

# Jilted Generation? Generation Y doesn't have it as bad as you might think

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There haven't been many 'winners' during the economic downturn, but one section of society that perhaps has most cause to claim it has borne the brunt is the young, with higher levels of unemployment, pay cuts and underemployment, and the fact that costly education has not leveraged the opportunities expected.

Interestingly though, many of the origins of the economic and social difficulties the young face today pre-date the recession. Ed Howker and Shiv Malik in their book 'Jilted Generation - How Britain Has Bankrupted its Youth' certainly hold this view.

Howker and Malik's book defines the 'jilted generation', or 'Generation Y', as those born after 1979, and they argue that this generation 'now face a future more precarious, more impoverished in income and of spirit than either they or their parents expected'. For all policy makers this book is a must-read, as it provides a much needed intergenerational prism through which to view economic and social policies. It focuses on the housing, labour market and debt problems facing those under 35 years of age.

The absence of long-term planning by policy-makers lies at the heart of the younger generations' woes, according to Howker and Malik. Margaret Thatcher's 'Right to Buy' for instance 'changed Britain forever' and was dubbed "the single greatest piece of corruption in local government history". According to one estimate, the 'Right to Buy' generation made a profit of £40bn. The problem has been that this housing stock was never replaced. As a result, 'Generation Y' has been gifted with a shortage of adequate affordable housing.

Some of us may recall Frank Field was asked by Tony Blair to 'think the unthinkable' in relation to welfare reform back in 1997. However, his proposals were viewed as unthinkable and implementing many tough, and potentially unpopular, welfare reforms were postponed during economic prosperity and an employment boom only to be deferred for recession and austerity instead. Meanwhile, the UK Treasury only began publishing long-term public finance reports in 2002 just 5 years before the credit crunch began.

Whilst I agree with much of the arguments and analysis advanced by Howker and Malik, the book only focuses on the challenges (*notwithstanding their significance*) facing 'Generation Y' and fails to highlight some of the advantages that this generation has over 'Generation X' (born 1966-79) and the 'Baby Boomers' (born 1945-65). Furthermore, the significant challenges and negatives that previous generations faced have been ignored.

So what grounds for optimism are there? The answers can be found by taking an acrostic approach; that is to use the letters of the word 'Jilted' to highlight where 'Generation Y' has it better, or not as bad as its predecessors.

**Jobs** – Northern Ireland’s youth unemployment rate currently stands at 22.5% and recently hit a ‘record high’ of 24%. However, this is a record high for a survey that began in the 1990s. In the 1980s the number of youths unemployed was much higher than current levels and the percentage rate would have been higher too. Indeed, the actual number of under-25s claiming the dole was also higher in August 1996 (25,000) than it is now (14,800). Northern Ireland’s current youth unemployment rate, although unacceptably high, compares favourably with the RoI (24.8%), Portugal (36.8%), Italy (41.6%), Spain (57.7%) and Greece (59.2%). It is noted that Northern Ireland’s unemployment rate for the 25-34 years age group is just 6.5%. The latter is less than half the rate prevailing in the RoI (13.6%).

**Inward Investment, Internet and Information** - Technology has thrown up job opportunities that were not available in previous generations. These include employment within ICT, software, pharmaceuticals / life sciences, and digital media. There are firms operating in Northern Ireland today that have only been established over the last 5-10 years, applying technologies that have only recently been developed and providing solutions to problems we never knew we had. This trend will continue. You only have to look at the changing face of Belfast’s Lagan side since the mid-1990s. It has changed immeasurably with firms such as Allen & Overy, Allstate, Fujitsu and Citi employing hundreds of employees each. We also have Titanic Studios – commonly known as The Paint Hall – which is about to undergo a 100,000 sq ft expansion, such as been its success to date.

**Life expectancy & Living conditions** - One of the greatest positives for ‘Generation Y’ over previous generations is the significant rise in life expectancy. Yes, retiring later and raising the pension age are viewed as downsides, however, this is a response to the significant upside that people are living longer. From a Northern Ireland-perspective, younger generations have not had to experience ‘The Troubles’ that blighted older generations. As a result, Northern Ireland today is a much more attractive place to live, work and visit than it was in previous decades. The fact that Northern Ireland has recently hosted the MTV awards, World Police & Fire Games, and Derry~Londonderry UK City of Culture, and is set to host part of the Giro D’Italia this year are testament to this. Back in the 1980s Belfast would have been as likely to host the MTV awards as Beirut. Northern Ireland now attracts a wide range of international artists for concerts who would have given it a wide berth in the past, and the choice of restaurants, bars, and other leisure activities available here today is something past generations could only have dreamed of.

Whilst media headlines recently highlighted that 36% of Northern Ireland’s 20-34 years olds live with their parents, this isn’t markedly different from the rate that prevailed in the mid-late 1990s (33%). Housing affordability is a major challenge highlighted by Howker & Malik for ‘Generation Y’. However, NI’s younger generation are in many respects in a much better position than their counterparts in GB, and London in particular. Those who tried and failed to get on the property ladder in 2006/2007 were the lucky ones. The vast majority of Northern Ireland’s ‘Generation Y’ missed out on the biggest property boom and bust in UK history. The average house price has fallen by around 55% relative to 2007 levels. For many, this provides a buying opportunity of a lifetime.

‘Generation Y’ also has advantages in terms of **legislation** today that previous generations did not. For instance, up until the 1970s female employees in the UK had to automatically resign when they got married. ‘Generation Y’ has the National Minimum Wage and fair employment / equality legislation which have improved working conditions and reduced the incidence of exploitation and nepotism.

**Technology** has liberated people in their access to information. Over 90% of all the data in the world has been generated over the last two years – all available at your finger-tips. Twitter, You-Tube, Google and WiFi are now taken for granted. There is now little excuse for not being able to find

information on anything or connect to anyone. The younger generation have become the most globally connected. And technology and transport have enabled our under-35s to be a truly globally mobile generation. Interviews for jobs at the other side of the world can be conducted on Skype. The cost of IT and transport has tumbled. Travelling around the world is now much easier in terms of cost and accessibility. This is enabling an increasing number of the younger generation to see the world before they embark upon a career as opposed to at the end of a career for 'Baby Boomers'. The onset of no frills airlines has also contributed to this new-found international mobility. Overall, changes in transport, technology and communications have benefited the younger generation in terms of **Time** savings.

**Emigration** is a key issue for our youth of today. However, the actual level of emigration today is a fraction of what it was in the 1970s and 1980s. Advances in transport and technology now make it easier for our young to migrate and stay connected with their families and communities and avail of opportunities worldwide. Access to higher **education** has improved with 65,600 Northern Ireland students availing of higher education opportunities in the UK in 2011/12. This represents a 55% increase relative to 1994/95. Previous generations did not have the level of student debt / tuition fees of today's cohort. But previous generations had significantly fewer school leavers going to university. Do the young really want to see a return to that level of access? Older generations have **debt** issues too. Whether its negative equity from the recent housing market boom and bust in Northern Ireland or the endowment mortgages shortfalls that many have faced. Invariably these levels of debt dwarf the current levels of student debt.

**Demographic** changes, such as an ageing population, also present business opportunities for the younger generations in terms of servicing the needs of the 'grey pound'. Furthermore, the older generation will be seeking to downsize their homes to smaller houses. But, there will be a smaller number of 'up-sizers' coming from the 'jilted generation'. This could be viewed as the jilted generation's revenge.

Whilst those individuals born after 1979 may feel that they are the 'Jilted Generation', it is important not to view previous generations through rose tinted spectacles. What is important is that policy-makers and politicians view social and economic policies through an intergenerational prism which embraces tough long-term policies and shuns short-term populist ones. All generations have been presented with advantages and disadvantages, and so will future generations. The policy-makers' mantra to support the current generation and the next rather than being "Education, Education, Education" should be 'Experiences, Experiences, Experiences'.

*Richard Ramsey,  
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