REGENERATING Social Insurance for MILLENNIALS & the MILLENNIUM
Introduction

Why do we need to “regenerate” social insurance? What new risks are younger generations facing? How might social insurance adapt to meet these risks?

In this chartbook, we strive to paint a picture of today’s economy, and the various ways in which the socioeconomic climate has shifted since the founding of our core social insurance programs. We begin by painting a demographic picture, followed by a more general look at the economy, and then a dive into new and long-standing, but changing risks. We do not recommend any policy options in the following charts. Instead, we hope to highlight opportunities for social insurance to address new and evolving risks, and thus ensure a more stable economic environment for current and future generations.

This chartbook is a working project that will continue to grow, functioning as a resource for any individuals striving to understand the many new risks faced by today’s workforce. Please submit suggestions and comments to Griffin Murphy at gmurphy1@nasi.org.
Who are Millennials?

As this chartbook draws on various sources with differing definitions of “Millennials,” it is useful to briefly touch on the question of “who are Millennials?”. The most generous definitions place Millennials as being born between 1980 and 2000. More common definitions are 17 year stretches falling somewhere in that 21 year period (typically on the earlier end).

Millennials came of age in an era marked by the terrorist attacks of September 11th, 2001; the acceleration of mobile technology from the cell phone to AI devices and the internet of things; the election of the nation’s first black president and a period of a divided and unproductive Congresses; the financial crisis of 2009 and the Great Recession; the evolution of civil rights from the Defense of Marriage Act to Obergefell v. Hodges; and the Black Lives Matter response to police shootings; among numerous other era-defining events. The extent to which each of these events impacted a given Millennial varies substantially, but these events form the political, social, and economic context for their coming of age.
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Economic Overview
Data are for compensation (wages and benefits) of production/nonsupervisory workers in the private sector and net productivity of the total economy. “Net productivity” is the growth of output of goods and services less depreciation per hour worked.

“The Productivity-Pay Gap”. 2018. Economic Policy Institute. Updated from Figure A in Raising America’s Pay: Why it’s Our Central Economic Policy Challenge
https://www.epi.org/productivity-pay-gap/
Cumulative percent change in real annual earnings, by earnings group, 1979–2017

Shaded areas denote recessions.

Median net worth quintiles by age of householder

Data from the 2014 U.S. Census.

While the over-time trend in overall unemployment rates has drifted upwards, the cyclical time trend for younger workers is steeper. This is particularly true for younger workers – ages 20-24.


LINK TO ELISABETH JACOBS’S SLIDES.
Could cover expenses for 3 month or less if they lost their income

61% Millennials
56% Gen X
43% Boomers
Millennial
Demographics
Frey defines Millennials as being born from 1981-1997 (22-38 years old in 2019).

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Millennial homeownership status by race, 2015
Frey defines Millennials as being born from 1981-1997 (22-38 years old in 2019).

Pew defines Millennials as being born from 1981-1996 (22-37 in 2019). Labor force includes those ages 16 and older who are working or looking for work. Annual averages shown.

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Emerging and Uninsured Risks
Average tuition and fee prices reflect in-district charges for public two-year institutions and in-state charges for public four-year institutions.

“Trends in College Pricing 2018”. 2018. The College Board. Figure 4B.
Primary Sources: College Board, Annual Survey of Colleges; NCES, IPEDS Fall Enrollment Data.
Extreme long-term unemployment, 1977 to 2016

Data from Bureau of Labor Statistics. Percent displayed is the percent of total unemployed who are unemployed for at least one year. The percent displayed is a 12-month moving average of the not-seasonally adjusted data.

Homeownership at age 30 for subsets of boomers and millennials

NLSY data.

Percent change in rent versus percent change in income, by metropolitan statistical area (2005-2017)

Dotted blue line represents a 1:1 change in income and rent. In cities above the line median income has grown faster than median rent, below vice-versa.


LINK TO LAURIE GOODMAN SLIDES
The Changing Nature of Work
Based on employed civilians ages 16 and older. The job preparation level is based on a scale of one (little or no education/experience/training) to five (extensive education/experience/training).


http://www.pewsocialtrends.org/2016/10/06/1-changes-in-the-american-workplace/
Percent of civilian population employed by age group

http://www.pewsocialtrends.org/2016/10/06/1-changes-in-the-american-workplace/
How common is freelancing work among Americans?

56.7 million Americans freelanced in 2018

Americans are spending more time freelancing

53 million
2014

56.7 million
2018

+3.7 million

998 million
2015

1.07 billion
2018

+72 million hours per week

Proportion of workers in each age group who do any freelance work

https://www.slideshare.net/upwork/freelancing-in-america-2018-120288770/1
Freelancers versus U.S. workforce by education level

https://www.slideshare.net/upwork/freelancing-in-america-2018-120288770/1
Caregiving
Employment in the four states with existing paid family leave laws (California, New York, Rhode Island, and New Jersey) totaled 31.108 million in December 2017, out of a total U.S. employment of 154.021 million.

Estimates of individual caregiving prevalence by age of recipient

<table>
<thead>
<tr>
<th>Type of Recipient</th>
<th>Prevalence</th>
<th>Estimated Number of Caregivers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall</td>
<td>18.2%</td>
<td>43.5 million</td>
</tr>
<tr>
<td>Only child recipients</td>
<td>1.6%</td>
<td>3.7 million</td>
</tr>
<tr>
<td>Only adult recipients</td>
<td>13.9%</td>
<td>33.3 million</td>
</tr>
<tr>
<td>Both adult and child recipients</td>
<td>2.7%</td>
<td>6.5 million</td>
</tr>
</tbody>
</table>

Data from fall of 2014.

Share of family caregivers who are employed by generation


Primary Source: AARP Public Policy Institute analysis of Caregiving in the U.S. 2015. 
https://www.aarp.org/content/dam/aarp/ppi/2018/05/millennial-family-caregivers.pdf
Share of Millennial family caregiver out-of-pocket expenses by category


Primary Source: AARP Public Policy Institute analysis of Family Caregiving and Out-of-Pocket Costs: 2016 Report
https://www.aarp.org/content/dam/aarp/ppi/2018/05/millennial-family-caregivers.pdf
Number of non-caring hours worked per week by caregivers

Data from fall of 2014.

Healthcare
Number of uninsured and uninsured rate among the nonelderly population, 2008-2017

“Key Facts about the Uninsured Population”. 2018. Figure 1. Henry J Kaiser Family Foundation.
Primary Source: Kaiser Family Foundation analysis of 2008-2017 American Community Survey (ACS), 1-Year Estimates
https://www.kff.org/uninsured/fact-sheet/key-facts-about-the-uninsured-population/
Medicaid coverage rates for the nonelderly by age: 2008-2017

https://www.kff.org/medicaid/state-indicator/rate-by-age-3/?currentTimeframe=0&sortModel=%7B%22colId%22:%22Location%22,%22sort%22:%22asc%22%7D
Express Scripts prescription price index, 2008-2016

Kamal, Rabah, Cox, Cynthia, and Daniel McDermott. “What are the recent and forecasted trends in prescription drug spending?”. 2018. Figure 11. Peterson-Kaiser Health System Tracker. 
Social Security
The National Retirement Risk Index (NRRI) measures the percentage of working-age households that are at risk of being unable to maintain their pre-retirement standard of living in retirement.

Munnel, Alicia H., Hou, Wenliang, and Geoffrey T. Sanzenbacher. Figure 2: National Retirement Risk Index Shows Modest Improvement in 2016. 2018. Center for Retirement Research at Boston College
Number lifted out of poverty by Social Security by age (27 million total)

Data is from 2017. Figures are based on the federal government’s Supplemental Poverty Measure.

Estimated percentage of seniors in poverty, with and without Social Security (2017)

Confidence in receiving Social Security benefits upon retirement (2014)

Participants were 21 years or older at the time of the survey in June 2014.

Income Supplements
Americans Living Paycheck-to-Paycheck

This chart is based on data from a CareerBuilder.com survey. The survey polled 2,369 US hiring and HR managers, along with 3,462 US employees aged 18+.  
Percentage of respondents worried about finances, by birth cohort, 2017

Data from 2017. Unweighted sample of those who answered with an opinion and who reported being “very worried” or “somewhat worried” about finances.

Primary Source: RAND ALP, June 21 to July 17, 2017
https://www.rand.org/pubs/research_reports/RR2571.html
Income levels provided by cash minimum-income benefits

Net income value in % of median household incomes, 2015

Poverty threshold = 50% of median income

Data from the OECD Social Expenditure Database.
https://niskanencenter.org/blog/the-free-market-welfare-state-preserving-dynamism-in-a-volatile-world/
Antipoverty impact of the earned income tax credit and child tax credit, 2016

Figure uses the federal government’s Supplemental Poverty Measure, which counts the effect of government benefit programs and tax credits.