



Written by [Bob Adelman](#) on May 20, 2019

Many Millennials in Financial Trouble Being Drawn to Siren Song of Socialism

The millennial generation, also known as Generation Y (GenY), the “Me Me Me Generation” (*Time* magazine), and the “soccer trophy generation,” [is suffering financially](#), and as a result many are listening to the siren song of socialism to solve their problems.

This is the generational cohort born between 1981 and 1996 (Pew Research’s definition) with more people in it (75 million) than the Baby Boomer generation. They also have less accumulated wealth, own less real property, are marrying later, and having fewer children than any other generational cohort (Silent Generation, Baby Boomers, GenXers, or Generation Z). As a result they are more frustrated and unhappy about their future economic prospects.



All of which have long-term political and economic implications stretching out decades into the future. Millennials are helping drive down the number of births to their lowest levels in 32 years. Translation: fewer future workers to help support Social Security and the myriad other government welfare programs. Their average net worth of \$92,000 is 40 percent lower than that of GenX (ages 39-54) and 20 percent lower than Baby Boomers (ages 55-73).

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One-third of millennials own homes compared to half of GenXers and Baby Boomers at similar ages. Forty percent of them are carrying massive student debt (\$48,000 on average) and significant credit card debt (\$10,000+). Nearly two-thirds of them are living paycheck to paycheck, and many aren’t covered by health insurance (premiums are too high) and are deciding instead to “go naked” and take their chances about incurring medical costs.

Millennial Money, an internet blog written by millennials for millennials, reports that they have major financial concerns. In descending order they are: paying off their student loans; paying their day-to-day living expenses; buying a home; saving for retirement; paying for healthcare; saving for college for their own children; and caring financially for their aging parents.

A new study from Experian, the consumer reporting company, reflects that generation’s duress: Millennials have the lowest average FICO credit score of all generations, including Generation Z (ages 7-22).

Part of their financial duress comes from an accident of history: Many grew up under and following the effects of the Great Recession (2007-2008). Part is their increasing detachment from permanent and



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eternal values as they are measurably less religiously “observant” than their predecessors.

Their wages have largely stagnated and their wealth has improved only slightly despite the comeback in stock prices since the end of the financial crisis. That’s because so few of them have the means to purchase stocks and those who do have witnessed the impact of the stock market decline on their parents following the real estate crisis and are keeping their savings in cash.

This has led many in the cohort to plan on winning the lottery or on family inheritances to bail them out.

Millennials feel, as James Chen (director of trading and investing content at Investopedia) notes, “they will not be able to achieve [their] life goals, such as finding their dream job, buying a house or retiring until much later in their lives than previous generations did.” As a result, added Chen, “Gen Y tends to be progressive in their political views and voting habits.” This was confirmed by a Gallup poll conducted last summer that discovered that millennials favored socialism over capitalism, “a 12-point decline in young adults’ positive views of capitalism in just the past two years and a marked shift since 2010 when 68 percent viewed it favorably.”

The *Wall Street Journal* put the matter well: “Tough times for millennials struggling to reach a more comfortable middle-class life have triggered support for populist candidates and promises of universal health care and free college education.”

The siren song of socialism is increasingly attractive to many millennials overwhelmed by their financial circumstances and who are willing to seek an easy way out by shifting their burdens onto someone else.

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