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MILLENNIAL VOICES ON ADVANCING THE AMERICAN DREAM

HEARING

BEFORE THE

JOINT ECONOMIC COMMITTEE
CONGRESS OF THE UNITED STATES

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FIRST SESSION

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CONTENTS

Opening Statements of Members

Witnesses

Submissions for the Record

MILLENNIAL VOICES ON ADVANCING THE AMERICAN DREAM

WEDNESDAY, NOVEMBER 18, 2015

CONGRESS OF THE UNITED STATES,
JOINT ECONOMIC COMMITTEE,
Washington, DC.

The Committee met, pursuant to call, 2:06 p.m. in Room 106 of the Dirksen Senate Office Building, the Honorable Daniel Coats, Chairman, presiding.

Representatives present: Paulsen, Hanna, Schweikert, Maloney, and Beyer.

Senators present: Coats, Cassidy, Klobuchar, and Heinrich.

Staff present: David Brauer, Connie Foster, Harry Gural, Colleen Healy, Christina King, Kristine Michalson, Viraj Mirani, Brian Neale, Thomas Nicholas, Leslie Phillips, Stephanie Salomon, Aaron Smith, and Sue Sweet.

OPENING STATEMENT OF HON. DANIEL COATS, CHAIRMAN, A U.S. SENATOR FROM INDIANA

Chairman Coats. The Committee will come to order. We appreciate our witnesses here today to talk about Millennials. Obviously I am not totally qualified to totally relate to Millennials. One of my staff members who is in my age bracket said, "You should have me on the witness table because I've got two Millennials living in my house, and I can't get them launched."

[Laughter.]

So it is going to be an interesting hearing that we have today, and it is an important one because we are dealing with a generation of people who are very important to the future of this country, and there are issues that we need to talk about.

I am going to give a very brief opening statement. Our first witness, Congresswoman Stefanik has to get back to the House, and so we want to get to her quickly so she can do that, and then also hear from our other witnesses.

The Joint Economic Committee has produced a piece here, thanks to some very good staff work, titled "Millennials' Slow Start Down The Road of Life." It talks about the challenges that this generation has in terms of education, debt to achieve that education, unemployment and not finding jobs that match the talents and skills learned in college, stagnant and less promise of career path growth in the job market, delay of marriage, housing issues not a priority but delayed by debt, and job uncertainty, and looming spending and rising debt that have put Millennials' futures at risk.

All of these are issues, and there are others that we will be discussing today. I am going to ask unanimous consent that my full statement be entered into the record, and also if Senator Klobuchar does not arrive, she has asked, in a timely basis, she has asked also for her statement to be put in the record.

I will turn now to our Ranking Member, Congresswoman Maloney, for her opening statement, and then we will move to introduce our witnesses and start the hearing.

[The prepared statement of Chairman Coats appears in the Submissions for the Record on page 30.]

[The report titled "Millennials' Slow Start Down the Road of LIFE" appears in the Submissions for the Record on page 31.]

[The prepared statement of Senator Klobuchar appears in the Submissions for the Record on page 36.]

OPENING STATEMENT OF HON. CAROLYN B. MALONEY, RANKING MEMBER, A U.S. REPRESENTATIVE FROM NEW YORK

Representative Maloney. Thank you so much, Chairman Coats, for calling today's hearing. Millennials are central to our Nation's economic, social, and cultural vitality. They are the largest generation, bigger than the Baby Boomers, approximately 88 million people.

They are also the most educated and racially diverse generation in United States history. But Millennials face significant challenges in many ways far greater than those experienced by the Boomers.

Millennials generally have higher rates of unemployment, lower incomes, and more student debt. Many Millennials have had no choice but to delay getting married, buying a home, and saving for retirement.

These challenges were greatly magnified by the Bush-Era Great Recession. The Recession was an economic catastrophe that deeply hurt many Millennials and will have a lasting impact on them.

We have come a long ways since the darkest days of the Recession. The economy continues to recover. The overall unemployment rate has been cut in half, and businesses have added jobs for 68 consecutive months, the longest streak on record.

Millennials have benefited substantially from this recovery. Unemployment is down and wages are beginning to move up. This year's college graduates will likely enter the best job market in years. Yet significant problems remain.

It is useful to compare what Millennials are experiencing today to what the Baby Boomers experienced a generation ago. Many Baby Boomers with only a high school education could afford to buy a house, raise a family, save for retirement, and pass something on to their children. But most Millennials will need a college degree to come close to matching that success and will struggle longer to achieve it.

The question is how to pay for it. The real median income for those households headed by a 25- to 34-year-old has fallen by nearly 10 percent in the past 15 years. So more young people have been forced to borrow money to go to college. The share of households headed by someone under age 35 with student loan debt has more than doubled since 1989, and they borrow more money, too, with median debt tripling during this same period.

Some Millennials will end up paying back loans well into their 30s, 40s, and even their 50s. And because so many Millennials leave college with student debt, they do not have the money for a down payment for a first home. Home ownership for those under 35 years old has declined and is now about 2 percentage points below its average in 1994.

Young people are even returning home to live with their parents. The Pew Foundation finds that a larger share of women 18 to 34 years old are living at home, 36 percent, than at any time since 1940 when those statistics were first collected, and the share of men is even higher.

I hope we can use the hearing today to not only understand the scope of these problems, but also to focus on solutions.

For guidance, let's look at the first rule of medicine: Do no harm. Let's start with education. Should we force students to rely on private student loans that are more costly and come with fewer consumer protections?

No. The truth is that Millennials cannot afford it. What about government spending? Should we slash spending so we have a smaller government that provides fewer services?

Fifty-three percent of Millennials oppose that approach. Let's turn to health care. Thanks to the Affordable Care Act, uninsured rates for younger Millennials have been cut in half, as those under the age of 26 are now able to stay on their parents plans as well as utilize exchanges across the country.

Should we cave to efforts to repeal the health care law? Of course not. Millennials make up approximately 7 in 10 workers who earn at or below the minimum wage. Should we allow the right wing to block efforts to increase the minimum wage? Clearly, no.

Should we privatize Social Security? No. Instead, let's come together to pass modest measures to make sure that it will be strong when Millennials need it.

Should we roll back consumer financial protections that help protect them from predatory practices? Some call this cutting red tape. I would call it dangerous.

But it is not enough to block destructive actions that hurt Millennials. We must focus on targeted actions that will help them. And I will mention just a few.

We need to make college more affordable by strengthening federal and state support for higher education, making tuition free at community colleges, and increasing investments in Pell Grants.

We need family-friendly policies so Millennial parents can make a living and raise their children. Let's repair our Nation's roads and bridges to lay the groundwork for a stronger economy.

If we don't do it now, Millennials will pay a very steep price down the road. And let's not ignore what will perhaps be the greatest challenge of our time: climate change.

We must fight those who claim that climate change is a hoax. Failing to address climate change would leave an unimaginable burden on Millennials and future generations.

The challenges facing Millennials are real, but the solutions exist and it is our job to help chart the course forward. Let me close by saying that it is wonderful to have on our panel a colleague from the House, and a Member of the New York delegation. So, welcome, Elise, and I look forward to your perspective as well as the testimony of the other panelists.

Thank you, and I yield back.

[The prepared statement of Representative Maloney appears in the Submissions for the Record on page 36.]

Chairman Coats. Senator Klobuchar, I have already put your statement into the record, but I would love to give you some time to summarize what you had to say.

Senator Klobuchar. As the Ranking Senator, thank you. I am going to have to leave early, but I did also want to thank Ms. Mishory for being here. She is going to be in Minnesota in mid-November, which we know is the best time to visit—right, Congressman Paulsen?

[Laughter.]

And then, Representative Stefanik, I know you used to work for Tim Pawlenty, our former Governor, so we welcome you any time.

This issue of the Millennials, I am so glad that you are having a hearing on this because we know that so many different issues confront Millennials. And I have heard Congresswoman Maloney go through a number of very important issues. I think the savings issue is going to be important. As you have more people that are changing jobs in the GIG economy, which when I first heard about it I though it meant like gigs, as in computers, and then I realized you mean a lot of jobs. And with so many jobs with Millennials, that is going to be a piece of it. And, as well we know, the student loan costs, paid sick leave, and so many economic challenges. But there's also so many opportunities with the economy having stabilized and improving.

So with that, I am going to let you go on with the hearing here. Senator Blunt and I had agreed to meet with the Ambassador from the Congo on some important adoption issues, but I look forward to hearing what happens. Thank you.

Chairman Coats. Senator, thank you.

I am going to do something a little bit different here. I am going to introduce Mr. Meyer, and then introduce Ms. Mishory, and then have Congressman Hanna introduce you. And the last shall be first. The last to be introduced will be the first witness, given your time constraints.

Mr. Jared Meyer is a Fellow of the Manhattan Institute. His research includes micro economic theory—don't ask me what that is—and the economic effects of government regulations. Mr. Meyer is a regular contributor to several national media outlets, is co-author with Diana Furchtgott-Roth of "Disinherited: How Washington Is Betraying America's Young," published just this year. He will have a tape—no, not a table outside where——

[Laughter.]

He can sign the book, but you can go to Barnes & Noble, or Books-a-Million and get that book.

Before joining the Manhattan Institute, he was a research assistant for political philosopher Douglas Rasmussen. He holds a Bachelor of Science in Finance and a minor in Philosophy of Law from St. John's University. We welcome you, Mr. Meyer.

And Ms. Jennifer Mishory, Executive Director and Founding staff member of Young Invincibles. That's what some of my kids say they are.

[Laughter.]

She is a member of the Consumer Advisory Board of the Consumer Financial Protection Bureau. She previously served as consumer representative for the National Association of Insurance Commissioners, and graduated with honors from UCLA. She received her Law Degree from Georgetown University Law Center, and is admitted to the California Bar.

I would like to turn now to Representative Hanna to introduce our first witness.

Representative Hanna. Thank you, Chairman.

I am pleased today to introduce my friend and colleague, Representative Elise Stefanik who serves the 21st District of New York, just north of me. Representative Stefanik graduated from Harvard University with honors as the first member of her immediate family to graduate from college.

She is not only the youngest Member of Congress serving today, but she is also the youngest woman ever to be elected to this institution.

She is a member of both the Armed Services Committee and the Committee on Educational Workforce. She also serves as a freshman representative to the Policy Committee, and heads the Millennial Task Force.

Representative Stefanik was formerly Director of Communications for the Foreign Policy Initiative, and worked in the White House as part of George W. Bush's Domestic Policy Council staff.

Prior to her election, Representative Stefanik also worked at her family's small business, Premium Plywood Products, founded over 20 years ago in Upstate New York. Welcome.

STATEMENT OF HON. ELISE STEFANIK, A U.S. REPRESENTATIVE FROM NEW YORK

Representative Stefanik. Thank you, Congressman Hanna. Am I good to go? Great.

Good afternoon, Chairman Coats, Ranking Member Maloney, and my Distinguished Colleagues on this Committee.

It is truly an honor to participate in today's hearing and have the opportunity to discuss issues that are not only important to my constituents, but also to over 80 million other Millennial Americans throughout our country.

It is critical that we as legislators recognize the opportunity Congress has to support and empower Millennials, the current generation between the ages of 18 and 33 years old.

I look forward to sharing my unique perspective both as a Millennial and as a Millennial Member of Congress.

Over the last year, I have chaired the House Republican Millennial Task Force. This Task Force aims to identify and tackle the issues facing Millennials, while also embracing the unique and innovative ways these Americans face challenges.

I have chaired three hearings to date to address these goals, and trust that what was learned will prove helpful to this Committee.

In June, the Task Force invited several leaders in Millennial research and polling, including Mr. Meyer who is here with us today. The hearing explored and delved into the demographics of Millennials and identified key issues of concern.

We learned that Millennials make up one in three U.S. workers, and have now overtaken Generation Xers as the largest generation in our Nation's workforce. Additionally, Millennials are the most educated generation in our history, while also carrying student loan debt far greater than our parents and grandparents.

We also learned that a majority of Millennials do not believe they will be able to attain the standard of living or the quality of life enjoyed by their parents.

Our witnesses explained that this generation faces entrenched challenges to innovation and advancement that are the result of a Federal Government that has not recognized and responded to a changing America.

In August, I held a field hearing in my District where I spoke to Millennials from diverse fields, ranging from advertising to agriculture. These young Americans from New York's 21st District shared the hopes they have as they start their professional careers, as well as the challenges they face in today's economy.

Ethan Allen, a Millennial farmer who I represent, mentioned the regulatory burdens young farmers face as they look into entering the agricultural field. Other Millennials who participated on the panel spoke of the crippling student debt that prevents them from starting new businesses, and also the crushing costs of health care that make it a challenge to save for retirement.

However, what truly inspired and impressed me was the optimism, and this new way of looking at the world which this Millennial generation exudes. These are young Americans that strive for fulfilling jobs and care about their local communities.

They do not shy away from challenges, and they want to participate in society, their communities, and in local government. However, often they feel held back by archaic processes and over-regulation.

As leaders in Congress, we can help with these challenges, and we can support and help grow our empowerment economy to allow young people to bring about economic change for themselves.

Just this past Monday I chaired the third Task Force hearing here. We explored how companies are attracting and retaining Millennials in their workforce, as well as how today's technology is providing flexible opportunities for Millennials to earn money and advance their careers.

I heard from Google and PricewaterhouseCoopers who shared their thoughts on the empowerment economy. Mazie Clark, a Millennial from Google, pointed out how flexibility and competitive benefits are enjoyable, but at the end of the day it is about empowering workers to succeed and live the lives they desire.

Terri McClements from PricewaterhouseCoopers discussed the real-time feedback system at their company that instills open communication and a sense of ownership among employees, 80 percent of whom are Millennials.

Another witness at the hearing was Uber, which is a great example of the empowerment economy. This company allows for flexibility and allows, for example, a full-time student to earn a living on their own schedule, or even gives a stay-at-home mom the opportunity to set her own hours and receive a paycheck to benefit her young family.

By allowing Americans the flexibility to work the hours that fit within their busy daily schedule, companies such as Uber are creating the needed opportunities which are desperately desired by Millennials.

Although these Task Force hearings have primarily focused on the economics of the Millennial generation, it is critical that we address the student loan debt crisis. I share the concerns of this Committee and many of my House and Senate colleagues.

When the most educated generation in our Nation's history cannot start businesses, purchase homes, or save for retirement because they are held back by decades of loan payments, we must make it a priority to discuss innovative ways to address this solution.

I am thankful to have been invited to speak to this Committee today, and I look forward to an ongoing and productive conversation on how we as leaders in Congress can best serve the 80 million Millennials across this Great Nation who will be our future leaders.

Thank you.

[The prepared statement of Representative Stefanik appears in the Submissions for the Record on page 38.]

Chairman Coats. Well thank you very much. We appreciate that. We hope you will be able to stay to take some questions from us. We understand when you'll need to leave.

Mr. Meyer.

STATEMENT OF MR. JARED MEYER, FELLOW, MANHATTAN INSTITUTE FOR POLICY RESEARCH, NEW YORK, NY

Mr. Meyer. Chairman Coats, Ranking Member Maloney, and other Members of the Joint Economic Committee, I want to thank you for giving me the opportunity to give testimony on how to embrace Millennials' vision of the American Dream.

I am a Fellow at the Manhattan Institute for Policy Research, and the co-author of the book "Disinherited: How Washington Is Betraying America's Young," but don't worry it isn't any of you who are doing the betraying.

Over the past four months, I have traveled across the country and I have spoken with Millennials about the economic challenges they are facing, and also their vision for the future.

Millennials have been called the most entrepreneurial generation. While this may be true based on their desires to start businesses and their near-universal respect for entrepreneurs, few young Americans have followed through on their entrepreneurial dreams.

A Bentley University survey of Millennials found that 66 percent of the respondents have a desire to start their own businesses, and Deloitte found that about 70 percent of Millennials envision working independently at some point in their careers.

Yet, only 3.6 percent of businesses are at least partially owned by someone under the age of 30. This is the lowest proportion since the Federal Reserve began collecting data nearly a quarter century ago.

Additionally, the Brookings Institution found that business start-up rates are much lower now than they were in the 1980s. But these declines should not be surprising. Government policy, particularly in regards to regulation, is stuck in the 20th Century and continues to hold back economic opportunity.

The U.S. Code of Federal Regulations is over 175,000 pages long. The number of pages has steadily accumulated since the 1970s, but five of the six all-time high counts have occurred under President Obama's tenure. And in these pages, there are over one million commandments from Washington in the form of restrictive words such as "must," "cannot," or "shall."

How can we expect business owners to comprehend which of these million restrictions apply to their businesses? It is simply a waste of their time.

Financial regulations such as the Security and Exchange Commission's restrictions on equity-based investment can severely limit a startup's ability to raise capital.

The Jobs Act of 2012, a law that President Obama touted as one of the ways he has aided Millennials, included a provision to allow for equity-based crowdfunding. Debt- or rewards-based crowdfunding were already permitted under existing law, but the SEC has still not implemented the equity crowdfunding rules, leaving entrepreneurs delaying their projects.

And even if entrepreneurs are able to fund their businesses, labor regulations can prevent their projects from getting off the ground. One example of this is occupational licensing, which requires people to spend a substantial amount of time and money to gain government's permission to work.

One out of three American workers now needs to gain government licensing or certification in order to earn a living, and this is up from 1 in 20 in the 1950s. It takes an average of 70 times as long to become a government-approved interior designer as it does to become a government-approved emergency medical technician.

Additionally, the pass rate for the Louisiana florist exam, which is for a florist certification, is only half as high as the pass rate for the Louisiana Bar Exam.

These burdens vary across states, and licenses are rarely transferable if a practitioner moves. This disproportionately affects those who have to move due to a spouse's job such as military spouses, and mobile, often young workers.

The negative effects on young people from excessive occupational licensing are one reason why President Obama's 2015 budget called for $15 million to go to states that institute common sense reforms, to make sure that licensing keeps the public, not established companies and practitioners, safe.

Further initiatives to curb states' desires to license young people out of work should be welcomed by federal policy makers. Other labor regulations affect the flexibility of entrepreneurs' hiring decisions. A recent Labor Department proposed rule would expand the numbers of employees who qualify for overtime pay.

Those who earn up to $50,400 a year might have to be paid overtime, up from the current level of $23,660 a year. This would reduce flexibility for entrepreneurs and their employees.

Telecommuting, which is another mainstay of startups, would also take a hit, since employers would have to keep close track of their employee's hours.

Furthermore, the U.S. Department of Labor is making it more difficult for startups to hire contractors. DOL recently issued an administrator's interpretation to clarify the definition of "independent contractor." But the problems for startups arise because this interpretation downplays an employer's lack of control over employees' hours as a determining factor for determining employee versus independent contractor status.

This means that more workers will be determined to be employees rather than contractors, and startups will be forced to pay up to 30 percent more, money they often do not have, to provide the associated benefits.

The American Dream may have once been finding employment at a large company, working there for a few decades, then retiring with a defined benefit pension plan, but now Millennials' American Dream looks much different than that of their parents and grandparents.

New opportunities to change or advance one's career are prioritized, and individualized flexible work arrangements are the model of the future.

Thank you for the opportunity to give testimony, and I look forward to your questions and continuing this discussion.

[The prepared statement of Mr. Meyer appears in the Submissions for the Record on page 41.]

Chairman Coats. Thank you. And, Ms. Mishory.

STATEMENT OF MS. JENNIFER MISHORY, EXECUTIVE DIRECTOR, YOUNG INVINCIBLES, WASHINGTON, DC

Ms. Mishory. Thank you. Chairman Coats, Ranking Member Maloney, and Members of the Committee, thank you for the opportunity to appear here today.

I am the Executive Director of Young Invincibles. We are a nonprofit, nonpartisan organization that works to expand economic opportunity for young people in this country.

Definitions vary, but according to Pew there are 75 million Millennials, and we are the most diverse generation in American history. So 57 percent are White, 21 percent are Hispanic, 13 percent are Black, and 6 percent are Asian Americans. This compares to Boomers of which 72 percent are White.

In 2013, 65 percent of 25 to 34-year-olds had completed some post-secondary education, and about a third of Millennials are also parents.

Overall, we are the most educated, the most tech savvy, but also face deep financial challenges. When we interact with young people across the country, they tell us about struggling to attend school, find good jobs, raise families, and pay down debt.

The Recession accelerated trends that left Millennials with critical challenges unlike those seen by our parents.

First, we have seen challenges in finding employment. While young people have experienced job growth in recent years, there are several negative trends in youth employment further exacerbated by the Recession.

Unemployment levels are consistently above the overall level of joblessness, and this trend is even more troubling for young people from communities of color.

Indeed, Millennials are now the biggest generation in the labor force, yet they account for just 33 percent of employed Americans. And this can have long-lasting effects. Years later, workers who graduate during a period of high unemployment earn significantly less than workers with better timing.

Second, we have seen wage stagnation and benefit reductions for this generation. Wages have actually decreased for Millennials in the past decade, almost twice as fast as the decrease seen by workers across age groups.

Young people are disproportionately more likely to work in sectors with lower wages. So median wages have declined or remained unchanged in the last decade in four of the top five industries employing most 18- to 24-year-olds.

Other trends similarly impact this generation. One in four employed 18- to 34-year-olds is only working part-time. The rise of the sharing economy, while it does provide desired flexibility and entrepreneurship for some young workers, it has also likely accelerated that trend.

As a result, many of today's young workers lack key benefit, wage, and other workplace protections, and even consistent workplace scheduling when it is needed.

Third, we have seen a growing demand for education, but also growing debt. Research shows that by 2020 65 percent of jobs will require some sort of post-secondary education beyond high school, yet affording college is just too hard.

Since 1978, tuition and fees have increased over a thousand percent, primarily due to a decrease in state spending for a student. And state investment is down a total of 23 percent since the recession.

As a result, student debt has ballooned. In 2014, 70 percent of grads left with an average of $29,000 in debt. Students tell us that their debt means delaying major life decisions, and a recent study indicated that student debt prevented $83 billion in real estate sales last year.

Overall, the median net worth of young households is about $10,000, and that is a 41 percent decline from 1995. So it is clear. Tackling these challenges requires action.

First, we need to invest in quality education. Making education more attainable means that states need to reinvest, and the Federal Government can help to incentivize them to move in that direction.

And Congress must double down on investments such as the Pell Grant and make it available year-round. Moreover, simplifying the financial aid process and providing students with clear information about which schools are providing good outcomes would give students a better chance to make decisions that are right for them.

Congress must also address the quality issues at taxpayer funded poor performing schools. We can do this through risk-sharing models or other means to incentivize schools that are doing well.

Second, we need to help those with burdensome debt. Income-based repayment plans can provide badly needed relief, and those should be scaled up so that those who are struggling are not forced to pay back more than they can afford. Additionally, student loan refinancing and bankruptcy protections for those who are really in dire straits are common sense solutions. And those with debt need fair treatment from their loan servicers, and that is just not happening right now.

Third, we need to do more to help youth who are not working and who are in school. With 5.6 million opportunity or disconnected youth in this country, youth who have potential but have not yet been able to find a pathway to work, we must scale initiatives to reconnect them to education and job training such as those funded through the Workforce Innovation and Opportunity Act.

Apprenticeships also yield graduates with increased opportunity for gainful employment and a degree.

Fourth, we must redesign workplace policies for today's economy. Policies that promote family economic security often benefit young people, so Millennial parents are actually experiencing the highest poverty rates seen by any parents in the past 25 years.

Young parents experience a series of unique challenges, including care-taking responsibilities, and barriers to stable work and school schedules, as 25 percent of students are actually parents.

Policies such as improving access to on-campus child care for student parents, and better access to paid leave could better support this generation now starting families. Despite the challenges we face, Millennials are optimistic. It is up to us to make sure that perception of the future becomes a reality.

Thank you for your time, and I look forward to the discussion.

[The prepared statement of Ms. Mishory appears in the Submissions for the Record on page 51.]

Chairman Coats. Well thank you, and I appreciate the testimony from our three witnesses. I will just ask a few brief questions here, and then turn to my colleagues.

Ms. Stefanik, you indicated that despite the challenges that Millennials face—and you named a number of them—there is a real sense of optimism. That is a bit surprising, given the fact that so many Millennials have been labeled as working in less skilled jobs than the skills they have, saddled with a significant amount of debt, and no longer think that they can live the American Dream, or live the dream that their parents have been able to live.

So I am trying to reconcile. Where does that optimism come from? Sometimes I think—I am wondering why there isn't more outrage, more outrage on the part of a generation that has been robbed of the opportunity to live the American Dream? Robbed, frankly, by the older generations, of which I am part of. Maybe Representative Hanna would be close to it, anyway. Clearly the—and you, Mr. Meyer, said that there are government policies that have betrayed the younger generation, but, you said, not from any of us; it is from all of us.

It is from all of us who have held elective office and executive positions, and presidencies—I am not dividing between one party or another party. We have all failed dramatically to address the impact of running this country into ever more debt, of not making needed reforms to mandatory spending programs that are literally drying up all the—without determining any kind of priority, good, bad, or indifferent, in terms of policies that have been mentioned by all of you, unaffordable, unaffordable because so much of our spending now goes to mandatory entitlement programs, plus interest on our debt.

And so you can talk all you want about—we can talk all we want about supporting students, more Pell Grants for this, more opportunities for that, more spending here, more education, et cetera et cetera. That is being squeezed every year by our refusal to address the main issues here.

So I am wondering where that optimism comes from when these young people recognize that they are being robbed by older generations and, frankly, by their elected officials both in the Executive Branch and in the Legislative Branch that have refused to take steps necessary to address this problem and put them on a better path to living the American Dream.

We all ought to be ashamed of ourselves for falling to groups like AARP and others who scare the heck out of older people, knowing that we are running this Nation over a cliff. And the biggest impact will be on the Millennials.

Representative Stefanik. Thank you for the question.

As a Millennial, I know I speak from personal experience that you can be frustrated simultaneous to feeling optimistic about the future of this country.

There is no doubt that the issue of our national debt will rest on our generation's shoulders. Today we know that our national debt is over $18 trillion. If we continue on this current trajectory, by 2025 it will be over $27 trillion. This is an unsustainable debt load that will continue to hamper our generation's ability to grow and create economic opportunity.

But I did want to point to some of the other more hopeful indicators about Millennials. Millennials actually volunteer in historic numbers, but they feel very politically disengaged. And I am about half the average age of a Member of Congress. I think one of the lessons that I try to educate my colleagues in Congress is that we need to actively reach out to Millennials to make them a part of the conversation when we are making public policy.

Millennials have come of age during a world of government gridlock, during a world of partisan bickering, and we need to do better about educating Millennials on how legislation that we are voting on today will impact their economic futures, and the choices economically that will be available to them.

But we are still hopeful. We live in, you know, an amazing, changing economy right now with the information age and growing companies like Uber that six years ago did not exist.

So I think that hope is those positive, disruptive ideas that are a result of supporting this empowerment economy with greater flexibility and increased entrepreneurship.

Chairman Coats. Thank you. Mr. Meyer, do you want to comment on that?

Mr. Meyer. Yeah. I would just say I think what Millennials see is, even in the face of government inaction, private solutions driven by entrepreneurs that really excite them.

For example, the Post Office still has the same monopoly that it's always had, but we have allowed entrepreneurs to innovate around the Post Office so that we don't really need it anymore. If we look at e-mail, or with private chains that are coming in and filling gaps in service, this is what is seen throughout the economy, especially as has been mentioned a few times, with Uber. Most cities still have in place their taxi cartels, where taxis get a special monopoly privilege on picking up customers. But Uber has made those effectively not matter anymore because it has an entirely different business model that has superceded the existing regulatory structure.

So I think that is why young people are optimistic, and why they have such respect for entrepreneurs—not only that they want to be them themselves, but they realize the great benefits that they have brought to today's economy.

Chairman Coats. And, Ms. Mishory, I want to give you a chance to respond also.

Ms. Mishory. I certainly agree with my panelists that young people are service oriented and volunteer at incredibly high rates, and are entrepreneurial. I do think a lot of the investments that we can think about making are really smart investments.

So, for example, we did a report a couple of years ago looking at the cost of youth unemployment. It was actually costing the country $9 billion a year to have so many young people out of work. If we could actually scale up some of the innovations we have seen, and connecting young people to training and jobs that will get them working, that is actually going to help grow the economy and get folks back to work, and actually alleviate that cost.

Chairman Coats. Well thank you. I want to urge all of you to continue to support that optimism, which means you need to put a lot of pressure on us who are making these policies on straightening out our debt so they have a better future and not burdening them down with regulations that are just no one can even begin to keep up with, so that they too can come to a point where they can have the same American Dream that we have had and that our parents have had, and many others who have sacrificed for the future of this country. We are not seeing that sacrifice right now—we don't need more handouts, as you've said. In my opinion, we need more empowerment. We need to give you a reason to be optimistic.

Congresswoman Maloney.

Representative Maloney. Thank you so much, and welcome to all of the panelists, and especially Representative Stefanik who is from the Great State of New York that I also have the privilege of representing. And my late husband's home was in your District, our family home was. So I am very familiar with that area and why you are so devoted to climate change and other environmental issues.

I was very interested in your testimony that you chair the Task Force for Millennials for the Republican Majority, and your statements on flextime and how helpful it is for companies to look at it. And given the example of Uber that allows young mothers and students to work and also pursue their careers and their education and their children.

So I would like to ask you to look at a bill that I have introduced with Senator Casey on flextime which follows the model of England, that allows flextime and is not mandatory but protects workers that approach their employers for flextime. I think it is flexible and good and could respond to the challenges that you pointed out in your testimony.

Also I was interested in your support for climate change. You were an original co-sponsor of a resolution recently introduced in the House that noted the dangers of saddling future generations with costly economic and environmental burdens. And I would like to hear your thoughts on what should be done to address climate change.

And isn't failing to act on climate change imposing additional burdens and costs on your generation?

Representative Stefanik. Sure. So I welcome the opportunity to review your legislation on greater flexibility in the workplace. So the concept that Uber discussed, as well as PricewaterhouseCoopers, I think that makes them unique is that they were essentially ideas that came from the workforce and the companies themselves.

So PricewaterhouseCoopers talked about how they were able to model a flexible—you know, flextime that was responsive to what their workforce said they were looking for. So the needs of, for example, single parents are very different than students who are maybe pursuing their graduate degree, or taking extra classes outside.

And I think the key for me is providing flexibilities for companies for policies that work to continue to promote Millennials and provide economic opportunity for Millennials to grow.

In terms of my original co-sponsorship of the resolution related to climate change, I represent New York's 21st District. The health of our environment is critically tied to the health of the economy. But in terms of policymaking, we have to find a balance in addressing this issue that is not crushing jobs and creating overly burdensome regulatory costs.

I think we need to have this conversation going towards the future, but I believe it should not be just one-sided. And when I talk to Millennials, their key concern is getting a job in today's economy. And we need to make sure policies and over-reaching rules are not crushing our jobs today. But that conversation needs to happen.

Representative Maloney. I would say you represent one of the most environmentally beautiful Districts in the country, and I look forward to further conversations on these two issues.

I would like to ask Ms. Mishory. The oldest Millennials were 27 years old and beginning their careers when the Great Recession hit, and the impacts on their employment, income, and wealth have been painful.

How has the Great Recession affected the employment and earnings prospects of Millennials? And are these short or long term impacts on their careers?

Ms. Mishory. Well the Recession certainly hit Millennials the hardest. And so we are seeing a generation who graduated at a time when they could not find work, and they could not find work at higher rates than other age groups.

And research does show that those effects on wages can last for as long as 15 years, and perhaps even longer. So someone graduating at a time of recession will see that impact over time.

So I do expect that those folks that have graduated during that time period will see that for a long time.

Representative Maloney. And Millennials are also less likely to own their own homes, and more likely to live at home with their parents than previous generations. And is this explained, in part, by the difficult economy which they have inherited?

Ms. Mishory. Sure. And folks ask that question a lot, and most young people do not want to be living at home when they are 25, 26, 27. It is not a choice. I mean, we are talking about people who are trying to find work, trying to save up, and whether it is save up in the rental market that they happen to live, or to be able to purchase a home, I think those challenges are reflective of a confluence of issues.

So we are seeing either declining or stagnant wages. We are seeing people that graduated during the Recession and could not find a job. And then we are seeing folks that have student debt.

And we have seen poll after poll, study after study show that having student debt is impacting the housing market. And as I mentioned in my testimony, we are starting to quantify the billions of dollars in sales that it is actually holding people back from.

So, absolutely. And I would say, finally, when it comes to home ownership, it is also a generation that saw their parents lose their homes, and I think are going to be perhaps a little bit more reluctant to jump into the market.

Representative Maloney. My time has expired. Thank you.

Chairman Coats. Thank you.

Congressman Hanna.

Representative Hanna. Thank you.

As we know, we can agree that college is more a necessity than ever, but it is also a choice. College debt is a choice that people face, and a choice I think they have to make.

And speaking of Uber, you may want to talk about this, Mr. Meyer, but right now the income from—for someone who runs a Uber business, they are asking that it become W–2 income. Are you familiar with that? I think that is in California, to be precise.

But I want to ask you about something that Senator Coats referred to. And that is, this notion of intergenerational theft. Because while I agree with that, and I agree that we have this enormous debt and slow growth, a lot of what Ms. Mishory talked about would actually add to that, respectfully. Pell Grants have grown exponentially in the last few years to around, I think, $25 billion.

And some of the other programs, the state-funded education, all of those kinds of things add ultimately to this problem.

So, I mean you have a bigger problem than we do, right, and we are piling on. So how do you reconcile that with—and how do you feel about the term "intergenerational theft"? It is curious to me that we use that, because it is benefiting our parents—me, soon enough. Anyone? Elise?

Representative Stefanik. Thank you, Congressman Hanna, and my good friend from Upstate New York. You know, I think our national debt and our budget crisis in this country is a generational issue. That is how I talk about it with my constituents, most of whom are seniors, and they fear for their kids and their grandkids' future.

I wanted to refer back to Senator Klobuchar's initial statements that it is not only the national debt which is going to be a huge challenge for my generation, but it is also our savings crisis on an individual basis. The fact that Millennials are facing the crushing debt of students loans. They are pushing off pursuing home ownership. And they are not saving for the long term.

We are going to be the generation that will, you know, hopefully be there to support our parents as they become seniors, and we will probably become caretakers and will have to make some of those—you know, will be making those decisions, but also, you know, providing the economic support for our parents as they live longer.

So I think the savings crisis and promoting financial literacy, and promoting more awareness of Millennials of the importance of saving early will be beneficial. That is completely aside from our national debt, which of course is a generational issue.

Mr. Meyer. Well, Congressman Hanna, I want to thank you for bringing that up because I actually just had a report released yesterday through the Manhattan Institute describing entitlement programs as programs that steal from younger, poorer Americans, and give to older wealthier Americans.

And the reason we have not seen reform when it comes to entitlements is older Americans view it as if they deserve these benefits. But if you look at what a typical senior who retires between—or who retired between 2000 and 2010 will receive in Medicare, it is about three to seven times more than what they paid in, even taking into account the possibility that they would have gained investment income if they were allowed——

Representative Hanna. Over a third of the people on, say, Social Security represents about 90 percent of their income, so the alternative is to push them into abject poverty?

Mr. Meyer. I don't disagree with your number, but I think that is looking at the wrong picture. If we are looking at income, it is only looking at part of the picture of older Americans.

Very few are working, so of course they are not receiving much income. But the wealth levels have grown drastically, if you look at young Americans versus older Americans.

In fact, the average household wealth for a household headed by someone 65 years or older is 50 times greater than the average household wealth for a household headed by someone 35 or younger. And this was only 10 to 1 in the mid-1980s.

So if we want to talk about increasing income inequality, the increase between the oldest Americans and the youngest is something that we need to be looking at when we talk about entitlements.

Representative Hanna. But, arguably, they had a lifetime to earn that, too.

Mr. Meyer. Yes, but it has been increasing, about five times.

Representative Hanna. Ms. Mishory, with 30 seconds left I have.

Ms. Mishory. You know, I think that—I think that the word "intergenerational theft" is not necessarily the way a lot of young people look at it. I think that it is worth thinking about these safety net programs. Young people are thinking about their parents, their grandparents, and themselves. So I think young people do take a more nuanced view to it.

Representative Hanna. So it is a bigger crisis than just your generation. It is all of us.

Ms. Mishory. And young people are generally supportive of ensuring that these social safety net programs are there in the long run, but also there for their parents as well.

Representative Hanna. My time has expired. Thank you, Chairman.

Chairman Coats. Congressman Beyer.

Representative Beyer. Thank you, Mr. Chairman.

And, Congresswoman Stefanik, so much of what we have been talking about is how government is messed up and created these conditions, and what government should do. And yet I heard this morning that only 12 percent of Millennials are registered to vote.

By the way, old people are really good at voting.

[Laughter.]

Mr. Meyer. Ms. Stefanik, what can we do to inspire people born between 1980 and 2000 to actually participate in the political process?

Representative Stefanik. Thank you so much for the question. I think that particularly as Members of Congress we need to constantly reach out to Millennials, whether that is going to college campuses, whether it is going to training and development programs, preparing our workforce to talk to them about why policies are relevant.

The other interesting statistic that is somewhat related is recently Time Magazine found a poll that 89 percent of Millennials are not interested in running for office in the future.

This is, again, that disconnect between the historic numbers of volunteers among Millennials versus they do not connect that to public policy and the importance of making sure that their voice is heard.

We need to change that as an institution. I am, you know, very concerned that unfortunately we will not have the best and brightest wanting to run for office at the local, state, or federal level, and we need that here today.

I have been in Congress for less than a year, and we need the best minds possible from diverse backgrounds, from all across these very different districts to solve these generational issues we face.

Representative Beyer. Thank you, Elise, very much.

Ms. Mishory, Isabel Sawhill over at Brookings wrote a book last year about marriage in the United States, and said if you draw a straight line by 2050 no one will get married in the country. And we are already seeing this right now. The generation of my kids, nieces and nephews, are all waiting and delaying.

Should we be worried about this? What can government do about this? What does this mean for population growth in the years to come?

Ms. Mishory. We are certainly seeing the data play that out. So young people tend to get married later, tend to have kids later. You know, I think that there may or may not be some cultural decisions, and sort of more having to do with the culture of this generation. But I also think there is a lot of economics going on here. So a lot of financial decision making and going back to the issues of student debt.

We see over and over again young people telling us, polls telling us that people are delaying those major life decisions because they have debt. So they cannot save for that down payment. They cannot save to have a kid. We have talked to student debtors who say—there is one woman in particular who told us, you know, I found out I was having my first child and I couldn't get excited because I didn't know how I was going to afford it because I had all this student debt.

And so it is really impacting young people in some very major ways.

Representative Beyer. Great. Thank you.

Mr. Meyer, I was fascinated by so many of the things that you said that I actually disagreed with, but I respect it. But you talked about barriers to entry.

I was in the Virginia General Assembly for eight years and every business bill I saw for eight years created by business was to create a barrier to entry so that other businesses could not compete against them.

So it is not government so much, necessarily, that is doing that but businesses themselves. For example, on credit, every person I talk to wants to borrow from a bank says as long as I don't need the loan the bank will give it to me. They are sitting on enormous amounts of resources that they won't lend out.

Occupational licensing. We are a federal legislature. Occupational licensing is almost completely down at the state level. So should there be federal intervention on licensing?

Mr. Meyer. First of all I couldn't agree with you more than, more often than not, regulation has the fingerprints of big business on it. People who want to use the government to keep out new competition by raising the barriers——

Representative Beyer. Small business, too.

Mr. Meyer. Yes, that's true. But I would say, when we look at occupational licensing, this is something that I'm glad that President Obama is really taking the lead on where he's released a framework for policymakers and also calling for the amount going to the states that institute successful reforms in his budget.

I think it is something that has gotten so bad now—again, one in three workers needing government permission to work, up from one in 20 in the 1950s—that it does need some sort of federal involvement, or at least federal prodding, where we're saying to states: You need to take a long, hard look at your list of licensed occupations. And when you see things such as African hair braiders, or interior designers, or florists on that list, you need to take a look at who is being protected? Companies, or the public?

Representative Beyer. And one last thought—thank you, very much. On the contractor issue, the six-part test, I think it is really important to see the other half of the story. Which is, employers who bring people on board to do a job full time and treat them as contractors just so they don't have to pay benefits or Social Security, or Unemployment Compensation.

At the same time, in virtually each of the six parts they actually are employees. And that is what they were trying to protect.

Mr. Meyer. I would just say, looking at the rise of the sharing economy, this is something we need to encourage, the flexibility and individualized work model. And if it is allowed to go forward as it is stated right now, I think this will put a major threat towards the sharing economy's business model.

Representative Beyer. My friend, Senator Mark Warner, is worried about this a lot. The dilemma with the sharing economy is that, at the same time do you want to strip away rights that employees have had for more than 100 years in this country, to things like Social Security contributions?

Thank you, Mr. Chairman.

Chairman Coats. Congressman Paulsen.

Representative Paulsen. Thank you, Mr. Chairman. I want to thank all of our panelists for being here today. It has been really good testimony. As the father of four daughters, two of whom are Millennials, this kind of strikes home.

I am worried about the challenges they face. I am also optimistic about the opportunities that they have, and what their generation, and your generation can certainly achieve.

As we have learned in this Committee, there are some challenges facing this generation for sure. It took five years just to reach the starting point in terms of making up for the number of jobs that were lost since the recession ended. That has never happened in our country's history before, where it took that long.

It is also the first time ever in an economic recovery where incomes have declined, median household incomes. So they have certainly got some challenges that they are facing as they enter the workforce, and as they've graduated and they have to retire student debt.

Congresswoman Stefanik, let me just start here. I think you are uniquely qualified to answer this question. Your testimony covered some of the challenges and the opportunities facing Millennials generally. I am hoping you might also share your perspective specifically on the challenges and opportunities that Millennial women face, and what should we be doing here in Congress to help address some of those unique challenges?

Representative Stefanik. That's a great question.

If you look at Millennials, women are the majority of college graduates today. That certainly was not the case if you look back to our parents' generation. Also increasingly women are the primary bread winners in their families.

So the economic decisions that are made by a family are increasingly made by women. I think that it is incredibly important as policy makers to reach out to our female constituents, all of our constituents, but specifically talk to people who are making those decisions in a family, which is more and more falling on women's shoulders.

I know, you know, from a freshman Member of Congress perspective, much of the case work that I focus on in my District when I hear from seniors who are facing challenges related to Social Security, Medicare, or appointments through the VA, we usually hear from their adult daughter who is helping them go through the federal bureaucratic process, and they are trying to overcome some of the challenges that the Federal Government has placed in their way.

So I think recognition of the growing importance of women in our economy today, that the broader economic success of women is directly correlated to the economic opportunity for our country's future.

Representative Paulsen. I will let all of you comment on this, because you have all mentioned how the workforce has changed significantly from the time when many of us were first entering it. Millennials entering the workforce hold very different priorities and values in terms of a flexible schedule and time off that some other generations did not care as much about.

You talked about Uber and Pricewaterhouse for instance. In the House we passed the Working Families Flexibility Act, which will allow employers to offer private-sector employees time off in lieu of wages for overtime.

Maybe each of you can give a comment about how should Millennials' priorities guide our thinking as we consider other future legislative initiatives?

Representative Stefanik. Yeah. So you're referring to the Working Families Flexibility Act. I am a proud co-sponsor of that legislation introduced by Congresswoman Roby.

I also think, you know, what I've learned in the Millennial Task Force from the perspectives of companies who are trying to attract and retain Millennials, it is the ability to create a program that is flexible to work within your company.

So not this one-size-fits-all approach. Because if you have thousands of individuals in your workforce versus a small business like my family's plywood distribution business, you are not going to be able to have the same government-mandated approach. I think we should be encouraging that flexibility for companies, again, to attract and retain Millennials.

Representative Paulsen. Mr. Meyer.

Mr. Meyer. One of the things I worry about when I see the new proposal to raise the overtime limits are that a lot of companies that don't fit into the target are going to be affected.

So what people are looking at mostly when they're pushing to raise the overtime limit are fast food establishments. But they are forgetting about the large number of startups who often pay their employees in equity, and a few of them are paying entry-level employees over $50,000 a year. So now things, such as telecommuting, are going to take a hit. You're going to have to keep much closer track on your employees and not have the option to offer flextime or comp time in addition to working longer hours, which I know is something that young people are very interested in.

Representative Paulsen. Ms. Mishory.

Ms. Mishory. You know, I would certainly reflect similar comments on flexibility, young workers do value flexibility much more than previous generations.

Young workers also tend to value the mission and really working for something they believe in. That might be sector agnostic. That doesn't mean they need to work for a nonprofit. But really wanting to make sure that they are making a difference. And those types of things show up again and again in polling.

I do think that as we're talking about flexibility it is important to note specific issues facing young families and young parents. So, for example, access to paid leave, paid sick, to be able to take care of a child who gets sick and be able to also hold their job is critical for young families.

Representative Paulsen. Thank you, Mr. Chairman.

Chairman Coats. Thank you. Senator Cassidy.

Senator Cassidy. I thought you were going to the other side. I'm sorry.

Representative, thank you for instigating and inspiring this meeting. Thank you all. Frederich Hayek would be very pleased with your testimony, Mr. Meyer. The regulatory agency co-opted by the businesses.

Let me ask you all. "The New York Fed recently pointed out how those in the lowest quantile of college graduates really don't do that well, relative to those without a college education, in terms of income."

Now we have been hearing a lot about the burden of student loans. And to a degree it seems like everybody advocates greater transparency. The student who is taking on the debt should know this particular degree is more or less likely from this particular institution to usher me into prosperity, or to keep me chained to debt. With me?

I am not really sure how to accomplish that. The Federal Government I think has just kind of thrown in the towel. So what are your all's thoughts? Do you think there would be an appetite for that high school grad to be able to look on and see that St. John's, if you graduate from there you're going to be testifying before Congress, but perhaps some place maybe not?

I open that up.

Mr. Meyer. Well luckily the data is now publicly available, but it is not that accessible at this point. So you can look on the College Report Card, it's actually something that came out about two months ago, a public database that the White House put together.

Senator Cassidy. But as I gather, though, if you can go to one university and get a degree in gender studies and really have no option but maybe grad school, you hope, and from the same place get a degree in engineering and have six figures as your first job, I don't think that database necessarily differentiates between programs within the same college. Am I correct on that?

Mr. Meyer. There's also been quite a wide variety of academic research where researchers have looked at Bureau of Labor Statistics data on this, because the government started asking for the

2010 Census what your major was. So people are actually able to see this now.

But I would agree with you that it is not that accessible to the public, yet. So while it is out there, people in policy and people in government may be able to look at this, but your typical high school senior, they're not going to be out pouring through these databases. So something to make that more accessible I think would be welcomed to try to turn around the——

Senator Cassidy. If it were accessible, would it therefore be accessed?

Mr. Meyer. I think it would, because right now data that is often not mentioned is that 4 in 10 college freshmen still don't graduate within 6 years. So we are pushing a lot of students into a 4-year college where they don't know what they want to study, and they don't realize that while college——

Senator Cassidy. That is a different issue than the quality of education. I mean, if you go to, you know, a for-profit which some are good but some are bad, and some are going to charge high tuition, et cetera, et cetera, and you are going to end up with a degree which is not worth very much, that is different from not knowing what degree you want to end up in.

Mr. Meyer. That is true.

Senator Cassidy. Well one is a lack of maturity, and the other is a lack of a quality option.

Ms. Mishory. I do think we are still missing a lot of that data. So we do have more of the school-level data that was released in the last few months. We don't have the program-level data, which is I think what you're getting at, and information that would be critical.

So when we hear from young people about how they are thinking about schooling and higher education, they are interested in finding a job, and they're interested in bettering their lives.

Senator Cassidy. So if you put a different question, if you go to this school with this degree, you're more likely to have a job, and you're more likely to have this sort of debt load, if you finish in four years, this if you finish in five, some sort of algorithm that they can plug in their plans?

Ms. Mishory. Yeah. I mean we don't provide that information right now, and we certainly don't provide it in a way that is accessible for students and families to make decisions about.

Senator Cassidy. Okay.

Representative Stefanik. I serve on the Committee on Education and Workforce on the House side, and this is an issue—to answer your question—would young people access this information? Absolutely. I think greater transparency in the job opportunities after you graduate, what the median income over the next 5 or 10 years, or even a lifetime would be, I think we would have Millennials looking into to pursue higher education degrees that will be more likely to lead to jobs.

But I also think that we need to have a discussion about financial literacy when young people decide to take on these student loans so that they can connect their debt burden with their job potential afterwards with the data that you just recommended.

Senator Cassidy. Okay, so it is actually a little bit, for those who lack the maturity or the financial literacy, you can't ensure that they would use this data accurately and adequately, but nonetheless the first thing is you have to provide the data. Fair statement?

Representative Stefanik. I wouldn't call it a lack of maturity. I would——

Senator Cassidy. No, I just say that because, believe me, I am very aware that some people start college and change majors three times. And they end up in what they really want to do from when they start, but maybe we are just defining it differently but we probably both know folks like that, huh? They think they want to be a doctor and they end up a lawyer, or vice versa.

Representative Stefanik. And I think having that data about what, for example, their annual salary will be after they graduate, what percentage of graduates from a particular program are able to find jobs immediately or in the first three to six months, having that information will ensure better decision making for an individual's future.

I also think we need to rethink how we provide higher education today. So the average college student looks very different than the average college student of 20 years ago. They are slightly older. Oftentimes they are a single parent. Increasingly they are Veterans and therefore older.

We want to encourage a faster, finishing your higher education degree faster than what you referred to, Mr. Meyer, as staying in college for six years.

So one of the bills I have introduced is Flexible Pell, year-round Pell so that you not only can apply as a student for fall and spring funding, but that crucial summertime where you may want to continue pursuing your education so that you can graduate earlier and hopefully not to continue to increase your student loan debt.

Senator Cassidy. Thank you. I yield back.

Chairman Coats. Senator Heinrich.

Senator Heinrich. Representative Stefanik, first off I want to thank you for your efforts on Flexible Pell. I share that view, and I think it is particularly important in states where we have a lot of nontraditional students who need to be in school in summer, and who need to finish as quickly as they can. So I would applaud your efforts on that front.

I want to talk a little bit about the issue that came up earlier of climate change. You know, given the fact that we have—my generation and previous generations—have created this issue, which we are now shifting the burden for coming up with a solution squarely onto the Millennial Generation, and generations that come after Millennials like my kids, effectively of posing attacks on GDP productivity in the future. Oftentimes, as you know, that conversation you were talking about gets bogged down into regulatory and policy issues versus innovation and R&D issues.

I am just curious if you have thoughts about what some of the private sector solutions are to addressing climate change that you're excited about.

Representative Stefanik. Sure. So in my District we have a number of exciting I think ways to help solve this generational issue. One is biomass. Biomass is a growing sector in broadly the Northeast, but specifically in my District. It is affordable, and it helps address I think the long-term environmental challenges.

I also think that, you know, one of the key points that I didn't state before is, this is a global issue. This is not an issue that the United States can go it alone. We need to reach out to countries like China and India to make sure that they are a part of the solution.

But I absolutely agree that we need to get beyond the issues of regulation and actually talk about where we can innovate, and where we can invest in research and development.

Senator Heinrich. One of the interesting innovations that we have seen, and we were talking about how sometimes businesses like to put up barriers to new innovative businesses coming in and changing their business model. You know, I grew up in a utility family. My dad was a lineman. But utilities had a monopoly, and today we are seeing people become their own power generators, not only with distributed renewables but also by utilizing things like plug-in electric vehicles and other storage devices on the grid.

Do you have any thoughts with regard to that particular dynamic and what sort of policies we should have in place to allow those innovations to continue to change the business model and change the market?

Representative Stefanik. I think innovation is good for the economy. I think it is important to recognize as a country that, you know, the population density is very different. So I represent a very rural District. Many of my constituents are driving, you know, over an hour to and from work every day. So we don't necessarily have the infrastructure to pursue that the way potentially urban districts are trying to pursue that type of innovation.

But as a Millennial, I am a believer in innovation. I think that if the government gets out of the way, there are lots of ways to solve this issue in the private sector and with technology companies and renewable energy.

Senator Heinrich. Thank you. Ms. Mishory, I want to sort of switch gears real quick, since we have the potential for seeing a highway bill emerge from the Congress in the future weeks. And one of my frustrations is that we have gotten away from basically paying for things. Around here it's become more and more politically difficult for many of my colleagues to honestly pay for things.

And not only are we not funding infrastructure, new infrastructure, brand-new infrastructure going forward at the rates that we need, but we are not even really having the decency to maintain all of the infrastructure that previous generations have built and given to us.

And we have been coasting on that infrastructure for a long time. So how can Congress support and improve—let me back up. One example I'll give you is there's talk about how we're going to pay for the current highway bill with things like, literally, asking community banks for a stake in paying for what is effectively a transportation infrastructure piece of legislation.

So what should we be doing on the infrastructure front in a way that honors the previous investment that generations have made, but at the same time providing the Millennial Generation with the foundation for success that they deserve?

Ms. Mishory. So it's interesting. We are actually running a series of roundtables with young workers in Houston, Texas. We have an office down there. To hear about the challenges they are facing in the workplace. So finding jobs, wages, et cetera. And this issue of infrastructure has come up because young people are actually having trouble getting to work, getting to interviews, being able to actually engage in the workforce because of the infrastructure problems that they are seeing.

So I think it is an interesting issue that is impacting young people in a variety of ways.

Chairman Coats. Thank you, Senator. Congressman Schweikert.

Representative Schweikert. Thank you, Mr. Chairman.

Can I pass down just a couple of these slides? And I lost my representative—oh, fine. The one question I had for her.

[Laughter.]

One of the reasons I'm passing out this chart, you know, we've had this discussion bounce back and forth, and I think the proper term is cross-generational wealth transfer—but how quickly some of these numbers, and what they do to your future position in the world.

Mr. Meyer, when you hit—and I am going to assume right now today you are in the top tax bracket—when you hit my age, your tax bracket goes from 35 to 66 percent. And that is just your federal income tax. That may not be the supplements that are required to deal with Social Security, Social Security Disability, Medicare. And that is baked into the numbers. That is not one we get to fudge. That's not one we get to walk away.

So someone who is in college today, when they hit their peak earning years, their federal income tax will be double what ours are. And we have done this to the generation following us. And that is the basic math.

And there is a question built in here, and that is: How do you activate Millennials particularly to understand the structural, you can call it the structural deficit, structural financial destruction in many ways our fiscal policies have done to them?

A good example is—and I am going to, Mr. Chairman, without objection I would like to actually put this report into the record—I as a Baby Boomer when I retire, I am going to be about a quarter of a million dollars plus on the earned social benefits I receive. A Millennial, you are basically going to be about $180,000 upside down, where you are going to pay out more taxes by about $183,000 than you are going to receive. But when I hit Social Security/Medicare, I get a quarter of a million plus side. And this is what we have done structurally.

Do you run into Millennials that understand what we have done to you?

[The chart titled "Marginal Tax Rates Must Nearly Double to Fund Entitlement Spending" appears in the Submissions for the Record on page 61.]

Mr. Meyer. Millennials realize that Social Security especially is facing funding problems. And actually a majority of them don't think they are going to get any money back at all, which isn't true.

But what is surprising is they still have pretty vast support for the program, because they realize that there are certain retirees who need——

Representative Schweikert. Do they support the concepts that we have to rebuild and redesign them almost immediately?

Mr. Meyer. Yes, they do. Actually, over 7 in 10 Millennials view private accounts as something that should be pursued for Social Security. You can't even find a group of 7 in 10 Republicans who hold this view. So Millennials realize something needs to change, and I am glad you brought up the tax increases. But what I found is the most effective way to show that young people are going to be paying a lot more for Social Security is bring up that if nothing changes, in 2050 people will be paying a 31 percent payroll tax.

So ignoring the income tax, ignoring all your housing or rent payments, you are going to be losing almost a third of your hard-earned income just to cover Social Security and Medicare.

Representative Schweikert. You actually didn't have to charge it to the payroll tax.

Ms. Mishory. Certainly Millennials are interested in ensuring that Social Security is there in the long run.

Representative Schweikert. But the real 10,000 pound gorilla here is actually not Social Security, it's actually Medicare.

Ms. Mishory. And I think when we look at polling to see where young people's priorities are, there is support for those social safety net programs and ensuring that they are there for the long run, and ensuring that they are there for their parents. So I think there is interest in ensuring that those programs——

Representative Schweikert. But when you—but, I mean you hold forums and seminars, do you get feedback of any understanding of the scale? Okay, it is one thing to say I support there being the earned social, you know, entitlements, the social safety net—the understanding of the scale of how out of whack the numbers are?

Ms. Mishory. Yeah, I do think that there is—and again, looking at polling and research data—there is certainly interest in ensuring that there are not benefit cuts. In the long run, that is the sort of research that we have seen, to make sure the programs are there for their parents and——

Representative Schweikert. But once again, how do you make that math work? I mean, at some point math is math.

Ms. Mishory. Sure. I mean, I think that when young people are looking at how these programs will be here in the long run, looking at some modest changes to make sure that they're there is something that, you know——

Representative Schweikert. Modest changes don't shore it up, don't come close.

Okay, look, Mr. Chairman, obviously I am hoping the panel members get a chance to read over the report and some of the actual numbers. There is something very creative that this Committee could focus on. I know we care a lot about the earned social entitlements being there in the future, but we are also entering the world of the new economy.

Are we going to have to rethink how you fund these programs? If I live in the world as an Uber driver, is there a sliver on each Uber fare that goes to the social entitlement accounts? I mean, we are going to have to rethink the future, because the new economy, the hyper efficient economy where we are all carrying a super computer in our pocket, is changing things around us very, very fast, yet we still have sort of a 1930s mindset on how we fund, you know, these government programs. And I am hoping somewhere here, you know, one of the gentlemen on the end was being actually very creative in what the future should look like. I think we are going to all have to do that.

And with that, Mr. Chairman, thank you for your patience. I yield back.

Chairman Coats. Well thank you. This has been a most interesting subject, with a knowledgeable panel. We have a little bit of time, if any of the Members here have additional questions this is the time to ask them.

Ranking Member Maloney.

Representative Maloney. No.

Chairman Coats. Congressman Beyer, everybody has got work to do. I think the most important thing I take away from this is that we need to delve into this, as Congressman Schweikert said, into a much more detailed hearing relative to how we are going to address this coming over-the-cliff fiscal situation and the impact that it is going to have on the younger generation.

I am glad to hear that some of them are thinking about this. But when I hear things that young people are concerned about taking care of the older generation, it makes me say shouldn't it be the other way around? Shouldn't the older generation, which is benefiting way beyond what they have contributed, be worried about what is happening to the younger generation?

So that is an issue that needs a lot further discussion. I want to thank our witnesses and panel for being here. Most interesting, and I will include Congresswoman Stefanik, as Millennials you certainly brought us a good deal of information and a good deal of knowledge, and we encourage you going forward in the future to help us work through these very challenging issues.

With that, this Committee hearing is adjourned.

(Whereupon, at 3:23 p.m., Wednesday, November 18, 2015, the hearing was adjourned.)

SUBMISSIONS FOR THE RECORD

PREPARED STATEMENT OF HON. DANIEL COATS, CHAIRMAN, JOINT ECONOMIC COMMITTEE

The committee will come to order.

I would like to welcome our witnesses and thank them for being here today to discuss important issues facing the Millennial generation. Generally defined as those between their late teens and early thirties, Millennials represent the largest generation in our country—as a percentage of the population and as a percentage of the workforce.

Widely recognized as well-educated, tech-savvy, and confident, Millennials should be successful in our modern economy. However, as discussed in a report released by the Joint Economic Committee yesterday, today the Millennial generation faces unprecedented economic obstacles. Allow me to share a few:

- Our economy continues to grow at an anemic pace, which has significant implications for Millennials entering the workforce. As noted by the Pew Research Center, the labor market recovery for Millennials has been "much less robust" compared to recoveries experienced by previous generations.
- Millennials are receiving lower starting wages than previous generations, and their education also comes at a higher cost, saddling many Millennials with significant post-college debt obligations.
- As we noted in a recent JEC hearing on higher education financing, higher student debt coupled with limited job prospects makes it difficult for many Millennials to take out a mortgage for a home. These same financial pressures also delay starting a family.
- Growing government regulations continue to discourage entrepreneurship, particularly for younger workers. The number of people under 30 years old who own a private business has recently fallen to a 24-year low, down to 3.6 percent from over 10 percent in 1989. This is certainly a disturbing trend, and one which threatens the long-term health of our economy.
- Finally, the federal government's long-term fiscal challenges continue to cast an ominous shadow over Millennials' futures. Our federal debt is approaching $19 trillion, of which each Millennial owes a share.
- For all the taxes that Baby Boomers and older generations have paid into the Social Security and Medicare systems, they will benefit, on balance, over their lifetimes. However, Millennials have no shot at receiving fair value for the taxes they pay into a system rigged for intergenerational theft.

This leaves Millennials to question not only the feasibility of upward economic mobility and eventual retirement, but to question whether the American Dream will be attainable for them at all. Because federal policy has either created or worsened many of the most pressing challenges facing Millennials, Congress has a responsibility to address them.

I look forward to hearing today from our distinguished panel of Millennial witnesses on ways we can create greater economic opportunity for their peer group. I would like to thank, in particular, Representative Elise Stefanik (Steh-FAWN-ick) for joining us today to offer her perspective.

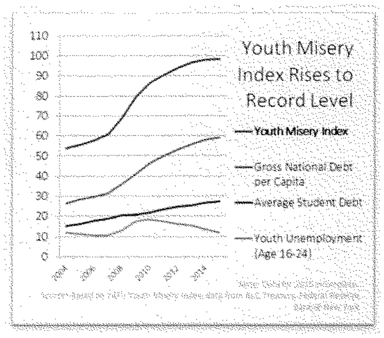
With that, I now recognize Ranking Member Maloney for her opening statement.

JOINT ECONOMIC COMMITTEE

SENATOR DAN COATS, CHAIRMAN

Millennials' Slow Start Down the Road of LIFE

During the 1980s and 1990s, which mark the birthdates of young adults known as millennials, technology has changed Americans' lives and jobs. In their lifetimes, the personal computer became a fixture at home and at work by opening entry onto the internet's "information superhighway," email and texting changed the way the country communicates, and cellphones morphed from an executive perk to an essential connection for social interaction as well as work performance. To compete in a job market where over a third of workers complete four years of college or more, young adults sit in classes longer and start working later. They spend more on education and take on larger student loans. Average student loan debt totals a record $35,051 for the class of 2015.



The Youth Misery Index is up more than 40 percent since 2008. Graduated and ready to work, they are struggling to find gainful employment relative to generations before them.

STOP ONE: EDUCATION

EDUCATION: More of it, but at a cost in time, money and life choices

- *The drag of graduating college during a recession can have a permanent effect on lifetime income. This seems to be true of certain college degrees over others; graduates with scientific and business degrees see an increase in earnings graduating into a recession, while arts and social sciences see a decrease.*
- *By age 27 in 2011-12, millennial women surpassed men in terms of college-level education attainment with 32 percent of women obtaining a bachelor's degree compared to 24 percent of men. While this is an encouraging trend, it's important that young men today do not fall behind; by 2020, it is estimated that approximately 65 percent of jobs will require postsecondary education, but a shortfall of postsecondary degrees is already expected to rise to 3 million by 2018.*
- *With greater rates of higher education have come greater burdens of debt; more than one-third of Americans age 24-28 have debt that surpasses their assets, a rate which tops previous generations at that age. The composition of debt has also changed from generation to generation; millennials have taken on far more student and credit card debt in place of mortgage debt that baby boomers took on at their age. Only one-fifth of*

young Americans have mortgage debt, which is far below the near-third of young Americans in the 1980s and 43 percent in the mid-'70s.

For the last six years, more education has not brightened job prospects for many young workers, who live with stubbornly high youth unemployment. These young workers now face a labor market transformed by technology, more and more dominated by the "services" industry.

STOP TWO:
JOBS

JOBS: Deferred for education, then "underemployed"

- *Nearly one in five 20-24 year olds was neither enrolled in school nor working in 2013. For those with a high school diploma, the figure was nearly one in three—up from one in five in 1990, while college graduates saw an increase to nearly one in ten by 2013, up from one in twenty in 1990.*
- *About 44 percent of recent college graduates are "underemployed," working in jobs that do not require a college degree; this puts graduates at a disadvantage that prevents them from gaining experience applying their skills and reduces their ability to meet college debt payments.*
- *Only 42 percent of working respondents in a recent Federal Reserve Board of Governors survey had a job related to their field of study. Subsequently, 28 percent of working respondents reported they are overqualified for their current job, with bachelor and associate degree holders most likely to respond this way; less than one-third of the overqualified are in a field related to their education. Respondents who had a job in high school were more likely to be working and full-time than those who didn't work during high school. Twenty-three percent reported that the cost of their education outweighed the financial benefits, and were more likely to have student loans. Job satisfaction is driven by schedule and compensation.*

Although the U.S. labor market has returned to pre-recession size, many jobs pay less and offer fewer hours. The best opportunities go to skilled and seasoned workers, offering fewer "career path" openings for inexperienced job seekers. Innovative technologies are automating low-skill jobs that traditionally provided first-time workers an entrée into the job market.

STOP THREE:
INCOME

INCOME: Stagnant, with less promise of career-path growth or a chance to be your own boss

- *Since the beginning of the Great Recession, starting wages of recent college graduates (defined by the Federal Reserve Board as ages 21-25 with a college degree) have changed little, and a growing gap between recent graduates and overall median weekly earnings has appeared during and beyond the recession. Considering that overall wage growth has been slow, the contrast is even more distressing for young workers.*

- *Between 1992 and 2000, each successive graduate class of college and post-college degree holders saw an increase in the likelihood of entering jobs that require brains instead of brawn at the start and in the middle of their careers, but this pattern began to reverse after 2000, contributing to the declining job and income prospects young work entrants face in the new millennia.*
- *The share of people under 30 years of age who own a private business has fallen to a 24-year low, down to 3.6 percent from over 10 percent in 1989; raising money to start a business was suggested as an important factor, which may be exacerbated by the college debt that many graduates have accumulated in recent years. Overall entrepreneurship has also fallen at all ages over the past quarter century.*

High student loan debt and fewer promising jobs means these young workers lack the means to support themselves. According to *The New York Times*, "…the onset of sustainable economic independence has been steadily receding": One in five people in their 20s to early 30s lives with his or her parents; 60 percent of all young adults receive financial support from their parents.

FAMILY: Recession delays marriage, but not children

- *More millennials are delaying marriage, making for a record average marriage age for men (29 years old) and women (27 years old). While a variety of factors may play into this long-term shift, both beneficial—aiming for educational and career achievements—and negative—underemployment, unemployment and high student loan debt among them, the divorce rate also falls as the average marriage age increases.*
- *Though marriage is postponed, the average age of childbearing has not been delayed at the same rate. With the exception of college-educated women, the phenomenon known as the "Great Crossover" has witnessed the median age at first birth (25.7) fall below the median age of first marriage (26.5). The phenomenon occurred decades ago for the most economically underprivileged women, and more recently for women who have at least a high-school degree or some college.*

Overall, homeownership among 30-year-olds both with and without a history of student loan debt has declined significantly since 2008. Before the Great Recession, homeownership was much higher among 27 to 30-year-olds with a student debt history than for those without. However, in 2012 that trend reversed; 27 to 30-year-olds with no history of student loans were more likely than those with a student debt history to have a mortgage. This suggests that student loan debt is at least one of the factors affecting homeownership rates for millennials.

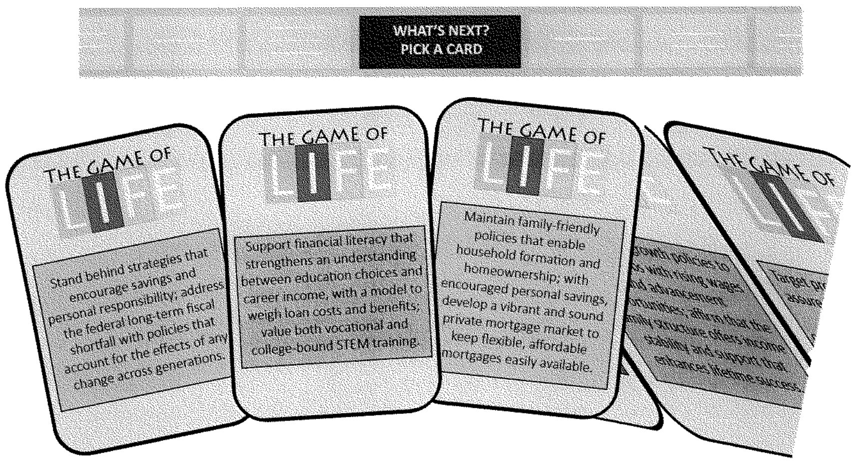
HOMEOWNERSHIP: Not a priority, then delayed by debt and job uncertainty

- *More broadly, much of millennials' choices are tied to the housing market they are located in; based on a study completed by Jonathan Vespa and others at the Census Bureau, the Wall Street Journal notes that marriage and living alone are more common for millennials with more ideal housing market conditions (low costs, high availability/low competition, plenty of detached homes, more rooms and low unemployment) than those living in less than ideal housing market conditions. However, the trend in postponing homeownership is closely tied to delayed marriage and parenthood, accounting for virtually all of the recent declines in homeownership, according to a study by chief economist Jed Kolko at Trulia, Inc.*
- *Young workers lack the ability to purchase homes due to a number of factors, including the top reasons surveyed by the New York Federal Reserve Bank in response to the question: "Why would you rent and not purchase a home?": (1) inadequate savings or too much debt (56 percent); (2) insufficient income (53 percent); and (3) lack of good credit (41 percent). Overall, young workers still prefer to own over renting.*

However, the challenges discussed thus far do not represent the largest hurdle millennials will climb during their careers and family lives. A jump in federal spending during the Great Recession and recovery has driven federal debt to $18 trillion – and each millennial's share of it is almost twice the amount of their average student loan debt.

FISCAL SUSTAINABILITY: Looming spending, rising debt put millennials' futures at risk

- *Long-term fiscal challenges continue to ominously loom over millennials as entitlement programs swell to pay what is obligated to their parents and grandparents. As these programs increase without sustainable reforms, the intergenerational inequity grows with it. Entitlement programs are not the only problem that lurks ahead; unfunded liabilities—public pension programs with misleading accounting methods—also increase future fiscal uncertainties, leaving millennials not only to question the feasibility of upward economic mobility and eventual retirement, but to question whether the American Dream will be renewed for them at all.*
- *As noted by the St. Louis Fed, starting with Generation X, the average per-capita lifetime net benefit from federal benefits received minus taxes paid turns from significantly positive to significantly negative and worsens for millennials and post-millennials.*
- *The intergenerational imbalance and unfunded promises facing millennials and future generations must be addressed now, or else later reform will require more painful and more drastic changes including significant benefit cuts and/or tax increases.*


WHAT'S NEXT?
PICK A CARD
THE GAME OF LIFE
Stand behind strategies that encourage savings and personal responsibility; address the federal long-term fiscal shortfall with policies that account for the effects of any change across generations.
THE GAME OF LIFE
Support financial literacy that strengthens an understanding between education choices and career income, with a model to weigh loan costs and benefits; value both vocational and college-bound STEM training.
THE GAME OF LIFE
Maintain family-friendly policies that enable household formation and homeownership; with encouraged personal savings, develop a vibrant and sound private mortgage market to keep flexible, affordable mortgages easily available.
THE GAME OF

PREPARED STATEMENT OF HON. AMY KLOBUCHAR, A U.S. SENATOR FROM MINNESOTA

Thank you, Mr. Chairman. I'm pleased the Committee is discussing Millennials' Voices and the American Dream.

I would like to submit my questions for the record.

I would like to welcome all of the witnesses here with us today. And I know that Representative Stefanik has a Minnesota connection having worked for former Governor Pawlenty's presidential run in the last election.

I believe the issues Millennials are facing reflect the changing nature of work in an on-demand economy. That's why I will be holding a summit in Minnesota next Tuesday, November 24th. I also recently held a Steering and Outreach Committee meeting on this issue.

In that meeting and in your testimony, I have heard that while the Millennial generation is the most educated generation and has access to technology, they are still concerned about student loan debt. I have also heard about the possibilities of the gig economy, and the concerns about access to paid sick leave and paid family and medical leave and the ability to save for retirement.

As our economy changes, we need to put in place policies that continue to support the middle class so that the Millennials will have every opportunity to achieve the American Dream.

PREPARED STATEMENT OF HON. CAROLYN B. MALONEY, RANKING MEMBER, JOINT ECONOMIC COMMITTEE

Thank you Chairman Coats for calling today's hearing.

Millennials are central to our Nation's economic, social and cultural vitality. They are the largest generation—bigger than the Baby Boomers—approximately 88 million people. They are also the most educated and racially diverse generation in U.S. history.

But Millennials face significant challenges—in many ways far greater than those experienced by the Boomers. Millennials generally have higher rates of unemployment, lower incomes and more student debt. Many Millennials have had no choice but to delay getting married, buying a home and saving for retirement.

LASTING EFFECTS OF BUSH-ERA RECESSION

These challenges were greatly magnified by the Bush-era "Great Recession." The recession was an economic catastrophe that deeply hurt many Millennials and will have a lasting impact on them.

THE RECOVERY HAS BENEFITED MILLENNIALS

We have come a long way since the darkest days of the recession. The economy continues to recover, the overall unemployment rate has been cut in half, and businesses have added jobs for 68 consecutive months, the longest streak on record.

Millennials have benefited substantially from this recovery. Unemployment is down and wages are beginning to move up. This year's college graduates will likely enter the best job market in years.

MILLENNIALS FARE POORLY IN COMPARISON TO THE BABY BOOMERS

Yet significant problems remain.

It is useful to compare what Millennials are experiencing today to what the Baby Boomers experienced a generation ago.

EDUCATION

Many Baby Boomers with only a high school education could afford to buy a house, raise a family, save for retirement and pass something on to their kids. But most Millennials will need a college degree to come close to matching that success—and will struggle longer to achieve it.

STUDENT LOANS

The question is how to pay for it.

The real median income for those households headed by a 25- to 34-year old has fallen by nearly 10 percent in the past 15 years.

So more young people have been forced to borrow money to go to college. The share of households headed by someone under age 35 with student loan debt has more than doubled since 1989.

And they borrow more money too—with median debt tripling during the same period. Some Millennials will end up paying back loans well into their 30s, 40s and even 50s.

HOMEOWNERSHIP AND HOUSING

And because so many Millennials leave college with student debt, they don't have the money for a down payment for a first home. Homeownership for those under 35 years old has declined and is now about 2 percentage points below its average in 1994.

Young people are even returning home to live with their parents. The Pew Research Center finds that a larger share of women 18 to 34 years old are living at home (36 percent) than at any time since 1940, when these statistics were first collected. And the share of men is even higher.

POLICIES TO SUPPORT MILLENNIALS

I hope we can use the hearing today to not only understand the scope of these problems but to also focus on solutions.

For guidance, let's look at the first rule of medicine—do no harm.

Let's start with education. Should we force students to rely on private student loans that are more costly and come with fewer consumer protections? No—the truth is that Millennials cannot afford it.

What about government spending? Should we slash spending so we have a smaller government that provides fewer services? Fifty-three percent of Millennials oppose that approach.

Let's turn to health care. Thanks to the Affordable Care Act, uninsured rates for younger Millennials have been cut in half, as those under the age of 26 are now able to stay on their parents' plans as well as utilize exchanges across the country. Should we cave to efforts to repeal the health care law? Of course not.

Millennials make up approximately seven in 10 workers who earn at or below the minimum wage. Should we allow the right wing to block efforts to increase the minimum wage? Clearly, no.

Should we privatize Social Security? No, instead let's come together to pass modest measures to make sure that it will be strong when Millennials need it.

Should we roll back consumer financial protections that help protect Millennials from predatory practices? Some call this "cutting red tape." I call it dangerous.

But it's not enough to block destructive actions that hurt Millennials. We must focus on targeted actions that will help them.

I will mention only a few.

We need to make college more affordable by strengthening federal and state support for higher education, making tuition free at community colleges and increasing investments in Pell Grants.

We need family friendly policies so Millennial parents can make a living and raise their kids.

Let's repair our Nation's roads and bridges to lay the groundwork for a stronger economy. If we don't do it now, Millennials will pay a very steep price down the road.

And let's not ignore what will perhaps be the greatest challenge of our time—climate change. We must fight those who claim that climate change is a "hoax." Failing to address climate change would leave an unimaginable burden on Millennials and future generations.

CONCLUSION

The challenges facing Millennials are real, but the solutions exist. Our job is to help chart the course forward.

Let me close by saying that it's wonderful to have on our panel a colleague from the House and member of the New York delegation. Elise, welcome. I look forward to your perspective and to the testimony of each of our witnesses today.

ELISE M. STEFANIK
21ST DISTRICT, NEW YORK

512 CANNON HOUSE OFFICE BUILDING
WASHINGTON, DC 20515
(202) 225-4611

stefanik.house.gov

Congress of the United States
House of Representatives
Washington, DC 20515—3221

HOUSE ARMED SERVICES COMMITTEE
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SUBCOMMITTEE ON MILITARY PERSONNEL
SUBCOMMITTEE ON EMERGING THREATS AND CAPABILITIES

HOUSE EDUCATION AND THE WORKFORCE COMMITTEE
SUBCOMMITTEE ON WORKFORCE PROTECTIONS
SUBCOMMITTEE ON HIGHER EDUCATION AND WORKFORCE TRAINING

Joint Economic Committee
Excerpts of Remarks by Congresswoman Elise M. Stefanik (NY-21)
Chair, Millennial Task Force
House Republican Policy Committee
November 18, 2015

Good afternoon Chairman Coats, Ranking Member Maloney and members of the committee;

It is an honor to participate in today's hearing and have the opportunity to discuss issues that are not only important to my constituents, but also to 80 million other millennial Americans throughout the country.

It is critical that we as legislators recognize the opportunity the United States Congress has to support and empower millennials…the current generation between the ages of 18 and 33.

I look forward to sharing my unique perspective both as millennial and a Member of Congress.

Over the last year, I have chaired the House Republican Millennial Taskforce. This taskforce aims to identify and tackle the issues facing millennials while also embracing the unique and innovative ways these Americans face challenges.

I have chaired three hearings to address these goals and trust that what was learned will prove helpful to this committee.

In June, the taskforce invited several leaders in millennial research and polling…including Mr. Meyer who is with us here today.

The hearing explored and delved into the demographics of millennials and identified key issues of concern.

We learned that millennials make up one in three U.S. workers and have now over-taken "Gen.X-ers" as the largest generation in our nation's workforce.

Additionally, millennials are the most educated generation in our history while also carrying student loan debt, far greater than their parents and grandparents.

We also learned that a majority of millennials do not believe they will be able to attain the standard of living or the quality of life enjoyed by their parents.

During the June taskforce Mr. Meyer explained that this generation faces entrenched challenges to innovation and advancement that are the result of a federal government that has not recognized and responded to a changing America.

In August I held a field hearing in my district where I spoke to millennials from diverse fields, ranging from advertising to agriculture. These young Americans from New York's 21st District shared the hopes they have as they start their professional careers, as well as the challenges they face. They shared real world examples of what was discussed and described during our June hearing.

Ethan Allen, a millennial farmer who joined us in August, mentioned the regulatory burdens young farmers face as they look into entering the agricultural field. Other millennials who participated on the panel spoke of the crippling student debt that prevents them from starting new businesses and also the crushing costs of healthcare that make it a challenge to save for retirement.

However, what truly inspired and impressed me was the positivity and this *new way* of looking at the world which this millennial generation exudes.

These are Americans that strive for fulfilling jobs and care about their local communities. They do not shy away from challenges and they want to participate in society, their communities, in the local government…however often feel held back by archaic process and over regulation.

As leaders in Congress we can help with these challenges and we can support and help grow the empowerment economy…to allow young people to bring about economic change for themselves.

Just this past Monday I chaired the third taskforce hearing where we explored how companies are attracting and retaining millennials in their workforce as well as how today's technology is providing flexible opportunities for millennials to earn money and advance in their careers.

I heard from Google and PricewaterhouseCoopers who shared their thoughts on the empowerment economy. Maisie Clark, from Google, pointed out how flexibility and competitive benefits are enjoyable but at the end of the day it is about empowering workers to succeed and live the lives they desire. Terri McClements from PricewaterhouseCoopers discussed the real-time feedback system at their company that instills open communication and a sense of ownership amongst employees – 80 percent of whom are millennials.

Another witness at the hearing was Uber, which is a great example of the empowerment economy. This company allows for flexibility and allows a full time student to earn a living on their own schedule…or even gives a stay at home mom the opportunity to set her own hours and receive a paycheck to benefit her young family.

By allowing Americans the flexibility to work the hours that fit within their busy daily schedule, companies such as Uber are creating the needed opportunities which are desperately desired by millennials.

Although these task force hearings have primarily focused on the economics of the millennial generation it is critical that we address the student loan debt crisis.

I share the concerns of this committee and many of my House and Senate colleagues. When the most educated generation in our nation's history cannot start businesses, purchase homes, or save for retirement because they are held back by decades of loan payments we must make it a priority to discuss innovative ways to address this issue.

College affordability will continue to remain a challenge for millennials and future generations. We must work to control the rising cost of tuition, empower students to choose the school that best serves their needs…and have a greater understanding of learning beyond the traditional path of higher education.

This means we need to rethink the way that financial information is disseminated to students so that they can make the best choice as a consumer.

It also means we must consider and support plans to create more flexibility for today's 21st century student. These students, who often times are veterans, parents or active members of the workforce, do not always have the ability to dedicate two to four years on the traditional education path.

That is why I led the initiative and introduced legislation that would add flexibility to the Pell grant program. Students must have the ability to quickly attain the education they need so they can get back to their busy and productive lives.

I am thankful to have been invited to speak to the committee today and I look forward to an ongoing and productive conversation on how we, as leaders in Congress, can best serve the 80 million millennials across this great nation.

Economic Policies for the 21st Century
AT THE MANHATTAN INSTITUTE

Embracing the Millennial American Dream

Jared Meyer
Fellow, Economics21
Manhattan Institute for Policy Research

Testimony Submitted to the Joint Economic Committee

November 18, 2015

Introduction

Chairman Coats, Vice-Chairman Brady, Ranking Member Maloney, and other Members of Joint Economic Committee, thank you for the opportunity to give testimony on how to embrace millennials' vision of the American Dream. I am a fellow at Economics21 at the Manhattan Institute for Policy Research and am the coauthor, with Diana Furchtgott-Roth, of *Disinherited: How Washington Is Betraying America's Young*.[1] Over the past four months, I have traveled across the country, to California, Illinois, Michigan, Nevada, New York, North Carolina, Oregon, South Carolina, Texas, Viginia, Wisconsin, and Wyoming, talking about my book and hearing millennials discuss their economic problems and plans for the future.

The American economy is changing, and millennials' attitudes about work and their careers are changing with it. The rapid rise of the so-called "sharing economy" embodies many young Americas' new economic ideal—one driven by technology, convenience, and flexibility. However, government policy, particularly in regards to regulation, is stuck in the 20th century and continues to hold back economic opportunity.

Millennials' Yet-Unrealized Entrepreneurial Dreams

Millennials have been called the most entrepreneurial generation. While this may be true based on their desires to start businesses and their near-universal respect for entrepreneurs such as Steve Jobs, few young Americans have followed through on their entrepreneurial dreams. Millennials' failure to start businesses follows the troubling overall trend of declining entrepreneurship and dynamism in the U.S. economy.

A Bentley University survey of millennials found that 66 percent of respondents have a desire to start their own business, 37 percent would like to work for themselves, and 25 percent would like to own their own company.[2] Echoing these findings, Deloitte found that about 70 percent of millennials envision working independently at some point in their careers.[3]

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[1] Diana Furchtgott-Roth and Jared Meyer, *Disinherited: How Washington Is Betraying America's Young*, Encounter Books, May 12, 2015.
[2] "The Millennial Mind Goes to Work," Bentley University, November 11, 2014.
[3] "The Deloitte Millennial Survey," Deloitte, January 2014.

Yet, as of 2013, only 3.6 percent of private businesses were at least partially owned by someone under the age of 30. This is the lowest proportion since the Federal Reserve began collecting data nearly a quarter century ago.[4]

The Brookings Institution reports that business startup rates are much lower now than in the 1980s.[5] Business dynamism, determined by firm entry, firm exit, and job reallocation rates, has declined by over 4 percent. The fall in entrepreneurship is leading to the aging of American businesses. In 1992, 23 percent of firms had existed for 16 years or more. By 2011, this percentage had increased to 34 percent.[6]

While the Kauffman Foundation found that startups have had a small resurgence in 2015, there remains cause for concern, as the rate is well-below historic norms.[7] New business formation, including new business failure, is vital for economic growth. Entrepreneurs who start businesses greatly contribute to net job creation, something that young people who are facing an unemployment rate of 9.1 percent sorely need.[8]

Startups are also important for increasing productivity. An Organisation for Economic Co-operation and Development report shows that the slowing of productivity growth among high-income nations is not caused by sluggish innovation from cutting-edge firms.[9] Rather, the problem is that other, older firms are not keeping up. Startups are often the most productive because "young firms possess a comparative advantage in commercializing radical innovations." Productivity rises with the creation of new high-productivity firms and the exit of low-productivity competitors.

Innovation is more difficult within an existing corporation than at a startup because corporations are more focused on executing existing products than developing new ones. As author Steve Blank argues, "A company is a permanent organization designed to execute a repeatable and scalable business model."[10]

For the most part, corporate innovation cannot replace startups because corporations and startups have different goals. Established companies tend to stick to business

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[4] Ruth Simon and Caelainn Barr, "Endangered Species: Young U.S. Entrepreneurs," *The Wall Street Journal*, January 2, 2015.
[5] Ian Hathaway and Robert E. Litan, "Declining Business Dynamism in the United States: A Look at States and Metros," Brookings Institution, May 2014.
[6] Ian Hathaway and Robert E. Litan, "The Other Aging of America: The Increasing Dominance of Older Firms," Brookings Institution, July 31, 2014.
[7] Robert W. Fairlie et al., "The Kauffman Index of Startup Activity," Kauffman Foundation, 2015.
[8] "Employment Situation," Bureau of Labor Statistics, October 2, 2015.
[9] "The Future of Productivity," Organisation for Economic Co-operation and Development, 2015.
[10] Steve Blank, "Why Companies are Not Startups," March 4, 2014.

models that have proven successful. Startups, by definition, are initiating new business models that their founders believe to be original or superior to those of existing companies. Recall the new business models pioneered by millennials such as Mark Zuckerberg's Facebook, Brian Chesky's Airbnb, or Drew Houston's Dropbox.

When there are fewer entrepreneurs and new market entrants, innovation lags and existing companies face lower pressure to improve quality or lower prices. This is because new businesses are the main drivers of disruptive innovation. This is, as economist John Dearie puts it, "the sort of radical, rock-the-establishment innovation that re-makes the economic landscape, propels productivity and economic growth, and creates opportunity, wealth, and jobs for millions."[11]

A decline in entrepreneurship is troubling for the economy for a variety reasons—especially when starting a business is seen as a major part of the American dream for many millennials. Startups and the competition from new business models that they introduce are crucial for increased productivity and robust economic growth.

Regulations Stand in the Way of Millennial Entrepreneurs

A major factor that hinders entrepreneurs' ability to start new businesses is government regulation. The negative effects of laws and regulations that hold back economic opportunity are seen throughout the entire process of building a small business.

The U.S. Code of Federal Regulations is over 175,000 pages long and, without forced restraint, federal agencies will add to this total by bringing new business models under their purview.[12] The number of pages of regulation has steadily accumulated since the 1970s, but five of the six all-time-high page counts have occurred during President Obama's tenure.[13] These thousands of pages of regulation are not simply legalese. Instead, there are over one million commandments from Washington in the form of restrictive words such as "must," "cannot," or "shall."[14] Most of these restrictions have little to no connection to protecting public safety. Starting and running a business

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[11] John Dearie and Courtney Geduldig, "Entrepreneurship and the Soul of the American Economy," *Economics21*, November 14, 2013.
[12] "Code of Federal Regulations Page Breakdown—1975 through 2014," Office of the Federal Register, 2015.
[13] Clyde Wayne Crews Jr., "Ten Thousand Commandments: 2015 Edition," Competitive Enterprise Institute, May 8, 2015.
[14] "Regdata: Historical Regulation Data," Mercatus Center at George Mason University, June 2015.

requires a lot of time and hard work. Attempting to comprehend which of these million restrictions apply to their businesses is a waste of young entrepreneurs' valuable time.

It is no coincidence that the Internet technology field offers the most opportunities for young Americans, and that it is also the least regulated. If the innovative entrepreneurs behind some of today's most popular Internet companies needed to gain government's permission to innovate, or comply with as many regulations as the energy and manufacturing sectors, we would likely not have Twitter, Snapchat, Facebook, or even Apple. These are pioneering companies that young Americans use on a daily basis for everything from entertainment to news. Their skills are in such high demand in this field that they can command six-figure salaries.

Costs to Starting a Business

Financial regulations prevent entrepreneurs from securing sufficient capital to start businesses. Although about 67 percent of entrepreneurs use funds from their own savings to get their projects off the ground, it is difficult to build a company with personal savings alone.[15] When it comes to outside funding, the most common form is based on debt, as 52 percent of all entrepreneurs take out bank loans.

Equity-based funding, though more difficult to secure, is often more attractive than debt and can be very beneficial for young startups. Firms funded by angel investors or venture capitalists gain from the guidance and networks of their investors. However, the Securities and Exchange Commission implements strict regulations on equity-based investment.[16]

Small businesses, including startups, can gain exemptions from SEC's rules. Rules 504, 505, and 506 of Regulation D of the Securities Act of 1933 exempt certain companies, but, despite these exemptions, the restrictions on equity-based investment can severely limit a startup's ability to raise sufficient capital. This is a major reason why less than one percent of startups are funded by venture capitalists.[17]

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[15] "How Entrepreneurs Access Capital and Get Funded," Kauffman Foundation, *Entrepreneurship Policy Digest*, June 2, 2015.
[16] "Small Business and the SEC," U.S. Securities and Exchange Commission, October 10, 2013.
[17] Alicia M. Robb and David T. Robinson, "The Capital Structure Decisions of New Firms," *The Review of Financial Studies* (27:1), January, 2014.

The JOBS Act of 2012,[18] a law President Obama touted as one way he has aided millennials, included a provision to allow for equity-based crowdfunding.[19] Debt-based crowdfunding (such as Prosper or Lending Club) and reward-based crowdfunding (such as Kickstarter or GoFundMe) were already permitted under existing law. But the SEC has still not finalized the rules concerning equity crowdfunding. Would-be entrepreneurs who want to use this method are forced to operate within a legal gray area or delay their projects.

Barriers to Finding Work

Even if entrepreneurs are able to fund their businesses, labor regulations can prevent projects from getting off the ground. One example of this is occupational licensing, which requires people to spend substantial amounts of time and money to gain government permission to work. While it may be in the interest of public safety for states to license doctors and EMTs, it does not make any sense for low-risk occupations—such as African hair braiders, interior designers, tree trimmers, and tour guides.

Individuals who wish to enter these fields are forced to overcome major time and financial burdens to earn a living. It takes an average of 70 times as long to become a government-approved interior designer as it does to become a licensed EMT.[20] Additionally, the pass rate for the Louisiana florist exam is about half as high as the pass rate for the Louisiana Bar Examination.[21] These burdens vary across states, and licenses are rarely transferrable if a practitioner moves. This disproportionately affects those who have to move due to a spouse's job, such as military spouses, and mobile, often young, workers.

Occupational licensing restrictions discourage young entrepreneurs from pursing their dreams. Instead of starting their own companies, they may choose to work in professions that do not require licensing. University of Minnesota professor Morris Kleiner and Princeton University professor Alan Krueger have estimated that one out of

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[18] "Jumpstart Our Small Business Startups (JOBS) Act," U.S. Securities and Exchange Commission, March 26, 2015.
[19] "President Obama To Sign Jumpstart Our Business Startups (JOBS) Act," White House Office of the Press Secretary, April 5, 2012.
[20] Dick M. Carpenter et al., "License to Work: A National Study of Burdens from Occupational Licensing," Institute for Justice, May 2012.
[21] Clark Neily, *Terms of Engagement: How Our Courts Should Enforce the Constitution's Promise of Limited Government*, Encounter Books, October 8, 2013.

three American workers in 2008 had to be licensed or certified by the government to earn a living, up from one out of twenty in the 1950s.[22]

The negative effects on young people from excessive occupational licensing are one reason why President Obama released a report laying out frameworks for reform for state policymakers.[23] His 2015 budget called for $15 million to go to states that institute commonsense reforms to make sure that licensing keeps the public—not established practitioners and companies—safe.[24] While this is not much money, further initiatives to curb states' desires to license young people out of work deserve support from federal policymakers.

Because of the promising rise of popular sharing economy services such as Uber and Airbnb, and the subsequent hostile response of some legislatures, only 18 percent of millennials believe regulators primarily have the public's interest in mind.[25] Young people realize that many regulations serve to protect special interests, not public safety. These so-called "Ubertarians" want companies to be held liable for harming consumers, but they do not support regulations that keep out new competition or dictate how entrepreneurs must meet their customers' needs.

Moving forward with regulatory reform, policymakers should focus on how to open up entry for new competitors so that the rest of the economy can share in the exciting innovation seen in Silicon Valley.

Limits on Hiring

Other labor regulations affect the flexibility of entrepreneurs' hiring decisions. A recent Labor Department proposed rule would expand the numbers of employees who qualify for overtime pay (when workers put in over 40 hours per week).[26] Those who earn up to $50,400 a year might have to be paid overtime, up from a current level of $23,660 a year. According to the Labor Department, this rule would add 5 million employees to those who now have to be paid overtime, reducing flexibility for entrepreneurs and

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[22] Morris M. Kleiner and Alan B. Krueger, "Analyzing the Extent and Influence of Occupational Licensing on the Labor Market." *Journal of Labor Economics* 31: 2, 2013.
[23] "Occupational Licensing: A Framework for Policymakers," Department of the Treasury Office of Economic Policy, Council of Economic Advisers, and Department of Labor, July 2015.
[24] "The Presdient's Budget Fiscal Year 2016: Middle Class Economics: Advancing Economic Opportunity and Mobility," Office of Management and Budget, February 2015.
[25] Emily Ekins, "Millennials: The Politically Unclaimed Generation," Reason-Rupe, July 10, 2014.
[26] Barack Obama, "A Hard Day's Work Deserves a Fair Day's Pay," *Huffington Post*, June 29, 2015.

employees. Telecommuting, another mainstay of startups, would also take a hit, since employers would have to keep close track of employees' hours.

Furthermore, the U.S. Department of Labor is making it more difficult for startups to hire contractors. DOL recently issued an administrator's interpretation, effective immediately, to clarify the definition of an independent contractor. DOL states that "most workers are employees," not contractors.[27]

The new interpretation, which does not have to go before the public for comments, formally accepts the so-called "economic realities" six-part test for determining whether workers are employees or contractors.[28] Problems for startups arise because the interpretation downplays the employer's lack of control over workers' hours as a determining factor. This means that more workers will be determined to be employees rather than contractors, and startups will be forced to provide the associated benefits.

The distinction between contractors and full-time employees can have important implications for startups. While labor regulations for contractors are fairly minimal, under the Fair Labor Standards Act, employees must be paid the federal minimum wage, overtime, and benefits. The Labor Department Employment Cost Index shows that providing benefits adds around 30 percent to the cost of employing a worker.[29]

When MyClean (the Uber of housecleaning) moved from independent contractors to full-time employees, its labor costs increased 40 percent, according to its CEO.[30] A similar company, Homejoy, shut down this year due to labor classification disputes.[31] Something similar could happen to Uber in California, where one driver who brought a case against the company was legally classified as an Uber employee.[32] If this ruling is extended to all of Uber's driver-partners and the rest of the emerging sharing economy, many other startups will suffer.

The problems with taking away flexibility extend to employees. When 600 Uber driver-partners were asked the question, "If both were available to you, at this point in your life, would you rather have a steady 9-to-5 job with some benefits and a set salary or a

[27] David Weil, "Administrator's Interpretation No. 2015-1," Department of Labor, July 15, 2015.
[28] "Fact Sheet 13: Am I an Employee?: Employment Relationship Under the Fair Labor Standards Act (FLSA)," Department of Labor, May 2014.
[29] "Employment Cost Index," Bureau of Labor Statistics, October 2015.
[30] Kate Rogers, "What the Uber, Lyft lawsuits mean for the US Economy," *CNBC*, March 16, 2015.
[31] "Homejoy says goodbye, and thank you," Homejoy, July 17, 2015.
[32] *Uber Techonogies, Inc. vs. Barbara Berwick*, California Labor Commission, June 16, 2015.

job where you choose your own schedule and be your own boss?," 73 percent say that they prefer flexibility over the traditional employment model.[33]

The American Dream may have once been finding employment at a large company, working there for a few decades, and then retiring with a defined-benefit pension, but now millennials' American Dream looks much different than their parents' and grandparents'. New opportunities to change or advance one's career are prioritized, and individualized, flexible work arrangements are the model of the future.

Costs to Expanding

Starting January 1, 2016, the Affordable Care Act's employer mandate will also force companies with more than 49 full-time-equivalent employees to offer health insurance to their employees or face a $2,000 penalty per worker (the first 30 full-time workers are exempt from the penalty). Since the fine is not tax deductible, University of Chicago economist Casey Mulligan estimates that the cost to the company is actually $3,000.[34]

The law was supposed to take effect in 2014, but the Obama administration postponed the mandate's enforcement until 2015, then reconsidered once again and pushed the start date for small businesses with fewer than 100 workers to 2016. The employer mandate may be the most controversial aspect of the ACA. The administration's ongoing scramble to delay and adjust the law is an implicit admission that the mandate will damage small business expansion.

The benefits to employees and the uninsured from the employer mandate are negligible. In an Urban Institute report titled "Why Not Just Eliminate the Employer Mandate?," it was estimated that if the mandate were removed, the number of workers receiving employer-based health coverage would fall by just 0.3 percent.[35]

The Affordable Care Act had the admirable goal of making it easier for health coverage to follow workers when they change jobs. However, many aspects of the law, such as the employer mandate, do little to make health coverage portable or affordable. Until it is possible to fully reform the American healthcare system in a way that treats

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[33] Jonathan V. Hall and Alan B. Krueger, "An Analysis of the Labor Market for Uber's Driver-Partners in the United States," Uber, January 22, 2015.
[34] Casey B. Mulligan, "The Affordable Care Act and the New Economics of Part-Time Work," Mercatus Center, October 7, 2014.
[35] Linda J. Blumber, John Holahan, and Matthew Buettgens, "Why Not Just Eliminate the Employer Mandate?" Urban Institute, May 9, 2014.

individual and employer health insurance the same, policymakers need to focus on eliminating—not simply delaying—the employer mandate.

Closing

Millennials want to be entrepreneurs, but government regulations hinder their ability to start their own businesses, work for themselves, and realize their entrepreneurial dreams. In order for business dynamism and the economy to improve, anti-competitive restrictions on new business formation and growth must be updated to reflect 21st century economic realities.

YOUNG**INVINCIBLES**

TESTIMONY FOR THE JOINT ECONOMIC COMMITTEE

Jennifer Mishory, Executive Director
Young Invincibles
November 18th, 2015

Chairman Coats, Ranking Member Maloney, and the members of the Joint Economic Committee - thank you for the opportunity to appear before you today. My name is Jennifer Mishory, and I am the Executive Director of Young Invincibles, a non-profit, non-partisan organization that works to expand economic opportunity for young adults. We welcome the opportunity to examine the challenges facing today's young people and to provide solutions that will set this generation up for success.

The Millennial generation is the largest and most diverse generation in American history. We are also the most educated, the most tech savvy, and, as I will outline here today, facing some of the deepest financial challenges of any generation since the Great Depression. Below are a few statistics to paint the picture:

- Definitions and estimates vary, but according to Pew Research, there are 75 million Millennials[1], defined as those born in between 1980 and 1999, and we are much more diverse than previous generations: 57 percent are white, 21 percent are Hispanic, 13 percent are black, and 6 percent are Asian American. This compares to Boomers, of which 72 percent are white.[2]
- In 2013, 47 percent of Millennials aged 25-34 had bachelor's degrees, and another 18 percent had completed some post-secondary education.[3]
- We are low- and moderate-income on average. The typical Millennial annual salary is $35,000 for men, and around $31,000 for women.[4]
- About 20.5 million Millennials are young parents, which accounts for almost a third of the overall generation.[5]

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[1] *This Year, Milllennials Will Overtake Baby Boomers*, (Pew Research Center, 2014), http://www.pewresearch.org/fact-tank/2015/01/16/this-year-millennials-will-overtake-baby-boomers/.
[2] *Comparing Millennials to Other Generations*, (Pew Research Center, 2015), http://www.pewsocialtrends.org/2015/03/19/comparing-millennials-to-other-generations.
[3] *15 Economic Facts about Millennials*, (White House Council of Economic Advisors, 2014), https://www.whitehouse.gov/sites/default/files/docs/millennials_report.pdf.
[4] Kathleen Elkins, "Here's how much money millennials are earning in each state," *Business Insider,* April 7, 2015, http://www.businessinsider.com/the-average-salary-of-millennials-2015-3.
[5] Konrad Mugglestone, *Finding Time: Millennial Parents, Poverty, and Rising Costs*, (Washington, DC: Young Invincibles, 2015), http://younginvincibles.org/wp-content/uploads/2015/04/Finding-Time-Apr29.2015-Final.pdf.

YOUNGINVINCIBLES

TODAY'S TRENDS

Young Invincibles has the chance to interact with thousands of young people a year to hear about what they care about the most. Many young people tell us about struggling to attend school, find a job that will allow accommodate class schedules, all the while raising a family and trying to limit the amount of student debt they take on. They tell us about the critical nature of job training programs, the pivotal role that financial aid plays in gaining skills, but also the difficulty in attaining financial security both without a degree and even with a degree but with too much debt.

The stories they share are borne out in the data. Millennials are experiencing an economic environment that is so dramatically different than that of their parents and grandparents it is almost unrecognizable. The Great Recession accelerated decades-old economic trends in employment, wage, and educational changes that have left this generation with critical challenges unlike those seen by our parents.

Employment Trends

While young people have experienced job growth in recent years, there are several long-term negative trends in youth employment levels that were further exacerbated by the Great Recession.[6] Labor Department data on workers between the ages of 25 and 34 show the percentage of unemployed workers consistently above the overall level of joblessness since the economic recovery began, with the exception of one month.[7]

Indeed, Millennials now make up the biggest generation, yet they account for just over 30 percent of employed Americans.[8] And this can have long-lasting effects. A study by a Yale economist reinforced what many of have said: workers who graduate from college during a period of high unemployment earn significantly less than workers who have better timing.[9] This gap lasts not for a year or two, but for 15 years or even longer.[10]

The trend is even more troubling for young people from communities of color. The September 2015 unemployment rate for 18-34 African-Americans was nearly double that of their white counterparts, and nearly double that of the Millennial generation as a

[6] *See generally,* Rory O'Sullivan, Konrad Mugglestone, and Tom Allison, *In This Together: The Hidden Cost of Young Adult Unemployment*, (Washington DC: Young Invincibles, 2014) accessed November 15th, http://younginvincibles.org/wp-content/uploads/2014/01/In-This-Together-The-Hidden-Cost-of-Young-Adult-Unemployment.pdf; Rory O'Sullivan and Konrad Mugglestone, *Editorial Board Headline: How the Great Recession is the Worst for Millennials in Six Graphs*, (Washington, DC: Young Invincibles 2013), http://younginvincibles.org/wp-content/uploads/2013/07/How-the-Great-Recession-is-the-Worst-for-Millennials-in-Six-Graphs.pdf.
[7] Ibid.
[8] Bureau of Labor Statistics, Employed Persons by detailed occupation and age, http://www.bls.gov/cps/cpsaat11b.pdf
[9] *See generally* Lisa B. Khan, "The long-term labor market consequences of graduating from college in a bad economy," *Labour Economics*, Volume 17, Issue 2, April 2010, http://www.sciencedirect.com/science/article/pii/S0927537109001018.
[10] Ibid.

YOUNGINVINCIBLES

whole.[11] Hispanic unemployment was comparable to the seven percent Millennial average, but that figure and the generation as a whole lags behind the 5.1 percent rate seen in the broader economy.[12]

Wage Stagnation and Fewer Benefits

Millennials are also swept up in wage stagnation trends that have hurt workers of all ages. Adjusting for inflation, today's hourly wage has the same purchasing power as it did in 1979, and in real terms, the average wage peaked in 1973.[13] Young people are disproportionately also more likely to work in sectors that earn lower wages: median wages have declined or remained unchanged in the last decade in four out of the top five industry sectors employing young Millennials (18 to 24 year-olds).[14] Younger Millennials predominantly work in service industries: over 40 percent work in leisure and hospitality or retail and wholesale. In these sectors, wages have dropped $2,000 per year, compared to a decade ago.[15] Employment and wage trends mean that Millennials are far poorer than 20-somethings and 30-somethings in 1980.[16]

Other trends similarly impact this generation. Employers have shifted towards hiring more part-time and temporary workers in lieu of investing in full-time employees, and benefits structures have changed as well. One in four employed 18 to 34-year-olds is working only a part-time position, as opposed to one in six adults over 34 years old.[17] While still making up a relatively small sector of the labor market, contract workers have increased four-fold in the last thirty years.[18] In 2014, Career Builder forecasted that 42 percent of employers planned to hire temporary or contract workers during that year.[19]

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[11] "Millennial Unemployment Rate Remains Stagnant in September," *Young Invincibles*, October 2, 2015, http://younginvincibles.org/millennial-unemployment-rate-remains-stagnant-in-september/.
[12] Ibid.
[13] Drew DeSilver, *For most workers, real wages have barely budged for decades*, (Washington, DC: Pew Research Center, 2014) http://www.pewresearch.org/fact-tank/2014/10/09/for-most-workers-real-wages-have-barely-budged-for-decades/.
[14] Tom Allison and Konrad Mugglestone, *Where Do Young Adults Work?,* (Washington, DC: Young Invincibles, 2015),1, http://younginvincibles.org/wp-content/uploads/2014/12/Where-Do-Young-Adults-Work-12.4.pdf.
[15] Ibid. at 2.
[16] Derek Thompson, "Millennials" $2000 Poorer Than Their Parents Were at the Same Age," *The* Atlantic, http://www.theatlantic.com/business/archive/2015/01/young-adults-poorer-less-employed-and-more-diverse-than-their-parents/385029/.
[17] Analysis of 2013 Current Population Survey Data, U.S. Census Bureau. Data accessed from: Miriam King, Steven Ruggles, J. Trent Alexander, Sarah Flood, Katie Genadek, Matthew B. Schroeder, Brandon Trampe, and Rebecca Vick. Integrated Public Use Microdata Series, Current Population Survey: Version 3.0. [Machine-readable database]. Minneapolis: University of Minnesota, 2010.
[18] Tom Raum, "Temporary Jobs on the rise in today's shifting economy", Associated Press, May 19, 2014, http://bigstory.ap.org/article/temporary-jobs-rise-todays-shifting-economy.
[19] "2014 Jobs Forecast," *Career Builder* , December 2013, 2, accessed August 13, 2014, http://careerbuildercommunications. com/pdf/careerbuilder2014_forecast.pdf.

YOUNGINVINCIBLES

The rise of the on-demand or "sharing" economy, while providing desired flexibility and entrepreneurship for some young workers,[20] has also likely exacerbated that trend.[21]

As a result, many of today's young workers lack key benefit, wage, and other workplace protections such as paid sick or family leave, or even consistent workplace scheduling.[22] Previous generations had access to defined benefit retirement plans; that trend shift to defined contribution plans; and now many workers cannot access either of those through their work.[23] And employer-based health insurance decreased much faster for younger workers than for older workers in the early 2000s,[24] although reforms in the Affordable Care Act have helped to reverse rising uninsurance rates and provide young people with increased flexibility and access to coverage when they are unemployed or underemployed.[25]

Growing demand for education, growing debt

Other changes in today's economy have disproportionately impacted this generation, particularly the growing demand for skills and education. Research shows that by 2020, 65 percent of jobs will require some sort of postsecondary education training beyond high school.[26] As a result, while those with a degree have also experienced wage stagnation,

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[20] Tom Allison and Konrad Mugglestone, *The Future of Millennial Jobs* (Washington, DC: Young Invincibles, 2014), 10, accessed November 15th, 2015, http://younginvincibles.org/wp-content/uploads/2014/12/FUTURE-OF-MILLENNIAL-JOBS-1.20.2015.pdf.

[21] *See generally* Rebecca Smith & Sarah Leberstein, *Rights on Demand: Ensuring Workplace Standards and Worker Security in the On-Demand Economy* (New York: National Employment Law Project (NELP), 2015), 3-4, accessed November 13, 2015, http://www.nelp.org/content/uploads/Rights-On-Demand-Report.pdf.

[22] Brigid Schulte, "Millennials want a work-life balance. Their bosses just don't get why. ," *The Washington Post,* May 5, 2015, https://www.washingtonpost.com/local/millennials-want-a-work-life-balance-their-bosses-just-dont-get-why/2015/05/05/1859369e-f376-11e4-84a6-6d7c67c50db0_story.html.

[23] Stephanie L. Costo, "Trends in retirement plan coverage over the last decade ," *Monthly Labor Review* (February 2006): 58, http://www.bls.gov/opub/mlr/2006/02/art5full.pdf; Employee Benefit Research Institute (EBRI), "FAQs About Benefits—Retirement Issues," accessed November 13, 2015, http://www.ebri.org/publications/benfaq/index.cfm?fa=retfaq14; Teresa Ghilarducci and Joelle Saad-Lessler, "Explaining the Decline in the Offer Rate of Employer Retirement Plans Between 2001-2012" (Working Paper 2014-2, Schwartz Center for Economic Policy Analysis, Department of Economics, The New School for Social Research, July 2014), http://www.economicpolicyresearch.org/images/docs/research/retirement_security/Ghilarducci_Lessler_2014-2_Final.pdf. Now only about half of jobs offer retirement plans.

[24] Demos and Young Invincibles, The State of Young America, 4, accessed November 15th, 2015, http://www.demos.org/sites/default/files/imce/soya_HealthcareandCoverage_0.pdf,

[25] From 2013 to 2014, the percentage of uninsured Millennials dropped 5.2 percent, compared to a 2.7 percent drop in uninsured rate for those 35 and older. 3.6 million Millennials gained insurance during that time, and young adults made up 46 percent of the newly insured in the past year. Data derived from Young Invincibles' analysis of data from the U.S. Census Bureau's Current Population Survey (CPS).

[26] Anthony Carnevale, Nicole Smith and Jeff Strohl, "Executive Summary" in *Recovery: Job Growth And Education Requirements Through 2020* (Washington, DC: Georgetown University Center on Education and the Workforce (CEW), 2014), 1, accessed November 13, 2015, https://cew.georgetown.edu/wp-content/uploads/2014/11/Recovery2020.ES_.Web_.pdf.

YOUNGINVINCIBLES

there is still a wage premium that comes with having a postsecondary degree.[27] Yet affording college has become increasingly difficult.

Since 1978, tuition and fees have increased over 1,000 percent, primarily due to a decrease in state spending per student.[28] Things have gotten worse since the Recession: only two states are spending as much as they did on aid per student since before the Great Recession[29] – in fact, state investment in higher education is down 23 percent.[30] In 1979, the average student could work 182 hours to pay for a year's tuition, as compared to the 991 hours it would have taken to pay for that single year in 2013.[31] As a result, student debt ballooned.

In 2014, almost seventy percent of those public and nonprofit graduates from public had student debt, and those borrowers left with an average of $28,950.[32] Over the last decade, average debt at graduation rose at more than twice the rate of inflation.[33] Overall, borrowers hold $1.2 trillion dollars of student debt[34] - significantly more than the total amount of credit card debt that we have in this country[35] - and it has an enormous impact on millions of young people. As many as one-quarter of young adults live with a parent,[36] and while the rate of 18- to 24 year-olds living with their parents declined last year, the

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[27] Heidi Shierholz and Lawrence Mishel, *A Decade of Flat Wages: The Key Barrier to Shared Prosperity and a Rising Middle Class* (Economic Policy Institute, 2013), accessed November 13, 2015, http://www.epi.org/publication/a-decade-of-flat-wages-the-key-barrier-to-shared-prosperity-and-a-rising-middle-class/

[28] Michelle Jamrisko and Ilan Kolet, "Cost of College Degree in U.S. Soars 12 Fold: Chart of the Day," *Bloomberg Business*, August 15, 2012, http://www.bloomberg.com/news/articles/2012-08-15/cost-of-college-degree-in-u-s-soars-12-fold-chart-of-the-day; The Education Trust, "College Affordability's Enemy — State Disinvestment," press release, March 26, 2013, https://edtrust.org/press_release/college-affordabilitys-enemy-state-disinvestment/; Robert Hiltonsmith *Pulling Up The Higher-Ed Ladder: Myth and Reality in the Crisis of College Affordability* (New York: Demos, 2015), accessed November 13, 2015, http://www.demos.org/publication/pulling-higher-ed-ladder-myth-and-reality-crisis-college-affordability.

[29] *See generally* Young Invincibles, State Report Cards http://www.studentimpactproject.org/state_report_cards.

[30] Adrienne Lu, "Students Paying Bigger Share of Public College Costs," *Stateline*, May 15, 2014 By http://www.pewtrusts.org/en/research-and-analysis/blogs/stateline/2014/05/15/students-paying-bigger-share-of-public-college-costs.

[31] Svati Kirsten Narula, "The Myth of Working Your Way Through College,".*The Atlantic*, April 1, 2014, http://www.theatlantic.com/education/archive/2014/04/the-myth-of-working-your-way-through-college/359735/.

[32] The Institute for College Access and Success (TICAS), "Student Debt and the Class of 2014," accessed November 13, 2015, http://ticas.org/posd/home.

[33] Ibid.

[34] E.g. Kelley Holland, "The high economic and social costs of student loan debt," *CNBC*, June 15, 2015, http://www.cnbc.com/2015/06/15/the-high-economic-and-social-costs-of-student-loan-debt.html.

[35] Federal Reserve Bank of New York, *Household Debt and Credit Report*, https://www.newyorkfed.org/newsevents/news/research/2015/rp150217.html

[36] Richard Fry, *More Millennials Living With Family Despite Improved Job Market*, (Washington, DC: Pew Social Trends, 2015), http://www.pewsocialtrends.org/2015/07/29/more-millennials-living-with-family-despite-improved-job-market/?utm_source=Pew+Research+Center&utm_campaign=3d28da9b98-Millennials7_29_2015&utm_medium=email&utm_term=0_3e953b9b70-3d28da9b98-399986101

rate of 25-to 34 year-olds actually increased.[37] We hear often from borrowers that their debt means delaying major life decisions like buying a car, taking out a mortgage, or even getting married and starting a family, and the data bears that out: Millennials hold the largest responsibility for the falling homeownership rate,[38] and a recent study indicated that student debt prevented $83 billion in real estate sales from taking place in 2014.[39]

So while Millennials are the best-educated generation in American history, the United States is still projected to have a deficit of five million workers with postsecondary education by 2020.[40] Students know they have to get postsecondary credentials to have a better shot at long-term economic stability for themselves and their potential families, but those credentials are getting harder to afford and harder to pay off.

Wealth building

These trends have severely hampered individual wealth building among our generation. Millennials have less wealth at this point in our lives than the members of the generations that came before. We have seen a 41 percent decline in the median net worth for Millennial families (under 35) from 1995, down $7,000 to $10,000.[41] And young adults have only recovered about one-third of wealth lost in the recession.[42]

These numbers make it clear: decades-long trends have left Millennials facing unique challenges different than our parents generation - yet public policy has not caught up with those changes.

BUILDING AN ECONOMY FOR MILLENNIALS

Tackling the critical challenges facing young people today requires action. Investing in access to an affordable, quality degree and reducing student debt burdens will provide more young people with a pathway to the middle class. And providing pathways for skills in growing industries, combined with essential workforce supports for those working across industries, can give young people a better shot at the America Dream.

Invest in Quality Higher Education

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[37] U.S. Census Bureau, "Figure AD-1: Young adults living in the parental home: 1960 to present," accessed November 13, 2015, http://www.census.gov/hhes/families/files/graphics/AD-1.pdf.

[38] Reid Cramer, *Millennials Rising: Coming Of Age In The Wake Of The Great Recession* (Washington, DC: New America, 2014), 13, accessed November 13, 2015, https://www.newamerica.org/downloads/Millennials_Rising_Coming_of_Age_in_the_Wake_of_the_Great_Recession.pdf.

[39] Rick Palacios Jr., "Student Loans Will Cost the Industry $83 Billion this Year," *John Burns Real Estate Consulting*, September 19, 2014, http://realestateconsulting.com/student-loans-will-cost-the-industry-83-billion-this-year/.

[40] Carnevale, Smith and Strohl, "Executive Summary" in *Recovery*, 1.

[41] Cramer, *Millennials Rising*, 13.

[42] Ibid.

YOUNGINVINCIBLES

Making education attainable for all will require both state and federal action, as both play critical roles in financing our system of higher education. The federal government must incentivize states to put more money back into their ailing systems to halt and then reverse this pattern of disinvestment and debt, and double down on investments such as the Pell grant.

Pell grants are an essential investment the federal government makes to provide higher education access to millions of low income students – it is a well-targeted, effective program.[43] However, as the cost of college rises, the purchasing power of Pell continues to diminish. Just thirty-one percent of the costs of attending a four-year public university are covered by the maximum Pell Grant compared to more than three-quarters of the cost in the 1980s, leaving students and families to make up the difference with loans.[44] Scaling investments in Pell and attaching additional federal investments that would encourage state investments will help bring costs down and give students a pathway to a debt-free degree.

Doing so will also provide a pathway to tackle racial equity gaps. African American young adults suffer from higher unemployment and lower wages than their white peers.[45] In our report entitled *Closing the Race Gap*, YI discusses how investments made in our educational system can disproportionately help young African-Americans and start to mitigate disparities in unemployment and wages.[46]

Seemingly simple reforms can also go a long way. Simplifying the financial aid process through supporting the Administration's commitment to use Prior-Prior Year tax data for the FAFSA; reducing the number of questions on the FAFSA; and providing students and families with more clear information about which schools provide outcomes to students through a national data system would also provide a clearer higher education pathway for this generation.

Finally, Congress must crack down on poor performing schools to address some of the quality issues that we see with many institutions.[47] Taxpayers should not be funding

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[43] *See generally* Arnold Mitchem, "Pell Grants Boost College Access for Low-income Students but Money is Only Half the Story," *The Hechinger Report*, October 11, 2012, accessed June 24, 2014, http://hechingerreport.org/content/pell-grants-boost-college-access-for-low-income-students-but-money-is-only-half-the-story_9915/.

[44] Michael Stratford "College Affordability, Up Front," *Inside Higher Education,* October 3, 2014, https://www.insidehighered.com/news/2014/10/03/pell-grant-loses-access-potency-new-paper-calls-bolder-federal-college-affordability.

[45] Rory O'Sullivan, Konrad Mugglestone, and Tom Allison, *Closing The Race Gap: Alleviating Young African American Unemployment Through Education* (Washington, DC: Young Invincibles, 2014), 4, 6, accessed November 13, 2015, https://d3n8a8pro7vhmx.cloudfront.net/yicare/pages/141/attachments/original/1403804069/Closing_the_Race_Gap_Ntnl_6.25.14.pdf.

[46] Ibid., 13.

[47] Jennifer Wang, *Reauthorizing the Higher Education Act: Exploring Institutional Risk-Sharing* (testimony, United States Senate Committee on Health, Education, Labor and Pensions (HELP), May 20, 2015), http://younginvincibles.org/wp-content/uploads/2015/05/Jennifer-Wang-Revised-Risk-Sharing-Testimony.pdf.

institutions that do a poor job of offering access to low-income students, graduate students at severely low rates, or see a majority of graduates fail to secure jobs that allow them to pay down debt and attain financial security. Congress can do a better job of restricting funds to poorly performing schools through risk sharing[48] or other means, and providing incentive structures to reward and highlight the best actors within the American higher education community.

These steps can do a lot to increasing degree attainment and giving young people the skills they need to succeed an economy that increasingly calls for education past high school.

Provide Relief for Those Struggling with Student Debt

Even while we seek to repair our higher education financing system, we also need to support those who have left with burdensome debt. We hear from young people all the time: young parents trying to pay down their debt and finding it impossible to save for college for their children, young adults moving back in with their parents to afford their monthly payments, and young entrepreneurs finding it too hard to start a business because of their debt.

First, income-based repayment plans are essential tools that give our generation badly-needed debt relief, and those should be scaled up so that no one who did the right thing and pursued an educational pathway is forced to pay back more than they can afford.[49] Scaling up income-based repayment plans should be coupled with a suite of consumer protections that are critically missing. Borrowers who are really struggling can declare bankruptcy on credit card debt, car loan debt, or even gambling debt, yet it is very difficult to declare bankruptcy on student loans.[50] Similarly, borrowers can refinance mortgages but not student debt. Refinancing and bankruptcy protections for those truly struggling are commonsense solutions that would help get us all on a pathway toward more greater economic recovery.[51]

As Amy, a young woman from Chicago, Illinois, shared with us: "My partner and I are hardworking and resourceful people. We've both been working since the age of 16. We were the first in our families to finish college and financed our own educations. We have no retirement fund, no savings, and we can't afford our $1,300 monthly student loan payment, which is more than our rent. To make ends meet, we subsidize our monthly rent by helping the building owner with maintenance. We own one car, which we've paid off. We don't use our credit cards. We cook at home most nights and can make better pizza than you can order out ... If we could refinance our federal and private student loans, which have interest rates up to 8.25%, we would have greater financial security and could

[48] Ibid.
[49] Young Invincibles, *A Higher Education Promise for the 21st Century* (Washington, DC: 2015), accessed November 13, 2015, http://younginvincibles.org/wp-content/uploads/2015/06/YI-Higher-Ed-Agenda.pdf.
[50] Student Loan Borrower Assistance, *Bankruptcy*, accessed November 16, 2015, http://www.studentloanborrowerassistance.org/bankruptcy/.
[51] Young Invincibles, *A Higher Education Promise.*

YOUNGINVINCIBLES

save to have children."

Finally, the Department of Education must crack down on bad servicers. Of about 1,200 survey respondents to a YI survey, 54 percent reported that they had problems with repayment ranging from misapplied payments, lack of communications regarding loan status, and failure of servicers to inform borrowers of repayment options.[52] We must emphasize the rights of borrowers to clear and accurate information about their repayment options and to receive consistent, responsive, fair, and responsible treatment from their servicers.

Reducing the burdens of student debt means easing the financial struggles of millions of young people – and ultimately increasing economic activity such as home buying and even business creation.[53]

Reconnecting Opportunity Youth

With 5.6 million opportunity youth in this country– youth who are not working and not in school – we must aggressively scale innovative alternative pathways to help reconnect them to education and job training.[54] There are federally-funded programs like those contained in the Workforce Innovation and Opportunity Act, as well as non-profits like YearUp, doing valuable work to equip young people with viable, marketable skills.[55] But the federal government must halt the pattern of policymaking that has seen a billion dollars cut from vital job training programs and invest in America's future.

The federal government can also do more in partnership with the private sector. For example, apprenticeships are a great means by which the federal government can encourage private-public partnerships to help develop America's workforce. Apprentices graduate from their programs with gainful employment, an accredited degree, money in the bank, and no debt.[56] Congress should do its part by incentivizing institutions, organizations, private companies, and communities to join together and think creatively about specific tactics that meet youth where they are and work for them.

Supporting Workplace Policies Designed for Today's Economy

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[52] Young Invincibles, "Student loan servicers hinder loan repayment; CFPB launches public inquiry," May 27, 2015, http://younginvincibles.org/student-loan-servicers-hinder-loan-repayment-cfpb-launches-public-inquiry/.
[53] *See* Brandon Busteed "Student Loan Debt: Major Barrier to Entrepreneurship," *Gallup*, October 14, 2015, http://www.gallup.com/businessjournal/186179/student-loan-debt-major-barrier-entrepreneurship.aspx.
[54] Allie Bidwell, "5.6 Million Youths Out of School, Out of Work," *U.S. News And World Report*, October 20, 2014, https://opportunitynation.org/latest-news/5-6-million-youths-school-work/.
[55] Employment and Training Administration, "Fact Sheet: Youth Program" (Washington, DC: US Department of Labor), accessed November 13, 2015, http://www.doleta.gov/wioa/Docs/WIOA_YouthProgram_FactSheet.pdf.
[56] Reid Setzer, "An Alternative to Debt: Apprenticeships Update," November 5, 2014, http://younginvincibles.org/an-alternative-to-debt-apprenticeships-update/

YOUNGINVINCIBLES

In addition to putting young people on track to gain skills in growing fields, workplace protections like reasonable increases to the minimum wage[57] and expanding the availability of the Earned Income Tax Credit to childless young adults – currently unavailable for those under 25[58] - can help the most low-income young people find a pathway out of poverty.

It's also important to remember that policies that promote family economic security often benefit young people. Thirty percent of Millennials are parents, and those 20 million Millennial parents are experiencing the highest poverty rates seen by any young parents in the past 25 years, with one in five Millennial parents living in poverty.[59] Young parents experience a series of unique challenges, including increased caretaking responsibilities, challenges when they go back to school (about 25 percent of students are parents, and take on 25 percent more debt than non-parents[60]), and barriers to stable work and school schedules.

Policies such as improving access to on-campus child care for student parents through reforming and expanding the CCAMPIS program; better access to long-term and short-term paid leave through passing laws such as the FAMILY Act and the Healthy Families Act; improved workplace flexibility and predictable schedules through laws such as the Schedules that Work Act; and alternate pathways to degree completion that reflect the life-experience of young parents through Prior Learning Assessment could all support this generation now starting families.

Despite the challenges we face, the Millennial generation remains optimistic about the future. Polls show that 70 percent are optimistic about their economic prospects; and 79 percent believe that they will have the same standard of living or be better off than their parents.[61] It's up to us to make that perception of the future a reality.

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[57] *See* Bureau of Labor Statistics, "Characteristics of Minimum Wage Workers: 2010," February 25, 2011, www.bls.gov/cps/minwage2010.pdf. Twenty-eight percent of minimum wage workers are teenagers 16 to 19 years old, and 26 percent are 20 to 24 years old. In total, there are nearly one million 16- to 24-year-olds who make minimum wage.

[58] Chuck Marr and Chye-Ching Huang, *Strengthening the EITC for Childless Workers Would Promote Work and Reduce Poverty* (Washington, DC: The Center on Budget and Policy Priorities (CBPP), 2015), accessed November 13, 2015.

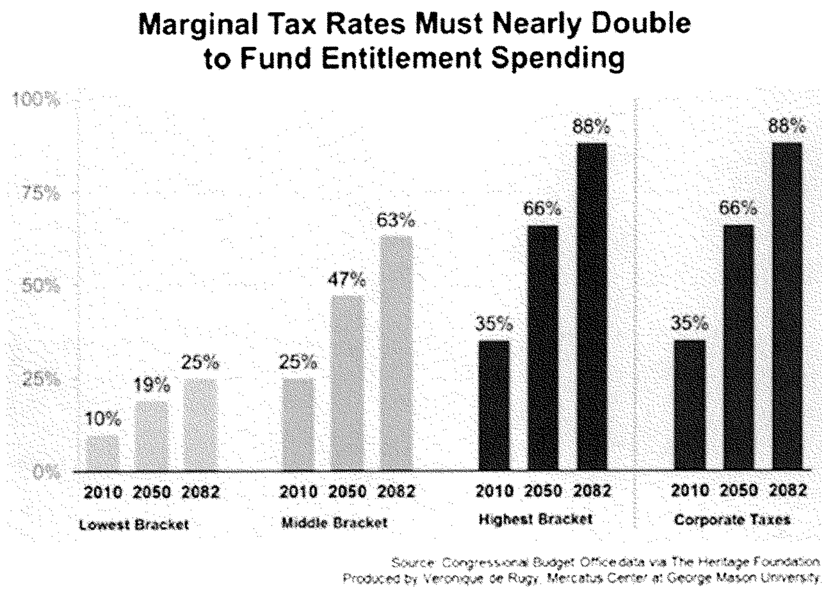
[59] Konrad Mugglestone, *Finding Time – Millennial Parents, Poverty and Rising Costs* (Washington, DC: Young Invincibles, 2015), 1-2, accessed November 13, 2015, http://younginvincibles.org/wp-content/uploads/2015/04/Finding-Time-Apr29.2015-Final.pdf.

[60] Ibid., 4, 10.

[61] Harstad Strategic Research, Inc., "National Online Survey of 2,004 Millennial Adults Age 18-31, March 30 – April 3, 2014," 2, accessed November 13, 2015, https://salsa3.salsalabs.com/o/50742/images/Harstad.Millennial_May15.pdf.

Mercatus Center

Chart below uses data from the CBO to illustrate the change in federal income tax rates that would be required to pay for federal entitlement spending. [1]



[1] http://mercatus.org/publication/marginal-tax-rates-must-nearly-double-fund-entitlement-spending-0

QUESTIONS FOR THE RECORD FOR MR. JARED MEYER SUBMITTED BY REPRESENTATIVE MALONEY AND RESPONSES

Mr. Meyer, you testified that average household wealth for a household headed by someone 65 or older is about 50 times the average wealth of a household headed by someone 35 or younger. You also noted this is a significant increase from the mid-1980s, when senior citizens held only 10 times the wealth of younger households. Those are staggering numbers.

It seems intuitive that older households will have accumulated much greater home equity than younger households. How do the wealth ratios change if home equity is excluded?

In 2011, excluding home equity, the median net worth of households headed by an adult under the age of 35 was $4,151. In that same year, excluding home equity, the median net worth of households headed by someone 65 years and over was $27,322. Looking at recent retirees (65 to 69 years old), the median net worth excluding home equity was $43,921.

I'm also curious if the ratios have changed as the economy has recovered and Millennials have added to their wealth. What do the most recent data show?

The most recent Census data are from 2011. In that year, households headed by an adult under the age of 35 had a median net worth of $6,682, and households headed by someone 65 years or over had a median net worth of $171,135. The median wealth levels for all age brackets increased from 2009 to 2011, but the level for households headed by someone under the age of 35 increased by nearly 100 percent. Still, the ratio between young and elderly households was 1:26 in 2011, compared to 1:10 in 1984.

We discussed the challenges for Millennials of being saddled with a growing national debt. But there are other types of debt that get passed on from one generation to the next, which impose real costs on young people. For example, doing nothing about roads that are falling apart and bridges that are falling down assigns enormous costs to future generations. Putting off needed infrastructure maintenance is both risky and costly.

In your view, what are the costs of delaying investments in crumbling infrastructure? Who is likely to absorb those costs? How does failing infrastructure affect our economy and U.S. competitiveness?

While it is uncontroversial that America's federal, state, and local infrastructure needs improved maintenance, some estimates of the problem are overstated. For example, the American Society of Civil Engineers givers the United States on a whole a "D+" for its overall infrastructure. It also designates 11 percent of U.S. bridges as "structurally deficient." Though this term sounds dangerous, it does not mean that there is any particular risk of failure. It is not surprising that an organization of civil engineers desires $3.6 trillion of spending on infrastructure projects by 2020. Standing in contrast to these findings are those of the World Bank. In 2014, The United States ranked fifth in the world for the quality of trade and transportation related infrastructure, behind only Germany, Singapore, the Netherlands, and Norway.

Cost overruns for publically funded transportation projects contribute to declines in the quality of America's infrastructure. According to Bent Flyvbjerg, Mette Kamris Holm, and Soren Buhl, the average cost overrun for large public transportation projects is nearly 28 percent. Since there are limited funds to spend on infrastructure improvements, it is important for policymakers to ensure that the cost estimates are more accurate and are provided under a wider range of assumptions.

The cost of infrastructure projects should also more closely align with the users. Technology has made tolls much more efficient, and express lanes that charge higher fares during times of high congestion are another solution to funding challenges. Additionally, with increased access to low-cost airfares, it makes little sense for train routes to remain subsidized, especially Amtrak's long-distance routes. Shifting the burden of paying for projects from taxpayers to users would create incentives for funding projects that make economic sense.

What should policymakers do to ensure that Millennials don't get stuck picking up the bill for infrastructure investments that our country should be making now?

Moving a greater portion of infrastructure funding and spending to the state level or private sector would be a welcome step towards maintaining America's transportation system. The problems with federally-funded infrastructure investment are shown by the Highway Trust Fund. The federal gas tax has stayed at 18.4 cents since 1993. This has not kept pace with inflation, and increased fuel efficiency means that vehicles are driving more miles for each dollar paid in taxes. As vehicles continue to become more fuel efficient, state-level actions to move towards a vehicle miles traveled tax, such as the pilot program seen in Oregon, can help to sustain transportation funding.

The Davis-Bacon Act is an 84-year-old law that makes the cost of federally funded infrastructure projects more expensive. The prevailing wage requirement also prices lower-skilled construction workers out of federally-funded projects in some highly unionized areas. To fund infrastructure maintenance and improvement at a reasonable cost, the Davis-Bacon Act's prevailing wage requirements should be reevaluated.

You testified about occupational licensing and some of the challenges associated with different licensing requirements across states as well as the fact that some professions, such as interior designers and tour guides, are licensed in some states, but perhaps don't need to be. You lauded President Obama's effort to support states that introduce common-sense reforms of their occupational licensing practices. Varying licensing requirements in different states and the lack of transferability across states can be especially costly for those who move regularly because of a spouse's or partner's job.

Can you point to research that analyzes the economic costs of states' occupational licensing? Are you aware of research that analyzes the impact of licensing on entrepreneurship?

Some of the best research on the economic effects of occupational licensing has been done by University of Minnesota economics professor Morris Kleiner. He also offers useful solutions to scale back occupational licensing laws. Below are some of his articles that I have found helpful.

Morris M. Kleiner and Alan B. Krueger, "Analyzing the Extent and Influence of Occupational Licensing on the Labor Market," Journal of Labor Economics 31, no. 2 (April 2013), pp. 173–202.

Morris M. Kleiner, "Reforming Occupational Licensing Policies," The Brookings Institution, January 2015.

As for the effect on small business owners, Thumbtack.com, in partnership with the Kauffman Foundation, releases an annual survey of small business owners. Licensing requirements were the most important issues in determining a state's overall friendliness to small businesses.

Jon Lieber and Sander Daniels, "2015 Thumbtack.com Small Business Friendliness Survey: Methodology & Analysis," Thumback.com, June 2015, (email Jon Lieber at jon.lieber@thumbtack.com for a copy of the paper).

To understand the scope and scale of licensing on a state-by-state level, the best resource is The Institute for Justice's License to Work report. The report shows which states license 102 low- or moderate-income occupations, along with the average monetary and time burdens each license requires.

Dick M. Carpenter II et al., "License to Work: A National Study of Burdens from Occupational Licensing," Institute for Justice, May 2012, p. 16.

Do you agree with Representative Beyer's statement that excessive licensing and other regulations often result from the efforts of businesses trying to gain advantage over their competitors? What should be done at the state or federal level to limit the impact of businesses seeking competitive advantage through the licensing process?

Yes, I agree that many regulations are passed because large, established businesses want to raise barriers to entry and reduce competitive threats. Since occupational licensing and many other anti-competitive regulations are a state and local issue, there is not much the federal government (outside of the judicial branch) can do directly. However, offering incentives to states that institute common-sense licensing reforms, as President Obama has proposed, is a welcome start.

QUESTIONS FOR THE RECORD FOR MS. JENNIFER MISHORY FROM CONGRESSWOMAN CAROLYN B. MALONEY, RANKING MEMBER, AND RESPONSES

Ms. Mishory, with states cutting support for higher education, too many students have been forced to take on too much debt. As you stated in your

testimony, almost 70 percent of graduates of public and nonprofit colleges in 2014 had student debt, and that debt averaged about $29,000. I'd like to get your thoughts on proposals to make higher education more affordable.

- **What impact would restricting access to federal student loans have on Millennials?**
- **How about cuts to Pell Grants?**
- **What would be the impact of increasing the market share of private student loans?**
- **How do consumer protections differ between federal and private student loans?**

The Federal Direct Loan program is an essential tool to ensure that Millennials have access to institutions of higher education, and restricting access to that program would damage Millennials' ability to pursue the credentials they need to succeed in a 21st century economy. Millions of young people rely upon loans to complete the financial aid package they need to attend school, as evidenced by the fact that 71% of 2015 bachelor's degree recipients graduated with student loan debt.[1] Limiting access to that assistance for undergraduates is likely to have long-term negative consequences on attainment rates and the skills gap we face. Loans should always be the final, not first, piece of a financial aid package for students, and students should be educated about the requirements—but claims that increasing financial aid access have driven up tuition lack conclusive evidence, according to the nonpartisan Congressional Research Service.[2] Limiting access more than we already do would cut off opportunities for low- and moderate-income college students.

Even more important for low-income students is access to Pell Grants, a program that has made college possible for millions of Americans without requiring young people to take on debt.[3] Pell increases college enrollment among low- and middle-income students, and a majority of African-American and Hispanic undergraduates rely on Pell to go to school.[4] Despite a proven track record of success, the purchasing power of Pell has declined over time as college has become more expensive, making it vital that we scale investments in the program to ensure low- and middle-income students can begin and complete their degrees.[5]

The result of restricting Pell grant or student loan access could be cutting off access to higher education for some students and also to increase reliance on private student loans, since they would be the lender of last resort for many young people trying to access or remain in school.[6] This would add complexity to a system that already offers several types of loans and aid that students have trouble discerning among, and move students into private markets that charge higher interest rates than federal loans, raising debt levels. Moreover, private loans routinely lack essential consumer protections like deferment, forbearance, and income-based repayment plans with forgiveness options, which are essential to providing relief on payments when a borrower's earning power is low.[7]

Since 2010, Millennials have been able to remain on their parents' health insurance until they turn 26 years old. Before the Affordable Care Act (ACA), young adults would often lose coverage when they turned 19 or finished college. The uninsured rate among individuals ages 19 to 25 has been cut in half since passage of the ACA. In other words, a larger share of Millennials now have health care coverage.

- **What are some of the benefits of a greater percentage of Millennials being insured? Does this have an impact on their health? On overall**

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[1] Jeffrey Sparshott, "Congratulations, Class of 2015. You're the Most Indebted Ever (For Now)," The Wall Street Journal, May 8, 2015, *http://blogs.wsj.com/economics/2015/05/08/congratulations-class-of-2015-youre-the-mostindebted-ever-for-now/*.

[2] "No Causal Link between Federal Student Aid and Higher Tuition," The Institute for College Access and Success, October 8, 2015, *http://ticas.org/sites/default/files/pdf/no_causal_link_between_federal_student_aid_and_higher_tuition.pdf*.

[3] "U.S. Department of Education, "Fiscal Year 2016 Budget Request: Student Financial Assistance." *http://1.usa.gov/1E8G0Mv*. Page Q–20.

[4] "Pell Grants Help Keep College Affordable for Millions of Americans, The Institute for College Access and Success, March 13, 2015, *http://ticas.org/sites/default/files/pub_files/overall_pell_one-pager.pdf*.

[5] Ibid.

[6] Lucy Lazarony, "Private Student Loans: What to Watch Out For," Credit.com, August 24, 2010, *https://www.credit.com/loans/student-loans/student-articles/private-student-loans-what-to-watch-out-for/*.

[7] "Federal vs. Private Loans" Young Invincibles, October 2, 2012, *http://younginvincibles.org/federal-vs-private-student-loans/*.

health care costs? Have you heard directly from Millennials on how the ACA has helped them—if so, please share a few examples.

- **Have we also seen a reduction in job lock for Millennials—where Millennials are able to switch jobs without being worried about losing health insurance? How can this affect their careers and future success?**

Higher insurance rates among young people boost the long-term health of this generation and help protect us from financial pitfalls. Young people need access to affordable health care services: about 15 percent of young adults have chronic conditions,[8] young women in particular need access to preventive care, and 19 percent of Millennials have reported suffering from depression, making access to mental services particularly important.[9] Insurance coverage protects against high out of pocket costs when accessing this care, and encourages young people to proactively seek these services when they need them. And new ACA-compliant plans are required to offer both mental health services and preventive care. As a result, the ultimate impact on increasing insurance rates on the health of this generation could be enormous.

But insurance also protects against even larger potential financial calamity. Young people tend to end up in the emergency room more than any other age group under the age of 75,[10] resulting in costs that can be devastating. It should not be surprising then that over half of uninsured young people say that they have problems with medical bills or are paying off medical debt that could have been avoided had they had insurance.[11] Enrollment in plans that cap out of pocket costs reduces the number of young people facing these kinds of bills and debt.

Additionally, research has shown that as many as 1.5 million people will be released from job lock and able to work independently due to the ACA.[12] According to the Center on Health Insurance Reforms at Georgetown University, the Robert Wood Johnson Foundation, and Urban Institute, that figure is primarily because of the non-discrimination and financial assistance portions of the law.[13] Being freed from the tether of employer-provided health insurance can allow many Millennials who want to start small businesses a way to work toward achieving that goal.

We have seen numerous young people benefit from the ACA in these ways. In Austin, Texas, we spoke with Kim D., a young entrepreneur, working to start her own marketing firm. Without employer-based insurance, Kim didn't have access to affordable health care until the ACA. Kim enrolled on the marketplace in the first open enrollment period, and was able to continue pursuing her dream without relying on health care from her job. Without this kind of freedom, Kim may have abandoned her small business for more traditional work—stifling her creativity and the boost she brings to the economy. In other cases, we have seen the ACA save lives. Hristina R. of DC was constantly denied health coverage because of a brain tumor before the ACA. In early 2014, she gained health insurance for the first time in years. A mere few weeks after getting covered, Hristina started experiencing alarming symptoms and decided to head to the emergency room. Hristina had to have emergency surgery for an ectopic pregnancy—a condition that could have taken her life. Having health insurance not only allowed her the ability to seek care, she also avoided a medical bill that could have reached as high as $30,000. The financial and health benefits provided by the ACA to Millennials like Kim and Hristina have been life changing, and emphasize the importance of preserving the law.

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[8] Sara R. Collins, Elise Gould, Bisundev Mahato, Jennifer L. Nicholson, Sheila D. Rustgi, and Cathy Schoen, "Rite of Passage? Why Young Adults Become Uninsured and How New Policies Can Help, 2009 Update," The Commonwealth Fund, vol. 64 (August 2009). *http://www.commonwealthfund.org//media/Files/Publications/Issue%20Brief/2009/Aug/1310_nicholson_rite_of_passage_2009.pdf.*

[9] Michelle Castillo, "Millennials are the most stressed generation, survey finds," CBS News, February 11, 2013, *http://www.cbsnews.com/news/millennials-are-the-most-stressed-generation-survey-finds/.*

[10] Sally H. Adams, Claire D. Brindis, Charles E. Irwin, Tina Paul Mulye, M. Jane Park, "The Health Status of Young Adults in the United States," Journal of Adolescent Health, no. 39 (2006). *http://smhp.psych.ucla.edu/pdfdocs/healthstatus.pdf.*

[11] Sara R. Collins, Ruth Robertson, Tracy Garber, Michelle M. Doty, "Young, Uninsured, and in Debt: Why Young Adults Lack Health Insurance and How the Affordable Care Act Is Helping," The Commonwealth Fund, June 2012, *http://www.commonwealthfund.org//media/files/publications/issuebrief/2012/jun/1604_collins_young_uninsured_in_debt_v4.pdf.*

[12] Linda J. Blumberg, Sabrina Corlette, and Kevin Lucia, "The Affordable Care Act: Improving Incentives for Entrepreneurship and Self-Employment, Timely Analysis of Immediate Health Policy Issues," The Center on Health Insurance Reforms, et al., May 2013, *http://www.rwjf.org/content/dam/farm/reports/issue_briefs/2013/rwjf406367.*

[13] Ibid.

QUESTIONS FOR THE RECORD FOR MR. JARED MEYER SUBMITTED BY SENATOR AMY KLOBUCHAR AND RESPONSES

APPRENTICESHIPS

Mr. Meyer, the apprenticeship program in Minnesota—the PIPELINE program—is a national model for workforce development and post-secondary education. This program began by determining standards in four high-growth industries—health care, information technology, advanced manufacturing and agriculture. The goal of this part of the program is to establish standardized and portable credentials that are transferable from employer to employer.

- In your testimony you discussed the lack of transferability of credentials. How would standardized and transferable credentials benefit the workforce and entrepreneurs?

Due partly to federal student aid (see my testimony "The Unprecedented Debt Burdens Facing Millennials" submitted to the House Budget Committee on September 9, 2015), the cost of four-year college has risen drastically. Thankfully, the United States has an extensive network of affordable community colleges. As long as the credits gained at community colleges are transferable to four-year colleges, students have a more affordable path to a bachelor's degree.

Technical schools also offer promising paths to employment in in-demand fields. Working with businesses to develop curriculum that enables graduates to stay on top of their skills, as Minnesota's PIPELINE Project does, is a welcome step towards filling the technical skills gap.

The modern economy is changing rapidly, and skills learned in school alone fail to prepare American workers for success. Education has always been a life-long process, but it is even more necessary today. In addition to partnering with employers to inform curriculum and encourage training, accreditation of successful online education platforms is another policy solution that deserves attention.

QUESTIONS FOR THE RECORD FOR MS. JENNIFER MISHORY SUBMITTED BY SENATOR AMY KLOBUCHAR AND RESPONSES

RETIREMENT SAVINGS

Ms. Mishory, we have all heard that Americans are not saving enough for retirement—that there is a savings crisis. In your testimony, you point out that Millennials have saved less at this point in their lives than previous generations.

- **What policies would help Millennials increase their savings rate?**
- **The increasing burden of student loan debt is hurting the ability of many Millennials to save. What other barriers are limiting the ability of Millennials to save? How can we address those barriers?**

There are number of factors that seem to be driving the negative savings rate [1] held by Millennials. We have seen lower wealth accumulation following wage stagnation and the lasting impact of the Great Recession (which hit youth employment levels the hardest).[2] We have also seen a well-documented, staggering increase in the amount of student loan debt held by young people today, which means more money is going to pay down debt rather than save for the future. And the increase in part-time and contract work, including the most recent rise in the more flexible "gig" economy, has combined with the decline of traditional pension and benefit plans to create the need to rethink traditional retirement account structures and savings vehicles.[3]

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[1] Josh Zumbrun, "Younger Generation Faces a Savings Deficit," The Wall Street Journal, November 9, 2014, *http://www.wsj.com/articles/savings-turn-negative-for-younger-generation-1415572405*.

[2] Drew DeSilver, "For most workers, real wages have barely budged for decades," Pew Research Center, October 9, 2014, *http://www.pewresearch.org/fact-tank/2014/10/09/for-most-workers-real-wages-have-barely-budged-for-decades/*; Derek Thompson, "Millennials" $2000 Poorer Than Their Parents Were at the Same Age," The Atlantic, *http://www.theatlantic.com/business/archive/2015/01/young-adults-poorer-less-employed-and-more-diverse-than-their-parents/385029/*.

[3] Emily Hong, "Making It Work: A Closer Look at the Gig Economy," Pacific Standard, October 23, 2015, *http://www.psmag.com/business-economics/making-it-work-a-closer-look-at-the-gig-economy*.

Tackling these challenges is critical. Certainly policies that help low- and moderate-income young people build wealth, such as reasonable increases to the minimum wage, an expansion of the Earned Income Tax Credit to childless individuals under 25 years of age,[4] or reducing barriers to getting a degree in growing fields with growing salaries, can all help. Additionally, reducing student debt burdens by expanding income-based repayment plans and including tax-free forgiveness, increasing uptake in Public Service Loan Forgiveness, and providing refinancing options packaged with consumer protections, would all go a long way toward freeing up income that could be saved by young people.

We are also at a critical juncture in rethinking workplace retirement policies, given the decreased access to benefits and changing workplace. Incentivizing businesses to offer tax-free benefit plans and contribute to their employees' retirement accounts is a start, but other policies to help young people access these options may be needed (see below).

You also noted in your testimony that Millennials have more job mobility than previous generations. Recently, the Treasury Department launched their myRA plan to help workers who do not have a retirement savings plan at their work. This account would move with the worker from job to job.

- **What are your thoughts on this account? What policies would improve these accounts?**
- **How can we make retirement savings plans more portable?**

MyRA is a welcome foray into the area of portable retirement savings. It allows individuals with a relatively low level of income and without access to an employer-sponsored retirement plan to put away some money when they otherwise may not be saving.[5] The $25 initial deposit and low semi-monthly contribution requirement make savings more of a reality, and the flexibility of rolling over those funds into a Roth IRA at any time is also a strong feature of the account.[6] Some have suggested future changes such as diversifying investment opportunities for higher returns or financial incentives like tax credits to get more businesses to sign up and offer myRAs.

GIG ECONOMY

Ms. Mishory, in your testimony you note that one of the trends we're seeing with the Millennial generation is a shift to part-time, temporary and contract-based employment. For some the flexibility of moving from "gig" to "gig" is something they chose. For others, this is a result of changing employment patterns.

- **With this shift, what policies can we put in place for American workers to help with changing employment patterns? How could we help workers earn paid sick leave or paid family and medical leave in an economy with changing employment patterns?**
- **What policies would help Millennials save for a rainy day or their retirement?**

As individuals continue to pick up part-time, on-demand, "gig" economy work, it's vital that benefits associated with that work travel with them as much as possible. That includes retirement accounts and health care benefits as provided by new options like myRA and the individual ACA exchanges, but also encouraging employers to offer programs of their own for "gig" employees. It is also time to review how we classify these employees to address the legal uncertainty in the market and preserve protections and benefits for workers.

Paid sick leave and paid family leave are critical policies that provide financial stability for young workers, and Young Invincibles supports the FAMILY Act and the Healthy Families Act to create these policies nationwide. We have also seen innovations on the state level. In Rhode Island, New Jersey, and California, paid family leave is administered through the state and funded by employees, so individuals

[4] Chuck Marr and Chye-Ching Huang, "Strengthening the EITC for Childless Workers Would Promote Work and Reduce Poverty," Center on Budget and Policy Priorities, February 20, 2015, *http://www.cbpp.org/research/strengthening-the-eitc-for-childless-workers-would-promote-work-and-reducepoverty*.

[5] See generally, myRA, *https://myra.gov*.

[6] Ibid.

can access it on their own.[7] These programs have shown to increase economic security for new families, improve health outcomes, and benefit businesses through increased employee loyalty and reductions in turnover.[8] Paid sick leave laws have also spread—now to four states and 20 cities—and have similar benefits for workers and employers.[9] It is critical that state and federal policy conversations consider part-time and contingent workers when pursuing these reforms, and turn to employers to ask for financial contributions given the benefits to their businesses.

There are also increasing state-level innovations around retirement plan access. For example, in Illinois, by 2017, businesses will be required to offer a plan to employees that will be run by the state in an investment pool and funded by paycheck withholding.[10] In Washington, a marketplace has been established to facilitate people learning about private plans and encouraging small businesses to match employee investments in their retirement accounts.[11] Opportunities like these could significantly expand pathways for Millennials to save and build wealth, and those reform conversations should also consider part-time and contingent workers.

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[7] "State Family Leave Insurance Laws," National Partnership for Women and Families, February 2015, *http://www.nationalpartnership.org/research-library/work-family/paid-leave/state-paid-family-leave-laws.pdf*.

[8] "The Family and Medical Insurance Leave Act," National Partnership for Women and Families, March 2015, *http://www.nationalpartnership.org/research-library/work-family/paid-leave/family-act-fact-sheet.pdf*.

[9] "Paid Sick Days: Good for Business, Good for Workers," National Partnership for Women and Families, August 2012, *http://www.nationalpartnership.org/research-library/work-family/psd/paid-sick-days-good-for-business-and-workers.pdf*.

[10] Tom Anderson, "Is Your State Getting Into the Retirement Business?," CNBC, June 9, 2015, *http://www.cnbc.com/2015/06/09/is-your-state-getting-into-the-retirement-business.html*.

[11] Trent Gillies, "Retirement Options Dwindle and States Step In. But Should They?," CNBC, November 8, 2015, *http://www.cnbc.com/2015/11/06/retirement-options-dwindle-and-states-step-in-but-should-they.html*.