when some experts estimate that 65 percent of all jobs will require some kind of post-secondary credential, only 37 percent of working people in the state have one.19

This problem is compounded by the fact that our state’s workforce development programs are structured around training and placing people into standard jobs involving the traditional relationship between employer and employee. But the rise of contingent work as Millennials enter the job market may make these pathways to advancement obsolete, as they cannot account for the increasing temporary and task-oriented nature of employment relationships.

Taking all of these trends together, Millennials face a radically different world of work than their parents. Thanks to the institutional retreat from good jobs by policy makers and the private sector, Millennials have come of age in an era dominated by the disconnect between wages and productivity. Their jobs are likely to pay less, offer fewer opportunities for advancement, involve less stability, and provide fewer protections.

Chapter 3 - Endnotes

2. Ibid
4. Ibid.
14. Ibid.
http://www.bc.edu/content/dam/files/centers/cwf/research/publications/researchreports/How%20Millennials%20Navigate%20their%20Careers
17. Ibid.
CHAPTER 4. The Generational Asset Gap

By Brian Kennedy II, Public Policy Fellow with the Budget & Tax Center

Savings are a critical part of family and household budgets. They are the tools that help us to guard against unexpected hardships such as job loss, illness, or even car repair. Savings are what prevent life’s road bumps from becoming major, life-altering catastrophes. Just as important as protecting us in times of emergency, savings are a critical tool to advancing to middle class. Households without adequate assets do not have enough resources to invest in a home, business, or education. This lack of wealth among more than a quarter of North Carolinians severely hampers state residents from achieving economic mobility.¹

Labor economists suggest that during previous economic downturns, where labor markets were weak, many would-be workers choose to pursue opportunities outside of the workplace, such as going back to school.² However, unlike the economic downturns of the 1990s and early 2000s, the Great Recession had a different effect on the labor market. Rather than seeing the labor force participation rate decline, many Millennials entered the workforce, pushing rates up.³ On the surface, higher workforce participation may look positive, but the reality was that many Millennials did not have access to crucial tools necessary to pay for college and could not rely on parents, many of whom were significantly affected by the recession. As a result, many Millennials entered the workforce by way of low-wage jobs that were not necessarily aligned with their career interest or particular skills. Other economists note that when households become asset poor, their consumption decreases, which has negative impacts on the labor market.⁴ Without a significant safety net of assets, families are hesitant to spend any savings they may have.

Data from Prosperity Now shows that more than a quarter of North Carolinians are asset poor. This means that around 2.5 million North Carolinians do not have access to enough money, assets, or resources to persist through a medical emergency or job loss.⁵ A strong economy and a strong labor market is one where workers have access to tools that help them to build wealth. With a safety net of savings, workers are free to pursue entrepreneurship, stimulate the economy through spending, and focus on building productive and meaningful careers.

Millennials Face Unique Barriers to Building Assets

So how are Millennials fairing differently in the realm of asset accumulation compared to the generations before them?

Despite stereotypes that frame Millennials as wasteful and undisciplined, data shows that Millennials are actually thriftier than previous generations. According to the Survey of Consumer Finances, households in 1989 headed by young adults, ages 20-37, had an average of $2,648 in savings. In 2013, households headed by young adults held an average of $5,300 in savings.⁶ Despite practicing better saving practices than previous generations, Millennials still have lower amounts of wealth and assets. In 1989, the median young adult household owned $41,936 worth of assets, not including debts. In 2013, however, the median young adult household had only $34,200 worth of assets.⁷ Furthermore, young households today have lower levels of wealth. The median
There are several factors that begin to explain why Millennial households, despite saving more, are experiencing lower rates of wealth. Over the past four decades, wages have been stagnant.\textsuperscript{9} Incomes have failed to grow with increased productivity, and failure to raise the minimum wage has decreased the wage value of many low-wage workers. Young adult households in 1989 had median incomes $4,816 higher than young adult households in 2013, after adjusting for inflation. As noted in Chapter 3 after adjusting for inflation, a worker today makes the same wage as a worker in 1980, despite today’s workers being 50 percent more likely to have a college degree and the economy being 70 percent more productive.\textsuperscript{10}

Perhaps what is most telling is the outstanding debt burden young households face today. In 1989, the average young household owed 85 cents to every dollar the household made in income. In 2016, the average young household owed $2.05 to every dollar in income.\textsuperscript{11} Although younger households may be saving more money than ever before, their stagnant incomes and high amounts of debt are preventing these households from accumulating wealth as generations before them.

**The Role of Homeownership and Student Debt in Creating a Wealth Gap**

The generational wealth gap may be both a result and cause of decreasing home ownership rates among Millennials. In North Carolina, the rate of homeownership among 25- to 34-year-olds has decreased from 52 percent in 2000 to 37 percent in 2014.\textsuperscript{12} This steady decrease has been reflective of a national trend. Home ownership, while not the only tool available to build assets, is the largest source of individual wealth in the US.\textsuperscript{13} Homes, generally, appreciate in value over time and can serve as a forced savings mechanism. But without sufficient savings to put toward a down payment, it seems as though home ownership is becoming more difficult for younger generations. A recent survey done by Apartment List found that in North Carolina, 83 percent of Millennials reported that they would like to buy a home. However, 73 percent reported that they couldn’t afford to do so.\textsuperscript{14}
Despite Millennials practicing better savings habits than previous generations, the rise in the costs of home prices as well as stagnant wages still prevent many from purchasing. From 1980 to 2015, the median home cost has increased by 37 percent. In other words, in 1980, a typical home would cost $116,438 after adjusted for inflation. In 2015, the same home would costs $160,100.16

Even with rising home ownership cost, some Millennials are able to purchase homes with family support. Now, more than ever before, young households are relying on inter-generational down payment assistance from parents or other relatives. This trend means that, while this basic asset building tool is becoming increasingly unavailable for Millennials, those whose parents or families are wealthy still have access to home ownership as a means for building wealth. Without intervention, it is becoming increasingly difficult for young, working adults to rise to the middle class and break intergenerational poverty.

Inequitable access to wealth building tools also fall along lines of race. Between 1984 and 2011, 46 percent of white households received some sort of financial transfer from a family member. In the same time period, only 10 percent of Black households benefited from similar family gifts. This is largely due to the systematic ways in which Black families over generations were excluded from many of the tools that would generate wealth, so there is often no wealth to transfer. Decades of housing segregation, exclusionary zoning, and systemic exclusion from the housing market continues to deny many young people of color, especially Black Americans, from one of America's most utilized wealth building tools—housing.

In addition to running into barriers in home ownership, Millennials are facing obstacles in pursuit of another tool often associated with economic mobility: higher education. According to the Federal Reserve Bank of New York, last year, the total student debt held in the nation topped $1.3 trillion. As young Americans are receiving college degrees at rates higher than generations before them, their student debt burdens are also outpacing previous generations. In 2015, Millennials held 50 percent of the nation’s student debt. In North Carolina, from 2004 to 2014, the average debt of a student with a degree from a four-year institution has increased by 50 percent, from $16,863 in 2004 to more than $25,000 in 2014. Additionally, the percentage of students taking on debt has also risen from 51 to 61 percent. Today, the average North Carolina student holds $25,645 in debt after attending a four-year university.

Increasing levels of student debt can be contributed to multiple factors. Over the past decade,
state governments, including here in North Carolina, have made serious cuts to higher education funding.\textsuperscript{24} In North Carolina, funding for higher education has decreased by 20 percent since 2008.\textsuperscript{25} Meanwhile, tuition at our public universities has increased by an average of 42 percent, or $2,051, over that same time period.\textsuperscript{26} Additionally, the rise of expensive for-profit colleges has also driven the debt load managed by Millennial students. Large for-profit colleges tend to target students in vulnerable situations, providing them with educations that often do not result in jobs paying enough money to justify the loans.\textsuperscript{27}

Ultimately, increasing levels of student debt, met by stagnant wages, are preventing this highly educated generation from fully contributing to the North Carolina economy. College graduates with higher amounts of student debt are less likely to participate in wealth-building activities such as buying a home. Research finds that 40 percent of adults under 30 with a bachelor’s degree or higher who do not have student debt own a home. Yet only 33 percent of adults with a bachelor’s degree or higher are homeowners.\textsuperscript{28} This trend continues to drive racial inequality. Although the numbers of Black and brown students graduating from college are increasing, they are more likely than their white peers to take out student loans.\textsuperscript{29} In fact, Black college graduates owe $7,400 more than white graduates, on average.\textsuperscript{30} Similar to the way the student debt crisis has increased racial wealth gaps, it has also had a disproportional impact on women. Although women account for 56 percent of students in U.S. colleges and universities, women hold nearly two-thirds of the national student debt load.\textsuperscript{31} Because of the gender pay gap, women generally take longer to repay their loans than men.\textsuperscript{32} This is especially true for Black and Latina women who make 64 and 48 cents, respectively, for every dollar men make.\textsuperscript{33}

**Inter-Generational Wealth Gaps Drive Racial Inequality**

While younger people are facing new obstacles in wealth accumulation, people of color have long been excluded from wealth-building tools and opportunities as the result of public policy choices. The Racial Wealth Gap has long served as a barrier to many people of color, despite income. A Demos report found that a white family without a high school diploma has median wealth of $18,800, while a Black family with at least some college has a median wealth of only $11,000.\textsuperscript{34} Meanwhile, a white family who has attended college has a median household wealth of $79,600. This data shows that in many cases, educational attainment is not enough to ensure economic stability. When we fail to fix policy decisions that create the Racial Wealth Gap, the gap continues to widen at a compounding rate.

The “Second Racial Wealth Gap”, as some coin it, describes inequality that is created when white Millennials are able to rely on a parental safety net at rates higher than their Black or
GOOD POLICY: The First Step

The first step North Carolina can take in order to ensure Millennials are able to build wealth is to invest in the state’s higher education system. Since 2008, per-student funding at NC’s public universities has decreased by 20 percent while average tuition has increased by more than $2,000. Making our public universities affordable will reduce the need for low and moderate-income students to rely on costly student loans.

Chapter 4 - Endnotes

3. Ibid.
6. Author’s analysis of the 1989 and 2913 Survey of Consumer Finances.
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11. Author’s analysis of the 1989 and 2913 Survey of Consumer Finances.
15. Author’s analysis of US Census Bureau Historical Census of Housing Tables and 2015 American Community Survey
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20. Author’s analysis of Federal Reserve Bank of New York’s Consumer Credit Panel Student Loan Borrowing and Delinquency data
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32. Ibid.
CHAPTER 5. Health Insurance Access for Working Millennials: The Changing Landscape of Job-Based Coverage and the Affordable Care Act

By Brendan Riley, Health Advocacy Project Policy Analyst

Affordable, comprehensive health insurance coverage facilitates access to health care services and treatment, which enable consumers to live productive and healthy lives. Comprehensive coverage also provides protection against major medical debt, one of the principal drivers of personal bankruptcies. However, Millennials have had a different experience with health insurance from that of previous generations.

While nearly half of North Carolinians get health insurance coverage through an employer, 3 in 10 Millennials have never had job-based coverage. These dynamics are due in part to changes in the labor market. Since Millennials began entering the workforce, the number of temporary workers—positions traditionally not offered health coverage benefits—in North Carolina has increased at a faster rate than the national average.

Though the vast majority of full-time workers for large employers are offered coverage through their jobs, fewer and fewer employees of small businesses (those with fewer than 50 full-time equivalents) are offered coverage. In 2006, 59.5 percent of small business employees in our state had coverage offered by their employer; ten years later, that figure has fallen by 20 points, with only 39.4 percent of North Carolina workers offered coverage by their small employer.

While small businesses across the country have retreated from offering coverage to their employees, North Carolina’s small businesses offer coverage to their employees at lower rates than the national average, and small firms in our state have retreated at a relatively faster rate than in other states. Ten years ago, our state’s small business employees had better access to job-based coverage than their peers in 26 states. Today, North Carolina beats only nine other states when it comes to access to coverage through a small employer.

Given these changing dynamics outlined above and elsewhere in this report, Millennials—especially those who work for small businesses, as independent contractors, or as part-time or seasonal employees—may increasingly find themselves not offered job-based coverage.
Therefore, it comes as no surprise that Millennials have gained the most from the Affordable Care Act (ACA) compared to their generational predecessors (see Table 1). This also means that they have the most to lose if the ACA is repealed.

The Affordable Care Act created new avenues for obtaining affordable coverage with benefits that Millennials value. From 2010 to 2015, the ACA helped reduce the uninsured rate among adults ages 18 to 34 by 42 percent, resulting in 8.7 million fewer uninsured Millennials.8 However, given ongoing threats by lawmakers to repeal, replace, or weaken the protections afforded by the ACA, Millennials’ coverage gains remain on unsteady footing.

How the ACA Got More Millennials Covered

Millennials today are less likely to be covered than other age groups, with adults ages 25-34 particularly the most likely to be uninsured.9 Data show that since the 1990s, young adults in this age range have consistently suffered from higher rates of being uninsured compared to the national average (Figure 4). However, more Millennials have health insurance coverage today than ever before. The major coverage gains were due in large part to a few key provisions of the ACA: First, the law allowed young adults to remain covered under their parents’ plans through age 26; second, the law reformed the private market to make buying coverage on your own more accessible and more affordable; and the law enabled states to increase eligibility for public coverage through Medicaid.

Letting Young Adults Stay Covered by Parents’ Plans until Age 26

Before the law’s implementation, the young adult uninsured rate was nearly 30 percent – higher than any other age group.10 While some provisions of the ACA took significant time to implement, the law swiftly allowed children to remain covered on their parents’ plans through age 26. From 2010 to 2011, 6.6 million young adults were able to enroll in or stay covered by their parents’ plan thanks to this provision.11 While other coverage provisions of the law had yet to kick in, this element of the ACA made a significant reduction in the uninsured rate of Americans aged 18-24 between 2010 and 2011, as shown by Figure 2.

Fixing the Individual Insurance Market: Accessibility and Affordability

The country took greater strides in Millennial coverage in 2014, when another major coverage expansion took place: the implementation of the health insurance marketplaces/exchanges with critical private market reforms. Prior to the ACA, health insurers on the individual market
engaged in medical underwriting, allowing them to discriminate—charging higher premiums, excluding coverage for certain conditions, and outright denying coverage—against consumers with pre-existing conditions. The ACA prohibited these practices, requiring insurers to guarantee coverage to anyone regardless of health status ("guaranteed availability") and to calculate premiums based only on geographic location, age, and tobacco use ("community rating"). Nearly 1 in 4 North Carolinians aged 18 to 34 has a pre-existing condition that could have led to them being denied coverage.  

The Affordable Care Act also created new forms of financial assistance to help consumers afford their monthly premiums and reduce their out-of-pocket costs. Calculated according to the actual cost of plans available, these subsidies are targeted to lower- and moderate-income Americans on a sliding scale, meaning that those with lower incomes will get more help. Subsidies to lower monthly premium costs are available to consumers with incomes up to 400 percent of the federal poverty level; 83 percent of Millennials earn incomes at or below this level. During the 2017 Open Enrollment period, 9 out of 10 North Carolinians who chose a plan also qualified for financial help. And among the over half a million North Carolinians who enrolled, 151,133 were between the ages of 18 and 34.

Medicaid Expansion

While the ACA has helped millions afford private health insurance coverage, it called on states to expand eligibility for their Medicaid programs to consumers with incomes up to 138 percent of the federal poverty level. Across all age groups, 12.3 million Americans gained coverage thanks to Medicaid expansion across the states, as of 2015. However, 19 states, including North Carolina, have not yet expanded Medicaid, leaving 2.6 million Americans—45 percent of whom are Millennials—in a coverage gap. In North Carolina alone, it’s estimated that 152,000 Millennials fall into the coverage gap—ineligible for Medicaid yet with incomes too low to qualify for financial help to buy a private plan.

The nationwide uninsured rate among Millennials has been reduced by 52 percent between 2013
In Their Own Words:
Myra Snyder, 22
RECENT GRADUATE | UNC-CH
Philanthropy Intern at NC Symphony
“As a brand new graduate, I have been on the job hunt and thinking frequently about the economy, job market, and repaying my student debt. As an economics major, I think about these topics in a different way than the majority of my Millennial peers. Personally, I have found the job hunt fruitless so far, but I am currently employed at a restaurant and have been making ends meet with this job. However, I am frustrated because I am under-employed. I am not able to use the skills that I crafted during my undergraduate degree, and I am living on a slender budget.

“Thankfully, I have graduated with less student debt than the national average, and have been paying some of my debt back while obtaining my undergraduate degree. I would love to save enough money to buy a home, invest in a few mutual funds, and live debt-free. I have been working hard to keep my personal finances under control, and have been building my savings and paying off my debt. It has been extremely difficult to keep my spending below my income; I can’t give in to the temptation to buy even a plain cup of coffee or even one drink with a friend. However, my discipline has been paying off and hopefully will continue to do so.

“I am very lucky that my parents are still supporting me and paying for my healthcare. However, they are not in a financially stable place either, and I often skip healthcare appointments if I can. But I have the comfort that, if I have a dire medical emergency, that I have the insurance and coverage to prevent a disaster.”

and 2016 thanks to the ACA’s private market reforms and Medicaid expansion. Until it increases access to Medicaid, North Carolina will lag behind other states in covering its Millennial population.

Threats to Millennials’ Health Coverage
Congressional Repeal and Replace Efforts
The constant attacks on the Affordable Care Act threaten the gains that Millennials have seen under these provisions. Legislative efforts to repeal and replace the law appear to have failed—for now—but the attacks on provisions of the law will likely not cease.

While distinct, the various congressional proposals to repeal the ACA, including the American Health Care Act that passed the House of Representatives in May 2017 and a flurry of bills that the Senate considered before narrowly rejecting in August 2017, shared common themes that would have set back the gains in Millennial coverage seen under the law. These common themes included effectively ending the Medicaid expansion, as well as shifting a greater share of health care costs to consumers by pushing them into less generous plans.
Examples of policy proposals that would have had the latter effect include:

- Repealing or restructuring the ACA’s premium tax credit such that it would offer reduced purchasing power toward a plan with comparable benefits and cost-sharing as under the ACA.
- Repealing requirements that plans cover a standard set of essential health services.
- Repealing cost-sharing reduction subsidies that lower out-of-pocket costs for lower- and moderate-income consumers.
- Reintroducing the practice of medical underwriting and other forms of discrimination against people with pre-existing conditions.
- Allowing for the sale of bare-bones plans featuring deductibles as high as $13,000.19

Specific Benefits and Services that Millennials Value

While it appears the congressional effort to repeal-and-replace the ACA has lost momentum, there remain other threats to Millennials’ access to coverage. Conservatives in both Congress and state legislatures are interested in pursuing waivers from the ACA’s requirements in order to achieve some of the aims that repeal/replace legislation would have accomplished, in particular repealing the Essential Health Benefits (EHB) requirement, which requires private plans to cover ten key services as part of a minimum benefit package.

Through the EHB requirement, the ACA requires plans to cover services that are in demand by Millennials, including maternity care and behavioral health services and substance use disorder treatment. According to a 2016 survey, nearly one-in-four Millennials has been diagnosed with depression, anxiety, ADD/ADHD, or alcohol or drug treatment.20 The Congressional Budget Office predicts that consumers in need of these services would suffer if a state were to waive the EHB requirements:

People living in states modifying the EHBs who used services or benefits no longer included in the EHBs would experience substantial increases in out-of-pocket spending on health care or would choose to forgo the services. Services or benefits likely to be excluded from the EHBs in some states include maternity care, mental health and substance abuse benefits, rehabilitative and habilitative services, and pediatric dental benefits. In particular, out-of-pocket spending on maternity care and mental health and substance abuse services could increase by thousands of dollars in a given year for the nongroup enrollees who would use those services.21

Behavioral health services, substance use disorder treatment, and maternity care are all services that Millennials value. If plans were to no longer cover them, Millennials could become underinsured, facing large out-of-pocket costs when they access these services, or they may opt to forgo coverage altogether, limiting their access to other services and exposing them to financial risk.

The Awareness Gap: Cuts to Outreach, Marketing, and Assistance

While legislative changes directly affecting eligibility, affordability, and plan options would harm Millennials, one recurring obstacle to Millennial take-up of health insurance coverage is lack of awareness. Over 50 percent of uninsured Millennials are not at all or not very informed about the health insurance options available to them.22 What’s more, uninsured Millennials are most likely to say they missed the deadline for enrolling into coverage because they did not know how to apply.23
Under the Obama administration, the federal government led a robust outreach and marketing campaign to spread awareness about new health insurance options. However, under the Trump administration, it is not clear that the federal government will remain committed to awareness-building activities. The Trump administration cut back on marketing efforts at the end of the 2017 Open Enrollment period, canceled in-person enrollment assistance contracts ahead of the 2018 period, shortened the duration of the 2018 Open Enrollment period, and failed thus far to plan key strategies and activities to promote enrollment for the coming year.

**Racial Disparities in Coverage Gains Among Millennials**

While Millennials of all races and ethnicities have made coverage gains since the Affordable Care Act, coverage rates among Black and Latinx Millennials lag behind that of their white peers. One possible driver of this disparity is the lack of Medicaid expansion in 19 holdout states with fairly large Black and Latinx populations.

According to the Kaiser Family Foundation, “Several states that have large Black populations (e.g., Florida, Georgia, and Texas) have not expanded Medicaid under the ACA. As a result, Blacks account for a slightly higher share of people in the coverage gap compared to the total poor adult uninsured population.” In North Carolina, 38 percent of consumers living in the Medicaid coverage gap are from communities of color.

If North Carolina lawmakers want to improve health care access and financial security for Millennials, particularly Millennials of color, the biggest bang for their buck is to close the coverage gap by increasing access to Medicaid.

**GOOD POLICY: The First Step**

The first step that state lawmakers should take to improve Millennials’ access to health insurance is closing the coverage gap in North Carolina. With increased access to Medicaid, uninsured Millennials could gain access to the coverage, services, and treatment they need to be healthy and productive workers.
CHAPTER 6. Millennials & Place: Challenges and Opportunities for Building Thriving Communities

By Alexandra Sirota, Budget & Tax Center Director, with William Munn, Budget & Tax Center Policy Analyst

Overlaying the diversity of North Carolina’s natural geography—from the peaks of the Blue Ridge Mountains to the rolling hills of the Piedmont, from the loamy soil of the Sandhills to the beaches and sounds of the Eastern coast—is also a geography of generations. In recent years, dramatic shifts in where people live and the aging of populations in certain regions of the state have garnered the attention of researchers and media.¹

James Johnson with UNC-Chapel Hill has chronicled several of what he terms “disruptive demographic” trends that would change the state’s composition and, in so doing, the nature of communities’ opportunity structure. Among the trends were that 44 counties are experiencing fewer births than deaths and 47 counties are net exporters of population.² More recent analysis of Census data over the 2010 to 2016 period at the city and town level by Rebecca Tippett of Carolina Demography finds that “three out of every four North Carolina municipalities have lost population or grown slower than the state since 2010.”³ The growth in the state’s foreign-born population is also an emerging labor market trend given immigrants’ higher labor force participation rates.⁴

As of yet, the increased documentation of the current trends and development of future projections has not resulted in state-level efforts to address the challenges and opportunities that arise when communities struggle with demographic change. Still many communities across North Carolina—urban, suburban and rural—are considering the ways in which their generational mix can be an asset to drive better economic outcomes (See sidebar “North Carolina Communities Take a Generational Approach to Economic Development”).

The age of a communities’ population has implications for its economic growth⁵, employment opportunities⁶ and public infrastructure.⁷ The older a population, the fewer workers who are employed representing challenges for attracting and growing businesses or meeting the labor force demands for existing businesses. At the same time, working-age North Carolinians often leave their hometowns in pursuit of education or work that isn’t available locally, leaving behind older residents without the support to sustain their well-being or the support for public institutions that can serve everyone in the community.⁸

The potential for Millennials to anchor revitalization and economic development in struggling communities could materialize in so far as it resolves the tension between the push and pull drivers faced by those seeking good, quality jobs. More likely, by building an infrastructure of opportunity for all generations to access and enjoy a thriving community, it is possible to build long-term supports to community well-being that are inclusive and sustainable.⁹

Millennials as Community Revitalizers

As the largest generation in the country and in the labor force, Millennials are sought after by many communities who see the need to replace retiring Baby Boomers in the workplace and revitalize communities hit hard by the loss of manufacturing jobs and population decline.¹⁰
North Carolina Communities Take a Generational Approach to Economic Development

In the changing economic landscape, there are several communities across North Carolina that are using a generational lens to consider their assets and opportunities for revitalization and economic development.

Kannapolis, N.C., has just recently embarked on an ambitious redevelopment of their downtown, which seeks to attract Millennials to the town’s core with investments in rental housing and walkable urban design featuring entertainment and outdoor public spaces.11

The City of Durham, while already benefiting from the historic investments in Research Triangle Park and public universities in the region to anchor young people to the city, has developed properties in the historic Hayti neighborhood that seek to connect across generations. Among the developments that have been finalized in the past year is the renovation of a middle school that will serve as both a home to expanded pre-K classrooms and a senior living facility. This development is located adjacent to projects that have sought to renovate homes and build rental units with affordable housing commitments in the neighborhood for workers, families and young people.12

Charlotte, N.C., has topped recent rankings of major cities in the country as the place where the most Millennials move to over the decade of 2005 to 2015.13 Given the in-migration, however, there is increasing concern that the city will become unaffordable for existing residents. One effort underway to leverage the in-migration of Millennials and support existing residents has revitalized the Boulevard Homes area of the city through the Renaissance West Community Initiative. Taking an approach centered around mixed-income housing and the creation of a school and early childhood center, the initiative is seeking community economic development in a historically excluded part of town by building public spaces and programming to encourage engagement across generations.14

Farmville, N.C., is using the establishment of an artist community—specifically glassblowing—to anchor the revitalization of its main street. The effort spearheaded by town leaders and the volunteer-led Farmville Group has developed partnerships with nearby College of Design students at East Carolina University. Building upon the success of this effort is the establishment of an e-STEAM school and outreach to young residents about careers in entrepreneurship, technology, engineering arts and math that can further encourage downtown development.15

Rocky Mount, N.C., is embarking on an ambitious plan to renovate an old mill village and original mill buildings as work-live spaces and incubators for businesses, particularly in the craft brewery industry. The effort explicitly leverages the natural assets of the surrounding area, including the Tar River, to attract people to the development and community.16
The theoretical work underpinning this pursuit of Millennials draws significantly on the thinking of Richard Florida. In the early 2000s, Florida identified the potential of the creative class—those employed primarily in technology, arts and entertainment but also educated business professionals—to serve as economic engines as traditional industry was lost to communities. While Florida has since recanted from his original premise, recognizing its contributions to growing inequality and exclusion, many communities still look to the potential of workers in these industries as community revitalizers who seek certain services and amenities that must be built and young people overall as holding the potential to boost local economies.

When translated to discussions of attracting and engaging Millennials in revitalization, the focus is largely on the narrower group of young people who are college-educated, mobile and whose earnings are at a higher level.

But what does the research actually tell us about Millennials’ preferences for certain places, and what does that mean for efforts to revitalize communities?

The story that is often told is that young adults, in the aggregate, are much more likely to choose to locate in urban neighborhoods than are other Americans. At base, this is a classic story about the role of amenities in driving location decisions. Some researchers note that walkability, greenery, parks and the rejection of the historic exclusion that drove people from cities make this generation more inclined to be urbanist than preceding generations.

Millennials are much less likely to own cars, so public transit systems or ride-sharing capacity are desired infrastructure in a community. Proximity to cafes, shops, and restaurants allow for this generation to socialize at higher rates than Generation X and the Baby Boomers, and meets the preference for team work and creative processes that this generation is perceived to prefer.

Beyond this core story—which is largely about college-educated Millennials—a far more nuanced one of Millennials’ connection to place and of Millennials themselves must be told. First, it is unclear if the nature of their preferences for density are following from the pursuit of more employment opportunities and better earning potential, an outflow of the economic realities of the current recovery that has concentrated job growth in metro-areas. Second, there are signs that the return to the

FIGURE 1: Millennials Are Concentrated in More Urban Counties
Metro area may not sustain once Millennials form households and have children.  

Third, the kind of urban design that emphasizes public spaces as well as shared workspaces, for example, is as much a function of preference as it is of the reality of an increasingly contingent workforce whose workplace can be anywhere.

Perhaps even more fundamental is that reality for a vast majority of Millennials differs from this story of the privileged few among them. For example, while Millennials are the most educated generation, still nearly two-thirds of Millennials do not have a Bachelor’s degree. Indeed, those Millennials without a degree stand to make $17,500 less annually than their 28- to 35-year-old peers.

Moreover, the data on urban concentrations of Millennials may be far more complex than typically presented. Wendell Cox at New Geography notes that digging deeper into the numbers shows that, in fact, growth of Millennials in metropolitan areas is less driven by their locating in the urban core than in surrounding inner ring suburbs. Additional analysis finds that rural America is seeing growth through the in-migration of Millennials particularly in natural resource rich and so-called recreation counties. As researcher Ikenna Njemanze notes:

According to multiple in-depth studies: while 62% of millennials do in fact indicate a preference for walkable dense urban areas; overall 36% of millennials think of themselves as suburbanites and 26% as small town and rural folks.

Millennials’ ability to make a mark on communities is likely to remain connected to their earnings, wealth and access to the policy process. The good news is that many of the preferences identified—for walkability, opportunities to work and play nearby and opportunities to participate in community building—align with many of the best practices for community economic development that benefits everyone. The cautionary note, however, is that...
A Preliminary Look at Millennials and North Carolina Counties

The concentration and experience of Millennials in North Carolina’s local communities, particularly those declining in population, provides some preliminary insights into how their well-being connects to the broader well-being of the community.

North Carolina ranked 14th among the states and the District of Columbia in the growth of the Millennial population from 2010-2016. The 3.8 percent growth in Millennials in North Carolina was faster than the only other generation that grew in North Carolina: Generation Xers (2.6 percent). If Millennials tip towards strategies that raise the cost of living in a place without consideration of those already living there and/or exclude Millennials without the privilege of certain opportunities, the ripple effect will be felt broadly and serve to grow inequities.\textsuperscript{35}

A Preliminary Look at Millennials and North Carolina Counties

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In North Carolina, 55 percent of Millennials live in urban counties while 42 percent of Millennials live in rural counties. The remainder live in the state’s only designated suburban county (Pitt).\textsuperscript{35} Communities that supply a plethora of quality education and employment choices—such as Durham, Wake, Guilford, and Mecklenburg, which all couple major universities with metropolitan economies that have garnered the majority of employment growth in the recovery—have tended to attract and retain larger numbers of Millennials overall and employed Millennials (see Figure 1).

Counties with military bases such as Cumberland, Onslow, and Wayne are also areas of Millennial concentration.\textsuperscript{36} This makes sense given that the average age of military service members is 29.\textsuperscript{37} Also, given that over 70 percent of all officers and 52 percent of enlisted service members are married, significant others and their families serve to further inject a younger population into the labor force locally.\textsuperscript{38}

And yet, the reality is that flows across county boundaries are happening all the time for work and leisure. And while more permanent movements nationally are occurring less frequently for Millennials than prior generations, there are interesting insights to be gained from looking at the flows of Millennials across counties within North Carolina.\textsuperscript{39} As can be seen in Figure 2,
tracking the flows of young people post-college age to and from Wake County, people are largely coming from more rural parts of the state and leaving for closer in counties. Consistent across the state is a pattern of out-migration for this age group from rural parts of the state is largely to nearby metro areas.40

But metro areas are not alone in receiving young people; North Carolina’s rural counties in the West and East are seeing increases in their young adult population both through in-migration and natural growth.41 Take for example, Cabarrus County where growth in Millennials over a five year period was 5 percent and Hoke County where growth was 18.2 percent, far outpacing other generations growth rates over the period.42

Local Labor Market Conditions a Pre-Requisite for Millennials

As was noted above, the literature on where Millennials choose to live has largely focused on the amenities that seek to attract both geographically and upwardly mobile Millennials. However, it is also clear that for Millennials of all backgrounds to be part of the effort to strengthen local economies, local labor markets must improve.

Chapter 2 noted the ways in which Millennials entered the labor market in a time of historic downturn, but it is also the case that the continued slow recovery limits opportunities for Millennials and all workers. This spatial analysis uses Public Use Microdata Areas rather than counties in order to achieve at least a population of 100,000 people in a given area.43 Employment is
concentrated in more urban areas and the North Eastern and far Western counties of the state face higher levels of unemployment (See Figure 4).

These labor market outcomes are the result of fewer jobs in these areas. It is also the case that many of these counties have lower concentrations of the industries where Millennials tend to be concentrated and that deliver better wages. Figure Y shows the concentration of employment in the two primary industries where Millennials are most concentrated, Professional and Business Services and Retail Trade. Important to note is that the average hourly wage for Professional and Business Services was $18.27 in 2016 and $11.65 in Retail Trade that same year.44

Another important aspect of the opportunity infrastructure locally for increasing earnings is entrepreneurial potential. Millennials in 2015 were less likely to be self-employed in North Carolina than other generations: 5 percent versus 11 percent for Gen Xers. However, research on the entrepreneurial potential of this generation note that most businesses start up when entrepreneurs are 40. Given the educational attainment levels overall, greater exposure to entrepreneurial education, and commitment to building non-formal training through incubators and mentoring, there are reasons to be optimistic about the potential. Entrepreneurship and the barriers to it for Millennials should be part of an assessment of the labor market, particularly as an alternative pathway to making a living when job opportunities are scarce, pay low wages or require moving when that is not a viable choice.45

Access to more and higher quality jobs result in better economic outcomes and support economic well-being. Deeper analysis of the relationship for Millennials across various measures finds a strong relationship between the share of working-age Millennials in a county and median household income and poverty. The higher the share of working-age Millennials in a county, the higher median household income, while the higher the share of working-age Millennials in a county, the lower the poverty rate.46

**Equity and Inclusion Build Thriving Communities**

The fundamental challenge facing local communities that are struggling to secure a foothold in the economic recovery is how to create an opportunity infrastructure that proves sustainable for everyone in the community. The tension identified above between economic explanations versus amenity-based explanations for location decisions is likely to remain unresolved. That is because the reality is that there is a connection between the two that is difficult to unwind. Businesses seek amenities and certain infrastructure for their businesses and their employees, just as employees seek to live in communities with both good jobs and a high quality of life.

At base, this require recommitting to pooling our resources through taxes to fund the public services and institutions that will benefit all generations. It will require seeing the ways in which meeting the unique needs of different groups can build a thriving community. Pursuing inclusion and equity goals through community economic development in a way that also balances the interests of different generations can achieve stronger communities and more robust economies.47

Examples abound of these efforts across the country including a Generations of Hope Community in Hope Meadows, Ill., where intergenerational partnerships are the foundation of community building. In this model, foster kids are mentored by older adults whose service underwrites their rent in one community. In turn, these foster kids have a much better chance of graduating from high school and becoming contributing members of society. And as has already been noted, many NC communities are pursuing these opportunities to build communities of opportunity that are inclusive.
Communities are at their best when all citizens have a path to make a living and have an affordable place to live. It is clear that inclusion and equity considerations, including building in intentional design of systems that connect and serve all generations, at the outset of community economic development efforts will more effectively meet the goal of an economy that works for all.

**GOOD POLICY: The First Step**

One first step for North Carolina policymakers could be to reinstate and expand to new industries the student loan forgiveness parameters for those who work in critical industries to counties with population decline. Such a move, coupled with targeted state investments and allocation of federal community development dollars to small towns and cities so that they can build an infrastructure of opportunity for all generations, would solidify returns.

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**Chapter 6 - Endnotes**

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Meet the Contributors

Authors

Allan Freyer, Ph.D., is the Director of Workers’ Rights. He leads the Justice Center’s advocacy work on creating better jobs with strong workplace protections, good wages and benefits, and opportunities for training and advancement.

Brian Kennedy II is a Public Policy Fellow for the Budget & Tax Center, a project of the North Carolina Justice Center. His policy interests include poverty alleviation, the social safety net, and community assets.

Patrick McHugh, Ph.D., is a Policy Analyst for the Budget & Tax Center, a project of the North Carolina Justice Center. He has worked on a range of economic issues, including labor force dynamics, disaster recovery, sustainable development, and workforce development.

William Munn, Ph.D., is a Policy Analyst for the Budget & Tax Center, a project of the North Carolina Justice Center. Prior to joining BTC William served as a district liaison for Congressman David Price, managing his Fayetteville district office.

Brendan Riley is a Policy Analyst for the Health Advocacy Project of the North Carolina Justice Center. He also serves as a consumer representative to the National Association of Insurance Commissioners, and specializes in health insurance policy and the Affordable Care Act.

Alexandra F. Sirota is the Director of the Budget & Tax Center, a project of the North Carolina Justice Center. Her work focuses on the ways in which state tax policy and public investments can support equitable development and better economic outcomes for North Carolina families.

Communications

Phyllis Nunn is the Design Director for the North Carolina Justice Center and is responsible for the layout of this report. Prior to joining the Justice Center she worked as a designer at National Wildlife Magazine in Washington, DC, and at T.A. Publications in Johannesburg, South Africa.

Mel Umbarger is the Senior Communications Specialist for the Budget & Tax Center, a project of the North Carolina Justice Center, and is the editor for this report. She is a former journalist who has worked at newspapers in North Carolina, Virginia, and Florida.

Story Collection

Ana Pardo is the Campaign & Outreach Coordinator for Workers’ Rights for the North Carolina Justice Center, and she collected stories for the “In Your Words” features in this report. She has a background in community organizing and journalism.

Chanae Wilson is a Public Allies Apprentice for the Budget & Tax Center, a project of the North Carolina Justice Center, and she is collected stories for the “In Your Words” features in this report. She is currently pursuing her master’s degree in International Studies and Public Administration at North Carolina State University.
APPENDIX A: Describing the Generations

By Allan Freyer, Director of Workers’ Rights

GREATEST GENERATION (BORN BEFORE 1928, AGED 90 TO 102 IN 2017)
This generation was born into the post-World War I prosperity of the Roaring 1920s, grew up in the deep economic distress of the Great Depression, and came of age in time to fight and win World War II. White members of this generation moved to newly developed government-subsidized suburbs and spent their prime working years amid historically unprecedented prosperity, boosted by unions, the GI Bill, and public investments in schools, highways, technology, and higher education. The lives of women changed dramatically—millions of Rosie the Riveters, who worked during World War II, left the workforce to stay at home and raise their children. People of color in this generation experienced a paradox. On the one hand, policy decisions slowly dismantled legal discrimination, integrated schools, and attempted more inclusive economic policies beginning the 1960s. But the initial policies enacted by the parents in the 1940s and 1950s actively shut Greatest Generation people of color from the benefits their white counterparts received—people of color could not receive the GI Bill until well into the 1950s; the Federal Housing Administration mandated discriminatory housing policies that turned mixed neighborhoods into African-American ghettos; and Urban Renewal policies destroyed many thriving neighborhoods of color, setting back wealth accumulation in those communities for decades. At the end of their lives, the generation’s seniors benefitted from a strong Social Security system that incorporated whites and people of color.

SILENT GENERATION (BORN 1928 TO 1945, AGED 72 TO 89)
Called “silent” for their generational placement between the “heroic” Greatest Generation and the considerably larger Boomer generation, this generation was born into the hardship of the Great Depression. Their members came of age and entered the labor market in the postwar prosperity of the 1950s. Like their Greatest Generation parents, they benefitted from strong public investments in housing, education, infrastructure, and workforce protections. Nicknamed the “Men in the Grey Flannel Suit” (and indeed, they were mostly men in the 1950s and 1960s), white Silents often lived in newly constructed suburbs, commuted to jobs on newly built highways, and worked for a single firm over the course of their careers, earning wages that provided pensions and middle class wages. Silents of color faced childhoods marred by legal segregation and young adulthoods by ghettoization and discriminatory housing policies before these policies were slowly dismantled in the 1960s and 1970s. Silent seniors across racial lines benefitted from Social Security and strong access to pensions.

BABY BOOM GENERATION (BORN 1946 TO 1964, AGED 53 TO 71)
Broadly-speaking, Boomers were born and grew up in the postwar boom and benefitted from the strong public investments made by their parents. As a generation, the Boomers experienced significant social and economic upheaval over the course of their adult lives—women entering the workforce (again), the Civil Rights movement, the war in Vietnam, the urban riots of the 1960s, the Oil Shock and stagflation of the 1970s, the explosion of inequality in the 1980s and 1990s, the rise of the internet and the hollowing out of the nation’s manufacturing base in the 1990s and 2000s. Economically, many Boomers were buffered from the negative consequences of these upheavals by the strong public investments in education and the economy made by their parents—college tuition was cheap, unskilled jobs were largely plentiful, and wages remained high, at least through the 1980s. Yet, their time in political power has been marked by the steady dismantling of these investments at the federal and state levels. At the same time, Boomers of color did not fully benefit from the postwar boom in the same way as their white peers, due to the historical legacies of segregation and discrimination. By the 1970s, when many of these barriers had been legally removed, the postwar boom was coming to an end, and many of the investments that could have improved their inclusion in the national economy—especially schools, community development, housing, and job training—were steadily dismantled in the 1980s.
GENERATION X (BORN 1965 TO 1980, AGED 37 TO 52)

GenXers were born and grew up as the postwar boom waned and prosperity turned into the income stagnation, de-industrialization, and erosion of opportunity of the 1970s and 1980s. Although many GenXers came of age amidst the internet-fueled relative prosperity of the 1990s, they faced a labor market in transition—the unskilled, middle-wage jobs of their parents were vanishing, along with the types of jobs that allow lifetime employment with a single firm. In their place came more flexible careers, with equally flexible or nonexistent benefits. Middle-income manufacturing jobs increasingly disappeared, replaced by service jobs either that paid good wages or paid a lot less. Highly educated people saw their skills command better and better wages, while less educated people saw jobs with decent wages dry up. Perhaps most troublingly, GenXers entered the labor market just as the retreat from public investments hit full stride in mid-1980s and 1990s. Although initially cushioned by the 1990s boom, the lack of these investments will likely hamper the upward mobility of GenXers as they encounter in their midlife the same economic and policy barriers increasingly faced by their Millennial counterparts as they enter the labor market. Unsurprisingly, this retreat has an especially negative impact on communities of color, as public investments that reduce historical barriers to their full participation in the economy dry up. Largely, born into a world without legal segregation, Xers of color experienced firsthand the limits of this progress, growing up amid discriminatory criminal justice policies, the lingering effects of housing discrimination, and a retreat from anti-discriminatory hiring practices.

MILLENNIAL GENERATION (BORN 1981 TO 1997, AGED 20 TO 36)

The Millennial generation is the largest in American history. Their childhoods were bookended by the fall of Berlin Wall and the Sept. 11 terrorist attacks, and they have come of age amid the wars in Iraq and Afghanistan, the rise of the internet and the ubiquity of social media.

2. Reich, Robert. (2013). Inequality for All. Film.
9. Ibid.
Work, Interrupted  How the Recession and a Changed Labor Market Will Affect Millennials in NC for Years to Come

NORTH CAROLINA JUSTICE CENTER

www.ncjustice.org
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PHONE: (919) 856-2570
FAX: (919) 856-2175
contact@ncjustice.org

PHYSICAL ADDRESS:
224 S. Dawson Street
Raleigh, NC 27601

MAILING ADDRESS:
PO Box 28068
Raleigh, NC 27611

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MEDIA CONTACT:
ALEXANDRA F. SIROTA
919/856-2567
alexandra@ncjustice.org