Young Earner Prosperity Roundtable (YEP)
White Paper

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I. Background

Connecticut is having enormous difficulty attracting and retaining a young workforce. Despite having among the best colleges in the nation, and a location midway between two of the most desirable American cities, we consistently fail to make it possible for young earners across the workforce spectrum to stay here. Consequently, Connecticut is the sixth-oldest state in the nation and one of the most rapidly aging. (http://www.hartfordbusiness.com/article/20180925/NEWS01/180929963/sp-aging-population-is-hurting-cts-economic-growth)

For Connecticut to pull itself out of the economic doldrums, this has to change. To attract and retain young workers, who will become taxpayers, homeowners, consumers and community leaders, we need to do three things:

1) Understand the inherent differences in the way young workers approach the work/life balance – the "mindset" if you will.

2) Understand the unique economic problems facing workers across this age spectrum, and make them part of the solution.

3) Take a systemic approach to economic development that, unlike our currently "siloed" agency approach, recognizes an interconnected web of problems and solutions to them.

II. Understanding the Mindset and Desire for Work/Life Balance

This targeted demographic of workers falls into two defined generations:

- Gen Y (born 1980-94; commonly knowns as Millennials; median age: 31)
- Gen Z (born after 1995; called the "i-Gen," as in iPhone; median age: 13)

(For more on these generational strata: https://communityrising.kasasa.com/gen-x-gen-y-gen-z/)

Millennials and young people still in high school define success differently and strive for different things than did their parents' generation. Consequently, their unique values have a direct result on the economy. They include:

a. Experiences over Things: The young adult workforce is, almost uniformly, more interested in experiences than in things; they tend to be willing to sacrifice material objects for travel and events – especially those involving arts and culture. A vibrant nightlife is more important than a grassy backyard; a trip to Europe feels more valuable than a new car.

b. Inclusive Prosperity: Young workers – especially Millennials – tend to have a stronger and more personal commitment to diversity than previous generations. Many have an inherent belief that inclusivity (of race, gender, sexual expression, religious belief, economic stratum) is not something that benefits "the other"; they see it as central to their own happiness and prosperity, regardless of their own privilege.

c. Work/life Balance: Today's young adult workers seek a balance between their work life and their family life. Most are willing to sacrifice a higher salary for more quality time; young men as well as women expect time off for a new baby; they appreciate flex time and telecommuting, for example.

d. Technology and Convenience: Both of these demographics trust (and rely on) technology far more than do previous generations. They use GPS systems instead of maps; they rely on Venmo to pay bills; they love apps like "Duolingo" (for foreign language real-time translation); they use phones to text more than to speak.

e. Embracing the Shared Economy: These generations have challenged the unassailability of capitalism by organically developing a new "shared economy." Partly out of a belief that ownership does not equal success, and partly out of necessity (cars are expensive to buy and maintain) they gave rise to alternate services such as Uber, Lyft and Airbnb.

f. Crowdsourcing and Pooled Information: Young adult workers are more likely to express a desire for (and seek out) a collective opinion. The "hivemind" mentality has supplanted reliance on proven sources. They feel that real-world experience and a variety of opinions are more valuable than the expert "think-tank" mentality of Baby Boomers.

III. Understanding the Unique Problems of Young Workers

A perfect storm of economic woes began forming 20 years ago which has, effectively, locked young earners out of any economic recovery. Far outpacing the average rise in the cost of living, several real and entrenched factors prevent young adult workers from getting a toehold here in Connecticut. Long-term, this lack of solid footing results in a downward spiral of disinvestment: a lack of engagement, loss of innovative new businesses and eventual out-migration. Some problems that must be addressed include:

a. Unaffordable Housing: Homeownership is often not on the horizon for young adult workers, which causes a disinvestment in schools and an erosion of the tax base. (https://www.cnbc.com/2018/08/09/millions-of-millennials-are-locked-out-of-homeownership-heres-why.html) Even when homeownership is not the goal, affordable rents are key to attracting people to the state.

b. Lack of Cultural Opportunities/Entertainment: Young people want to have fun. While this sounds simplistic, it isn't. Connecticut's cities are not desirable places for young people who have the option of going instead to Boston. Even New Haven, while it offers more than Hartford, Bridgeport, Danbury and Waterbury in terms of nightlife, a music scene and recreational opportunities, can't hold a candle to New York or Boston.

c. Transportation: Young workers are far more inclined to want to use public transport than previous generations. Even for those who own a car, the option is attractive for environmental reasons.

d. Student Loan Debt: College loans are crippling our young workforce. According to a recent report from WalletHub, Connecticut graduates have the third-highest debt ratio in the nation. (https://www.ctpost.com/news/article/Report-Student-debt-of-Connecticut-grads-among-13152523.php) For most young adult workers, repayment of college loans supersedes homeownership, major purchases, job mobility, travel and retirement savings.

e. Poor Access to Credit: Young start-ups are hampered by the difficulty of getting seed money. Even with a great idea, entrepreneurial spirit and the desire to open shop in Connecticut, young people are faced with the reality of poor access to credit. This may be due in part to poor personal credit ratings (it's hard to establish a credit rating when you can't afford to buy things). While Baby Boomers have an average personal credit score of 728, Millennials have an average score of just 640, according to Marketwatch.com.

   For an overview: https://www.forbes.com/sites/theyec/2018/03/23/why-your-millennials-are-leaving-and-how-to-keep-them/#3b278b901e87

IV. Pulling the Pieces Together: A Holistic Approach

Attracting and retaining workers from Gen Y/Millennials and beyond will require a systemic approach to economic revitalization, grounded by a firm belief that issues and services currently being addressed by separate agencies (e.g., Education, Housing, DECD) *must* be looked at as a whole if we are to help our young adult earners.

Such a unified approach will help:

1. Be a boon to the state's economy and help businesses of any size;
2. Diversify the state's workforce;
3. Encourage entrepreneurship;
4. Mitigate the out-migration;
5. Help revitalize our cities;
6. Encourage Connecticut natives to stay here and thrive; and
7. Send a message nationally that Connecticut welcomes innovation.

V. Roundtable on Young Earner Prosperity

To bring together young adult earners from various career fields and enterprises, legislators, state agency heads, representatives of industry, academia and the non-profit world, and other stakeholders, State Rep. Christine Palm and State Rep. Caroline Simmons are convening a Roundtable on Young Earner Prosperity on Thursday, Oct. 10 from 2-5 p.m. at the Legislative Office Building, Hartford. It is vital that our young earners are part of the solution.