LLAKES
CENTRE FOR LEARNING AND LIFE CHANCES IN KNOWLEDGE ECONOMIES AND SOCIETIES

LLAKES is an ESRC-funded research centre led by the Institute of Education, University of London

Changing Opportunities for Young Adults in the UK:

Increasing Inequality or Intergenerational Decline?

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The Crisis of the Millennial Generation

Much has been written about the fortunes of the generations following the 'boomer' generation (born 1945-65). Most in the spotlight have been the millennial generation, born in the 1980s and 1990s, with many entering the labour market during Great Recession and ensuing austerity.

They have been variously labelled in studies as the 'lost generation,' the 'jilted generation,' the 'wasted' generation, and 'generation rent,' signaling their coming of age at a bad time.

- They were hit harder than other age groups by the Great Recession;

- They are also experiencing longer-term structural changes, many of whose origins predated the crisis, and some of which may impact on opportunities well into the future

\- changes in the nature of work, the crises in housing and pensions and the ramifications of the UK Brexit referendum vote, which most young people do not support.

- Many hold that they face more limited opportunities than their parents had and may be the first generation to do so since those born at the early part of the last century (Judt, 2010).

Drivers of Change.

Most theories point to three main drivers of change:

- Ageing populations
- Globalisation
- Recession and Austerity

Ageing

- In the century from 1910/12 to 2010/12 life expectancy at birth in England increased for males from 51 to 79 years, and for females from 55 to 83 years.
- It is expected to rise further by 2032, to 83 years for men and 87 years for women.
- ONS predict that the number over pension age will increase between 2012 and 2037 by 31% compared with a 12% increase for those of working age.
- Even with later retirement ages, the ratio of working age adults to pensioners is expected to decline from 3.2 to one in 2012 to 2.7 to one in 2037.

Effects on Young people:

- Pressure on welfare budgets: 80 percent of social spending is devoted to pensions and health care - which mostly goes on older people.
- Young people are will no doubt soon be paying higher taxes to support these costs but are unlikely to receive same benefits in health care and pensions when they are old (OECD, 2017).
- McCarthy and Weale (2011) use generational accounts to calculate that average net lifetime contribution to welfare state for different birth cohorts will be £159 668 for those born after 2008; £124 486 for millennials and -£223 183 for the baby-boomers.
- Breakdown of generational welfare contract.

Preventing Ageing Unequally, OECD, 2017

‘With longer life expectancy, declining family size, higher inequality over the working lives and reforms that have reduced future retirement income…, the experience of old age is going to change dramatically for today’s younger generations.’

Globalisation

- increasing economic competition between states and constraining their capacity to raise revenues to meet the growing demand for public services (because of tax competition and the mobile nature of capital.)
- increasing inequality of earnings almost everywhere (although at different rates depending on the political regime), through skills-biased technological change, declining trade union power and the near unfettered power of global corporations (Crouch, 2015; Stiglitz, 2013).
- encouraging de-regulation in the labour market and increasing the contractual 'flexibility' of labour, thus reducing real earnings of the less skilled and increasing the precariousness of work (with up to 40% of young employees in precarious jobs – Hutton, 2014).

Young people are at the sharp end of changes.

Recession and Austerity

Young people in many countries suffered more than other age groups from:

- Rising unemployment
- Reductions in real pay
- Casualisation of work

However, many of the problems affecting young people predate the crisis

- rising youth unemployment since 1980s;
- increasing age-related inequality in earnings since 1990s.
- future problems with cost of pensions and health identified in 1990s.

A recent report for the Intergenerational Commission (Rahman and Tomlinson, 2018) for 13 countries in LIS finds intergenerational gains slowing in almost all countries and declines across two or three generations in three countries.

Perspectives on Intergenerational Change

- Life course studies – delayed and more differentiated transitions (Schoon and Bynner, 2017)
- Comparative Political Economy – increasing inequality within and across age groups (Piketty, 2014) and differential effects of welfare regimes on intergenerational changes (Chauvel and Schroder, 2014)
- The ‘lost generation’ thesis and the ‘One-Off’ Ratchet in Intergenerational Inequality (Willetts, 2010) – focus on effects of different population sizes of boomer and subsequent generations
- A New Long-Term Dynamic of Growing Intergenerational Inequality (Howker and Malik, 2013).

Key Question

How should we understand the changes in opportunity structures for Young People today?

Are they best understood as manifestations of rising inequality within and between age groups (including delayed and more differentiated transitions)?

Or is there evidence of actual intergenerational decline – for young adults now, and potentially over the entire life course?

The following overview of the evidence for Education, Work and Housing suggests different possible interpretations for each life domain.

Education, Education ....Under-Employment: The Mantra that Failed

Education presents a mixed picture of intergenerational change.

Young people today spend more time in education and gain higher qualifications than their parents. Twice as many continue in upper secondary education and training and some fifty percent more gain degrees than did so the 1980s.

For many young people education is the one area where they feel they have better opportunities than their parents had, with more choices and less constraints on access.

Educational and career opportunities for young women have generally improved and, arguably, many young people feel they have more freedom to aspire then was the case for their parents.

Yet opportunities in education have not translated into better labour market prospects.

The Education Myth

More inclusive participation has also narrowed inequalities in qualification outcomes and slightly reduced the social gaps in attainment of qualifications, at least at the upper secondary level (Ballarino et al, 2014; Breen et al, 2009; Meschi and Scervini, 2012; Breen et al, 2009; OECD, 2018; Sullivan et al, 2011; Thomas et al, 2000) .

However, the gains in educational opportunities for young people may be to some extent illusory (See Brown et al, 2011; Allen and Ainley, 2010).

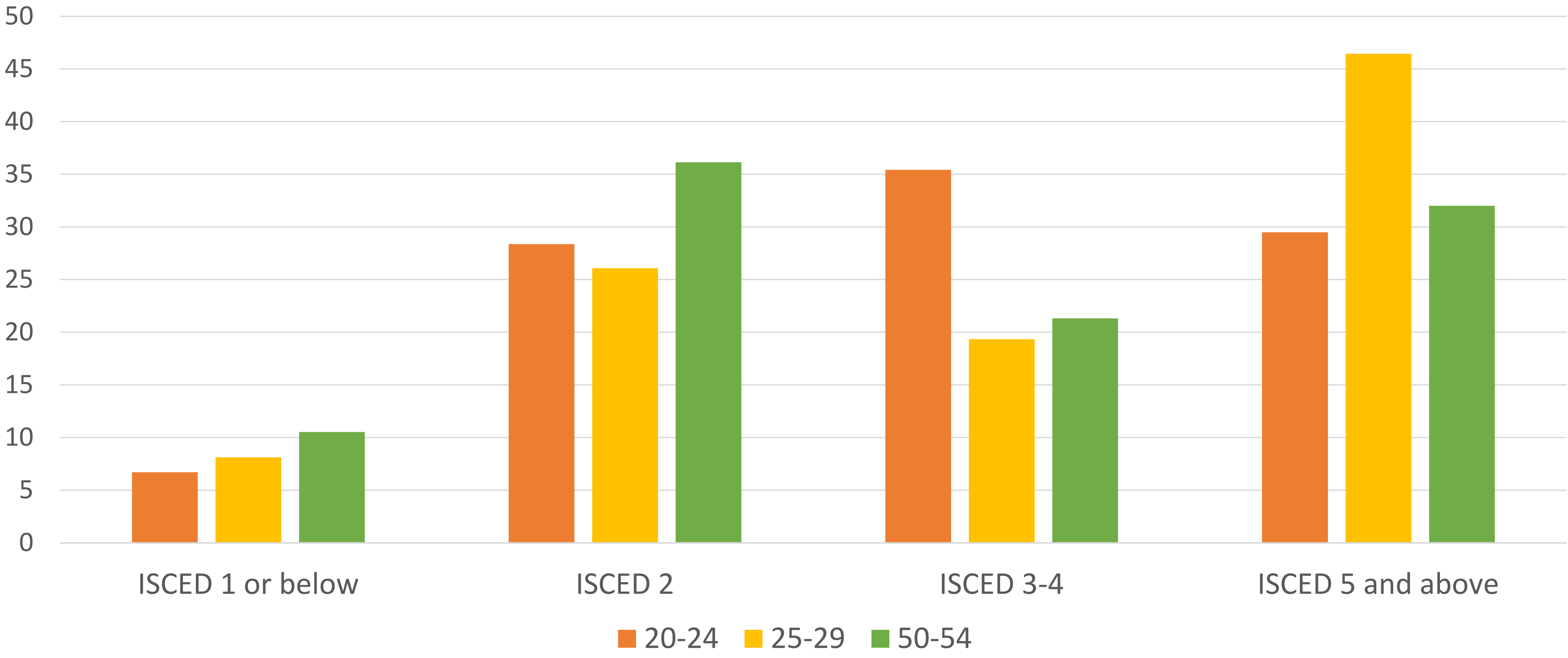
Improvements in the skills we can measure, like literacy and numeracy, have not kept pace with increasing qualifications rates, and inequalities in skills have reduced less than those in qualifications, if at all (Green et al, 2015; Green and Pensiero, 2016).

This suggests that the rise in qualifications is partly a question of credential inflation and yields few benefits to young people today in future life prospects.

Our analysis of the occupational destinations of people qualified at different levels suggests a steady erosion of the value of qualifications of all levels on the labour market.

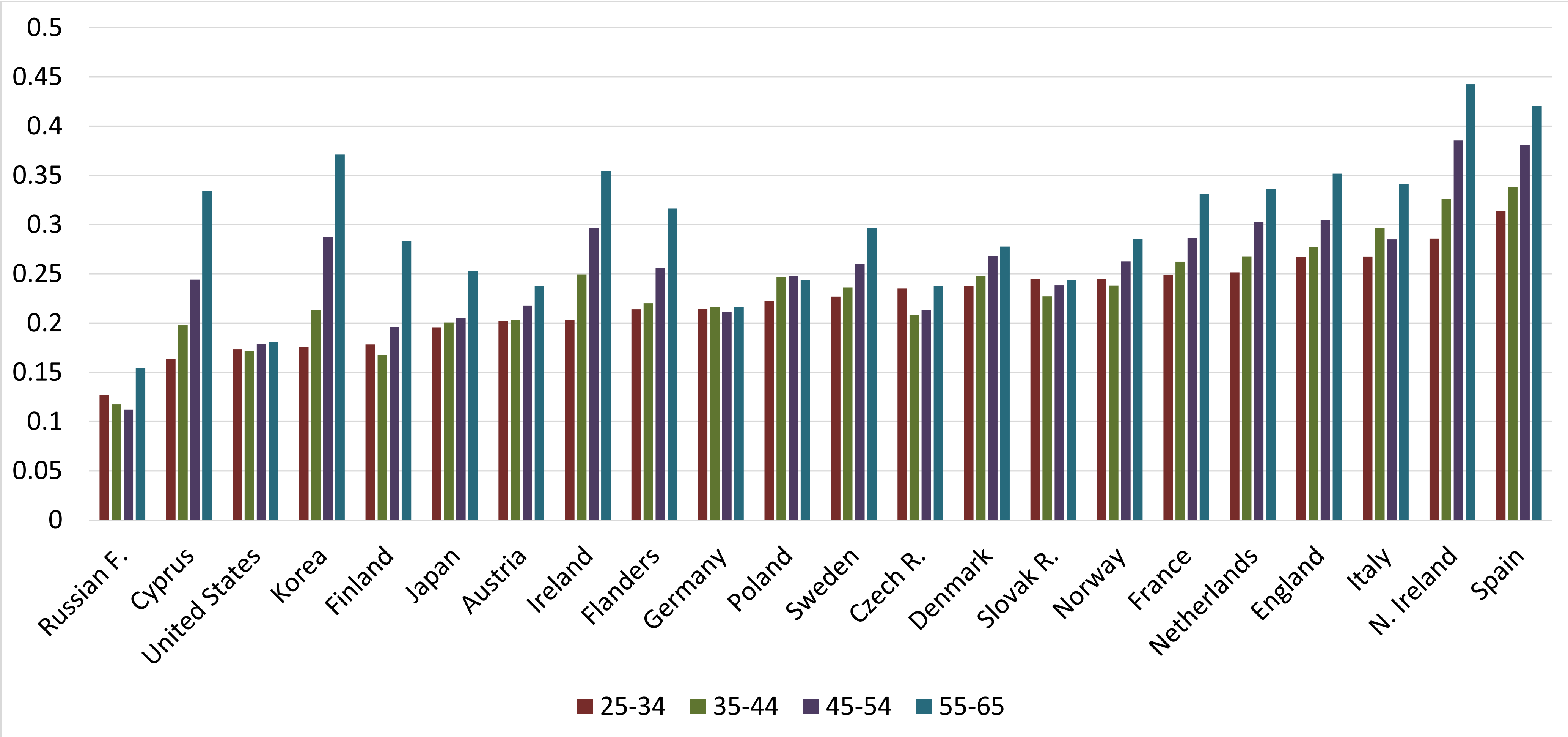
Highest Qualifications by Age Cohort

Source: Own derivation from OECD (2013b). *Skills Outlook 2013: First Results from the Survey of Adult Skill*. OECD, Paris. Data for England and Northern Ireland.



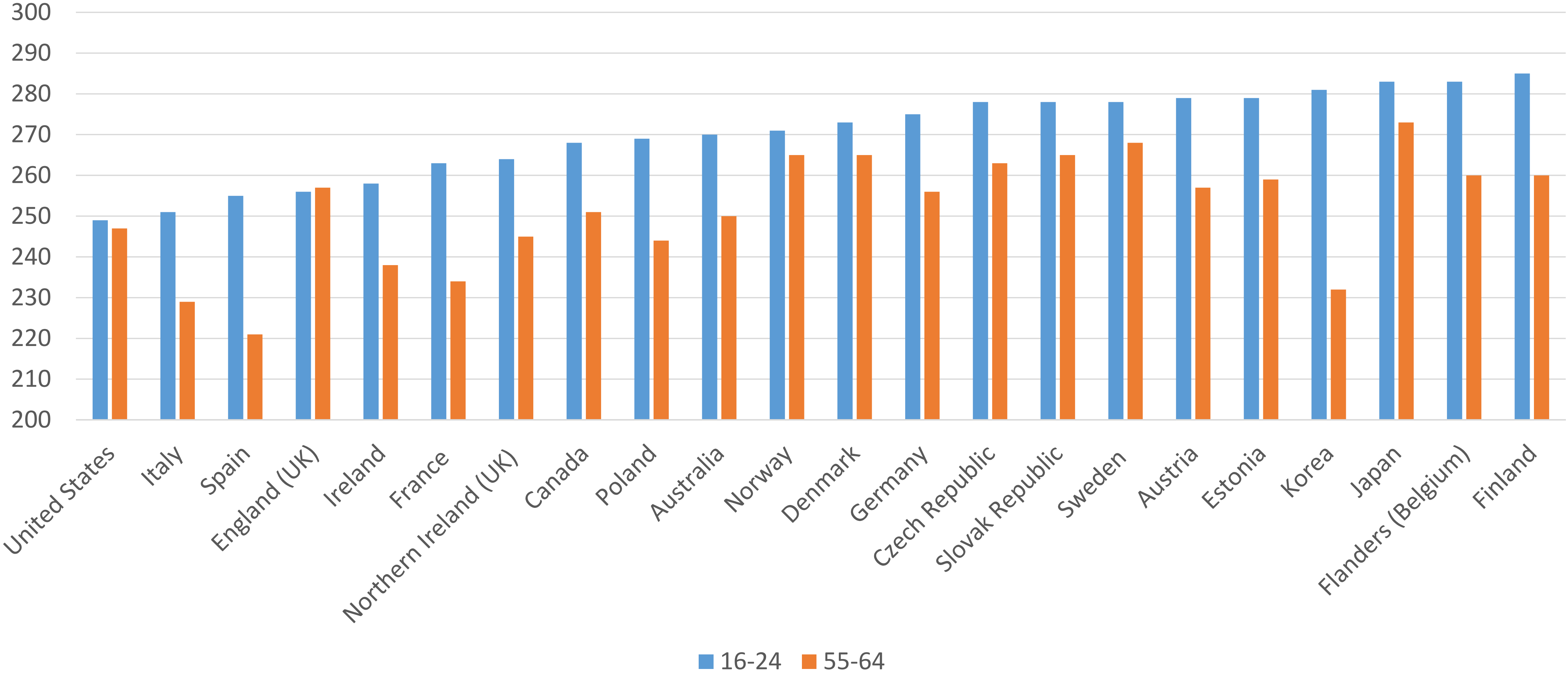
Inequalities in Highest Qualifications in Different Age Groups

Source: Green et al (2015) derived from data in OECD (2013b). *Skills Outlook 2013: First Results from the Survey of Adult Skill.* OECD, Paris.



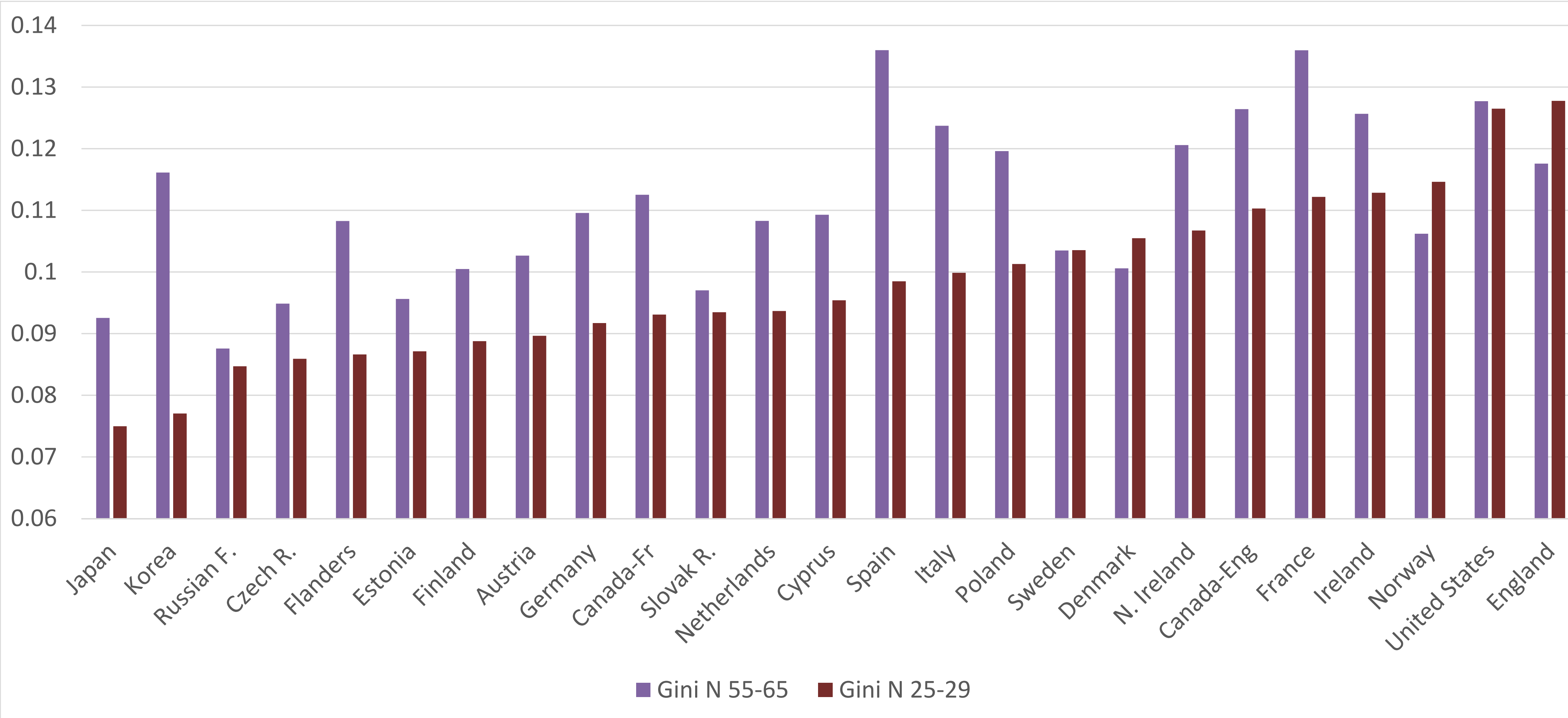
Mean Country Numeracy Scores by Age Group, 16-24 and 55-64

Source: Green et al (2014) derived from data in OECD (2013b). *Skills Outlook 2013: First Results from the Survey of Adult Skill.* OECD, Paris.



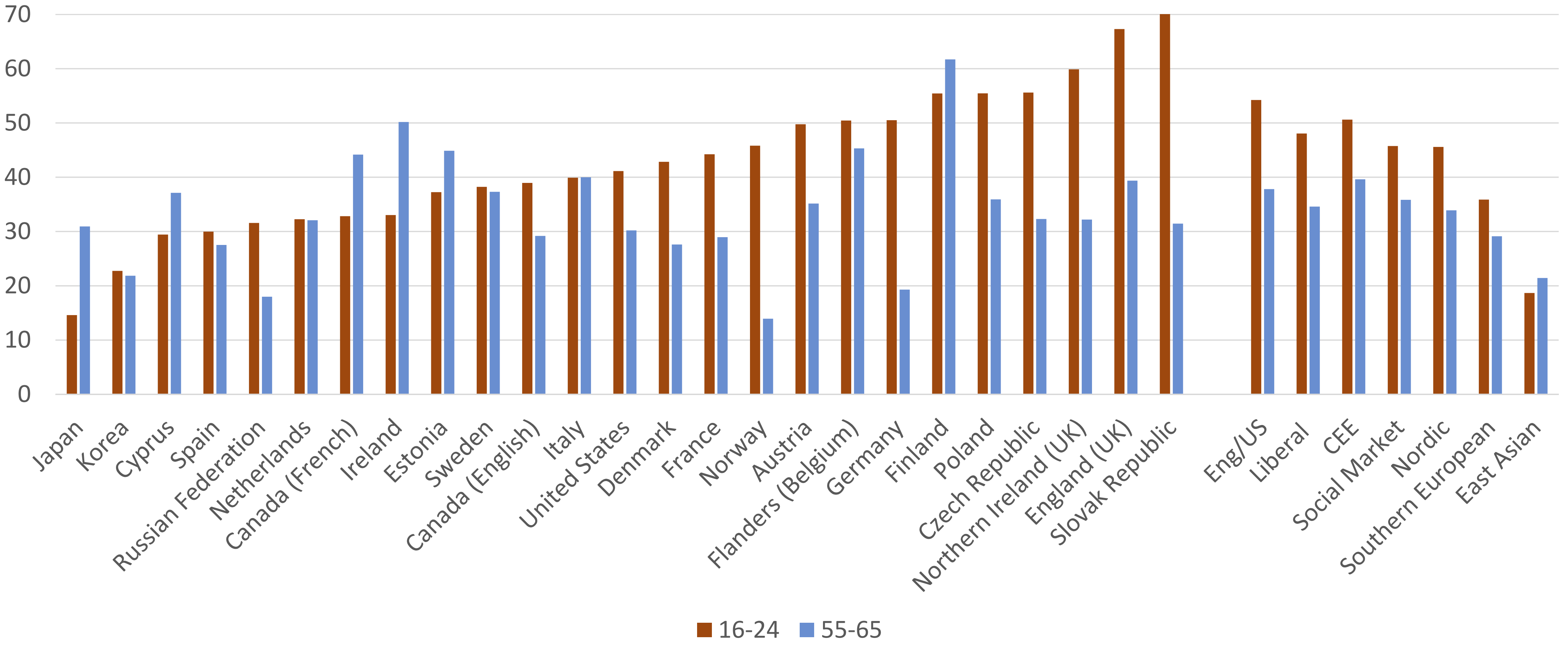
Numeracy Ginis for Younger and Older Age Groups

Source: Green et al (2014) derived from data in OECD (2013b). *Skills Outlook 2013: First Results from the Survey of Adult Skill*. OECD, Paris.



Social Gradients for Numeracy for Younger and Older Age Groups

Source: Green et al (2014) derived from data in OECD (2013b). *Skills Outlook 2013: First Results from the Survey of Adult Skill*. OECD, Paris.



Declining Occupational Status of Graduates, 1992 – 2015

Source: UK Labour Force survey (Franceschelli and Green)

Our analysis shows that amongst 28-32 year olds at each levels of qualification occupational status declined overall between 1992 and 2015. Growing rates of over-qualification and under-employment are most evident amongst graduates.

- Whereas 68.8 % of graduates in 1992 progressed into ‘graduate jobs’ by age 28-32, only 62.7 % did so in 2015. A larger proportion now found themselves in craft and clerical jobs (12.1 compared to 9.2 %), and a much larger proportion were in semi- and unskilled jobs (14.7 compared to 8.5 %).
- Amongst those with highest qualifications at upper secondary level fewer were in craft and clerical jobs (25.3% in 2015 compared to 33.4% in 1992), and more were in low skilled jobs (from 21.9 % in 1992 to 32.9 % in 2015).
- The figures broadly confirm analyses by OECD and others using Social Survey data.

However, note, the comparisons do not take account of any changes over time skills demands within occupational categories.

Overall, then education presents a mixed picture of intergenerational changes.

Young People and Employment: Age of Uncertainty

There has been a crisis for youth building in many European countries since the 1980s because of persistently high rates of youth unemployment. This has been particularly true in France and many southern European countries, but the UK also experienced 'peak' post-war youth unemployment in the early Thatcher years.

But the recent surge in public concern over the situation for young people in the UK came with the 2007 financial crisis and ensuing recession and austerity.

- It is widely agreed that young people were harder hit by the recession than other age groups, with unemployment rising further and pay declining more amongst this age group than any other.
- The unemployment rate of British 16 to 24 year olds rose from 13.5% in 2005 -7 to 18.9% in 2009 (OECD). Over the past few years it has declined to close to pre-crisis levels, and it is considerably lower than in Southern European countries. However, it is still higher than amongst older age groups.
- Real wages in the UK for those aged 16 to 34 fell between 2008 and 2014 by 12-15% . For those aged over 35 wages declined by only 5-6 percent. (Gregg et al, 2014).

Longer Term Growth in Age-Related Wage Inequality

There is also some evidence of a divergence in the pay of younger and older workers that goes back well before the 2007 financial crisis.

- Between 1997 and 2013 median gross weekly earnings decreased by 19% in real terms for 18-21s and increased by only 2.1% for 22-29s (Annual Survey of Hours and Earnings).
- On the other hand, there were increases of 11% for 30-39s, 9.9% for 40-49s and 24.5% for those over 50.
- In 1997 workers over 50 earned 1.7 times as much as workers aged 18-21 and 1.1 times as much as workers aged 22-29. By 2013 the ratios had risen to 2.6 to one and 1.4 to one.
- In 1974 50-59s earned 4% more than 25-29s. By 2008 they earned 35% more (Kingman and Seager, 2014)

Young People and Under-Employment – 1984 - 2014

Our analysis of Labour Force Survey data (Henseke and Green) shows that part-time working has increased significantly amongst young employees since 1984, even taking students from the sample.

- The proportion of employed men aged 20-29 working less than 30 hours pw increased by 10.6 percentage points, from 1.6 % in 1984 to 12.2 % in 2014.
- For young women the proportion increased by 12.2 points, from 20.3 to 32.5%.
- Breaking it down to those aged 20-24 and those aged 25-29, it is clear that rises in part-time working overall have been considerably greater in the younger age group.
- Between 1984 and 2014, the proportion of employees working part-time rose from 7 to 27.3% amongst the younger age group and from 13.4 to 20.3% amongst the older group. The largest increases for both groups occurred between 2004 and 2014.
- The rise in part-time working is higher for younger people than for adult employees generally. Between 1986 and 2012, the proportion of all adult employees working part-time increased by 7 percentage points for males, from 2 to 9%, and by only 2 percentage points for females, from 40 to 42 percent (Warren and Lyonette, 2015)

Young People and Precarious Work

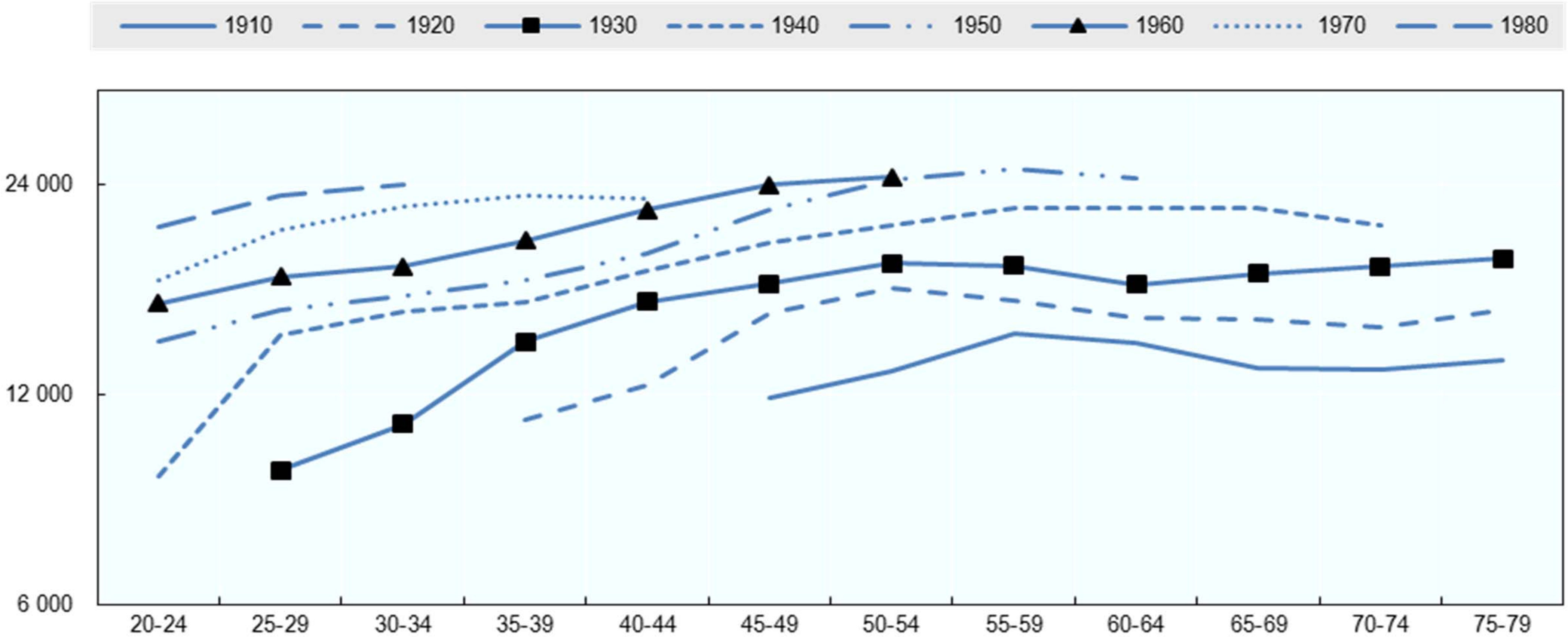
The proportion of young people in ‘precarious work’ has also increased since 2004.

Using an indicator that combines non-student employees who are under-employed (working less than 30 hours per week involuntarily) and/or on temporary contracts, and/or on zero hours contracts, between 2004 and 2014 precarious working rose:

- from 7.7 to 13.6 % amongst 20-29 year old male employees and from 10.3 to 17% amongst female employees.
- The rates are higher again for the younger age group.
- Precarious working rose between 2004 and 2014 from 11.8 to 22.7% for employees aged 20 to 24 and from 7.3 to 11.7% for employees of 25 and above.
- Using a slightly wider age base, including 18-29 year olds, Will Hutton (2014) estimates that 40% were working in part-time, temporary or short-term self-employed jobs in 2014, 0.75 million more than were in this position in 1994.

Decline in Intergenerational Improvements in Incomes

Age-cohort pattern of real disposable income before housing costs, OECD average across 21 countries, 2010 USD PPP



Source: OECD calculations from the Luxembourg Income Study data.

Generational Differences in Pay over the Life Course?

Analysis of historical data for household disposable incomes after housing costs by the Resolution Foundation (Gardiner, 2016) suggests that whereas each generation since those born around WW1 earnt more in real terms than the previous generation. This is unlikely to be the case with millennials.

- The so-called 'Silent Generation' (born 1926 to 1945), had a real median salary during their 50s around 25% higher than previous 'Greatest' generation (born 1911-25).
- The baby boomers (born 1945 – 1965) had median salary in their late 40s 40% more than previous generation.
- Generation X (born 1966 – 1980) earned more than the previous generation in their early careers but as they hit the recession their advantage over the boomers vanish by age 40.
- Millennials at no point in their early life cycle did better than Generation X against whom they lost ground as they approach 30 years at the time of the financial crisis and were doing worse by late 20s.
- According to the Foundation's analysis the typical millennial working through their 20s has earned £8000 less than a typical person in generation X

Generational Decline in Lifetime Opportunities?

We cannot know for sure whether today's young people will eventually catch up with previous generations in real disposable incomes or whether there will be a genuine generational decline over the life course. Two scenarios seem likely

- With flatling productivity, low business investment and Brexit effects holding down rises in GDP per capita it seems likely that millennial incomes will continue to lag behind previous generations as they move into the early middle age, when catching up may prove very difficult in a context of widespread technologically-driven job loss.
- An alterative reading would be that what we are seeing is not so much a generalised shift for an entire cohort, but more of a polarisation of opportunities.
- The most fortunate of this cohort, with high levels of education in the more elite universities and strong parental support, at least maintain, if not improve on, the real income levels that their parents enjoyed over the life course.
- But those with lower qualifications and less social capital have greatly reduced opportunities, and fare less well than those with similar skills in the previous generation.

Britain’s Housing Disaster and its Affects on Intergenerational Inequality

Housing and Intergenerational Inequality

No issue has come to define the Millennial generation more than housing and housing is at the heart of intergenerational inequality.

- For previous generations (going back to when the baby boomers came of age in the 1960s and 70s), home ownership became a major source of wealth accumulation and lifestyle mobility, if not for all, then at least for a majority.
- For the millennials housing has become the major barrier to life chances and the primary symbol of intergenerational declines in opportunity.
- 53 % of those now aged 60 owned their own homes by the age of 30.
- For millennial generation rising housing costs have meant home ownership has become an impossible dream for the majority (some 75%) who don’t have parental help. Millennials are about half as likely as parents to own home at 30 (Corbett and Judge, 2017)
- Whereas around 35% of 18-30s owned their homes in 1997, only about 25% did so in 2008. By 2020 the proportion is predicted to drop to around 12% (Joseph Rowntree Foundation, 2012).

A Problem of Supply?

According to the standard analysis the main problem is one of supply.

Demand for homes has increased with the growing population and the rising proportion of people (particularly older people) living alone.

- Between 1970 and 2005 the population in Britain increased by 8% while the number of households increased by 30 % (Willetts, 2009).

However, the supply of house building has not kept pace with demand.

- An average of 308,000 new homes were completed each year between 1951 and 1984, almost half of them by local councils (Howker and Malik, 2013).
- Between 1998 and 2009 on average only 191,000 were completed each year. Home building reached a new low in 2012, with less than 100,000 completed, just 2.7% by local councils (Dorling, 2014).
- The 1980 Right to Buy legislation meant that council houses were sold off and most were not replaced due to caps on council borrowing.
- From the early 1980s councils virtually stopped building and private developers failed to fill the gap. Governments have become increasingly unwilling for the state to act as a major supplier of housing, relying instead on a private market which is not delivering affordable homes, despite a rash of new government incentives.

The True Nature of the Problem

However, lack of supply is not the only, or even main, problem. We do not have an overall shortage of homes in the UK.

- According to ONS there were a million more homes than households in 2013.
- As Rebecca Tunstall's research has shown, there are more rooms per person than ever (rising from 1 in 1921, to 1.5 in 1971 and 2.4 in 2011 (quoted in Dorling, 2014).
- But inequality in housing space has also increased substantially.

The problem is that many homes are in the wrong place (Dorling, 2014), on sale at the wrong prices (unaffordable) and being bought by the wrong people (landlords and investors).

Rising Property Prices

Between 1983 and 2007, just before the bubble burst, nominal house prices had risen by a multiple of six, many times faster than wages (HMG, 2017)

The main reason was that property has been such a good investment both for investors and most ordinary home owners.

- A 2014 report by Paragon, found that since 1996 investment in buy-to-let properties averaged an annual rate of return of 16 percent, far outstripping that on shares and bonds at 6.8 and 6.5%.
- In the South East of England in 2015 house prices were still rising annually by an average of £29,000—by almost £5000 more than average pay (HMG, 2017).

Investment in property has been encouraged for decades by

- systematic tax privileges afforded to property owners, first to ordinary home buyers through tax relief on mortgage interest (MIRAS) and more recently to buy-to-let investors, and all the while through the exemption of first homes from capital gains tax on the profits from sales.
- the de-mutualisation and financialisation of the mortgage market (Armstrong, 2016; Lowe, 2011)
- Britain's relaxed rules regarding foreign investment in property.

The Problem of Housing Affordability

The lack of affordable housing to buy or rent has become the major problem for the millennial generation.

- For young people buying in the years between 1970 and 1990, first-time buyer home prices had been at an affordable 2.4 times average incomes. For those buying between 1997 and 2009 the ratio had risen to a quite unaffordable 3.41 to 1. (Howker and Malik, 2013)
- By 2016 the average home was costing almost eight times average earnings – and twice that in London (HMG, 2017).

With homes so expensive to buy and with social housing so scarce, more and more young people have been forced to rent in the private market where they pay high prices for what is often sub-standard and insecure accommodation.

- The cost of renting rose a massive 37 percent in the five years to 2012, and it has been going up at a rapid rate since then (National Housing Federation).
- Young renters spend around a third of earnings on rent - saving for deposit impossible for most. At age 30, 24% of millennial income goes on housing - 16% for boomers (Judge, 2017).
- Britain's private rental market is one of the most de-regulated in Europe (Lowe, 2011) - quality is often poor and tenures highly insecure. The median stay in a dwelling for owner-occupiers is 7.1 years and for social renters 7.8. By contrast, the median private tenant stays only 1.7 years before moving on (Dorling, 2014).

Trends in Housing Tenure across Generations

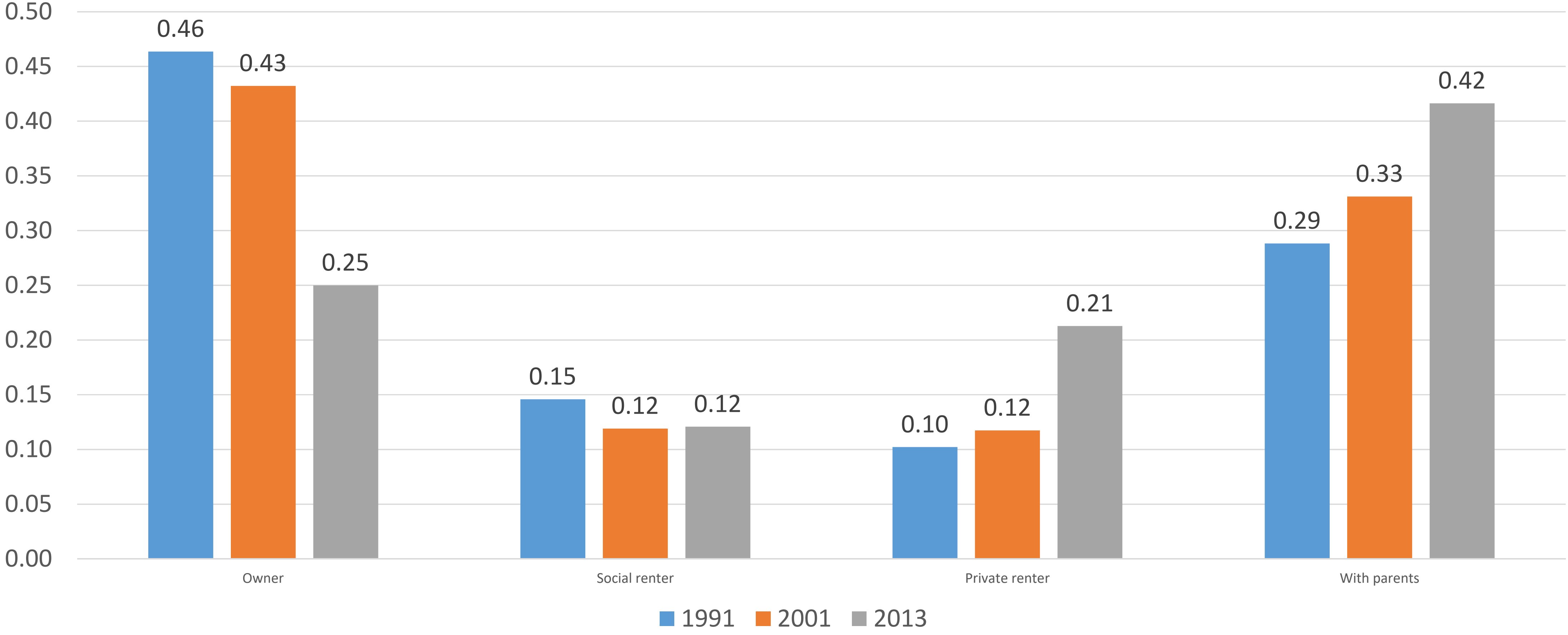
The net effect of all these forces has been a sea-change in the pattern of housing tenures between generations of young people.

- Home ownership is in rapid decline
- Access to social housing has declined
- Renting in the private market and remaining in the childhood home is rising rapidly
- Inequality in access to more favourable forms of tenure is rising at a time when inequality between tenure types has never been greater.

Data from BHPS/UKHLS on the trends in housing tenure for 18 to 34 year olds between 1991 and 2013 shows clearly that these changes have impacted on all social groups, but unequally so (Melis and Green).

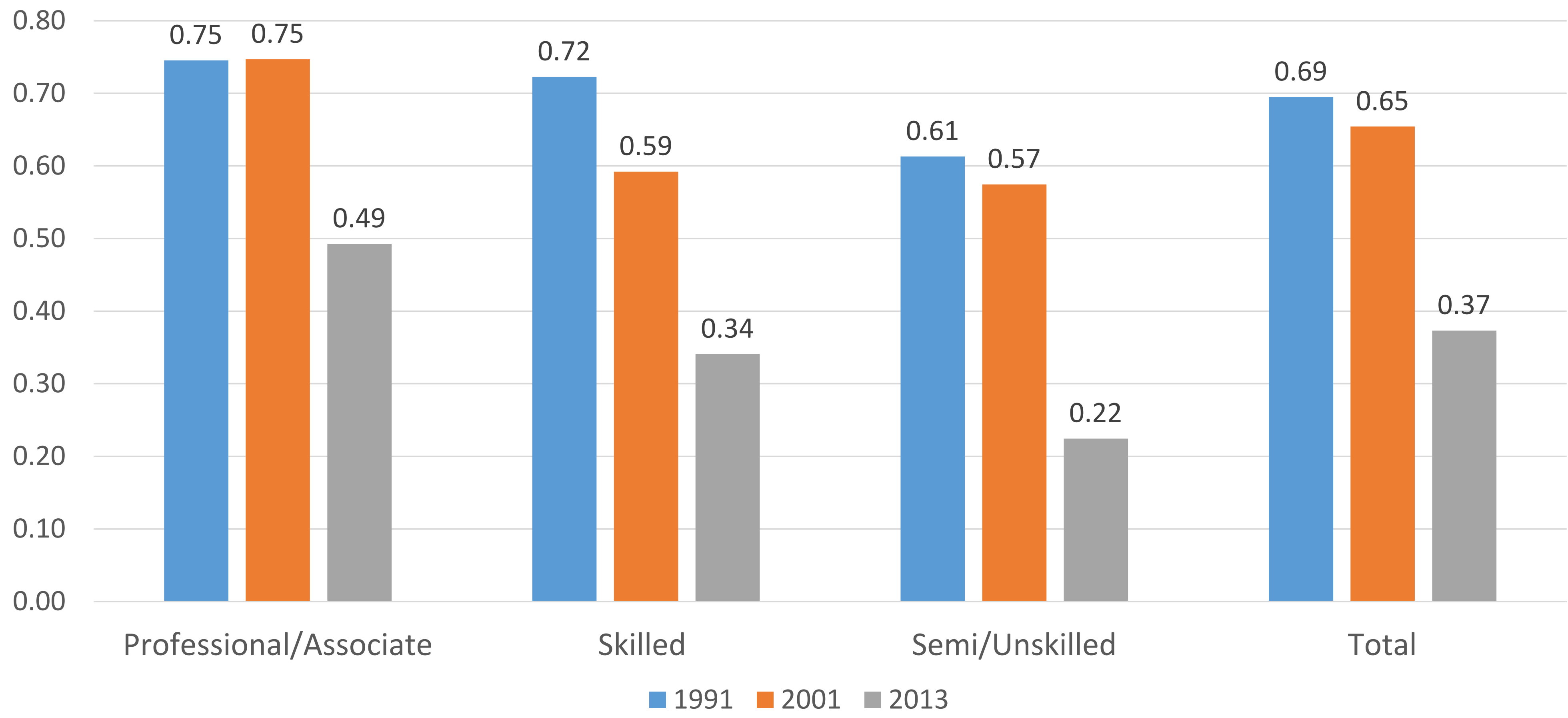
Trends in Proportion of 18 to 34 Year Olds in England Different Tenures, 1991, 2001, 2013

Source: calculations from British Household Panel Survey/UK Household Longitudinal Study data: Weighted estimates.



Trends in Proportion of Home Owners by Occupational Class for 25-34 Year Olds, 1991, 2001 and 2013

Source: calculations from British Household Panel Survey/UK Household Longitudinal Study data: Weighted estimates.



Decline in Home Ownership Affects Young Adults in all Socio-Economic Groups

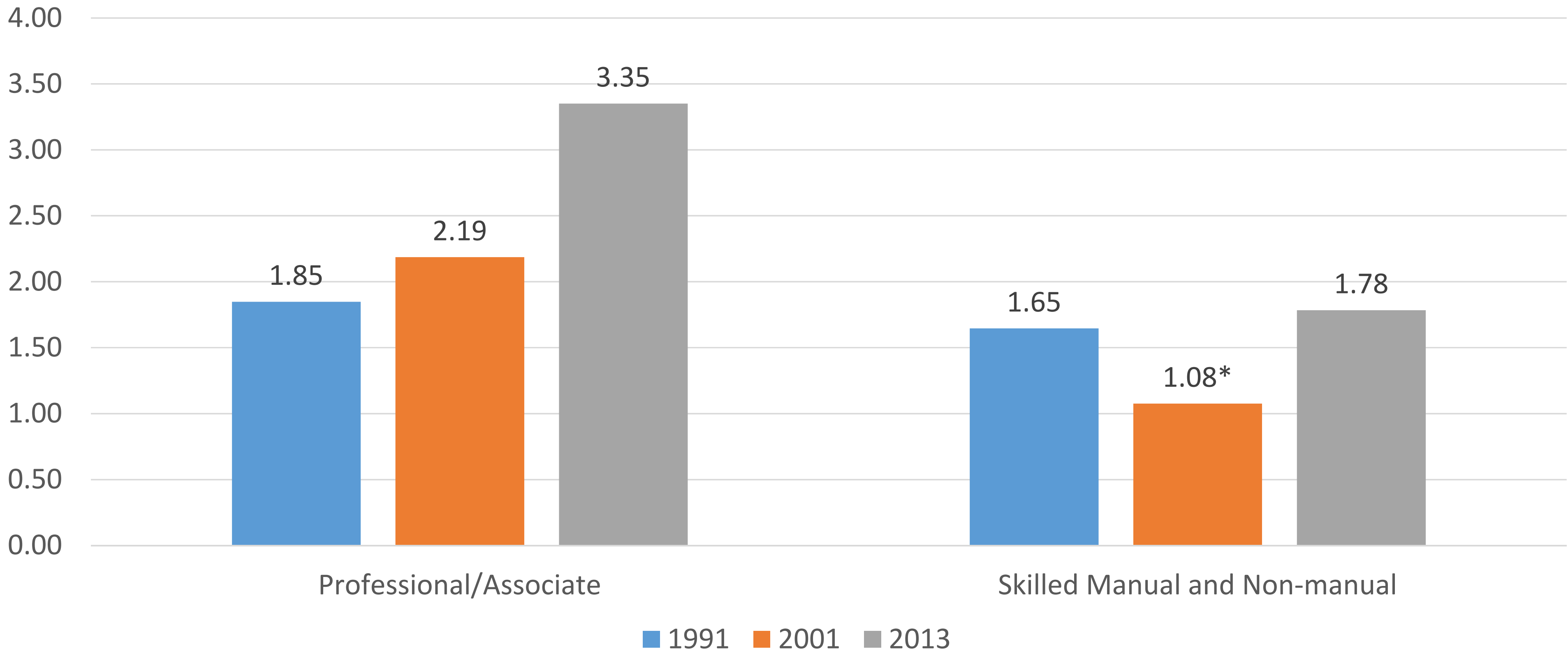
- The proportion of young people in professional and associate professional jobs who owned their home dropped by 26 percentage points over this 22 year period, with only half being owners by the end.
- For those employed in non-graduate jobs the declines were even greater:

- around 38 percentage points for those employed in skilled (manual or non manual) jobs and 39 percentage points for those in semi- and unskilled jobs. Less than a quarter in the latter category owned their own homes by 2013.

- The declines in home ownership for those in skilled and semi- and unskilled jobs appear to have started earlier than for those in professional jobs, being apparent already by 2001 when professional home ownership still maintained its 1991 level.
- However, the decline for young professionals was particularly sharp during the house price boom years after 2001.
- 2013 all groups of young people had substantially less chance of owning a home than 22 years previously.

Trends in Odds Ratios for Owning Accommodation amongst 25 to 34s by Occupational Class

Source: calculations from British Household Panel Survey/UK Household Longitudinal Study data: Weighted estimates. The odds ratios are computed cross-sectionally on the three waves of BHPS-UKHLS : 1991, 2001 and 2013. Note: * means that the estimated odds ratio is not significant at the 95% confidence level.



Increasing Social Class Inequality in Home Ownership

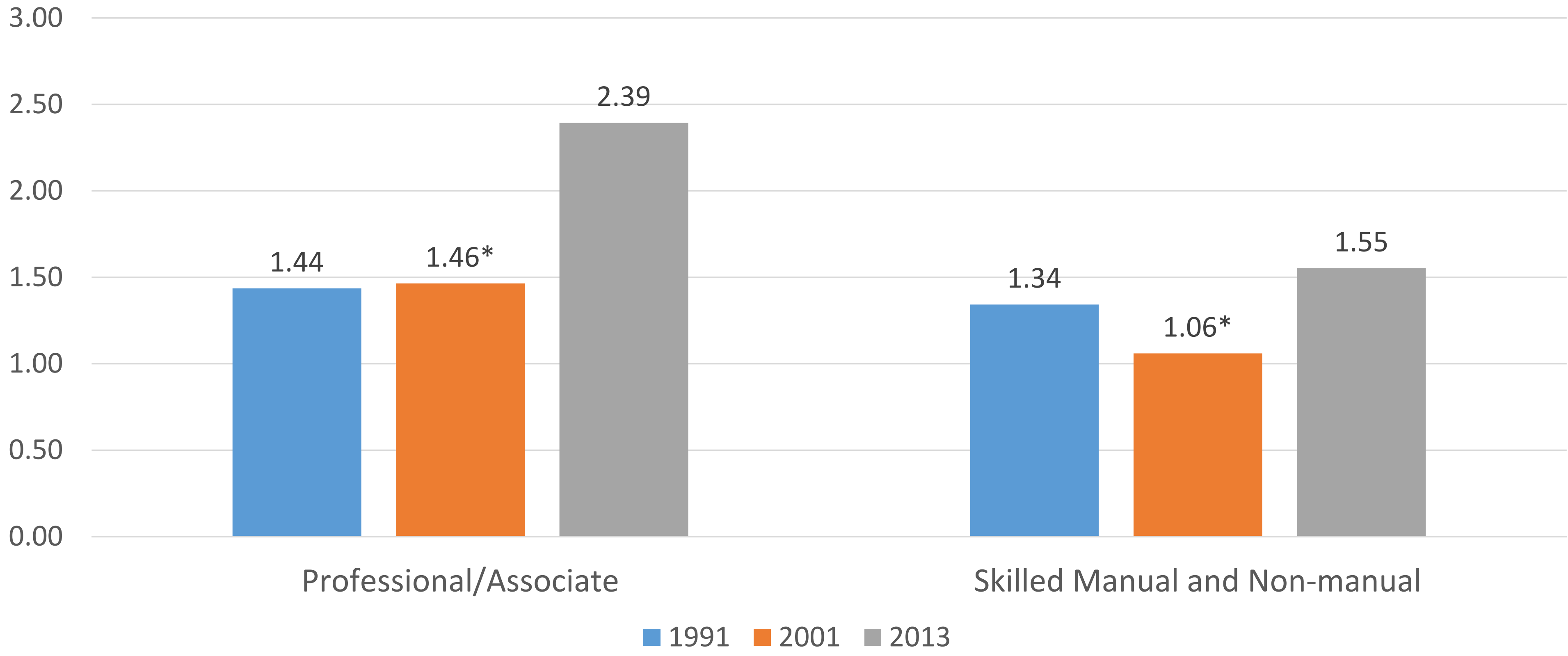
- In 1991, compared with young people in semi- and unskilled jobs, professionals were 1.85 times as likely to own a home and those in skilled jobs were 1.65 times as likely.

- By 2013 the odds ratios had increased substantially so that, compared with young people in semi- and unskilled jobs, those in professional jobs were now 3.35 times as likely to own a home and those in skilled jobs 1.78 times as likely.

- Inequality in home ownership increased across the whole class social spectrum but particularly at the top end.

Trends in Odds Ratios for Owning a Home amongst 24 to 34s in England by Parental Occupational Class

Source: calculations from British Household Panel Survey/UK Household Longitudinal Study data: Weighted estimates. The odds ratios are computed cross-sectionally on three waves of the BHPS-UKHLS survey, for years 1991, 2001 and 2013. Note: * means that the estimated odds ratio is not significant at the 95% confidence level.



Intergenerational Decline Meets Social Class Polarisation

Of all the domains in which young people see their opportunities restricted, housing represents the most serious and the one most likely to impact throughout the life course.

- As they grow older most young people may well catch up with their parents' generation in terms of jobs and earnings.
- Yet in housing, we see a genuine intergenerational decline - likely to affect majority of millennial generation throughout their lifetimes (IGC projections)
- At the same time this generational decline is cross-cut by growing class divisions amongst young people. Housing opportunities are becoming increasingly polarised by social class and social background.
- In England, where homeownership has been a major vehicle for social mobility for two post-war generations, class polarisation in housing opportunities now works to reduce it.

What Can We Do about It?

- The Government’s measures to incentivize private development will not solve the problem, since few new homes will be affordable to young people. Given the White Paper’s dilution of regulations on affordable homes, virtually the only affordable housing now – at least in the South of England - is either social housing or shared ownership housing.
- A huge increase in the provision of social housing is now widely seen as the major priority. Gov’t promises to lift the cap on Council borrowing may well bring many councils back into the direct provision of social housing. But prices for buying and renting property in the market must also come down. This will require major reforms to property taxation as well as a re-regulation of the rental market.

- The introduction of Land Value Taxes or capital gains tax on sales of first homes
- The Council Tax needs to be reformed since the differentials in rates no longer bear any relation to the value of homes or the ability of their occupants to pay.
- A new rent act – with licensing of all landlords, regular inspection of rental properties, and tenants rights for extended tenures. Rent control through fair rent tribunals should be re-established (at least in Britain’s most expensive towns and cities).

Political Prospects for Generational Equity

- The majority of adults in the UK are pessimistic about the prospects for young people and expect that they will do worse over their lifetimes than their parents' generation. A MORI survey in 2013 showed 54% of UK adults believing young people would do worse over their lifetimes than their parents (20% better).
- The electoral arithmetic does not favour reform. The median actual voter in 2010 was 49, whereas the median member of the electorate was 46. According to Berry's (2012) projections, based on the recent turn-out rates of different age groups, the median actual voter will be 52 in 2021 and 54 in 2051.
- However, there is a more optimistic scenario for reform. In ten years time, the millennial generation will be reaching early middle age. If they are still struggling to buy houses and still suffering from precarious employment, and if the generation after are doing no better, there will be a very large cross-generational electoral bloc favouring reform. We can already see this happening.

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Theories of Intergenerational Change: 1) Delayed Transitions

Social psychologists (Schoon and Lyons-Amos, 2015) conduct life course analysis on the basis of longitudinal data on various aspects of the lives of samples from successive cohorts, going back in the UK to those born in 1958 who were 59 in 2017.

In Britain, and in other countries with longitudinal data, the patterns of youth transitions to adult life have changed significantly across successive cohorts.

Compared with previous generations, young people today:

- take longer to leave home, gain stable employment, acquire financial independence and to purchase a home;
- And are also slower to cohabit or marry, and to start families.
- Some research also suggests that this slower maturation process also delays traditional patterns of political engagement, and particularly of voting.

Life course researchers acknowledge generational change as regards youth transitions, but remain cautious about whether effects will persist through the life course.

2) Political Economy Perspectives on the Crisis of Youth

Political economists generally cautious about intergenerational decline.

- Opportunities in each generation structured by social class, gender and ethnicity.
- Class and other divisions are reproduced in each generation.
- The political economy literature shows how inequalities in incomes and wealth have been increasing relentlessly over time in most developed countries since the 1970s.
- Political economists see changes in terms of increasing inequality within and across age groups.

Age related inequalities in incomes and wealth will increase but we cannot be sure whether lifetime intergenerational inequality over the life course is occurring.

The 'Lost generation' and the 'One-Off' Ratchet in Intergenerational Inequality.

According to The 'Lost generation' and the 'One-Off' Ratchet in Intergenerational Inequality the baby boomers were a lucky generation. They were a large and politically powerful cohort and exceptionally fortunate historically.

- They entered labour market in 60s when jobs were plentiful and incomes more equal than at any time before or since;
- They bought houses when cheap; paid off mortgages easily as inflation eroded debt, so acquired valuable assets in mid-life which they used for higher borrowing and spending.
- They were well entrenched in jobs and careers when globalization restructured work and retired when pensions and health services were still more or less intact.

By contrast Millennials:

- entered LM at time of crisis and at sharp end of globalization;
- found home ownership and private renting unaffordable;
- Would suffer effects of welfare state retrenchment in social benefits when young and in health care and pensions when old.

Willetts criticized for paying little attention to intergenerational inequality

A New Long-Term Dynamic of Growing Intergenerational Inequality

Howker and Malik (2013), in contrast to Willetts, see a long term dynamic of intergenerational inequality which they attribute to:

- Globalisation
- Neo-liberal policy dominance
- An increasing individualism which started with baby boomers but led to a more general culture shift affecting all generations, dating from the Thatcherism of the 1980s.

Individualism is characterized by short-term pursuit of personal gains and the collective selling of the future to meet the demands of the present.

This is seen as leading to a more general societal decline which will make each future generation worse off than the last.

The end of intergeneration progress.