



Recession Sentiments Across The Generations

When it comes to our country's fiscal (un)fitness, demographic groups are decidedly divided.

// STORY BY **AMY HIRSH ROBINSON**

↳ **SINCE THE ECONOMIC DOWNTURN BEGAN**, I'VE BEEN OBSERVING ITS IMPACT ON THE ATTITUDES AND BEHAVIORS OF THE DIFFERENT GENERATIONS TOWARD WORK AND LIFE. AS A RESEARCHER AND CONSULTANT ON THE TOPIC, I'M STRUCK BY HOW DIFFERENTLY EACH GENERATION IS EXPERIENCING THE RECESSION. CASE IN POINT, A RECENT STUDY BY THE PEW RESEARCH CENTER ON SOCIAL & DEMOGRAPHIC TRENDS PRODUCED THE FOLLOWING ABOUT THE GENERATIONS:

Traditionalists (age 65+) are most likely to report being very satisfied with their personal finances and least likely to say they will be adversely affected by the recession.

While Baby Boomers (ages 50–64) have the highest incomes of any generation, they are the least likely to be satisfied with their quality of life.

An equal number of Generation Xers (ages 30–49) and Baby Boomers have suffered more than a 20 percent loss to their retirement accounts, but Generation Xers are more likely to believe their personal situation will improve by next year.

Although adult Millennials (ages 18–29) have fared worst in the job market, they are the most confident about their short- and long-term financial future.

According to generational theorists, these findings, while partially driven by the current

recession, also reflect deep-set generational attitudes. Every generation has a set of collective experiences during childhood and young adulthood that shape its worldview and inform its behavior toward work, life and money. Understanding these unique histories gives us important insight into current and future reactions to economic downturns.

Traditionalists

A Kinder Recession

Traditionalists grew up in the shadow of the Great Depression and were instrumental in shaping today's political, economic, social and military policies in the United States. As children and young adults, they benefited tremendously from government and social programs as well as the growth of corporate America. As a result, Traditionalists are loyal,

hard working and faithful to institutions. Rules of conduct, respect for authority and contributing to a greater good are defining attributes of this generation. As they age, Traditionalists will continue to look for ways to leave a legacy. In fact, 75 percent of those polled say they expect to be able to leave an inheritance despite the recession. While not immune to the current downturn, they are less likely than younger generations to have suffered losses in their retirement accounts or experienced trouble paying for housing and medical care. Conditioned to do more with less, the Traditionalist generation's financially conservative way of life is paying off.

Baby Boomers

A Life-Altering Recession

Baby Boomers came of age during America's era of post-war prosperity. They grew up in a world of infinite possibility as rock 'n' roll ruled the planet and humans walked on the moon. But life wasn't always carefree. Boomers experienced the Vietnam War and other divisive social movements that shaped their political alliances and worldview. Their large numbers also drove them to be competitive in all parts of life, including work. In their push to get ahead, Boomers added a full month's worth of work per year to their schedule. Now that they are ready to recalibrate work and life, things have gotten complicated. Past spending habits and recent drops in retirement portfolios have made the prospects of even gradual retirement obsolete for many working Boomers. What's more, Boomers are sandwiched in between taking care of elderly parents and younger dependents. For a generation that has long been associated with material wealth, the recession has hit hard. While their sense of optimism and ability to reinvent themselves will prevail, the transition will be difficult for many.

Generation X

Recession as a Way of Life

Generation X grew up during a time when life seemed to be falling apart. As children, they watched the events of the energy crisis, Watergate, corporate downsizing and AIDS unfold. They were "latchkey kids" who felt the brunt of tripled divorce rates and late-working, dual-income parents. They graduated high school and college facing stock market crashes, economic recessions and hiring freezes. As a result, Gen Xers have a strong survival instinct and are skeptical of institutions, be they financial, political, religious or corporate. Dwarfed by media coverage of Baby Boomers and Millenni-



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als, Gen Xers are typically portrayed as overeducated, technoliterate underachievers who lack loyalty. More accurately, the collective experiences of this generation have created a resilient, resourceful cohort that is motivated to survive and thrive. For Gen Xers, recessions and other disasters are a way of life. Their ability to brace for change and adapt will serve them well during this economy and others to come.

Millennials

Recession as Opportunity

As each before them, the Millennial generation has a history of its own. Optimistic yet street smart, Millennials value diversity and equality. Born into the world of the Internet, cell phones and video games, they are technologically savvy with short attention spans. Raised by "Helicopter" Baby Boomer parents who pushed them to excel, Millennials are natural multitaskers brimming with confidence. This is a Harry Potter, Power Rangers generation of action-oriented team players who want to make the world a better place. They see opportunity in adversity and are ready to bypass any red tape that tries to get in their way. As the recession deepens, Millennials are losing their jobs in greater numbers than any other generation. While they are taking steps to conserve resources (such as moving in with their parents to save money), they are confident about their financial future. Due to their large numbers (76 million and growing!) and ambitious life goals, Millennials are predicted to do very well for themselves and for the communities they will enthusiastically serve.

Interesting Times Ahead

Wealth and wellness mean different things to different generations, as the divergent reactions to this current recession demonstrate. What one cohort deems as financial success is another cohort's perceived failure. As our society ages, these points of diversity will put a greater strain on our current political, economic and social systems and lead to new paradigms for future generations. How much do you really know about each generation in your community? Isn't it time you found out?

About the author: Amy Hirsh Robinson, M.B.A., is principal of the Interchange Group (www.interchange-group.com). She specializes in the impact of demographic shifts on workforces and assists Fortune 500 corporations, business owners and nonprofits attract and manage talent to meet the demands of a competitive marketplace.



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