

The Generations

The six generations of Americans are, from youngest to oldest, the iGeneration, the Millennial generation, Generation X, the Baby Boom, the Swing generation, and the World War II generation. Below is a brief overview of the generations, followed by a more detailed look at their demographics.

- **iGeneration** After a decades-long rollercoaster ride, the annual number of births stabilized in the mid-1990s at about 4 million a year. The oldest members of the generation born out of this stability, dubbed the iGeneration to mark the technological engine to which they are harnessed, turns 15 in 2010. The attitudes and values of the iGeneration are still forming, so stay tuned for what they will become.

- **Millennial Generation** Like the Baby Boom, this generation, which was born between 1977 and 1994, is marked by its large size and the intense peer competition for a foothold in the middle class. But the world that Millennials are navigating in their twenties and thirties is very different from the one Boomers faced at the same age. Boomers entered adulthood in an expanding economy. Millennials face the highest unemployment rate on record for their age group. They are coping with a battered economy, falling housing prices, and burdensome student loan debt. But they are more optimistic than Boomers about their chances of achieving the American Dream.

Millennials are the most liberal of the generations, they rank among the best-educated Americans, and they are the first generation born into the high-tech world. These characteristics should help them succeed despite the difficulties that lie ahead.

- **Generation X** Born between 1965 and 1976, this well-educated, media-savvy generation now makes up the largest share of the nation's parents with children under age 18. The small size of Generation X has made it relatively easy to overlook—and it is painfully aware of this fact. When Gen Xers were teenagers, attention was focused on the Baby Boom. Businesses retailored youth-oriented offerings to suit the tastes of Boomer families. Now that Generation X has entered middle age, businesses are focusing on young adults to capture the spending of the large Millennial generation.

As parents, Gen Xers face the same problems that confronted Boomers—a conflict between work and family roles. They have an additional burden, however, because many bought houses during the peak of the housing bubble. Many are deeply in debt, with mortgage payments much higher than any other generation. With Boomers postponing retirement and clogging the promotional pipeline at work, many Gen Xers wonder when their day will come.

- **Baby-Boom Generation** Born between 1946 and 1964, this is no longer the largest generation of Americans because Millennials surpassed them in size in 2010. Because of their numbers, Boomers have been the focus of attention since their birth. Businesses that sold diapers, baby food, and grade-school books rejoiced at their arrival. But as Boomers matured into new stages of life,

the businesses they left behind had to choose between tracking them or shifting their loyalties to a new generation.

Boomers were raised by young, stay-at-home mothers who followed Dr. Spock's every word. They were taught to be independent and to believe they could control their own destinies. During the 1960s, this upbringing manifested itself in the anti-authoritarian counterculture movement. In the 1980s, it translated into see-how-fast-I-can-get-rich materialism. In 2010, Boomers are realizing that they may not have as much control over their lives as they once believed. Their retirement savings have been decimated by the Great Recession, many own houses that are worth less than they paid for them, their children have outsized college expenses and remain financially dependent well into adulthood, and their own health care costs have ballooned. Consequently, most are postponing retirement as their once empty nest refills.

Baby Boomers have been affected by their generation's immense size throughout their lives. In turn, the massive generation has had an enormous influence on the American economy and culture. This influence will continue for at least two more decades.

- **Swing Generation** This generation was born between 1933 and 1945. It is a small cohort of Americans caught between two powerful forces—the Boomers and the World War II generation. Consequently, the generation has swung between the attitudes and lifestyles of the generations on either side, which accounts for its name. Some members adopted the more casual lifestyle commonly associated with Boomers. Many leaders of the civil rights, women's, and antiwar movements in the 1960s were members of the Swing generation. Other Swing generation members are as conservative as their World War II elders. Many of the nation's politicians and CEOs are members of the Swing generation.

The Swing generation came of age during a period of quiet prosperity. Its relatively small size benefited its members—companies needed entry-level workers when they were young adults and managers as they reached middle age. Achieving a middle-class lifestyle seemed easy when the economy was expanding and corporations were feeling generous. This is the most affluent group of older Americans in history—and likely will remain so, a footnote in the history books.

- **World War II Generation** Born before 1933, these are the oldest living Americans. Many members of the generation fought in the war that gave the generation its name. The Great Depression and World War II shaped their attitudes and values more than anything else. Sometimes called the Greatest Generation, they were once a major force in the United States. The World War II generation is less educated than younger Americans because a high school diploma was once sufficient to get a good-paying, secure job. This generation's lower level of education is one reason why its members see things differently from younger Americans.

Generation X Is the Most Highly Educated

By age group, 30-to-39-year-olds are most likely to have a bachelor's degree.

The educational attainment of the Swing and World War II generations is considerably lower than that of younger generations. Because education influences attitudes, this difference is the key element in the enduring gap between older and younger Americans.

A substantial 21 percent of the Swing and World War II generations never graduated from high school. This compares with only 11 to 12 percent of Boomers, Generation Xers, and Millennials who do not have a high school diploma.

Generation X is the best-educated generation, with 33 percent of its members having completed a bachelor's degree. This compares with a slightly smaller 32 percent of Millennials and 30 percent of Baby Boomers. In contrast, only 23 percent of the members of the Swing and World War II generations are college graduates. The 58 to 60 percent majority of Millennials, Gen Xers, and Boomers have at least some college experience compared with only 43 percent of the Swing and World War II generations.

■ College credentials—at least an associate's degree—are a requirement for a growing number of jobs.

The Swing and World War II generations are the least educated

(percent of people with a bachelor's degree or more, by generation, 2009)

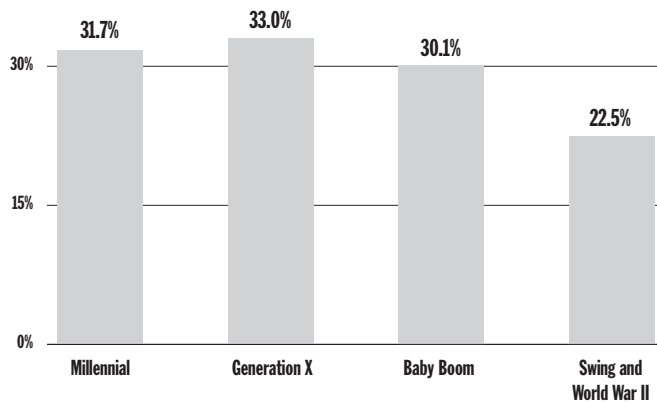


Table 3.1 Educational Attainment by Age, 2009

(number and percent distribution of people aged 25 or older by educational attainment and age, 2009; numbers in thousands)

	total	25 to 29	30 to 34	35 to 39	40 to 44	45 to 49	50 to 54	55 to 59	60 to 64	65+
Total people	198,285	21,256	19,264	20,445	20,877	22,712	21,654	18,755	15,534	37,788
Not a high school graduate	26,414	2,420	2,330	2,447	2,370	2,478	2,378	2,046	1,760	8,190
High school graduate only	61,626	6,113	5,239	5,506	6,336	7,348	6,930	5,691	4,681	13,783
Some college, no degree	33,832	4,361	3,422	3,472	3,387	3,824	3,705	3,413	2,695	5,553
Associate's degree	17,838	1,856	1,769	2,086	2,136	2,420	2,353	1,823	1,323	2,071
Bachelor's degree	37,635	4,927	4,314	4,487	4,367	4,350	3,981	3,466	2,908	4,835
Master's degree	15,118	1,258	1,622	1,754	1,646	1,615	1,655	1,722	1,579	2,268
Professional degree	3,206	204	341	403	338	346	390	301	311	572
Doctoral degree	2,614	117	228	290	300	330	262	292	278	515
High school graduate or more	171,869	18,836	16,935	17,998	18,510	20,233	19,276	16,708	13,775	29,597
Some college or more	110,243	12,723	11,696	12,492	12,174	12,885	12,346	11,017	9,094	15,814
Associate's degree or more	76,411	8,362	8,274	9,020	8,787	9,061	8,641	7,604	6,399	10,261
Bachelor's degree or more	58,573	6,506	6,505	6,934	6,651	6,641	6,288	5,781	5,076	8,190
Total people	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Not a high school graduate	13.3	11.4	12.1	12.0	11.4	10.9	11.0	10.9	11.3	21.7
High school graduate only	31.1	28.8	27.2	26.9	30.3	32.4	32.0	30.3	30.1	36.5
Some college, no degree	17.1	20.5	17.8	17.0	16.2	16.8	17.1	18.2	17.3	14.7
Associate's degree	9.0	8.7	9.2	10.2	10.2	10.7	10.9	9.7	8.5	5.5
Bachelor's degree	19.0	23.2	22.4	21.9	20.9	19.2	18.4	18.5	18.7	12.8
Master's degree	7.6	5.9	8.4	8.6	7.9	7.1	7.6	9.2	10.2	6.0
Professional degree	1.6	1.0	1.8	2.0	1.6	1.5	1.8	1.6	2.0	1.5
Doctoral degree	1.3	0.6	1.2	1.4	1.4	1.5	1.2	1.6	1.8	1.4
High school graduate or more	86.7	88.6	87.9	88.0	88.7	89.1	89.0	89.1	88.7	78.3
Some college or more	55.6	59.9	60.7	61.1	58.3	56.7	57.0	58.7	58.5	41.8
Associate's degree or more	38.5	39.3	43.0	44.1	42.1	39.9	39.9	40.5	41.2	27.2
Bachelor's degree or more	29.5	30.6	33.8	33.9	31.9	29.2	29.0	30.8	32.7	21.7

Source: Bureau of the Census, *Educational Attainment in the United States: 2009*, Internet site <http://www.census.gov/population/www/socdemo/education/cps2009.html>; calculations by New Strategist

Homeownership Rises with Age

Most householders aged 30 or older are homeowners.

The homeownership rate peaks at more than 80 percent among Americans aged 60 to 74. Predictably, those least likely to own a home are young adults who have not yet accumulated enough savings for a down payment and are not yet earning enough to qualify for a mortgage. Only 23 percent of householders under age 25 own a home.

By age 30 to 34, more than half of householders own their home. In the 65-to-69 age group, the homeownership rate reaches 82 percent. Homeownership declines slightly after age 75, however, as some older people sell their homes to move into nursing homes or assisted living facilities. Nevertheless, 79 percent of householders aged 75 or older are homeowners.

■ Easy money during the housing bubble allowed many younger adults to buy homes, and some of those buyers are now in financial trouble.

Homeownership reaches the majority in the 30-to-34 age group

(percent of householders who own a home, by age, 2009)

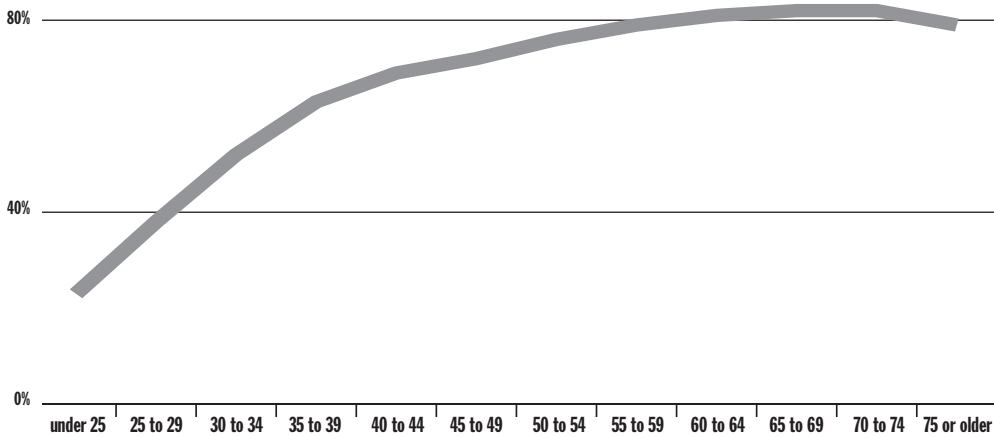


Table 5.3 Owners and Renters by Age of Householder, 2009

(number and percent distribution of householders by homeownership status, by age of householder, 2009; numbers in thousands)

	total	number		percent	
		owner	renter	owner	renter
Total households	111,344	75,014	36,330	67.4%	32.6%
Under age 25	6,106	1,424	4,682	23.3	76.7
Aged 25 to 29	9,076	3,421	5,655	37.7	62.3
Aged 30 to 34	9,331	4,897	4,434	52.5	47.5
Aged 35 to 39	10,185	6,462	3,723	63.4	36.6
Aged 40 to 44	10,705	7,358	3,347	68.7	31.3
Aged 45 to 49	11,861	8,578	3,283	72.3	27.7
Aged 50 to 54	11,605	8,874	2,731	76.5	23.5
Aged 55 to 59	10,226	8,038	2,188	78.6	21.4
Aged 60 to 64	8,920	7,186	1,734	80.6	19.4
Aged 65 to 69	6,822	5,592	1,230	82.0	18.0
Aged 70 to 74	5,288	4,331	957	81.9	18.1
Aged 75 or older	11,220	8,852	2,368	78.9	21.1

Source: Bureau of the Census, Housing Vacancies and Homeownership Survey, Internet site <http://www.census.gov/hhes/www/housing/hvs/hvs.html>; calculations by New Strategist

Men's Incomes Are Falling

Most men have lower incomes today than they did in 1980.

Men under age 55 had sharply lower incomes in 2008 than they did in 1980, declines in median income ranging from 6 to 14 percent. In contrast, men aged 55 to 64 saw their median income climb by 5 percent during those years, and men aged 65 or older saw an enormous gain of 40 percent.

Since 2000, men aged 65 or older are the only ones who have seen their standard of living rise. In 1980, men aged 65 or older had a median income only 59 percent as high as that of the average man. By 2008, their median income was 77 percent of the average.

■ Today's elderly men were the beneficiaries of generous government and employer handouts that have been eliminated or sharply reduced for middle-aged and younger men.

Older men have gained ground since 1980

(percent change in median income of men aged 15 or older, by age, 1980 to 2008; in 2008 dollars)

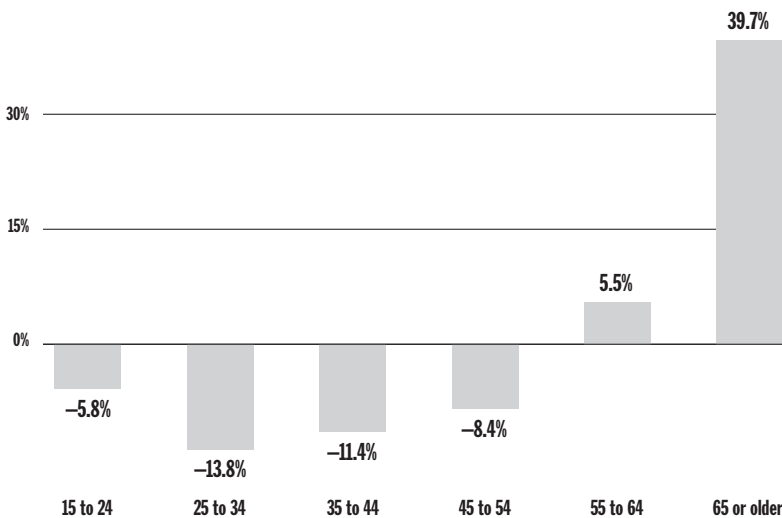


Table 6.1 Median Income of Men by Age, 1980 to 2008

(median income of men aged 15 or older with income by age, 1980 to 2008; percent change in income for selected years; in 2008 dollars)

	total men	15 to 24	25 to 34	35 to 44	45 to 54	55 to 64	aged 65 or older		
							total	65 to 74	75 or older
2008	\$33,161	\$10,778	\$33,415	\$44,189	\$45,540	\$41,757	\$25,503	\$28,993	\$21,911
2007	34,472	11,640	34,138	46,748	47,611	43,748	25,258	28,854	21,598
2006	34,455	11,708	34,312	45,531	48,795	44,293	25,095	28,056	22,040
2005	34,493	11,546	34,367	45,179	48,116	44,837	24,025	26,824	21,442
2004	34,784	11,492	35,327	46,203	47,721	44,783	24,087	27,600	21,345
2003	35,040	11,661	35,778	45,885	49,261	45,557	23,839	27,114	20,815
2002	34,993	11,540	36,715	45,350	49,033	43,417	23,261	25,482	20,954
2001	35,391	11,311	37,105	46,627	49,989	43,340	23,944	26,384	21,308
2000	35,437	11,935	37,826	47,414	51,311	42,746	24,270	26,839	21,498
1999	35,268	10,790	37,961	47,032	52,727	43,269	24,939	27,730	21,938
1998	34,947	10,804	37,091	46,404	51,344	43,236	23,964	26,032	21,738
1997	33,723	9,989	34,771	43,940	50,324	41,674	23,766	26,284	20,608
1996	32,568	9,511	34,406	43,955	49,510	40,346	22,798	25,423	19,806
1995	31,651	9,698	33,120	44,077	49,921	40,654	23,124	25,738	19,864
1994	31,203	10,125	32,476	44,114	50,185	38,896	21,908	23,846	19,623
1993	30,963	9,433	32,173	44,520	48,646	36,886	21,984	23,896	19,694
1992	30,755	9,468	32,322	44,342	48,386	38,514	21,948	23,771	19,375
1991	31,557	9,683	33,293	45,173	48,993	39,251	22,134	23,642	20,099
1990	32,407	10,091	34,164	47,547	49,517	39,611	22,650	25,500	18,654
1989	33,352	10,584	35,823	49,353	51,910	40,953	21,975	24,252	18,186
1988	33,068	10,219	36,346	49,922	51,729	39,607	21,810	24,381	17,888
1987	32,247	9,894	36,129	49,029	51,649	39,675	21,625	24,317	17,583
1986	32,077	9,902	35,916	49,055	52,024	39,425	21,637	—	—
1985	31,126	9,532	35,612	48,390	49,319	38,656	20,800	—	—
1984	30,791	9,295	35,712	48,488	48,533	38,542	20,626	—	—
1983	30,061	8,802	34,527	46,105	47,492	38,408	20,016	—	—
1982	29,885	9,484	35,168	46,378	46,151	38,193	19,683	—	—
1981	30,605	6,978	36,554	47,968	47,753	39,445	18,486	—	—
1980	31,172	11,436	38,760	49,848	49,691	39,591	18,258	—	—
Percent change									
2000 to 2008	-6.4%	-9.7%	-11.7%	-6.8%	-11.2%	-2.3%	5.1%	8.0%	1.9%
1990 to 2008	2.3	6.8	-2.2	-7.1	-8.0	5.4	12.6	13.7	17.5
1980 to 2008	6.4	-5.8	-13.8	-11.4	-8.4	5.5	39.7	—	—

Note: “—” means data are not available.

Source: Bureau of the Census, Current Population Surveys, Annual Social and Economic Supplement, Internet site <http://www.census.gov/hhes/www/income/histinc/incpertoc.html>; calculations by New Strategist