





AN UNCERTAIN FUTURE

Along with exciting new possibilities, millennials face a whole different set of obstacles

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MILLENNIALS ARE ENTERING the workforce at a time of technological change and economic disruption. These forces are shaping the choices they make and the experiences they seek—even as this generation in turn shapes the global economy.

Born between 1980 and 2000, millennials are the largest generation in the modern era. While their elders—the baby boomers and the Gen Xers—are digital immigrants, millennials are true digital natives, with an instinctual feel for the latest technology. Technology is second nature to them—yet many worry that their jobs may one day be taken by a robot.

Millennials are increasingly looking to find their way in the sharing economy, a phenomenon made possible by the emergence of digital platforms that facilitate the matching of buyer and seller. Jobs in the sharing economy—like driving for Uber or Lyft—help some millennials make ends meet, even if such temporary gigs are a far cry from the full-time jobs with traditional pension plans and other benefits their parents often enjoyed.

This generation also enthusiastically embraces the services of the sharing economy, which provides access to everything from beds to cars to boats without the hassle of ownership. Loath to buy big-ticket items such as cars and houses, millennials have sharply different spending habits from those of preceding generations.

Is this a rejection of materialism—or simply a sign of insufficient resources? Or both? While young people are optimistic about the future, they are struggling to get jobs. And average incomes for today's young workers, at least in the United States, are lower than they were in 1975. The real (after-inflation) income for young American workers is 5.5 percent lower than it was four decades ago, according to the U.S. Census Bureau.

Millennials confront obstacles to prosperity that their parents didn't face. They are better educated than previous generations—but in today's world, that is not enough to guarantee financial success. Many, if not most, will be forced to retool and switch careers several times during their working life. While formal schooling remains the primary source of learning, educational systems must arm millennials and succeeding generations with skill sets for jobs that do not yet exist.

And whatever the jobs of the future turn out to be, this generation may need to keep doing them for longer than they think. As populations age and governments try to contain burgeoning pension costs, millennials face the prospect of having to work more years and save more for retirement to achieve the same standard of living as today's retirees.

This issue of *F&D* examines the economic opportunities and challenges of millennials, who will try to earn a living in a work world decidedly different from the one their parents inhabited. **FD**

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