

Stagnation generation: social justice and the generations

Daniel Tomlinson
@dan_tomlinson_

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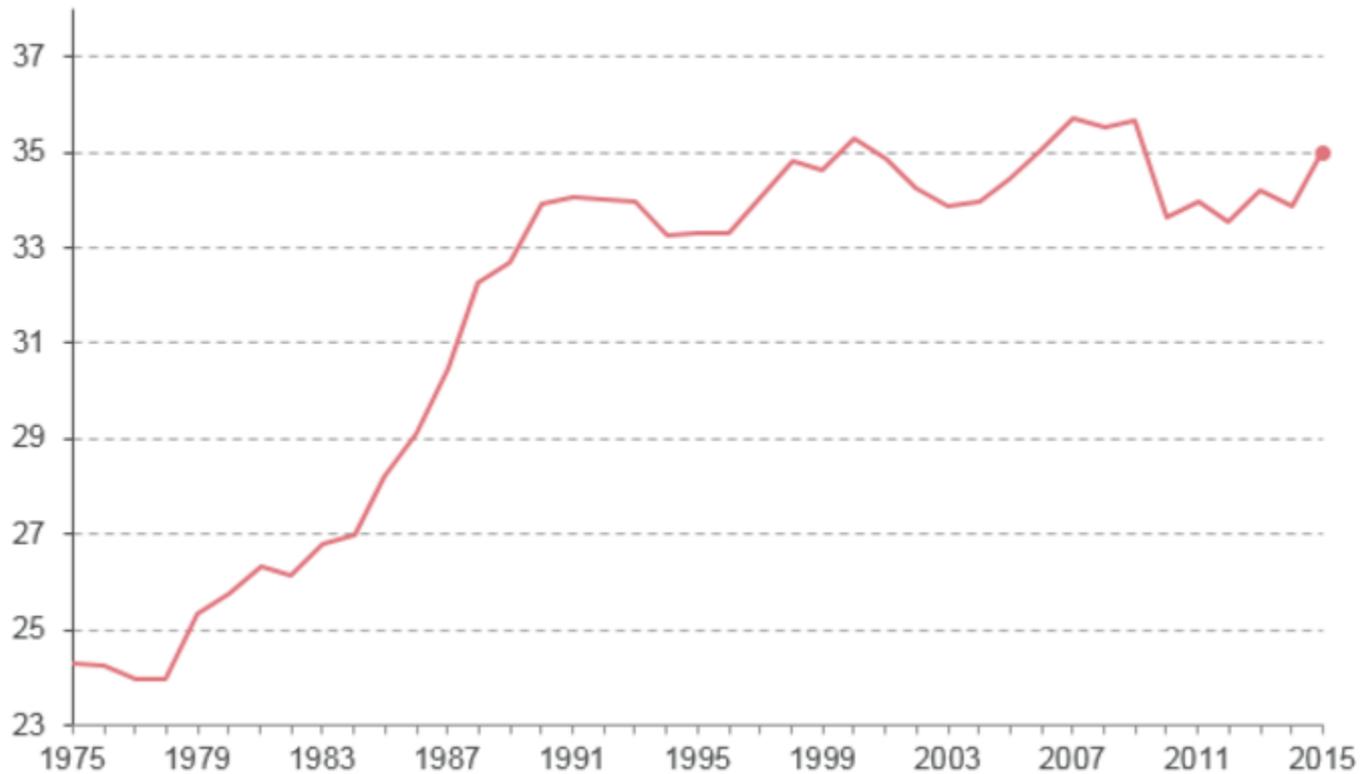
1. *Scene setting*

2. *What's happened?*

3. *What does this mean for the future?*

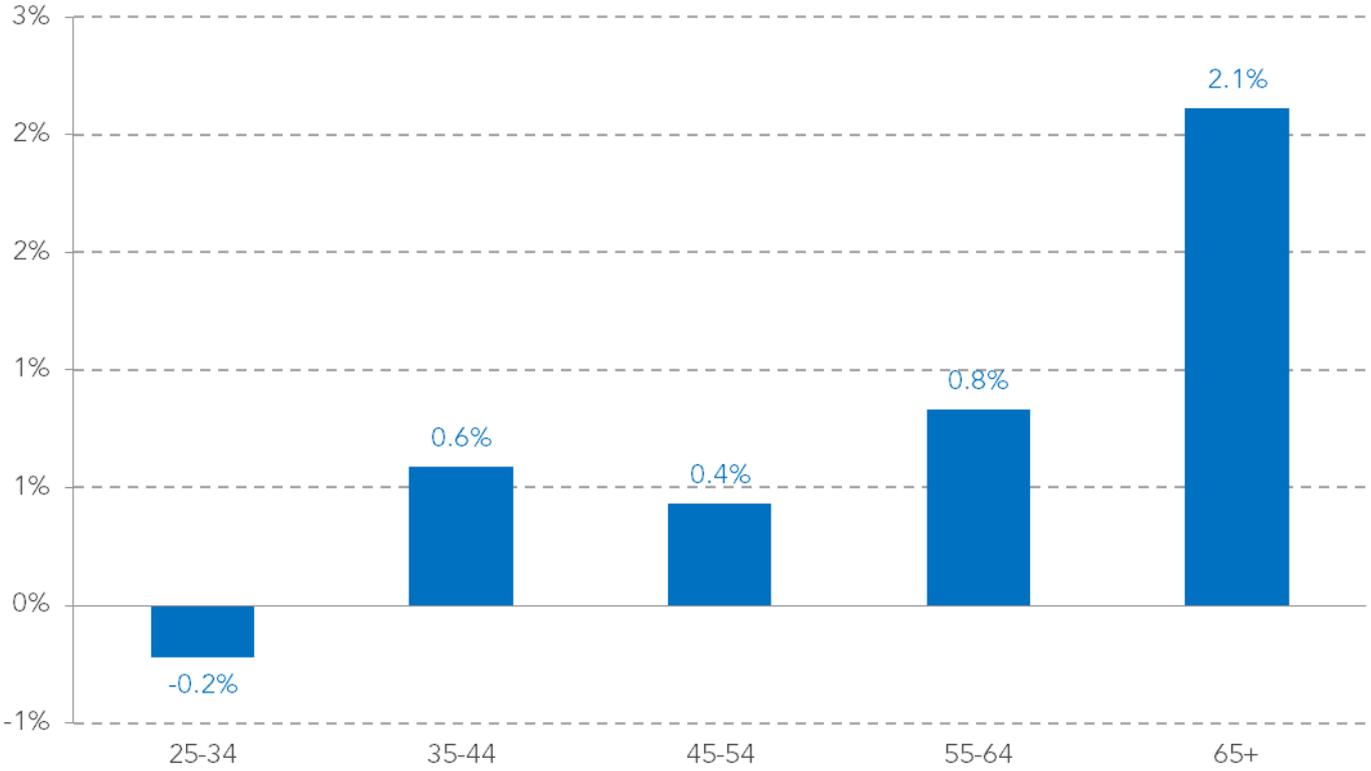
Setting the scene

Before we disappear down the rabbit hole...



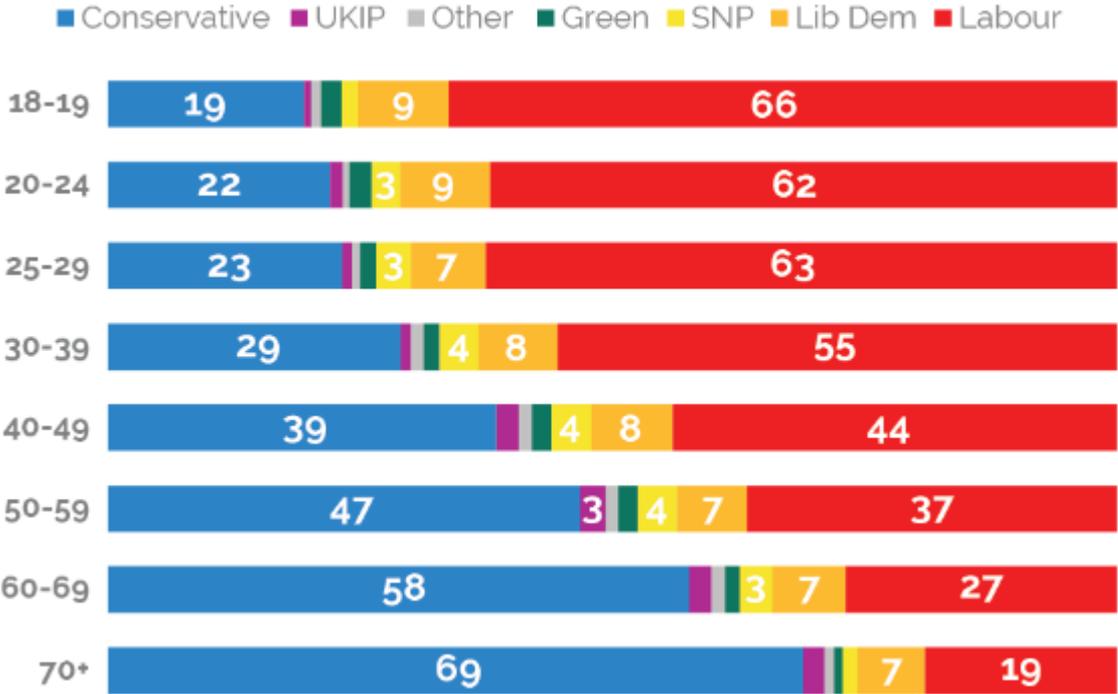
UK inequality (as measured by the GINI coefficient)

Jumping in...



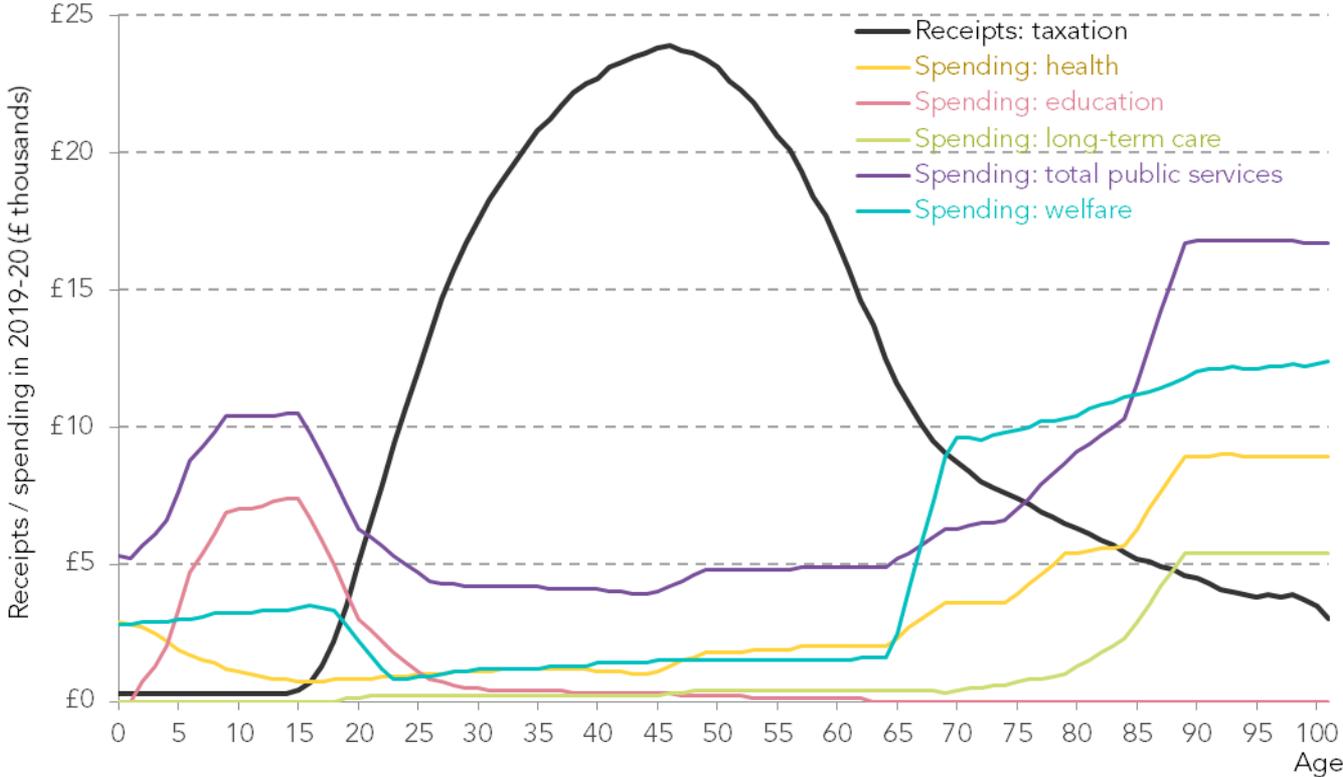
Average annual income growth (2002-03 to 2015-16)

This stuff does matter: 1) For our politics



Party vote share in 2017 general election (Source: YouGov)

This stuff does matter: 2) For our public services



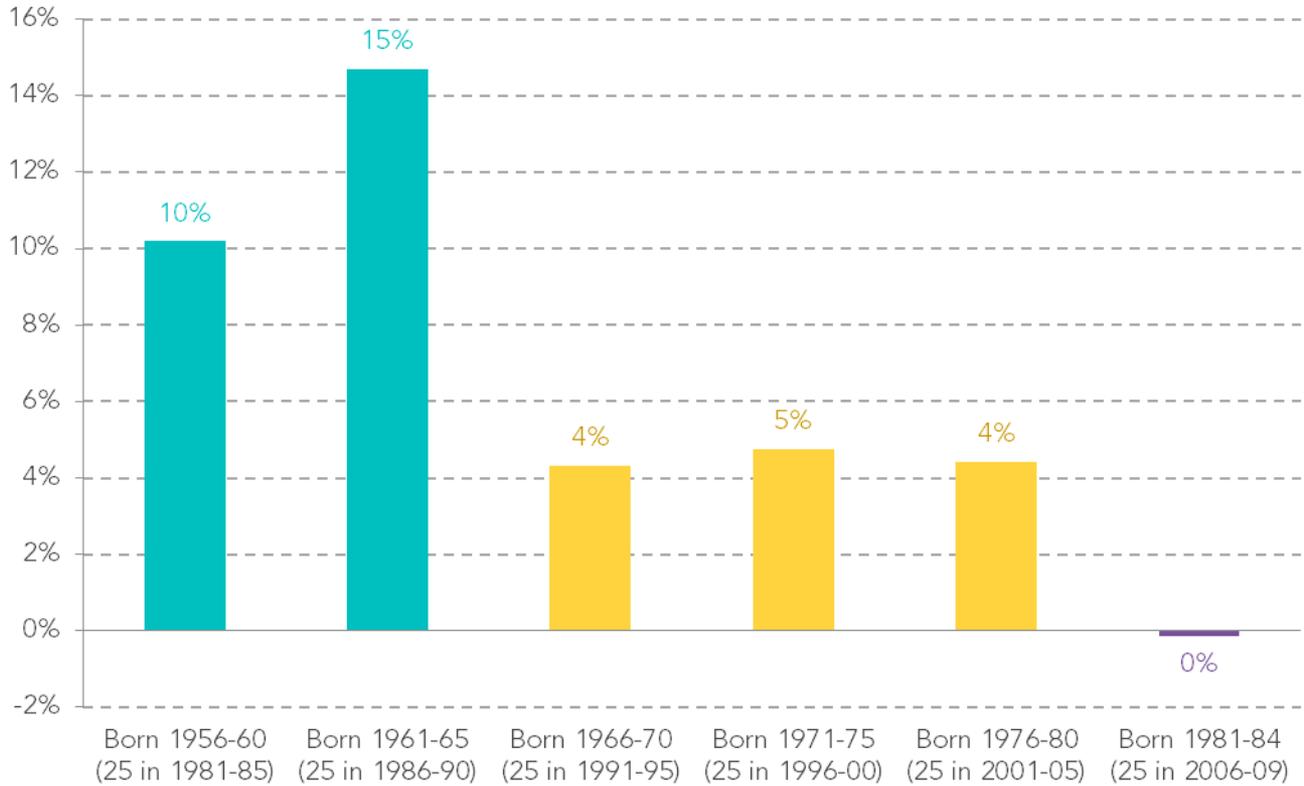
Representative profiles for tax, welfare and public spending by age: Office for Budget Responsibility (2015), UK

This stuff does matter: 3) For our society



What's been going on?

PAY: it's not just a crisis thing



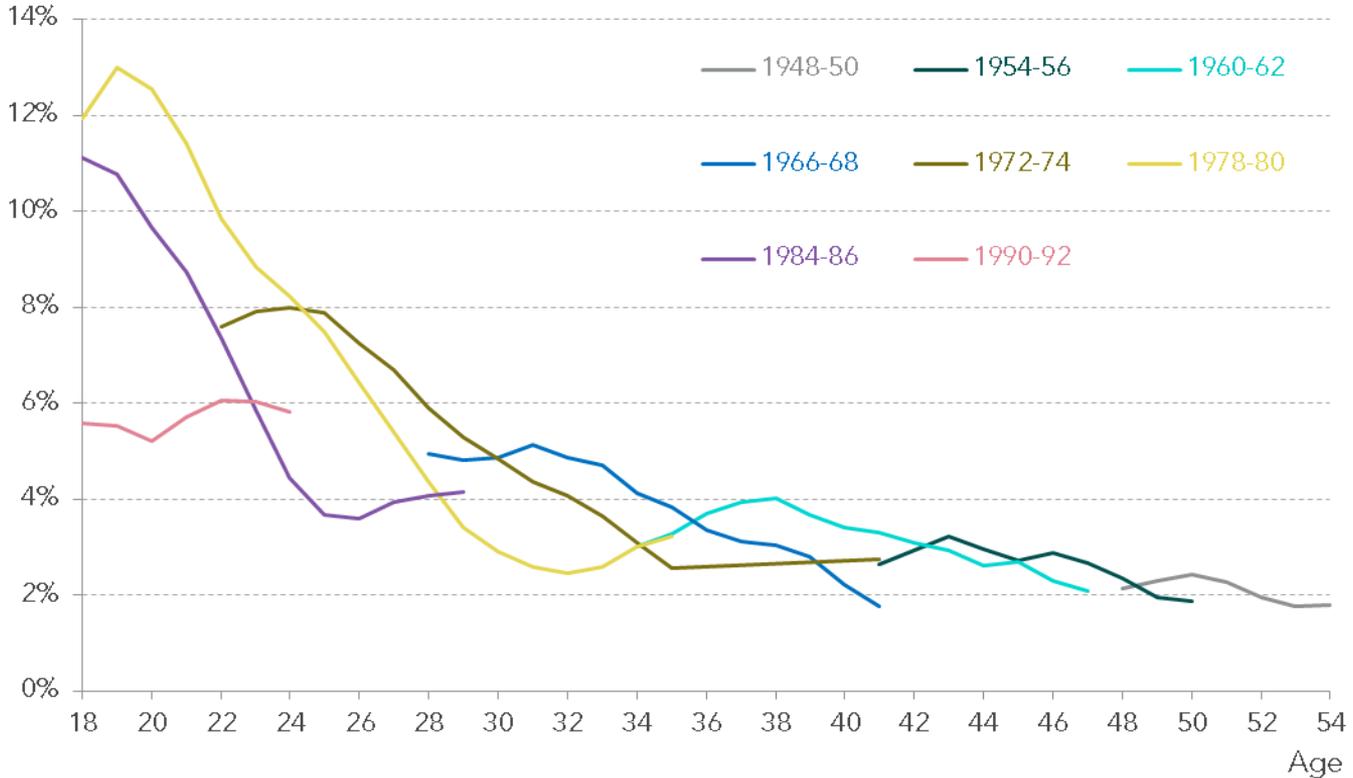
Growth in pay at age 25 between successive five-year birth cohorts: Real weekly pay (RPIJ-adjusted), UK

JOB CHANGE: for young men things have changed fast



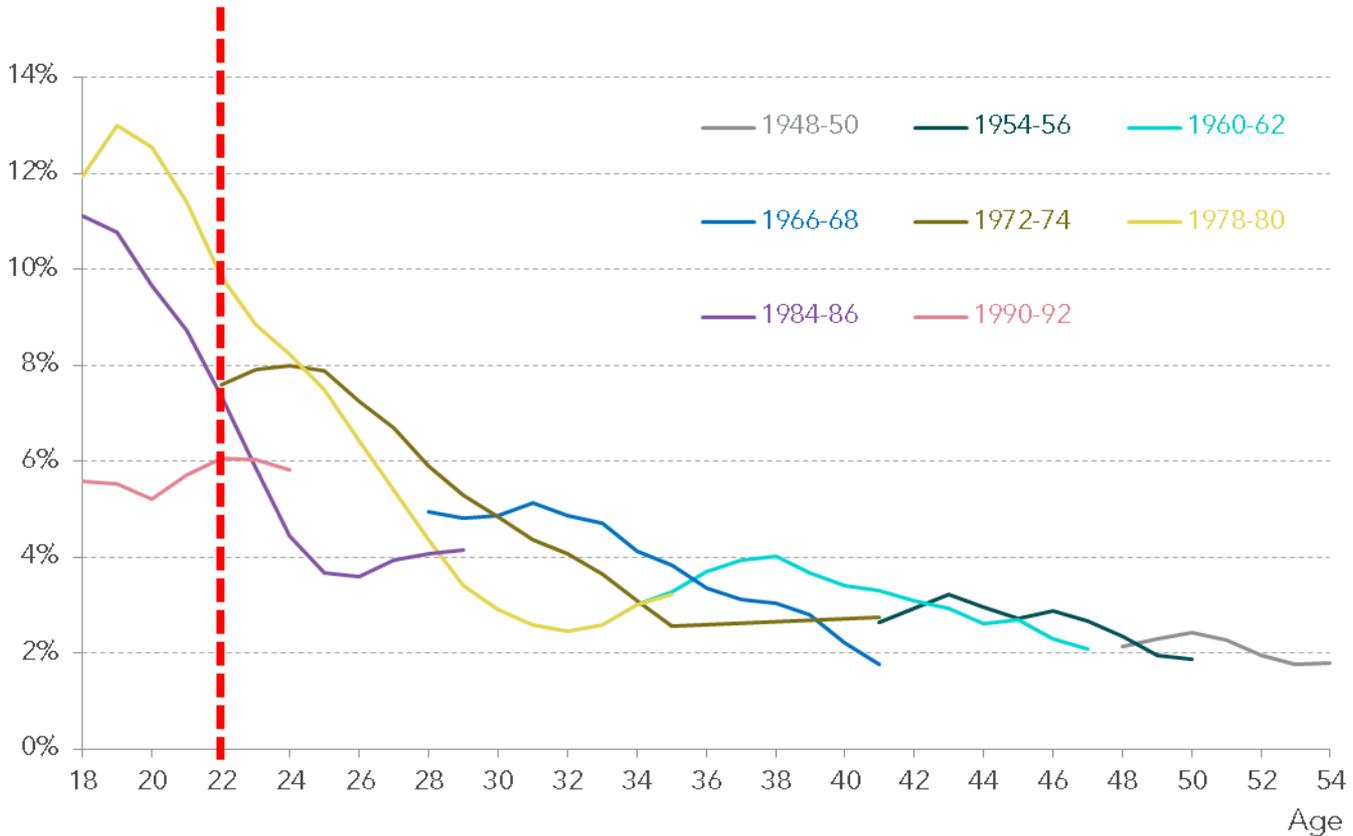
Change in employment level of men aged 22-35 between 1993 and 2015-16

MOBILITY: the young need to get moving



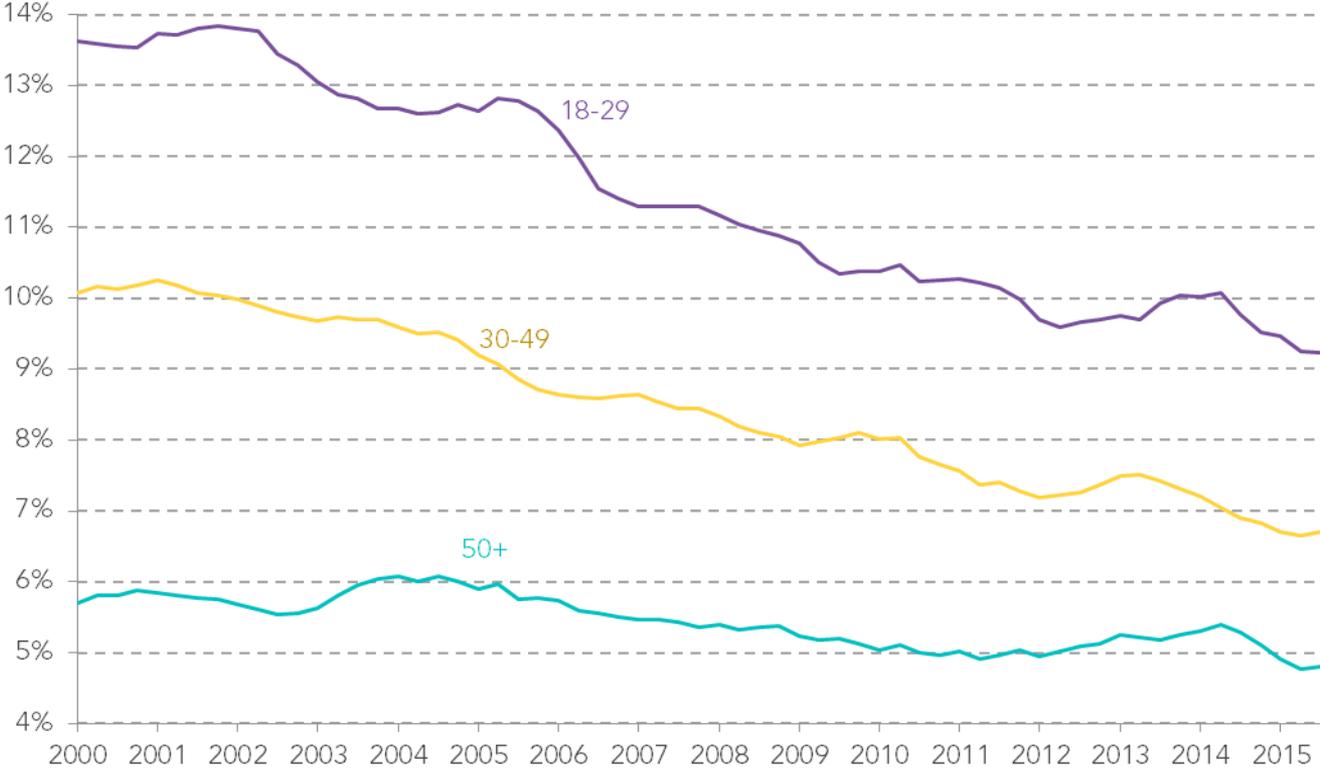
Proportion of employees moving jobs over a year for selected three-year birth cohorts: UK, 1992-2016

MOBILITY: the young need to get moving



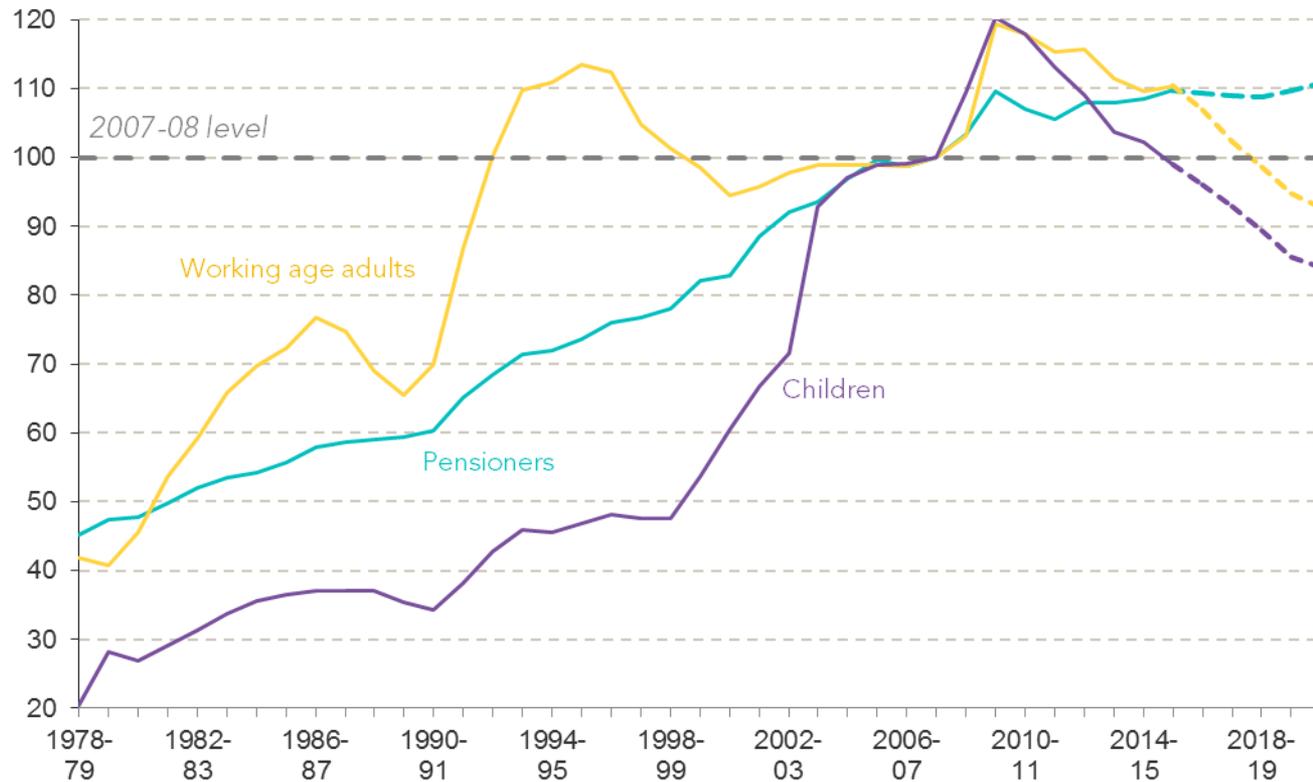
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TRAINING: it's declined fastest for the young



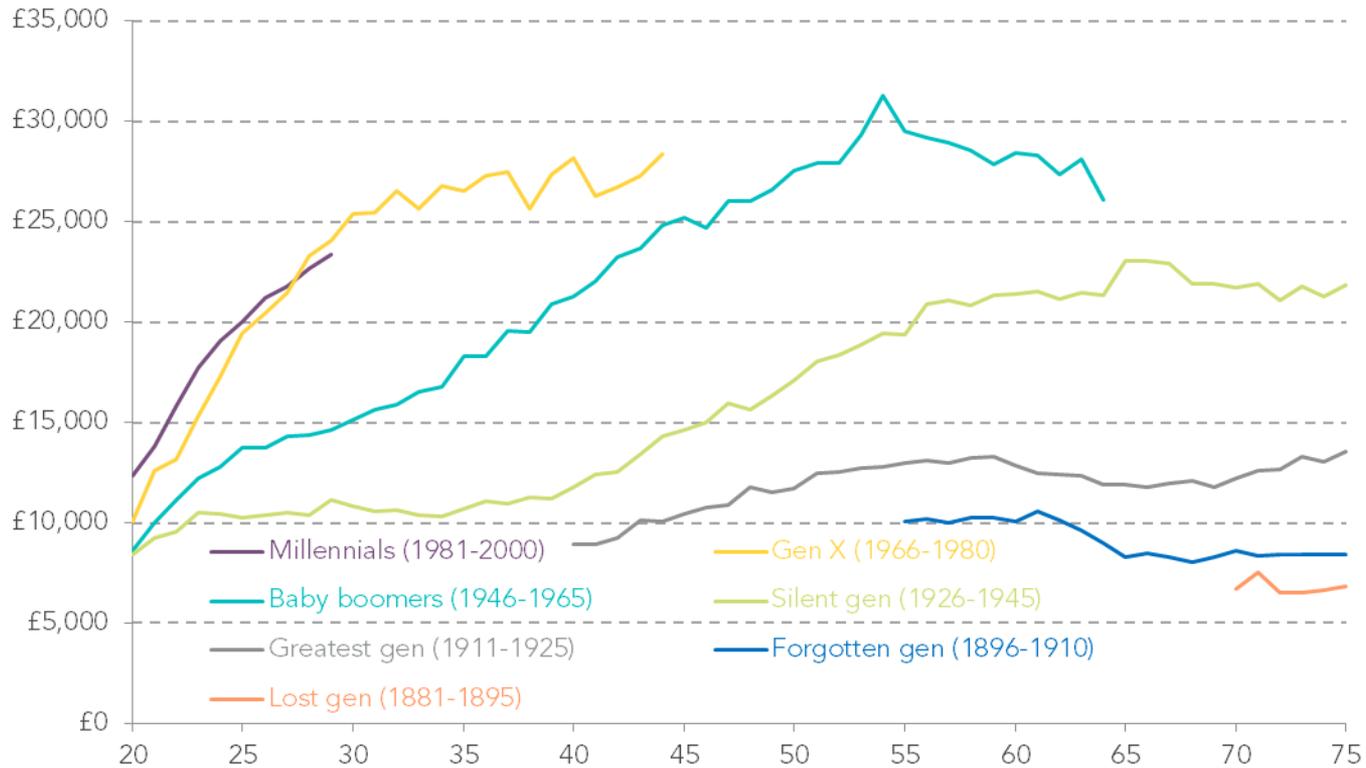
Share of employees receiving 'off the job' training in the past four weeks, by age: UK

GOVERNMENT: it isn't helping



Benefit expenditure per head of population: Reduction between 2015-16 and 2020-21

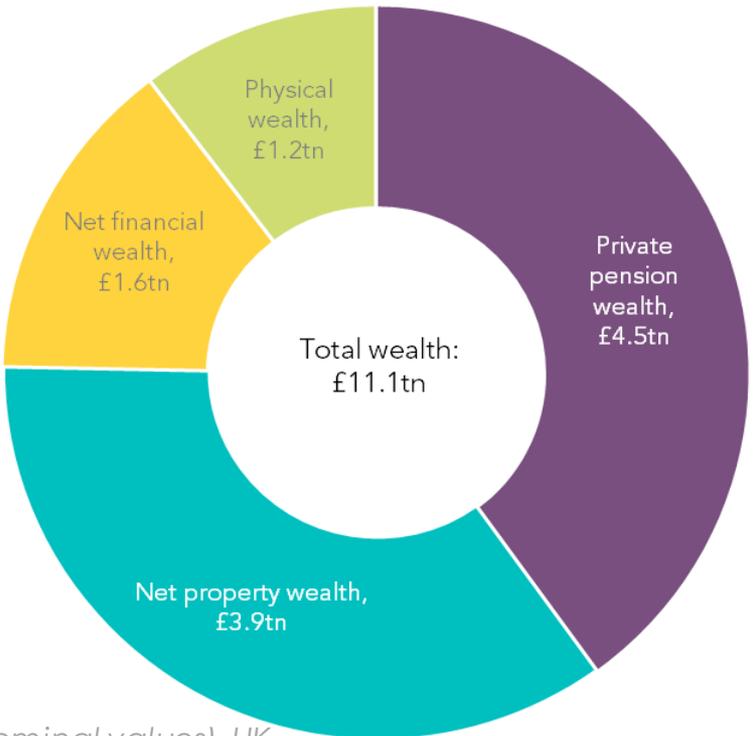
What does all of that actually mean?



Average household income by age for each generation: real income after housing costs (adjusted using AHC deflator), GB

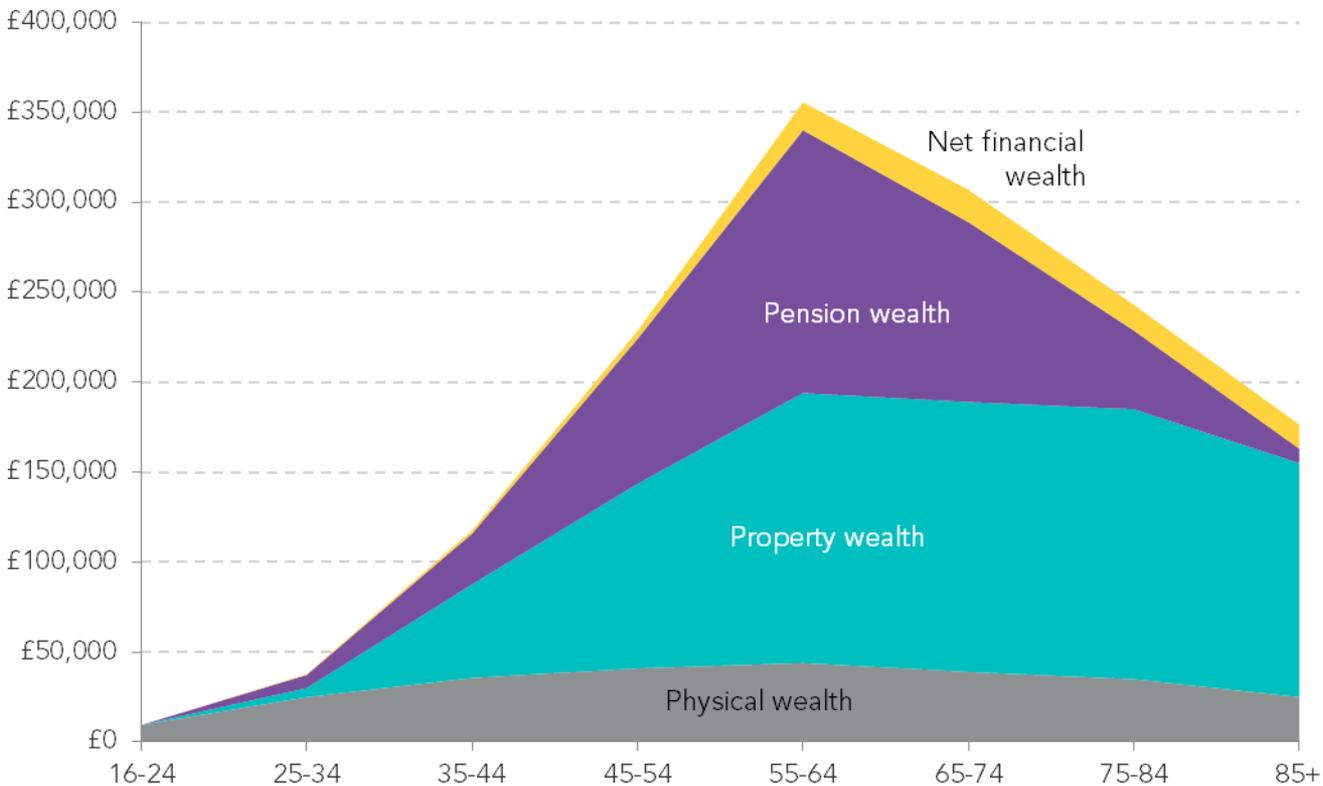
*With lower incomes, it's
difficult to get higher
wealth...*

Britain is wealthier than ever, with property and pensions the biggest components



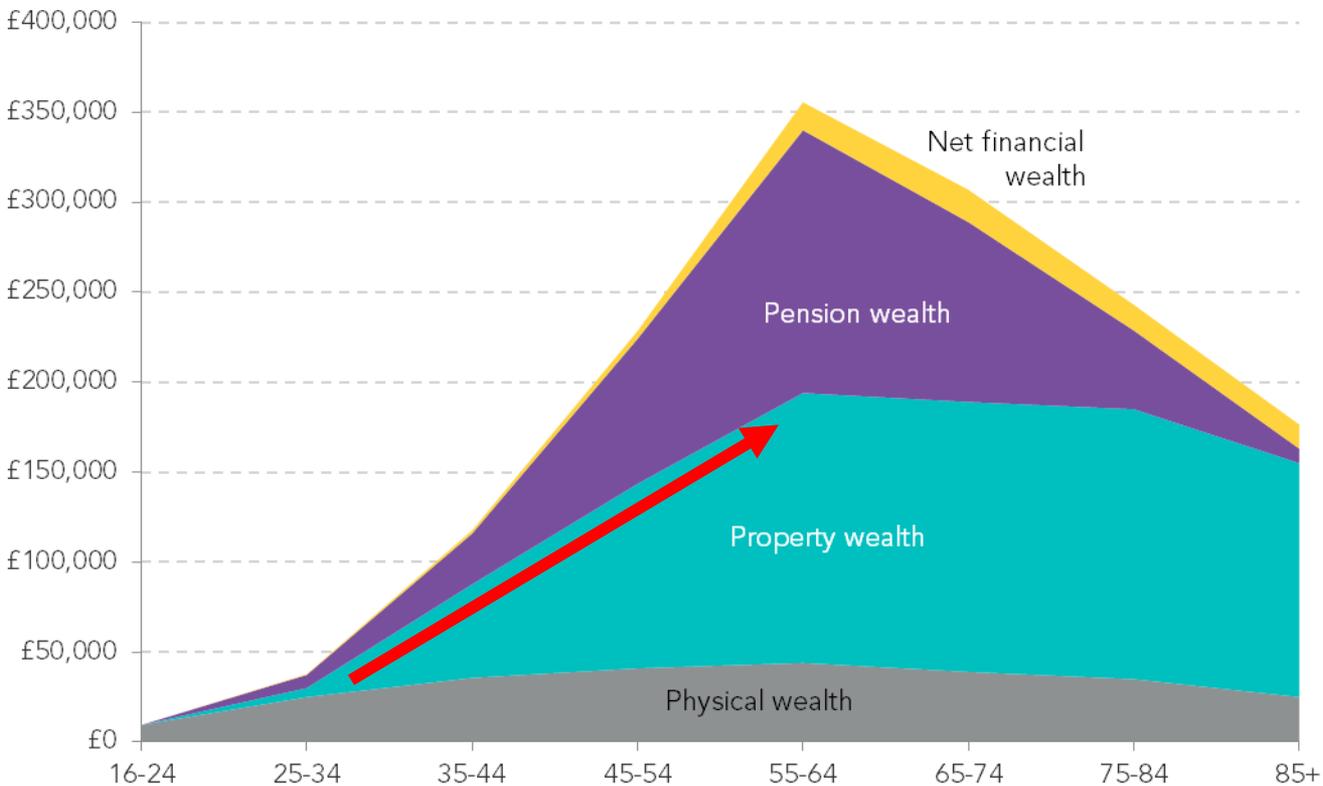
Total wealth: 2012-14 (nominal values), UK

Wealth is crucial for future living standards, particularly in retirement. Property and pensions are the major asset types



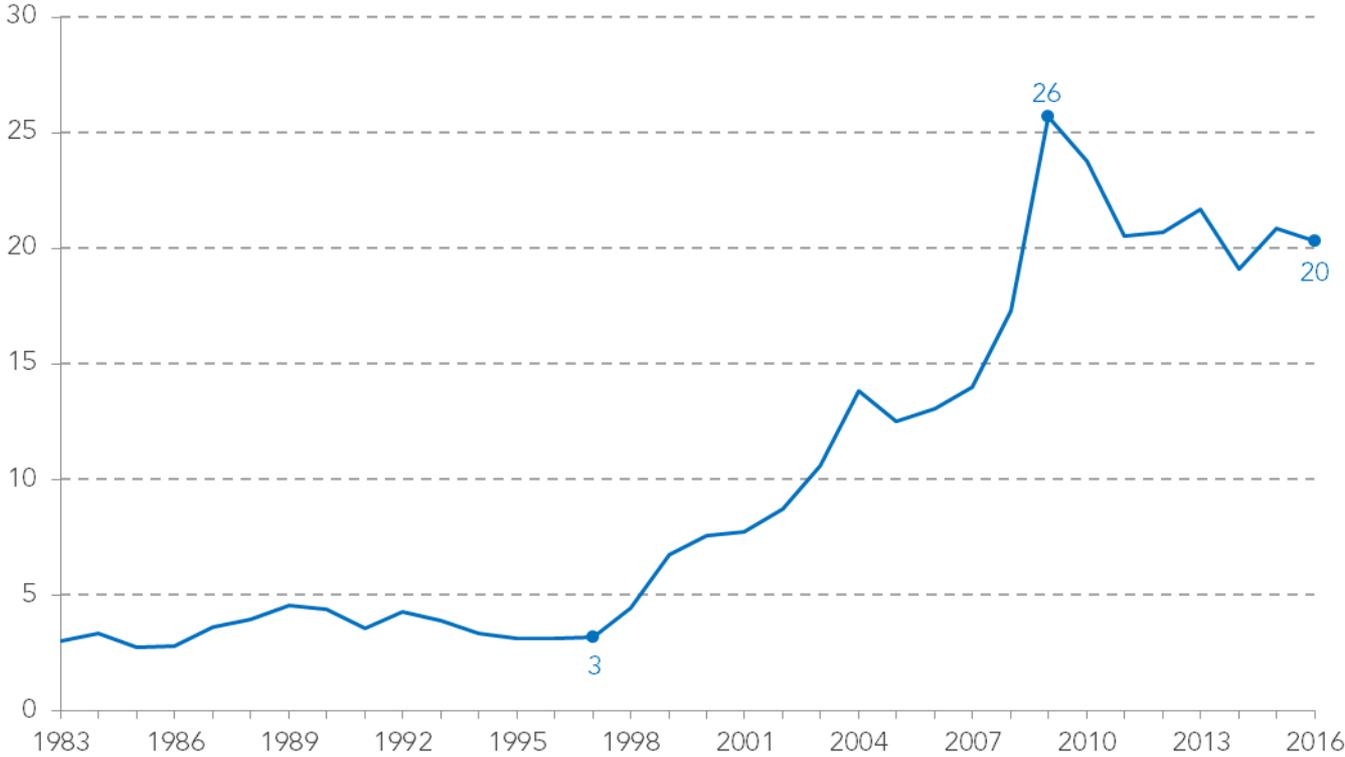
Median household wealth by age: Median for each wealth type, 2010-12, UK

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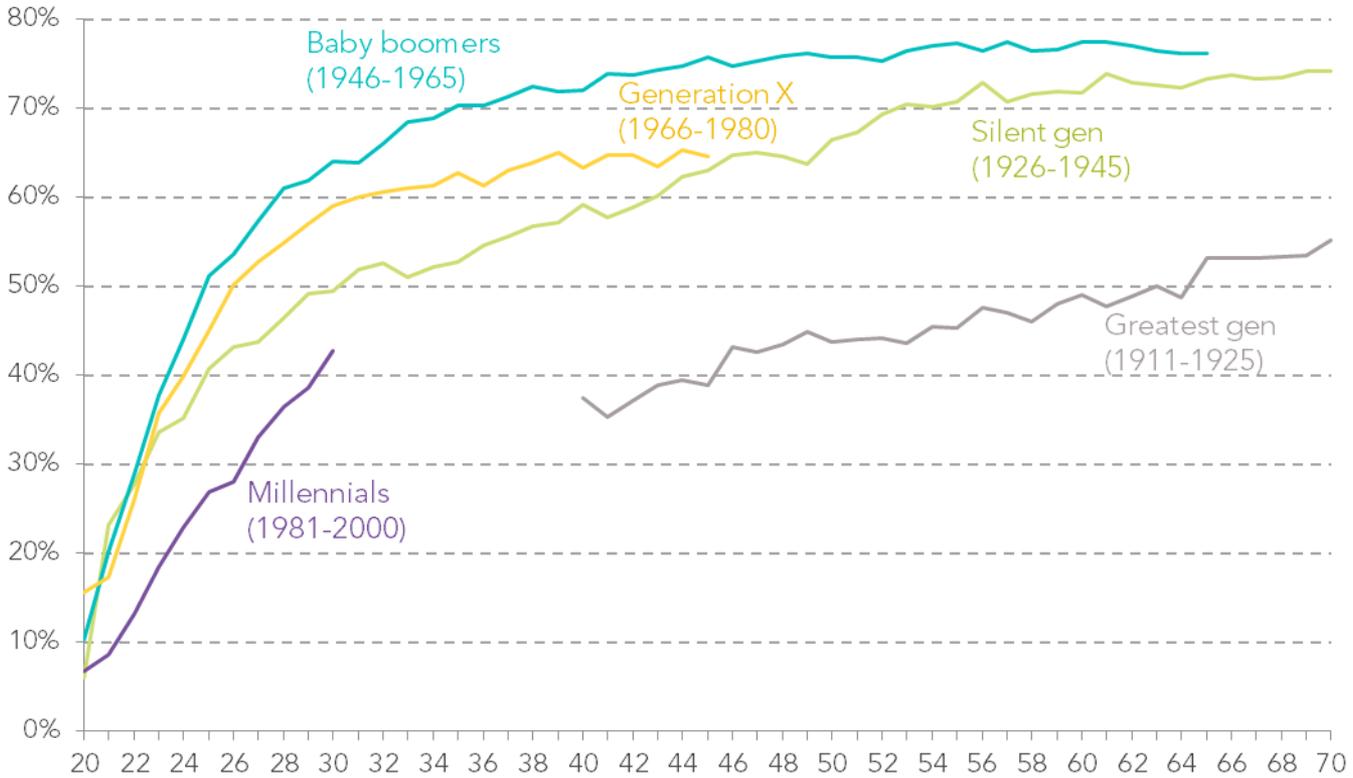
Median household wealth by age: Median for each wealth type, 2010-12, UK

The time required to save for a house deposit has grown from 3 years in 1997 to 20 years today



Number of years required for low to middle income households to save typical first-time buyer deposit: UK

Meaning the millennials so far are less likely to own their home than even the pre-war generation

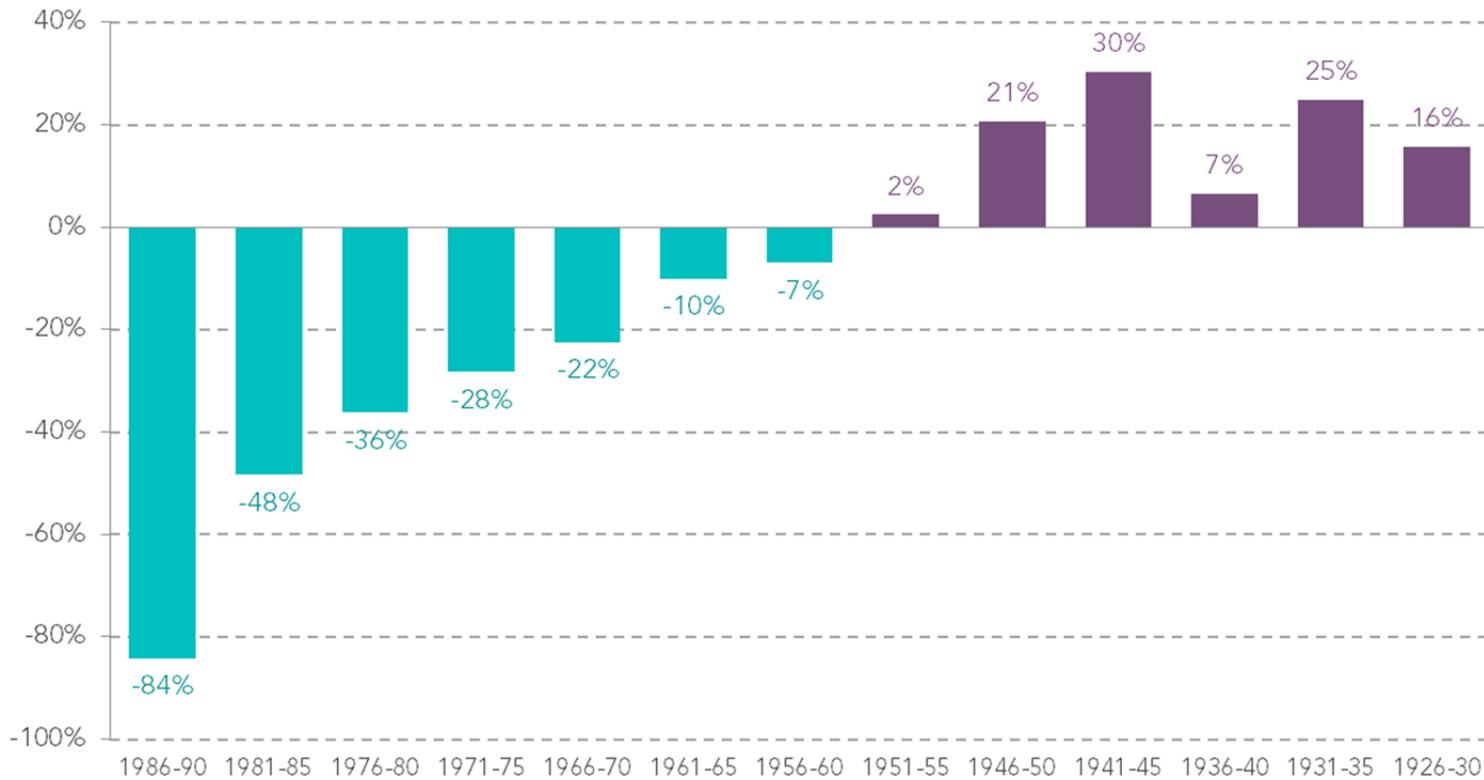


Home ownership rates by age for each generation: UK

Housing is a great vehicle for wealth transfer

- Combining the two (related) trends of lower home ownership and higher rents, so far **the average millennial has spent £44,000 more on rent in their 20s than the average baby boomer did...**
- ...More time spent renting means less time building up an asset base...
- ...Instead it's time spent contributing to others' asset accumulation: **half of all the rent that goes to private landlords (as opposed to institutional owners) – or around £4 billion per year – goes to baby boomers**

Adding in all other forms of wealth gives this picture



Change in median family total net wealth per adult as % of preceding cohort's wealth at the same age: 2006-08-2012-14

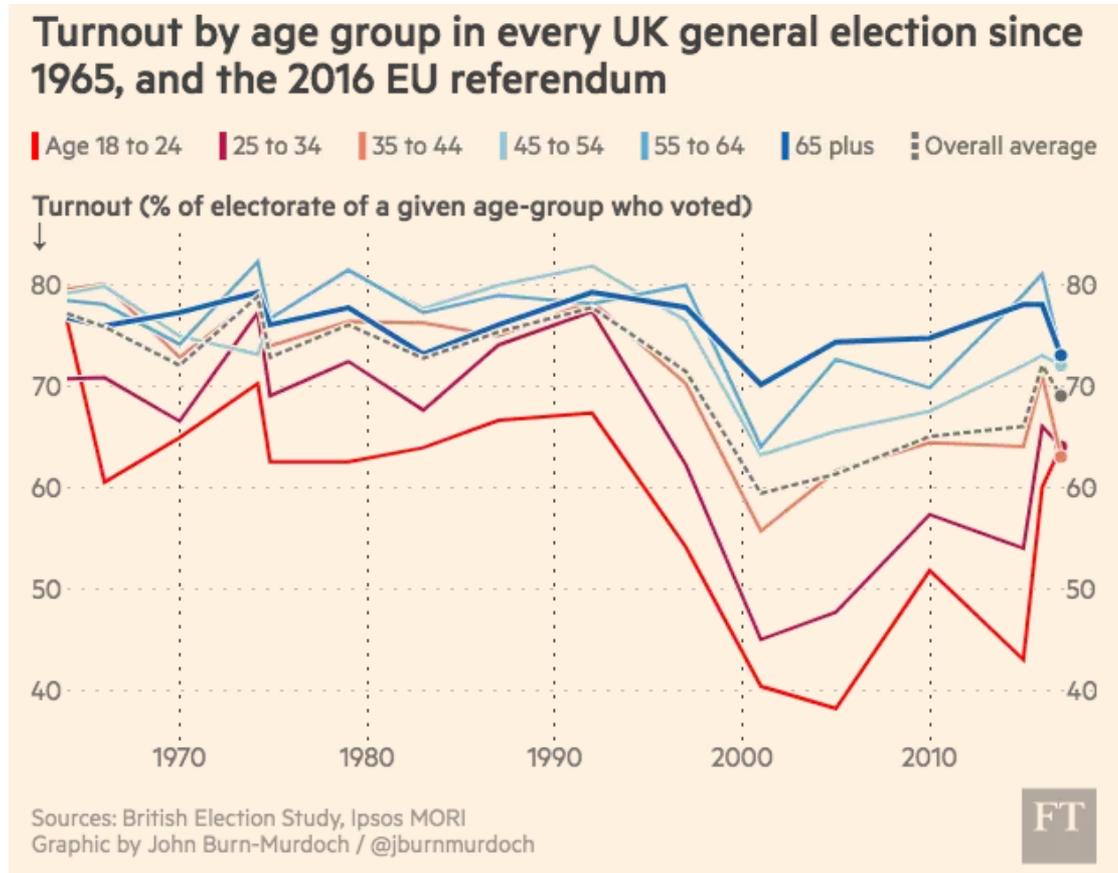
Summing up...

The younger generations are:

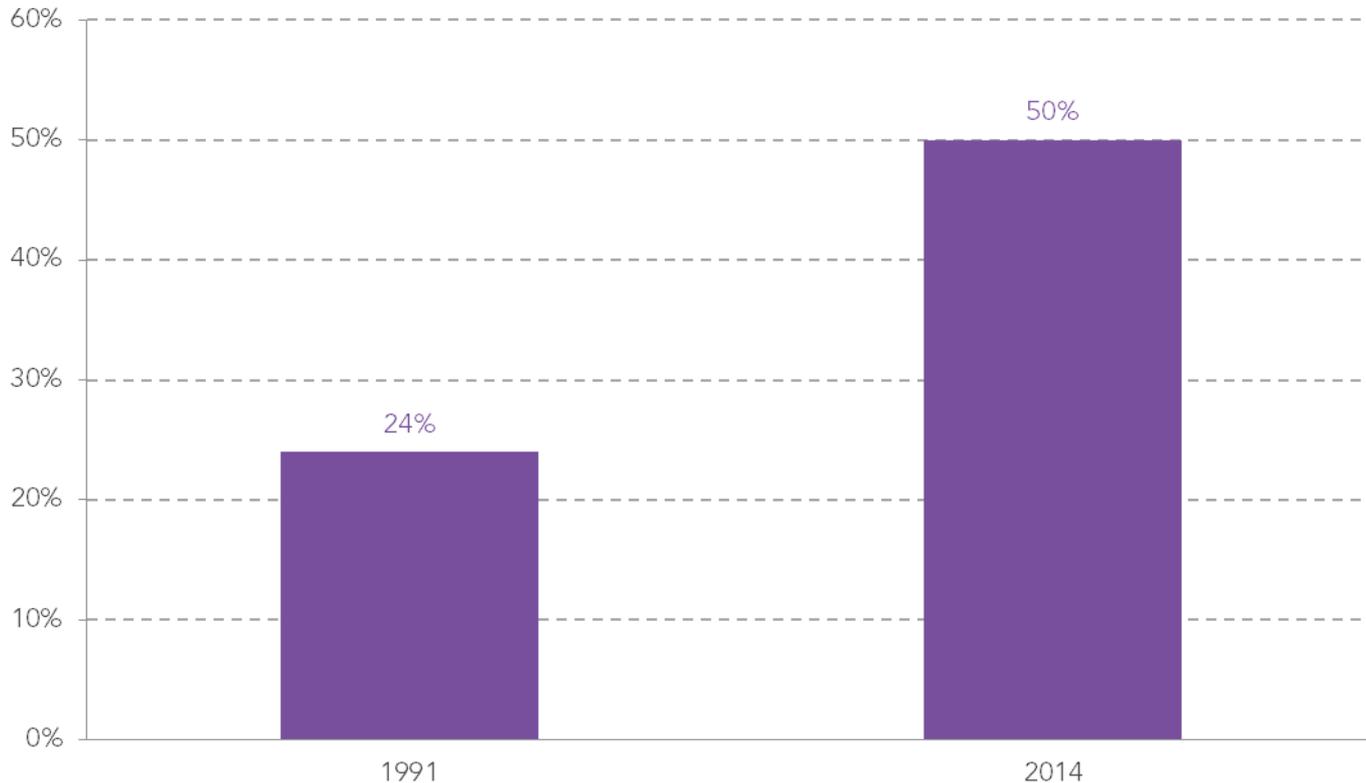
- getting paid less
- suffering from lower incomes
- finding it more difficult to get on the housing ladder
- Not very wealthy, at all

How do we change this?

Remember that politics matters. The power of the ballot box...

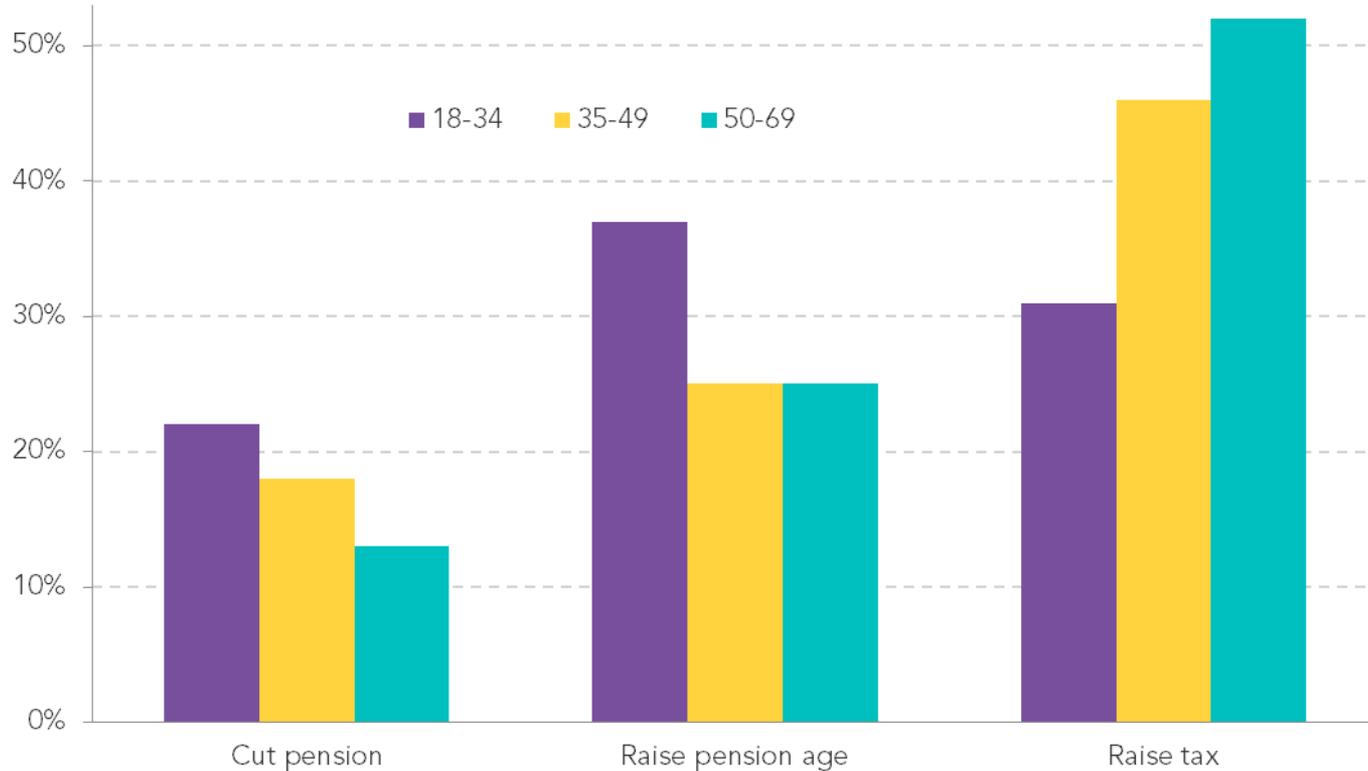


Remember that place matters. The power of community...



Level of age segregation in 25 largest urban areas: Index of dissimilarity score (proportion of retirees who would have to move to be evenly distributed among 18-34 year olds), Intergenerational Foundation analysis, 2016, England and Wales

Does lack of interaction (partially) explain this?



Preferred policy for paying for the rising cost of state pensions, by age: 2006, UK

Questions for us all...

- Can we design programmes to help young people progress in the workplace?
- Are we encouraging businesses to train and develop young people? And encouraging young people to look around for a better deal in the workplace?
- Are we building communities and organisations that bring people together rather than fence them off?
- Are we organising and campaigning for better standards in the private rented sector? And for more housing generally?
- And encouraging young, and old, to the ballot box to vote for policies that will even out the generational imbalances?

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