

Workflow

#visualizingthecrisis

2015
13.5%
Global Youth Unemployment

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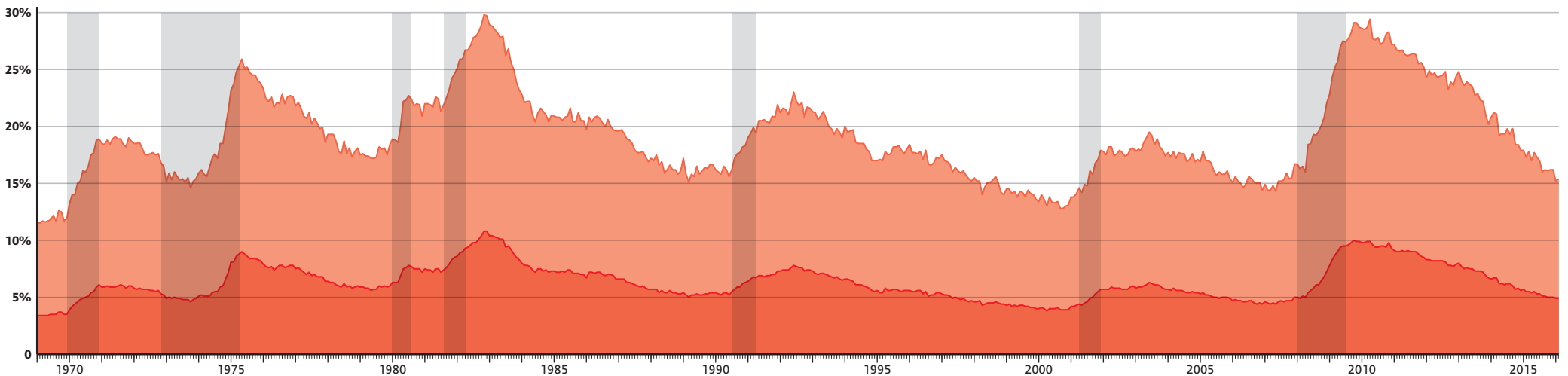
<tags>
work income expense savings

Born To Be Broke

Being young was never easy...
Especially when it comes to find a job.

house places tips apps
</tags>

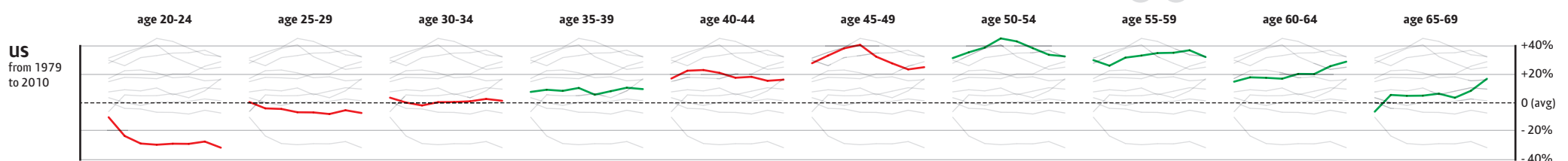
US Unemployment Rate, 1969-2016



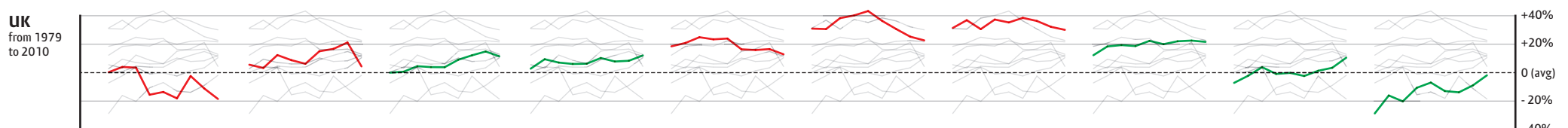
Historically, unemployment rate of young workers tends to be a little more than twice the overall rate. This seems to be still true nowadays: in February 2016, the overall unemployment rate in the US was 4.9% and the unemployment rate of workers under age 25, at 10.5%, was 2.1 times as high.

What makes it even harder for Millennials is that they tend to be poorer than people of their age in the past. Entering the workforce in the greatest economic downturn in living memory, millennials earn much less than Generation X and might never close the gap.

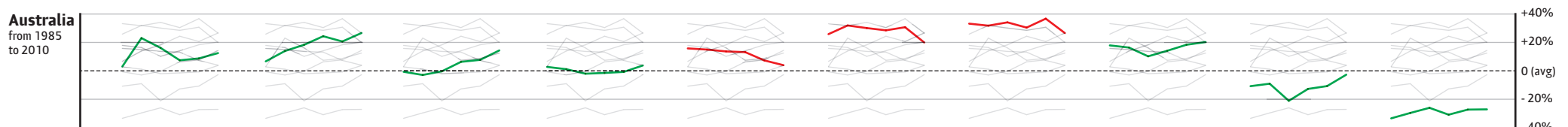
Comparing Generations: Income Distance from National Average



The Big Apple's Millennials make about 20% less than the generation before them, according to a report released by New York City comptroller Scott Stringer.

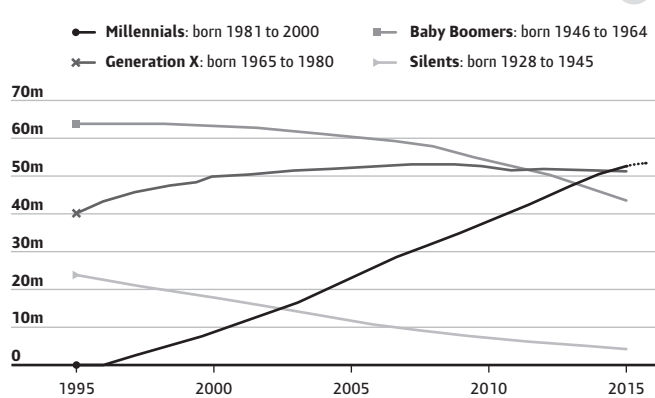


The income of the average 22- to 30-year-old remains stubbornly 8 per cent lower than it was in 2008, says the UK's Institute for Fiscal Studies.



Australia seems to be the place to be for Millennials, but the national youth unemployment rate, at 12.2% remains well above the levels before the global financial crisis of 2008.

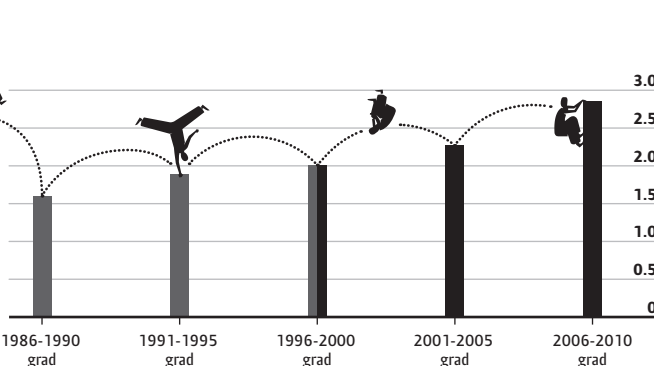
US Labor Force by Generation, 1995-2015



In the first quarter of 2015 Millennials (53.5 million) surpassed Generation X (52.7 million) to become the largest share of the American workforce, after they surpassed Baby Boomers (44.6 million) in 2013.

Job Hopping

Number of jobs switched in the first five years after graduation.



Analyzing 3 million US profiles, LinkedIn found that workers who graduated between 2006 and 2010 have switched jobs 2.85 times on average in the first five years they've been out of school. In contrast, the Gen Xers who graduated between 1986 and 1990 changed jobs 1.6 times over the same period in their lives.

Worse Off Than Parents

The vast majority of American workers expect to have less money at the end of their careers than their parents did – and that fear is highest among 20-something Millennials. Some pundits have had the same fears, declaring that the generation may even be the first to wind up worse than their parents, with lower incomes, more debt and higher poverty rates.



Bernie Sanders was defeated in New York last week and his chances of winning the Democratic nomination are dwindling. Despite that, the poll of Americans between the ages of 18 and 29 finds that Sanders is by far the most popular presidential candidate among the youngest voters.



Who are Millennials?

Millennials are currently aged 20-35, or born between 1980 and the end of 1994 (with some more generous definitions taking in those born up to 2000). They are the first generation of adults (or almost adults) that has familiarity with technology, thanks to a deep knowledge of internet world and digital communication's codes.

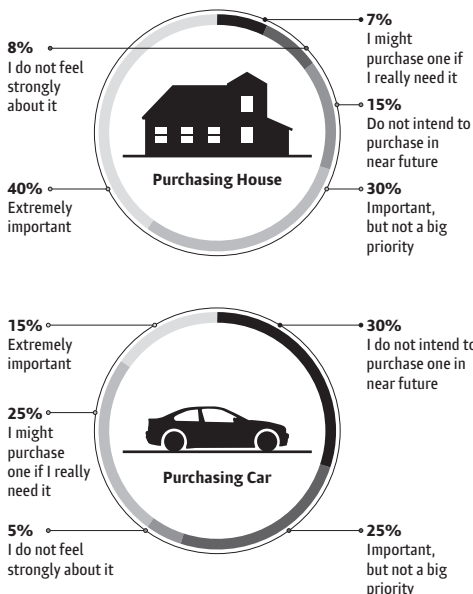


Save the Cut!



Access, Not Ownership

It's not just homes: Millennials have been reluctant to buy items such as cars, music and luxury goods. Instead, they're turning to a new set of services that provide access to products without the burdens of ownership, giving rise to the so-called sharing economy*.



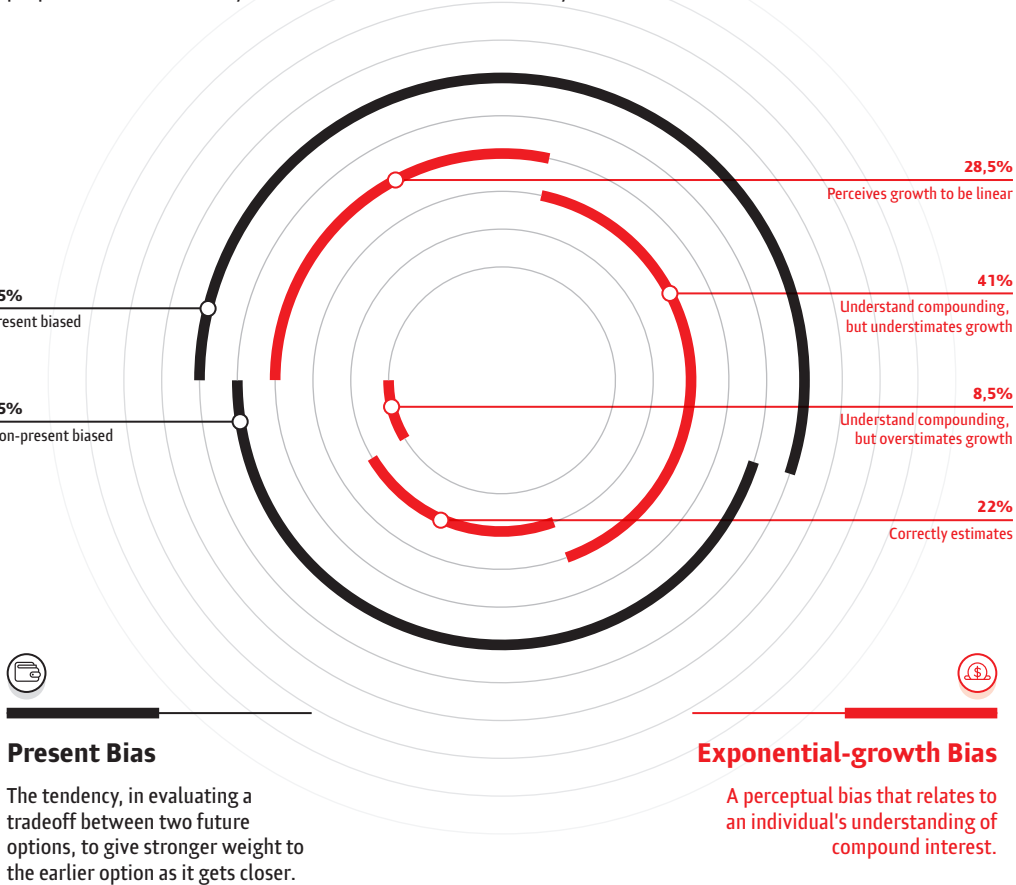
"25 years from now, car sharing will be the norm, and car ownership an anomaly."

Jeremy Rifkin, author and economist

* To get a bigger picture on sharing economy check out **ISSUE 03!**

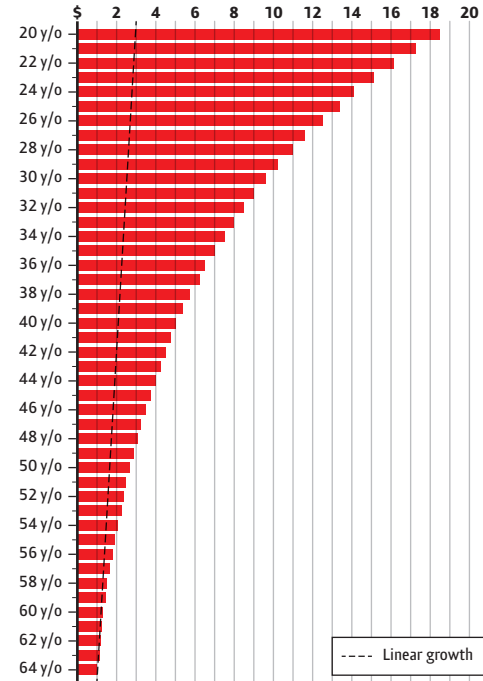
In "The Role of Time Preferences and Exponential-Growth Bias in Retirement Savings" researchers explored two psychological tendencies that may lead people to save insufficiently for retirement.

To estimate the prevalence of these two biases, the authors use data from two online surveys, the RAND American Life Panel and the Understanding America Study. These were the results.



Exponential Growth for Dummies

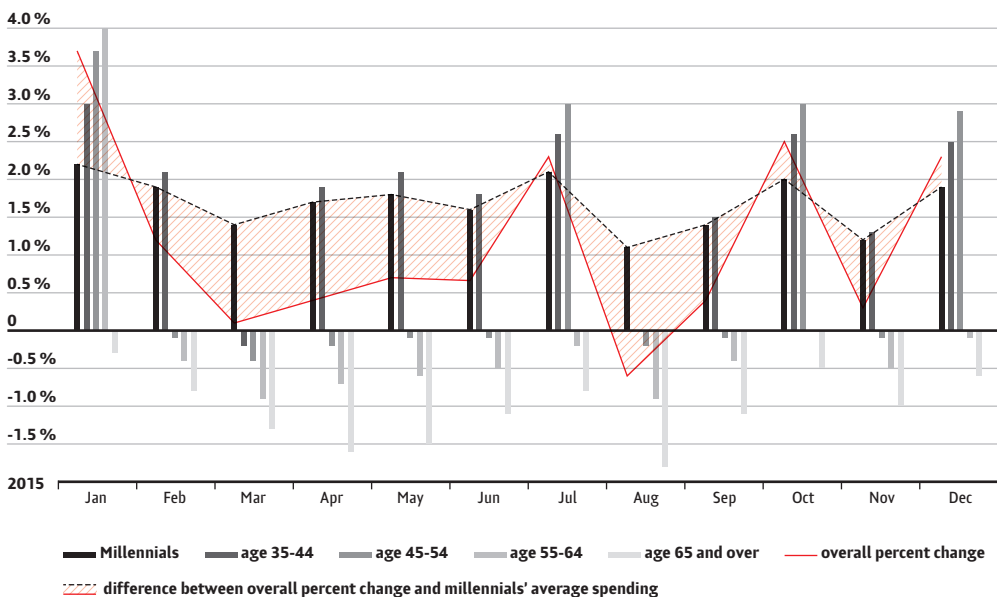
If you're 20 today, and put \$1 aside, and it earns the historical 6.6% return (inflation-adjusted) that the Standard & Poor's 500-stock index has captured, by the time you're 65, that dollar will have become \$18.50. You do the math.



Young Spenders: the YOLO Lifestyle

Millennials are prioritizing short-term spending over long-term saving. In US younger consumers punched above their weight class in the final months of 2015 fueling a 2.35% increase in year-over-year spending in December, according to data released by the J.P. Morgan Chase & Co. Institute.

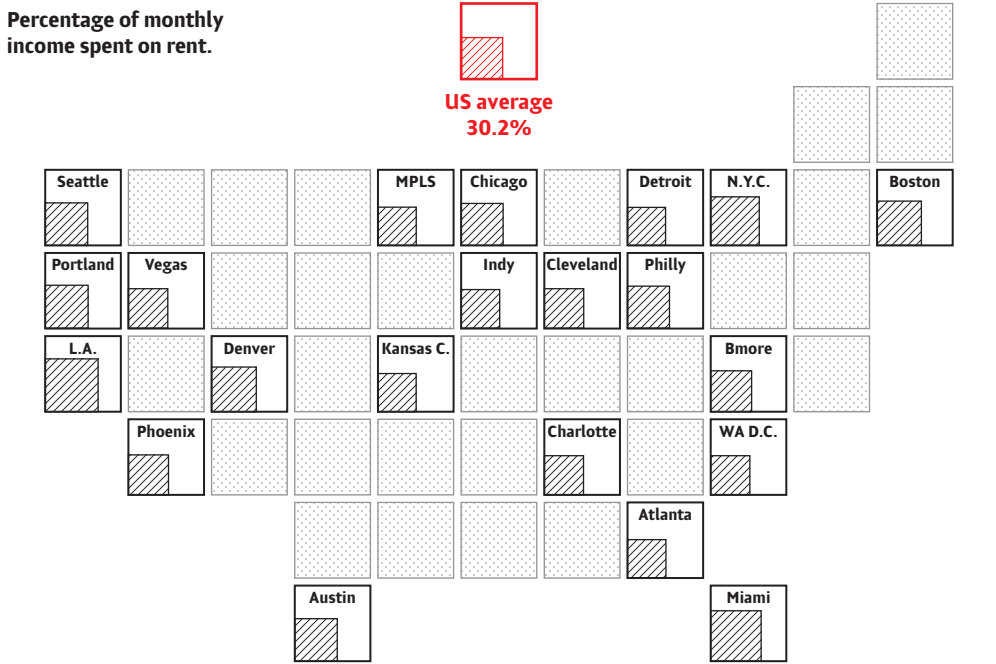
Percentage-point contributions to the year-over-year change in consumer spending by age and overall percent change.



Rent Is Too Damn High

The cost of living is climbing, led by rental costs, which hit records in many American cities last year. On average, millennials who rent nationwide would have had to spend 30% of their monthly income to their landlords, according to a Zillow survey, with figures going as high as 47% in San Francisco, 45% in Miami and 41% in New York.

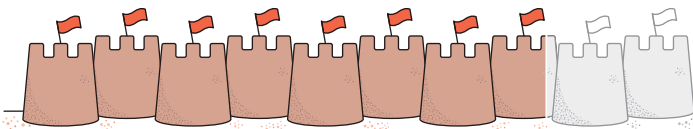
Percentage of monthly income spent on rent.



Holidays are Better than Pensions

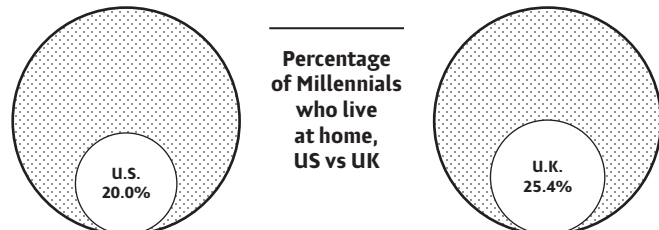
As one reasonably-paid millennial put it: "It's almost impossible to save for a house in London so I might as well just spend my money travelling the world." This is a common reaction – and it is holidays in particular that Millennials will splurge on.

A survey from Eventbrite found that 78% of Millennials would prefer to spend their money on an "experience" – such as a holiday – over something tangible that they could own.



Owning a Dream Home Is Just a Dream

In many countries, unlike their parents did at this age, more than a quarter of Millennials live at home with mum and dad. "We call it the 'Great Delay'." Stephen Melman - the NAHB's director of economic services.



Impressum

Daniela Bracco / Ilaria Gava / Andrea Marson - all Millennials... and broke as well
Check out our tumblr! - workflow-iuav.tumblr.com / workflow.iuav@gmail.com
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Sources

Bloomberg / Chicago Tribune / comptroller.nyc.gov / Economic Policy Institute / Financial Times / Fortune / ILO / Institute of Fiscal Studies / National Bureau of Economic Research / Pew Research Center / Quartz / The Guardian / The Wall Street Journal / The Washington Post / Zillow



Your Tech Allies

The Millennial Generation has a different relationship with money. We've lost the ability to open up our wallets and see how much money we have left. The financial environment has changed. The tools that we use to manage money personally have changed. Here is some useful apps and resources that can help you orientate in this financial jungle!

