

June 2017

## A Report on the Lived Economic Lives of Millennials

A summary of key findings from the first-of-its-kind bimonthly  
survey of racially and ethnically diverse young adults

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<http://www.genforwardsurvey.com/>

genFORWARD

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## i. The GenForward Survey

The GenForward Survey is the first of its kind—a nationally representative survey of over 1,750 young adults ages 18-34 conducted bimonthly that pays special attention to how race and ethnicity influence how young adults or Millennials experience and think about the world. Given the importance of race and ethnicity for shaping the diverse perspectives and lived experiences of young people, we believe researchers make a mistake when they present data on young adults in a manner that assumes a monolithic Millennial generation and young adult vote.

Millennials now represent the largest generation of Americans, and they are by far the most racially and ethnically diverse generation in the country.<sup>1</sup> About 19 percent of millennials identify as Latino or Hispanic, 13 percent as Black or African American, and 6 percent as Asian American. Thus, to fully understand how young adults think about elections and politicians, issues such as terrorism or gun violence, as well as their economic futures and race relations, we apply an intersectional lens and pay attention to characteristics such as race, ethnicity, gender and sexuality.

In this report, we present GenForward survey data collected between April 14 and May 1, 2017. We provide an extensive look at the economic lives of Millennials, with an emphasis on the importance of race and ethnicity in structuring the economic opportunities, challenges and outlooks of young people in America today.

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<sup>1</sup> See: <http://www.pewresearch.org/fact-tank/2016/03/31/10-demographic-trends-that-are-shaping-the-u-s-and-the-world/>.

## ii. Key Findings

- Throughout our report African Americans and Latino/as consistently report significantly greater economic vulnerability than whites and Asian Americans.
- White and Asian American Millennials employed in full-time positions receive more benefits from their employer than African American and Latino/a Millennials.
- African American and Latino/a Millennials indicate that they would have the most difficulty paying an unexpected bill and report greater insecurity about their employment prospects.
- African American and Latino/a young adults are far less likely than whites and Asian Americans to have basic but fundamental tools for managing one's finances like bank accounts and credit cards.
- Millennials of color, especially African American young adults, report using alternative banking establishments that are more costly, like check-cashing services, than white Millennials.
- White and Asian American young adults tend to have more money in savings than credit card debt.
- A plurality of Millennials have no retirement savings and most lack confidence in the future of Social Security. At the same time, many say that they plan to rely on Social Security for their retirement.
- Many Millennials are ambivalent about the American economy – for example, 68% of all Millennials say it is **not** common for someone who starts poor to become rich through hard work. Yet, a large majority of all Millennials (77%) also say they are optimistic about their own personal future.
- White Millennials are less likely than African American, Asian American and Latino/a Millennials to believe that they themselves will do better than their parents.

## I. Introduction

Millennials are coming of age in a unique economic environment. The country is still coming to grips with the fallout from the economic recession of 2007-2008, the effects of which remain deeply felt in some sectors of the economy and for some communities, particularly communities of color. Meanwhile, economic inequality in the United States continues to [grow](#), manufacturing and industry sectors that used to provide well-paying jobs and a middle class lifestyle to many are increasingly rare, and the last remnants of the social safety net – including retirement benefits – are under threat from conservative politicians who want to roll back the welfare state.

This political and economic context represents some of the principal challenges to the economic lives and well-being of Millennials, who now comprise the largest generation in the [workforce](#) and match Baby Boomers as the two generations that constitute the largest generation in the [electorate](#). Despite their growing political significance and the importance of Millennials to the future of the American economy, little attention has been paid to the day-to-day economic lives of Millennials, their economic dreams and fears, and their own thoughts about their future.<sup>2</sup> More problematic still, too many discussions of Millennials fail to recognize the crucial differences in the economic experiences of Millennials across racial and ethnic groups.

Our report provides an extensive analysis of the economic lives of Millennials of different racial and ethnic groups. Race and ethnicity remains central to understanding the economic opportunities and challenges of young adults. In a previous report on the economy in [September 2016](#), we identified what we called an **economic opportunity gap** between Millennials of color (especially African American and Latino/a Millennials) and white Millennials. This opportunity gap is evident in different rates of employment across racial and ethnic groups: for example, in the first quarter of 2017 12.7% of African Americans 20-24 years old were considered unemployed by the Bureau of Labor Statistics, compared to 8.9% of Latino/as, 8.5% of Asian Americans and 7.2% of whites (yet notably unemployment is higher among all Millennials than the

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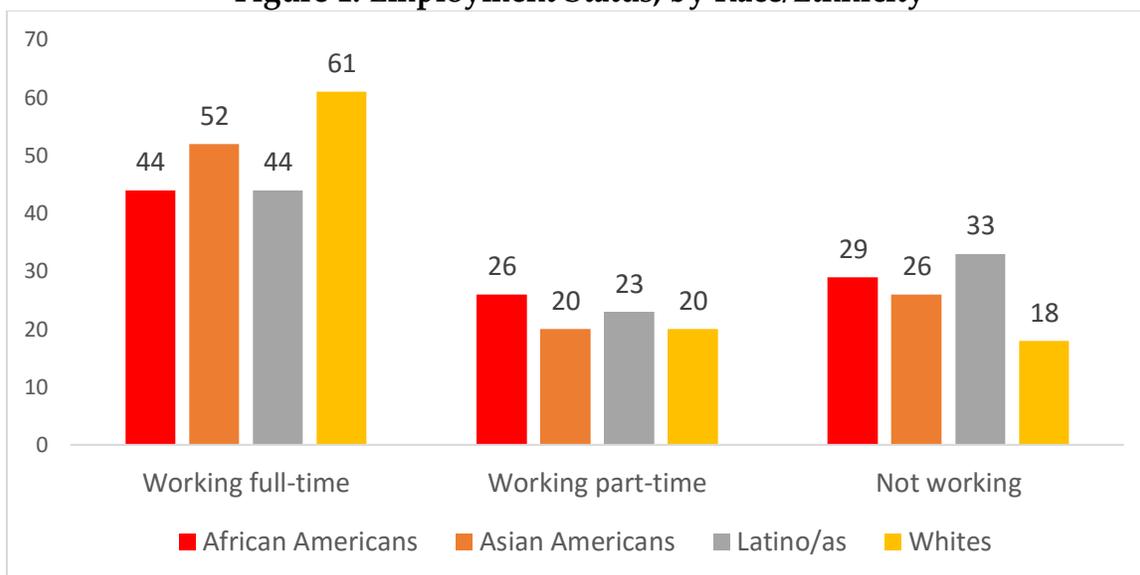
<sup>2</sup> See the following reports about the economic lives of Millennials:

(1) [http://www.demos.org/sites/default/files/publications/Stuck\(uploaded\)\\_3.pdf](http://www.demos.org/sites/default/files/publications/Stuck(uploaded)_3.pdf); (2) <http://eig.org/wp-content/uploads/2016/09/EY-EIG-Millennial-Poll-Findings.pdf>; (3) [https://obamawhitehouse.archives.gov/sites/default/files/docs/millennials\\_report.pdf](https://obamawhitehouse.archives.gov/sites/default/files/docs/millennials_report.pdf)

general unemployment rate which is less than 5%).<sup>3</sup> The economic opportunity gap was also evident in various economic vulnerabilities and challenges faced by Millennials of different racial and ethnic identities, including differences in the ability to pay bills, rely on parents for financial support, and the basic freedom to seek economic success without facing discrimination.

The current report underscores the continued existence and scope of this economic opportunity gap in the lived economic lives of Millennials. For example, as Figure 1 shows, our survey results are consistent with the Bureau of Labor Statistics in that whites 18-34 report being employed at higher rates than 18-34 year old African Americans, Latino/as and Asian Americans. Only 18% of our white respondents are currently not working, compared to 26% of Asian Americans, 29% of African Americans, and 33% of Latino/as.

**Figure 1. Employment Status, by Race/Ethnicity**



However, employment status actually *understates* the racial and ethnic differences in employment opportunities. For instance, among those working part-time, 51% of African Americans are looking for full-time work, along with 52% of Latino/as and 48%

<sup>3</sup> Source: [https://www.bls.gov/web/empsit/cpsee\\_e16.htm](https://www.bls.gov/web/empsit/cpsee_e16.htm)

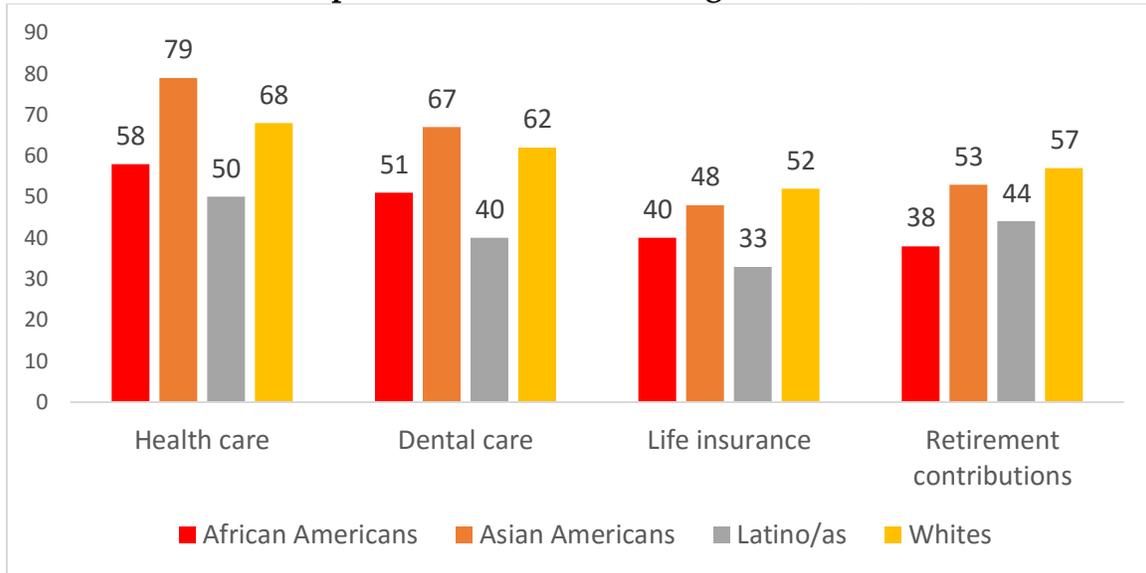
of Asian Americans, compared to a smaller 32% of whites.

And among those not working, 33% of whites are currently looking for work, compared to 59% of African Americans, 37% of Asian Americans and 35% of Latino/as. In short, white Millennials are not only employed at higher rates than Millennials of color, but those who are not working or who are working part time appear more likely to be doing so of their own choice compared to African American, Latino/a and Asian American Millennials.

These differences in employment rates and prospects reinforce an additional inequality in the well-being of Millennials: access to benefits that are often obtained through one's employer, such as health insurance and retirement. In fact, our survey provides evidence of inequality in access to these essential benefits across racial and ethnic groups. Figure 2 presents the percentage of respondents who said they were employed full-time who receive health care, dental care, life insurance and retirement contributions from their employer.

Across the board, white and Asian American Millennials employed in full-time positions receive more benefits from their employer than African American and Latino/a Millennials. This suggests that not only are whites employed at the highest rates, but they along with Asian Americans also seem to be employed in jobs that provide basic and fundamental benefits like health care.

**Figure 2. Do you receive any of the following benefits where you work? (Among respondents who are working full-time)**



*Persistence of race-based discrimination*

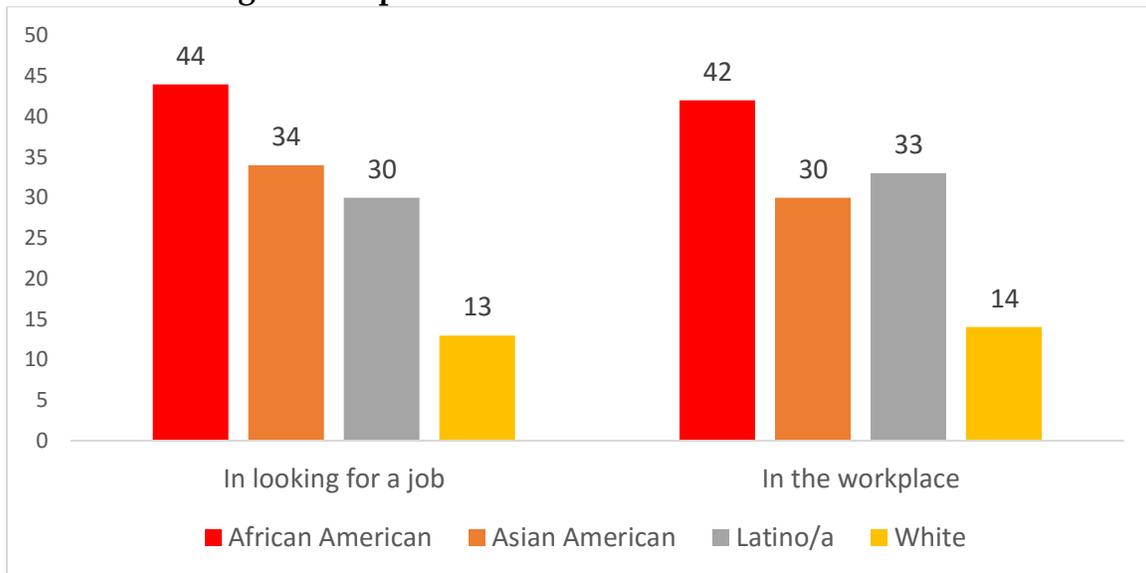
One of the central causes of disparities in employment is discrimination on the basis of race and ethnicity. Indeed, studies show that African Americans fare worse in looking for work than whites when other aspects of the job candidates are identical, and even when the white candidate has a criminal record and the black candidate does not.<sup>4</sup> In our current survey we asked respondents whether they have personally experienced discrimination in looking for a job and/or in the workplace. Figure 3 presents the percentage of respondents in each group who say they have experienced these types of economic discrimination based on their race or ethnicity.

As Figure 3 shows, the experience of racial/ethnic discrimination in the economy varies dramatically across race and ethnicity. At the lowest end, only 13% of whites say they have experienced discrimination in looking for a job, and 14% report having experienced discrimination in the workplace. At the other end, 44% of African Americans say they have experienced racial discrimination in looking for a job and 42%

<sup>4</sup> Pager, Devah. 2003. "The Mark of a Criminal Record." *American Journal of Sociology*, 108(5): 937-975.

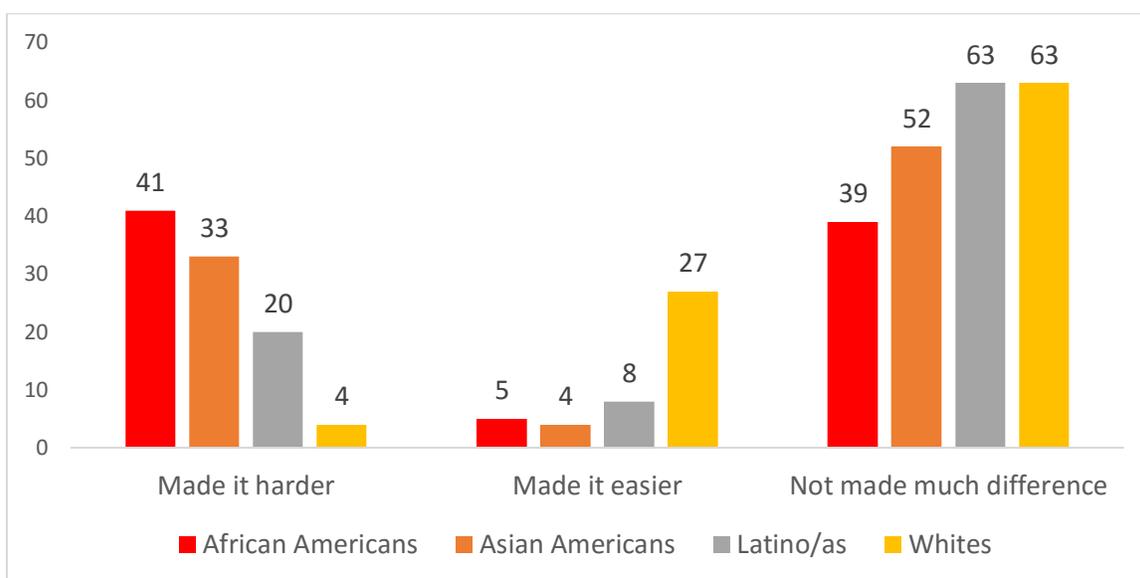
report experiencing discrimination in the workplace. Asian Americans and Latino/as fall in-between these extremes.

**Figure 3. Experienced Racial/Ethnic Discrimination**



Race is also perceived by many Millennials to impact their ability to succeed economically, as presented in Figure 4. This is especially true for African Americans, the plurality of whom (41%) say that their race makes it harder to succeed economically in life. Whites are most likely to say that their race makes it easier to succeed (27%), but many more (63%) say that their race has not made much difference either way. As in experiences of discrimination, Asian Americans and Latino/as fall in between whites and African Americans in the perception that their race has made it harder to succeed economically.

**Figure 4. Overall, do you think your race or ethnicity has made it harder or made it easier for you to succeed economically in life, or has it not made much difference?**



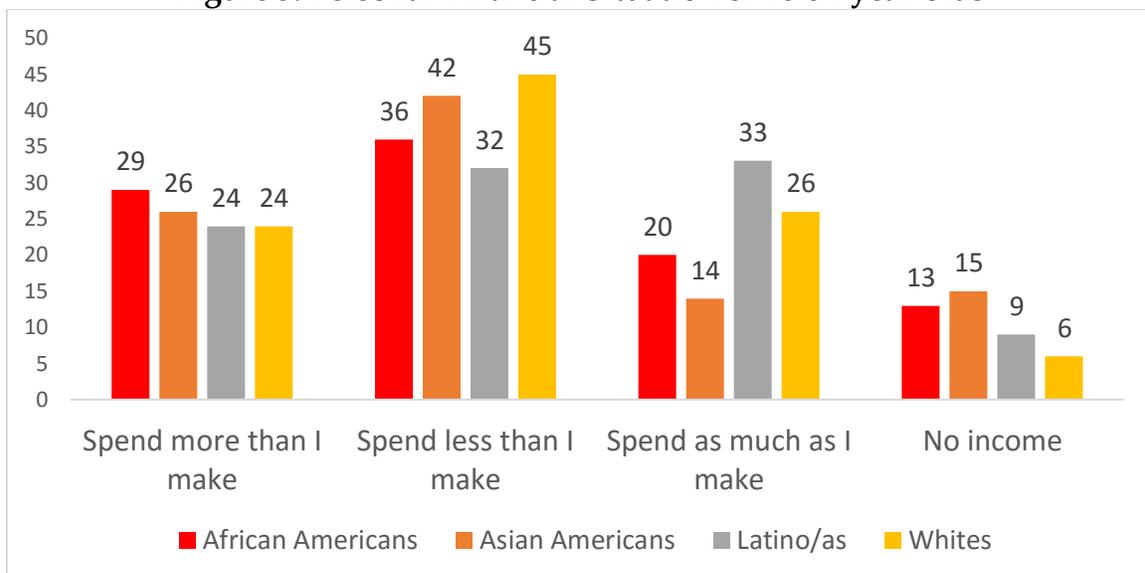
In short, our data suggests that race and ethnicity continues to structure the economic lives of young Americans. As we look ahead to examining the day-to-day economic lives of Millennials, from their personal finances, their use of credit cards and banking practices, retirement plans and their thoughts about their economic future, it is imperative to keep in mind the essential differences in the economic opportunities and challenges that are presented to individuals of different racial and ethnic backgrounds.

## II. Assessment of Personal Financial Situation

At the heart of Millennials' economic lives are their personal finances. Are young people financially secure? How would young people handle a financial emergency, and could they rely on their family to help them with major life purchases such as a home or a car? Our survey digs into the financial situation of Millennials.

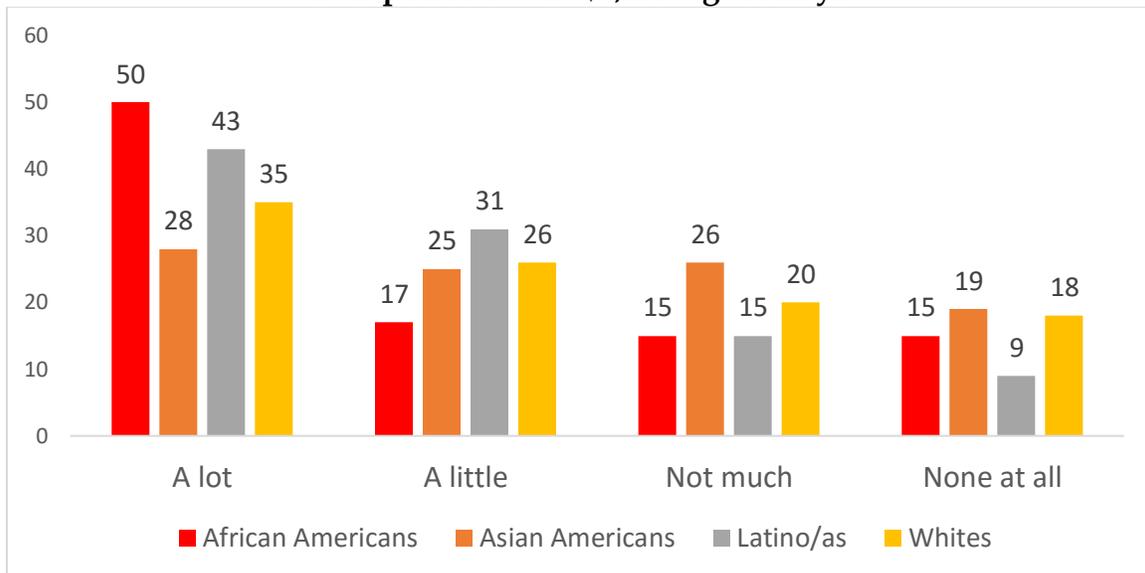
We start by asking Millennials to describe their day-to-day personal finances, presented in Figure 5. A couple of patterns stand out. First, approximately 1 out of 4 young adults of all racial and ethnic groups say that they spend more money than they make. Second, whites and Asian Americans are more likely than African Americans and Latino/as to say that they spend less than they make and, thus, are in a position to build savings.

**Figure 5. Personal Financial Situation of 18-34-year-olds**



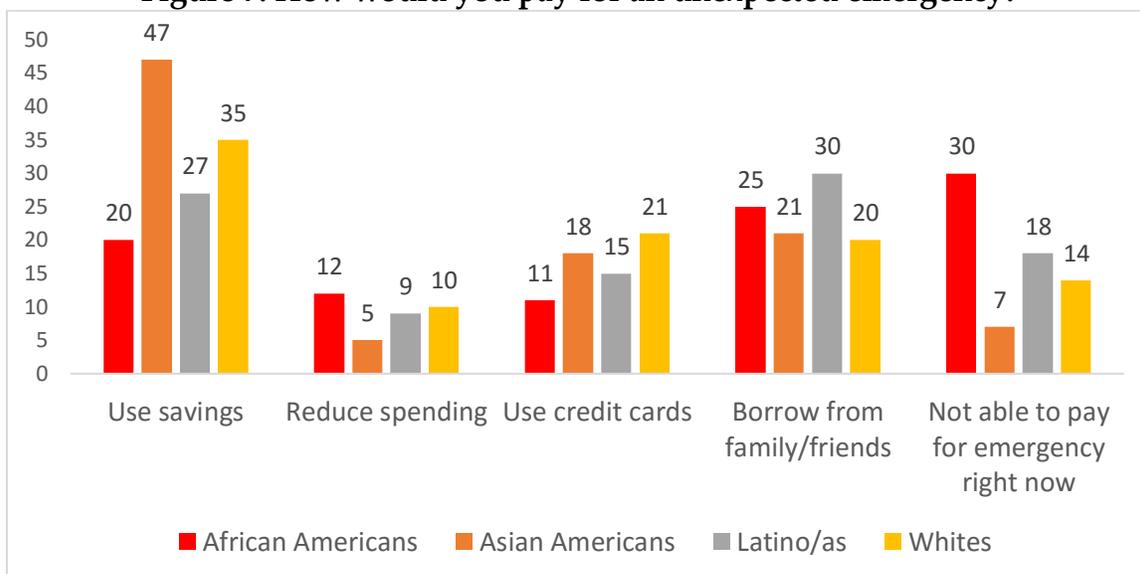
As another indicator of financial security, we asked respondents how much difficulty they would have if they had to pay an unexpected bill of \$1,000 right away (Figure 6), and how they would pay for such an emergency (Figure 7). As Figure 6 shows, the most common response to the question about how much financial difficulty one would have if they had to pay an unexpected bill of \$1,000 is “a lot.” But what stands out most is the disparity between African Americans and Latino/as compared to Asian Americans and whites. African Americans and Latino/as are much more likely to say they would have “a lot” of financial difficulty, and less likely to say “none at all”, compared to whites and Asian Americans.

**Figure 6. How much financial difficulty would you have if you had to pay an unexpected bill of \$1,000 right away?**



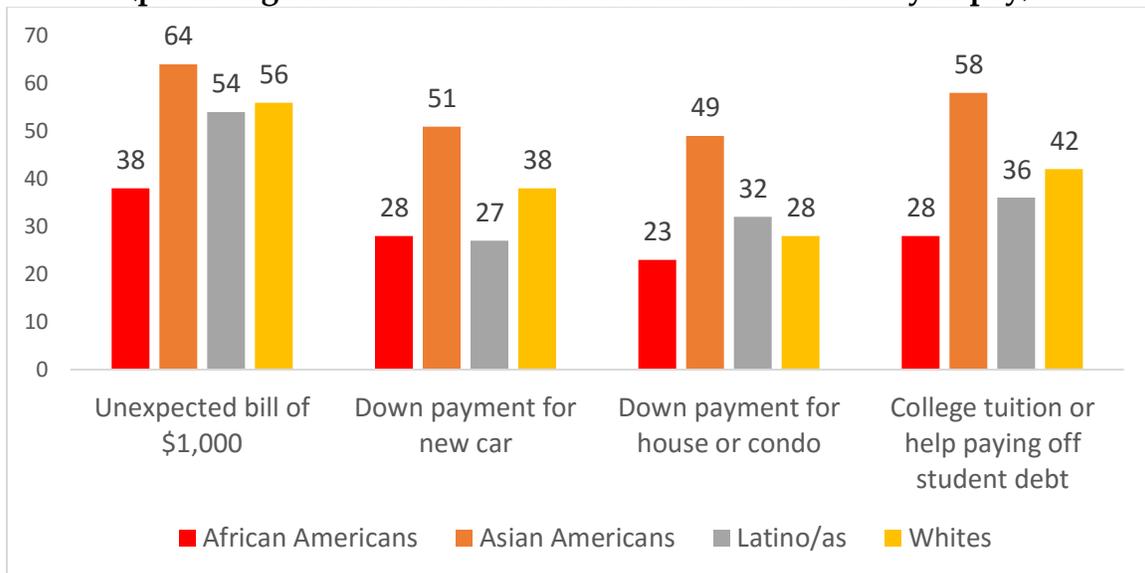
How would young adults pay for such an emergency? Figure 7 reports important differences in the strategies young people would employ to handle a financial emergency. Asian Americans and whites are most likely to say they would just use their savings. By comparison, African Americans and Latino/as are more likely to say that they would borrow from family and friends or that they simply would not be able to pay for an emergency right now.

**Figure 7. How would you pay for an unexpected emergency?**



In addition to differences in ability to pay for unexpected emergencies, our survey also uncovered disparities across race and ethnicity in the availability of financial assistance from family. Figure 8 presents the percentage of respondents who say it is very or somewhat likely that their family could help them pay for: an unexpected bill of \$1,000, a down payment on a car, a down payment on a house or condo, and college tuition or helping pay off student debt. The data show again that African American Millennials have less financial assistance available to them from their family to pay for each of these expenses than every other racial and ethnic group. Asian Americans have the most financial assistance available from their family, followed by whites and Latino/as.

**Figure 8. Availability of Financial Assistance from Family  
(percentage who could count on assistance from family to pay)**



Altogether, the data presented in Figures 5-8 highlight crucial differences in the financial lives of young Americans across race and ethnicity. The financial situation among African Americans and Latino/as is more precarious than whites and Asian Americans. **Indeed, this data suggests that many African Americans in particular appear to be living one accident away from a financial disaster.**

Given their precarious economic position, it is not surprising to find that African American Millennials are the most likely to make use of many government programs designed to assist those who are struggling financially or who need help with big expenses like college. We asked respondents to indicate whether they directly benefit from a long list of government programs (see [toplines](#) for full list). We wanted to know who had access to and used various government assistance programs. We found that some programs were relatively widely used by Millennials. The three most widely used programs were Medicaid (16%), SNAP or WIC (15%), and federal student loans (14%) and African Americans were among the most likely to report using these government programs, as presented in Figure 9.

**Figure 9. Three Most Widely Used Government Assistance Programs**

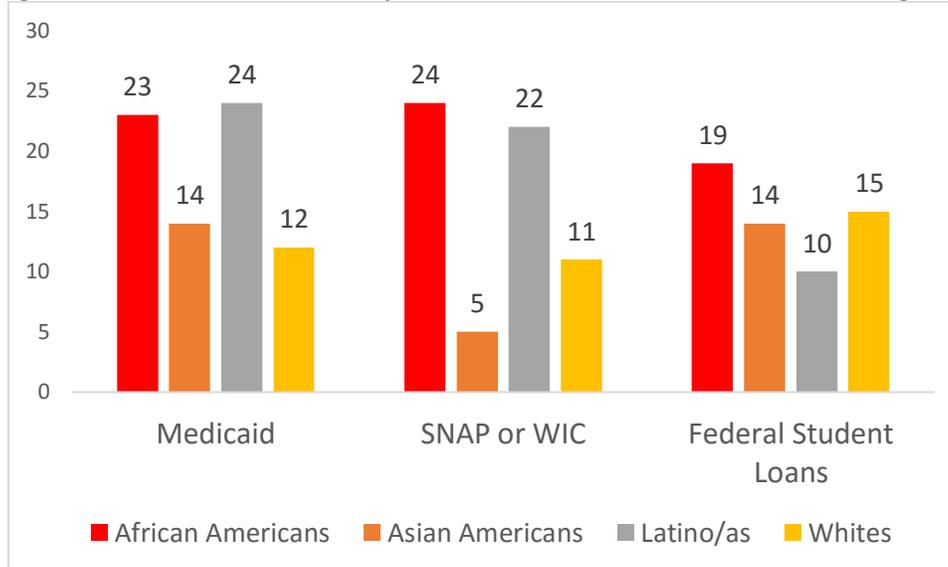


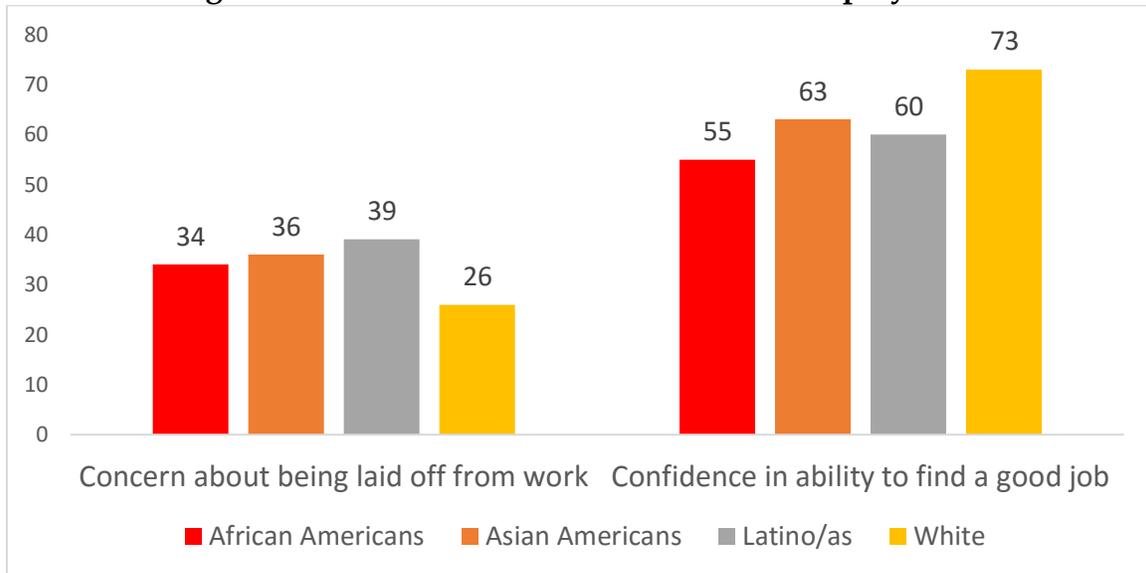
Figure 9 shows that 23% of African Americans, 24% of Latino/as, 14% of Asian Americans and 12% of whites report benefiting from Medicaid (health insurance for low-income individuals). We also found relatively widespread use of SNAP or WIC, particularly among African Americans and Latino/as, which provides nutritional assistance to low-income families: 24% of African Americans and 22% of Latino/as say they benefit from SNAP or WIC, compared to 5% of Asian Americans and 11% of whites. The third most widely used benefit was federal student loans: 19% of African Americans, 15% of whites, 14% of Asian Americans and 10% of Latino/as said they receive federal student loans.

The gap in financial security, especially for African Americans, that emerges from our data is also evident in respondents' worries about their employment prospects. Figure 10 presents the percentage of respondents who say they are extremely, very, or somewhat *concerned* about being laid off from work (left-hand side) and the percentage of respondents who are extremely, very or somewhat *confident* that, if they needed to, they could find a good job (right-hand side).

What stands out in Figure 10 is the disparity between white Millennials and Millennials of color. Whites express the least concern about being laid off from work and this is compounded by their expressing the greatest confidence that, if they needed to, they

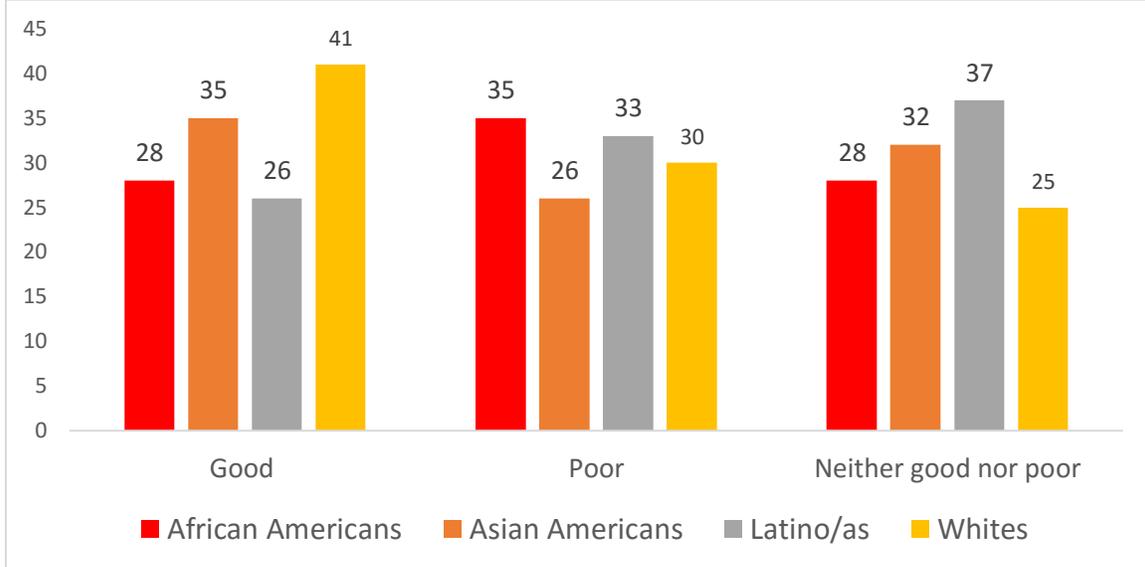
could find a good job. Together, these findings suggest that whites have fewer worries about their employment prospects than African Americans, Latino/as and Asian Americans.

**Figure 10. Concern and Confidence About Employment**



Finally, when we asked respondents to describe their own personal financial situation—which we present in Figure 11—we find, consistent with our previous data, that African Americans and Latino/as are the least likely to say that their personal finances are “good” and are the most likely to say that their personal finances are “poor.”

**Figure 11. How would you describe your personal financial situation these days?**



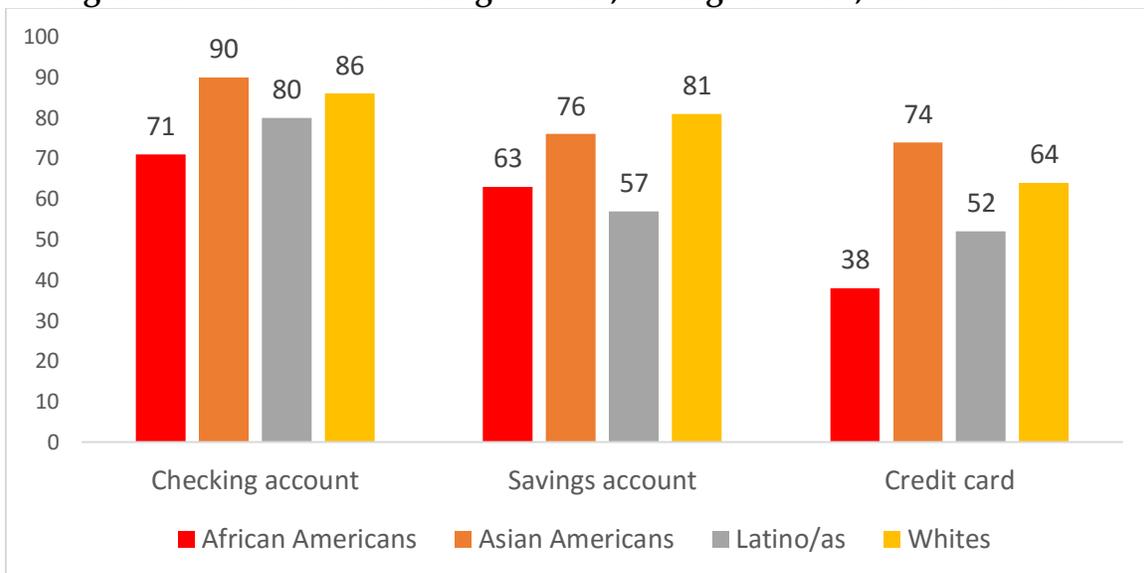
In sum, our survey uncovers a gulf in the financial well-being between African American and Latino/a Millennials and Asian American and particularly white Millennials. African American and Latino/a Millennials have more financial uncertainty in their day-to-day spending, can rely less on their parents in helping with life's biggest expenses, have less secure employment prospects, and are most likely to evaluate their own financial situation as poor. These findings reaffirm our argument that there exists an economic vulnerability gap between Asian American and white Millennials and African American and Latino/a Millennials and that race and ethnicity are central to understanding the economic challenges and opportunities available to young Americans.

### III. Credit and Banking

While understanding the economic opportunities of Millennials is important, we also want to explore how they handle the essential tasks of managing credit and banking. What are young people doing from paycheck to paycheck to manage their finances? Do they have checking and savings accounts, or [make use of credit cards](#)? And how do the financial practices of Millennials vary across racial and ethnic groups? These questions are central to understanding the lived economic lives of Millennials.

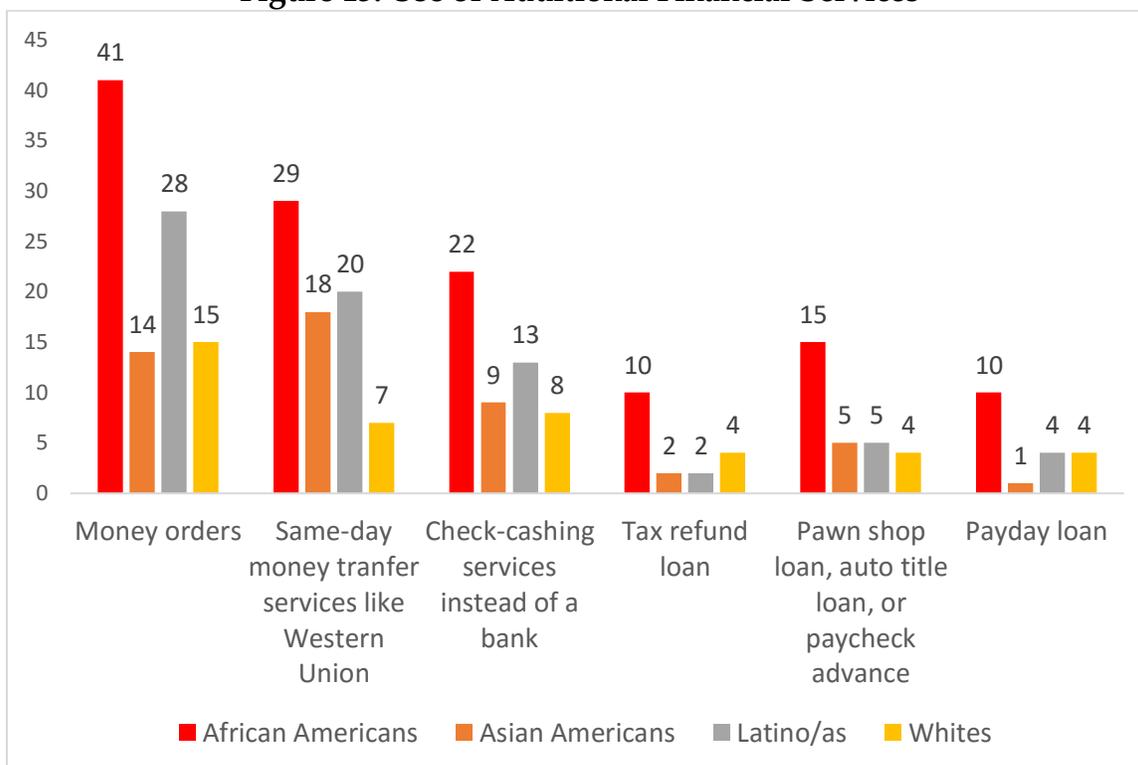
We first look at who has a checking account, savings account and a credit card in Figure 12. While majorities of all groups have checking and savings accounts, Figure 12 shows clear disparities in the use of these relatively basic but fundamental tools for managing one’s finances. In each case, whites and Asian Americans are more likely to have these essential economic tools than African Americans and Latino/as. This disparity reinforces the financial inequality reported above.

**Figure 12. Who has a checking account, savings account, and credit card?**



In particular, African Americans and Latino/as are more likely to use other types of banking and loan options that carry high fees. Figure 13 presents the percentage of respondents who say they use various financial services regularly (i.e., every few months, once a month, or more than once a month).

**Figure 13. Use of Additional Financial Services**

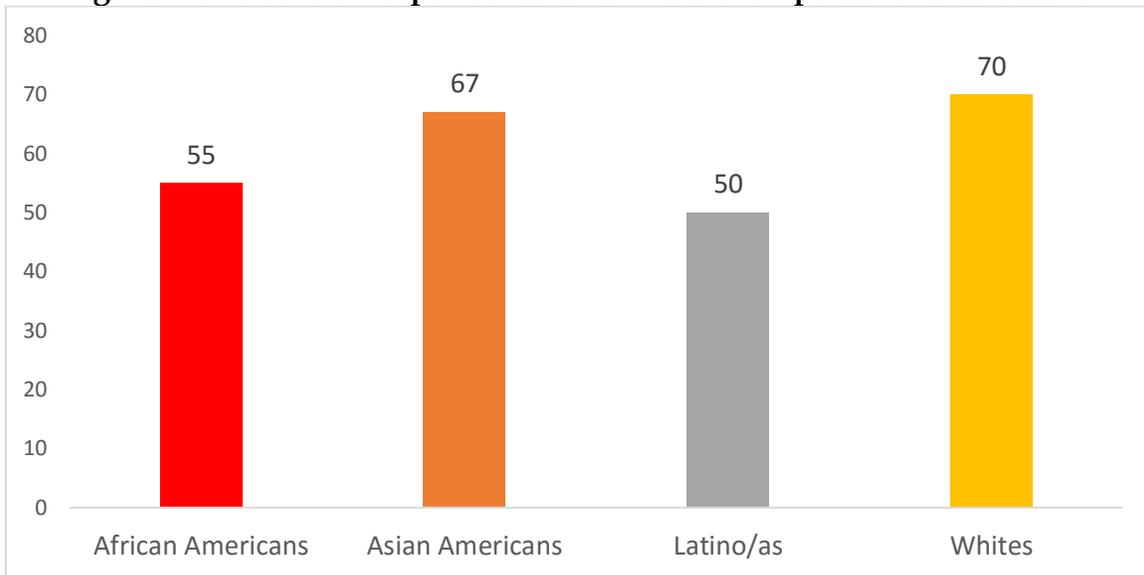


As Figure 13 makes clear, African Americans are by far the most likely to regularly use financial services like money orders, check-cashing services, and other types of loans from pawn shops or a paycheck advance. These services are typically more costly than traditional banking services and even credit cards, and their regular use—while helping meet temporary needs—deepens socioeconomic inequalities.

One reason that these alternative types of financial services may be more common among African Americans is because of their restricted access to traditional forms of credit. For example, [studies show](#) that even when controlling for credit histories and scores, individuals living in predominantly black neighborhoods have less access to credit than individuals living in predominantly white neighborhoods.

In addition to discrimination in access to credit, we find that African Americans and Latino/as also possess less knowledge about their personal credit score (Figure 14), a finding which is indicative of a financial literacy gap that can also exacerbate racial and ethnic differences in financial security.

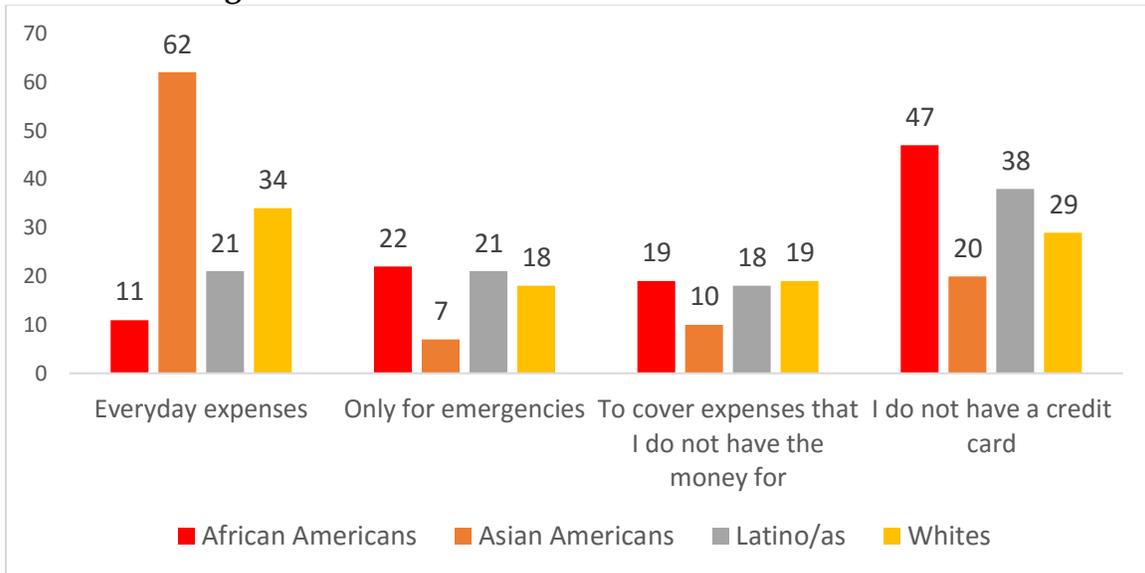
**Figure 14. Percent of respondents who know their personal credit score**



However, differential rates of access to and knowledge about credit only scratches the surface in understanding the disparities in credit card usage of different racial and ethnic groups of Millennials. Specifically, even among those who *do have a credit card*, we find significant differences in how young adults of different racial and ethnic backgrounds use credit cards (Figure 15) and how they pay for them (Figure 16).

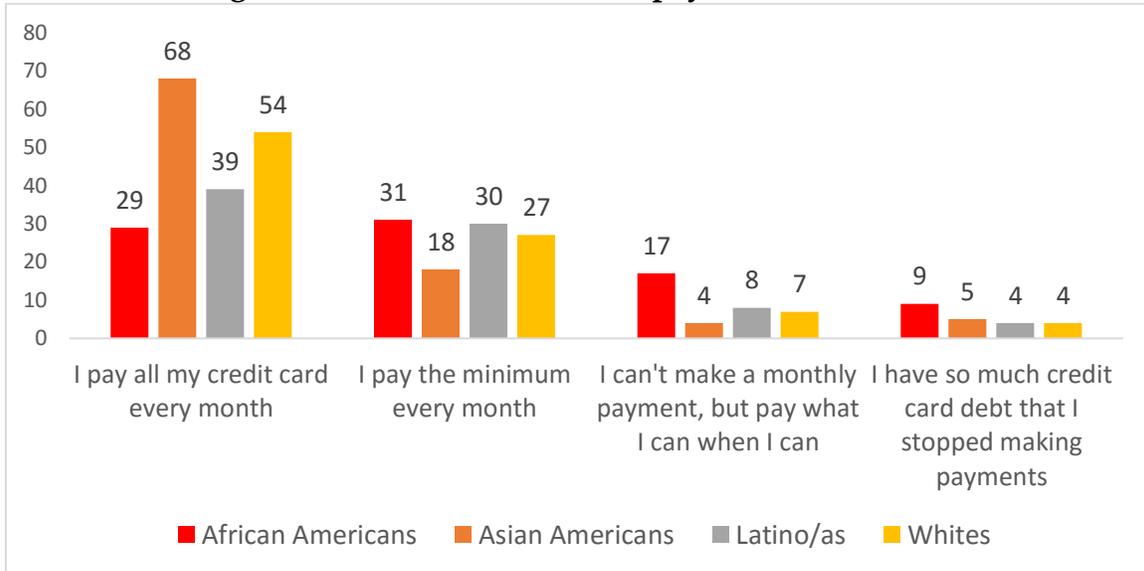
As Figure 15 shows, people use credit cards for different reasons. Whites and particularly Asian Americans are most likely to report using credit cards for everyday expenses, whereas African Americans and Latino/as are more likely to report using their credit card only for emergencies, and many are likely not to have a credit card at all.

**Figure 15. How do Millennials use their credit cards?**



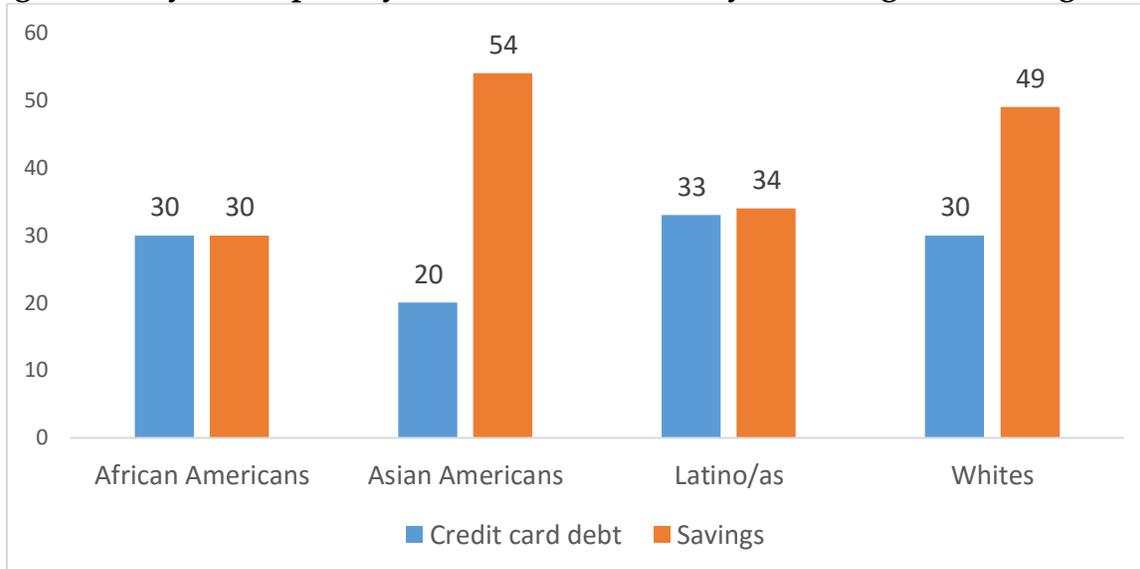
Not only do Asian Americans and whites use their credit card more regularly for everyday expenses, but they also are most likely to report paying all their credit card debt every month, as Figure 16 shows. By contrast, African Americans and Latino/as are most likely to report paying the minimum on their credit card every month. These disparities have two corresponding effects. First, Asian Americans and whites are more likely to build up their credit score, reducing the costs of future loans like for a house, car or other major expense. And second, African Americans and Latino/as making minimal payments go further into debt as interest on their credit accrues.

**Figure 16. How do Millennials pay their credit card?**



It seems clear that credit cards contribute greatly to economic inequalities between Millennials in America. Specifically, there is both a deep gulf in access to credit (which leads young African Americans and Latino/as to use costlier financial services), and important differences in how credit cards are used and paid for. Along these same lines, we asked respondents to tell us which is greater, their credit card debt or their savings account. The results, presented in Figure 17, demonstrate how different credit card usage contributes to differences in financial well-being. Both whites and Asian Americans are more likely to say that their savings is greater than their credit card debt. African Americans and Latino/as are equally as likely to say they have more credit card debt as to say that their savings is greater.

**Figure 17. If you compared your credit card debt to your savings, which is greater?**



This section documents the different banking and credit practices of Millennials. Our results show huge differences across race and ethnicity that is central to understanding the lived economic lives of young Americans. In particular, whites and Asian Americans are most likely to use traditional banking and lending services, pay off their credit cards in full every month, and have more money in savings than they have credit card debt. African Americans and Latino/as, by contrast, are more likely to use alternative forms of banking and credit that are costlier, are more likely to make minimal payments on their credit card, and are just as likely to have more credit card debt than savings as they are to have more in savings than credit card debt. In short, banking and credit practices are central in terms of both reflecting and creating the economic vulnerability gap among Millennials, differentially and negatively impacting African American and Latino/a young adults.

## IV. Retirement

The inequalities in finance, banking and credit we documented above are likely to have effects across the life cycle and into retirement. Furthermore, in our present climate the retirement system—in particular Social Security which has been central to providing a decent lifestyle to many retirees and for many years—is under threat. The United States Census Bureau [reports](#) that the United States is currently undergoing considerable growth in the older population (defined as individuals aged 65 and older), as Baby Boomers continue to enter retirement, a dynamic which places great stress on the Social Security system. As a result, building personal savings for retirement seems more important than ever.

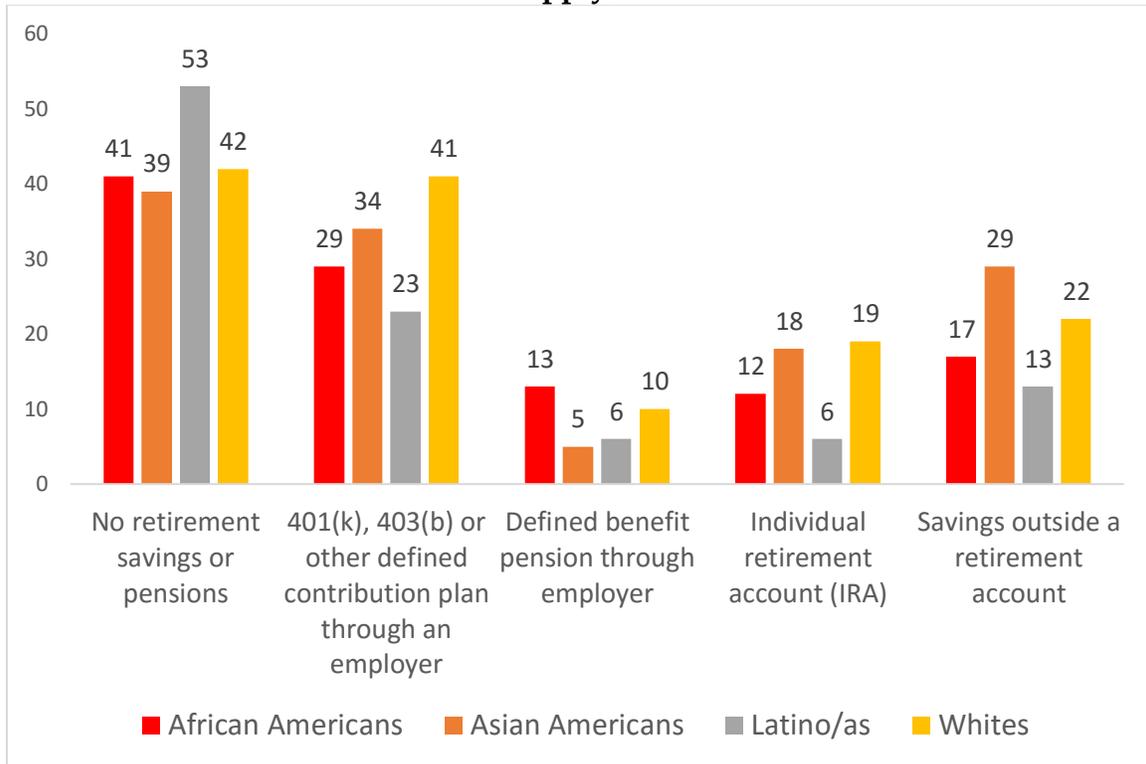
But our study indicates that many young people have not started saving for retirement. Figure 18 presents the percentage of Millennials in our study who say they have no retirement savings as well as the percentage who possess the four most popular retirement holdings identified in our survey: a 401(k), 403(b) or other defined contribution plan through an employer, a defined benefit pension through an employer, an Individual Retirement Account (IRA), and savings outside a retirement account.<sup>5</sup>

As Figure 18 shows, the most common response in each racial and ethnic group is that Millennials have no retirement savings or pensions. Furthermore, and consistent with what we reported above, whites and Asian Americans are most likely to have a 401(k) or other defined contribution plan through an employer, and most likely to also have retirement savings outside a defined retirement contributions account (though African Americans are most likely to have a defined pension through an employer). Thus, while many young adults have no retirement savings altogether, it appears that white and Asian American Millennials have greater retirement security than African Americans and Latino/as in terms of employer-provided retirement plans and individual retirement plans (including IRA's and personal savings).

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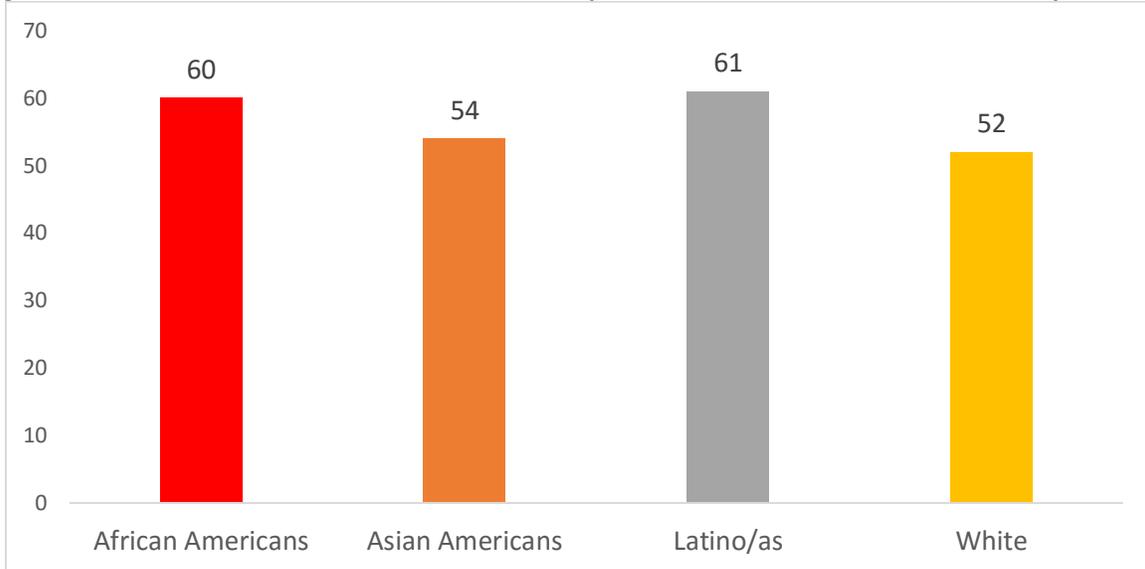
<sup>5</sup> The other response options for sources of retirement savings that generated few responses were: real estate or land, family inheritance, and other.

**Figure 18. What type of retirement savings or pension do you have [check all that apply]?**



Given these differences in access to retirement funds, it is not too surprising to find that majorities of young adults—and especially African Americans and Latino/as—lack confidence that they will have enough savings to retire when they want to (Figure 19). Though it is notable that majorities of all young people lack confidence in their ability to retire when they want to, Figure 19 once again indicates that African Americans and Latino/as are the least confident in their retirement prospects.

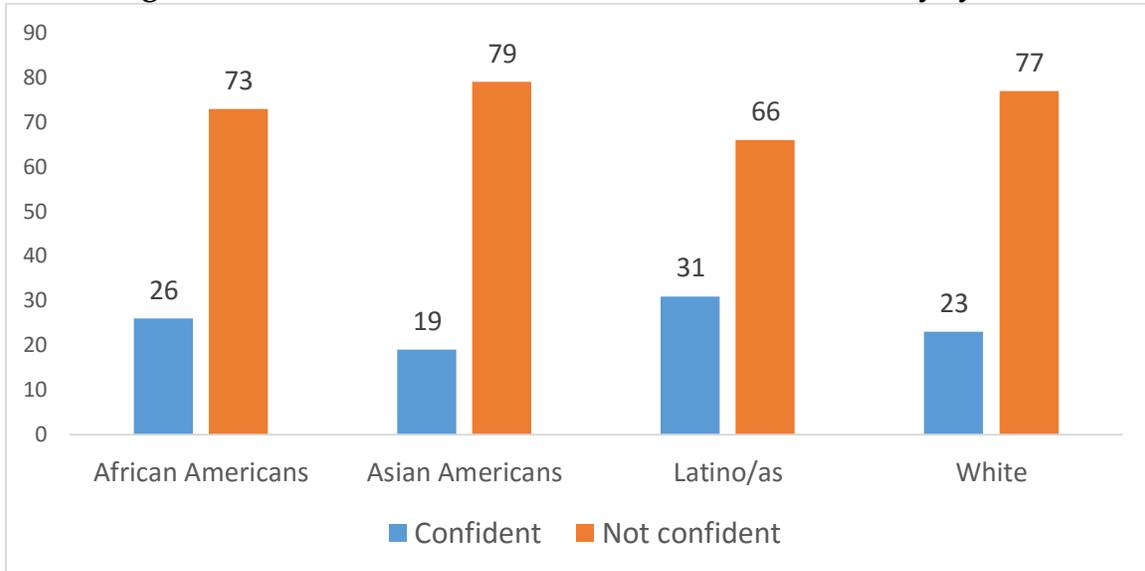
**Figure 19. Percent who lack confidence they will be able to retire when they want to**



In addition to private or employer-provided retirement funds, many of our respondents tell us that they are not confident in the future of the Social Security system. In Figure 20, we present the percentage of people who say they are *confident* (*very or somewhat*) and those who say they are *not confident* (not very or not at all confident) in the future of Social Security.

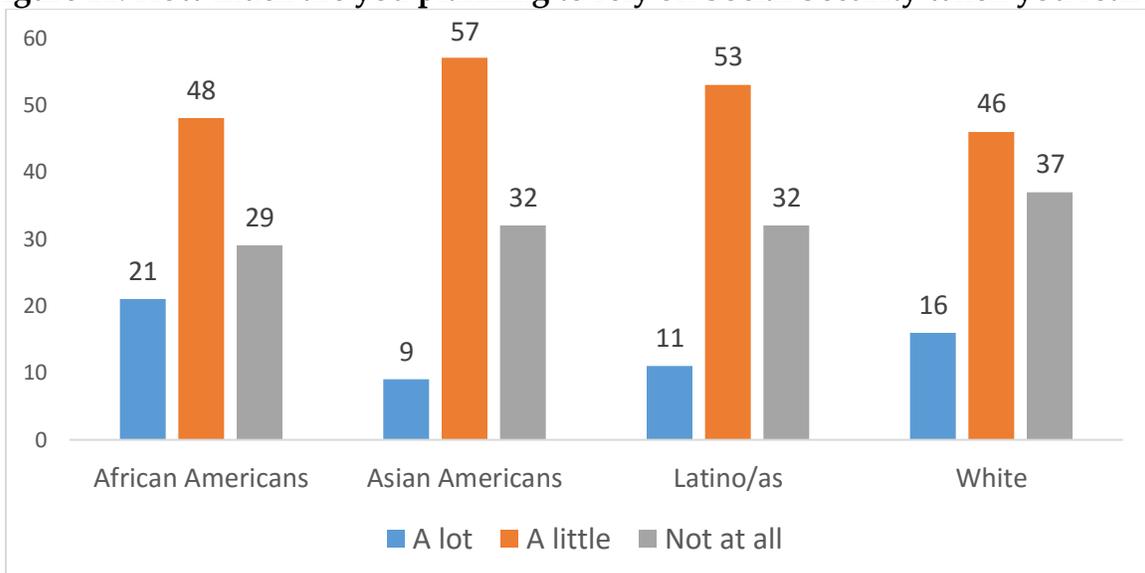
As Figure 20 shows, Millennials across race and ethnicity overwhelmingly say they are not confident in the future of Social Security. While there are debates among experts about the financial stability of Social Security, it appears that most young adults are pessimistic that the system as currently constructed will exist into the future.

**Figure 20. Confidence in the future of the Social Security system**



Given their pessimism about the future of Social Security, it is somewhat ironic that pluralities of Millennials in all racial and ethnic groups say they are planning to rely on Social Security “a little” when they retire (Figure 21). Thus, even though most Millennials lack confidence in the Social Security system, it remains a part of their long term retirement plans.

**Figure 21. How much are you planning to rely on Social Security when you retire?**



Young adults' thoughts about and planning for retirement needs to be made central in any future debates about Social Security or other retirement plans and benefits. Millennials make-up the largest generation in the workforce today, and because of that status will be central to financing Social Security now and in the future. Moreover, our study also suggests that many Millennials are not well prepared for retirement without the benefits available from Social Security. Thus, while politicians who want to reform Social Security are often quick to note that any changes will not affect current retirees, our data indicates that many Millennials too will need financial assistance in their own retirement.

## V. Optimism about the Future?

While much of our survey was dedicated to understanding the day-to-day economic realities of Millennials from different race and ethnic groups, we were also interested in how they saw their economic futures. Given the disparities we detailed above, are Millennials pessimistic about their future? Do they see America as a place where hard work is rewarded and where individuals can improve their economic standing?

We find that Millennials are ambivalent in terms of their economic optimism. Few young adults believe there are abundant opportunities in America for everyone to get ahead (Figure 22) and majorities are skeptical that it is common today for someone to start poor, work hard and become rich (Figure 23). However, many young adults, and especially Millennials of color, are optimistic about their own personal future (Figure 24), and believe that they (Figure 25) and their generation more generally (Figure 26) will do better than their parents. Interestingly, white young adults tend to be the least optimistic that they individually or their generation in total will do better economically than their parents.

Figures 22 and 23 document the cynicism that young Americans express about the current economic landscape in America. Figure 22 shows that most young Americans say there is only “none” or “a little” amount of opportunity for the average person to get ahead in America today (pluralities among African Americans and Latino/as and majorities among whites and Asian Americans). Very few agree with the options that there are “a lot” or “a great deal” of opportunities to get ahead.

**Figure 22. How much opportunity is there in America for the average person to get ahead?**

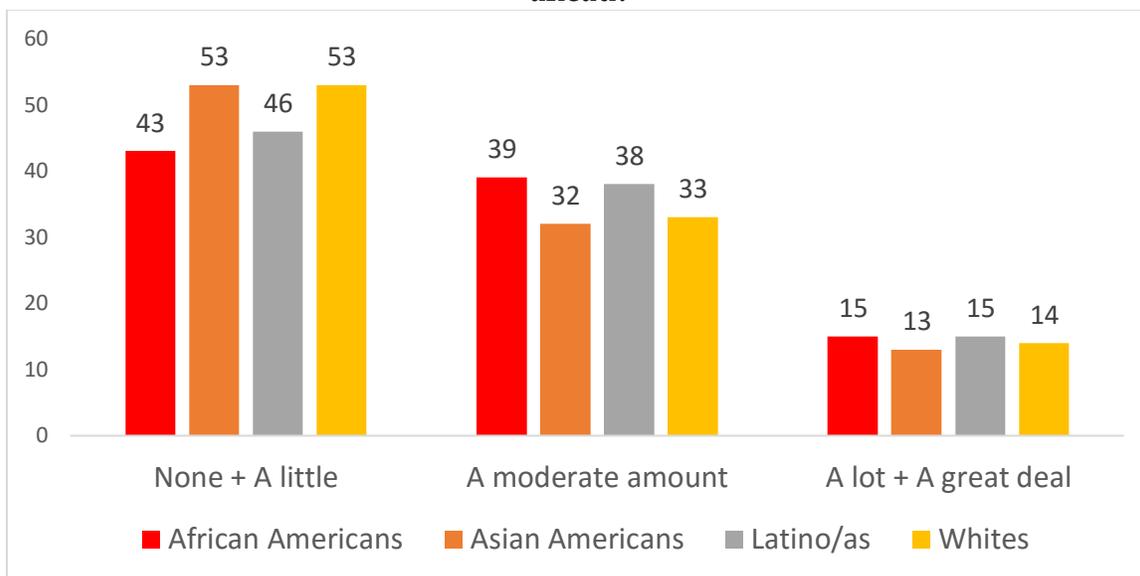
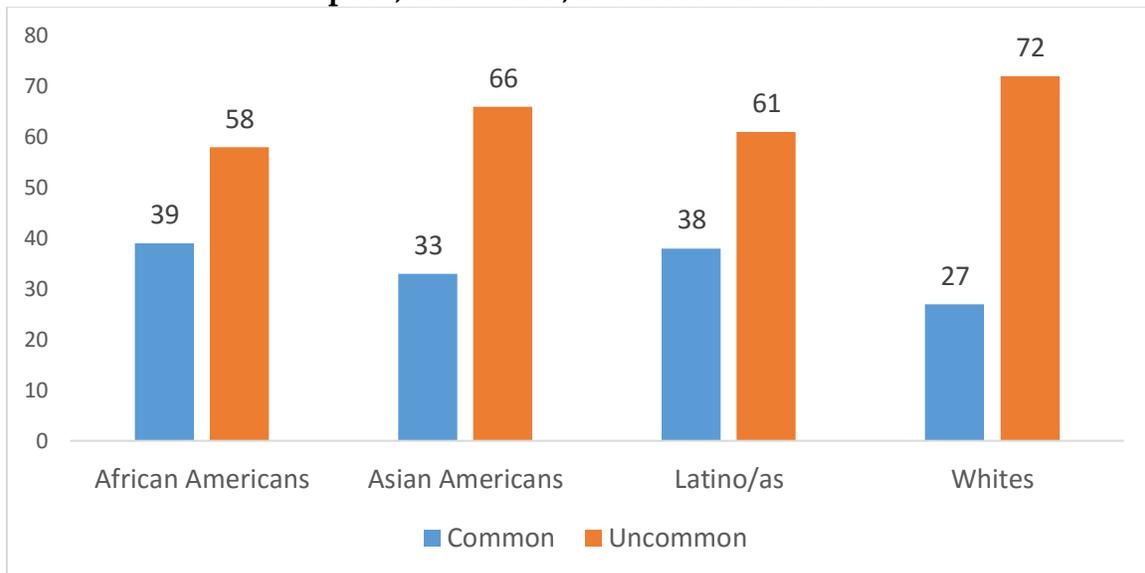


Figure 23 shows that more young Americans believe that it is more *uncommon* (i.e., “not too common” or “not at all common”) than *common* (i.e., “very” or “somewhat” common) for someone to start poor, work hard, and become rich. This again suggests that most Millennials are skeptical that the current economic landscape is rewarding. Surprisingly, given their many economic advantages discussed throughout this report, white Millennials express the strongest cynicism that hard work can propel someone who starts poor to become rich.

**Figure 23. Thinking about the country today, how common is it for someone to start poor, work hard, and become rich?**



Despite Millennials' pessimism about the American economy displayed in Figures 22 and 23, when we ask them directly whether or not they are optimistic about their personal future in terms of things like finding and keeping a good job, paying off student loan debt, and being able to afford the lifestyle they want, we find much higher rates of optimism than pessimism.<sup>6</sup> Specifically, even though there are vast disparities in the financial well-being and economic opportunities of Millennials of different racial and ethnic groups, Figure 24 shows essentially no gap in economic optimism.

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<sup>6</sup> People we define as optimistic include those who say they are "extremely," "very," or "somewhat" optimistic, and those we define as pessimistic include those who say they are "extremely," "very," or "somewhat" pessimistic.

**Figure 24. Generally speaking, how optimistic are you about your personal future?**

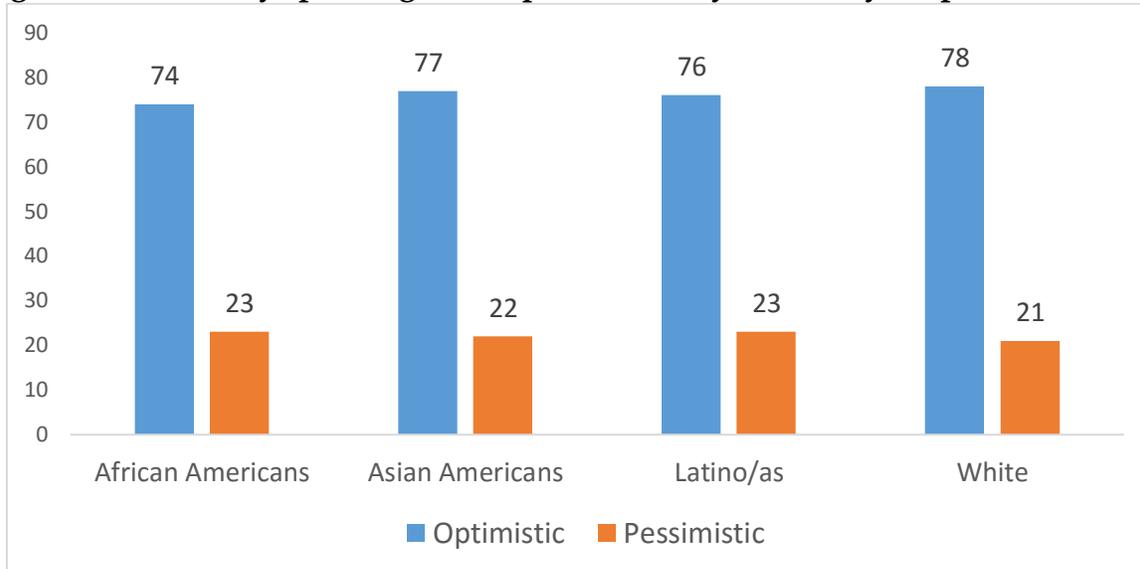


Figure 25 presents the percentage of young people who say that they think they will do better (“a little better,” “somewhat better,” or “a lot better”) than their parents in terms of household finances. The data in Figure 25 clearly show that African American, Asian American and Latino/a Millennials are more optimistic about their own financial future than white Millennials. This is in spite of the many greater financial advantages available to white Millennials as documented in the previous sections.

**Figure 25. In terms of household finances, do you think you will eventually do better or worse than your parents have done? (% Better)**

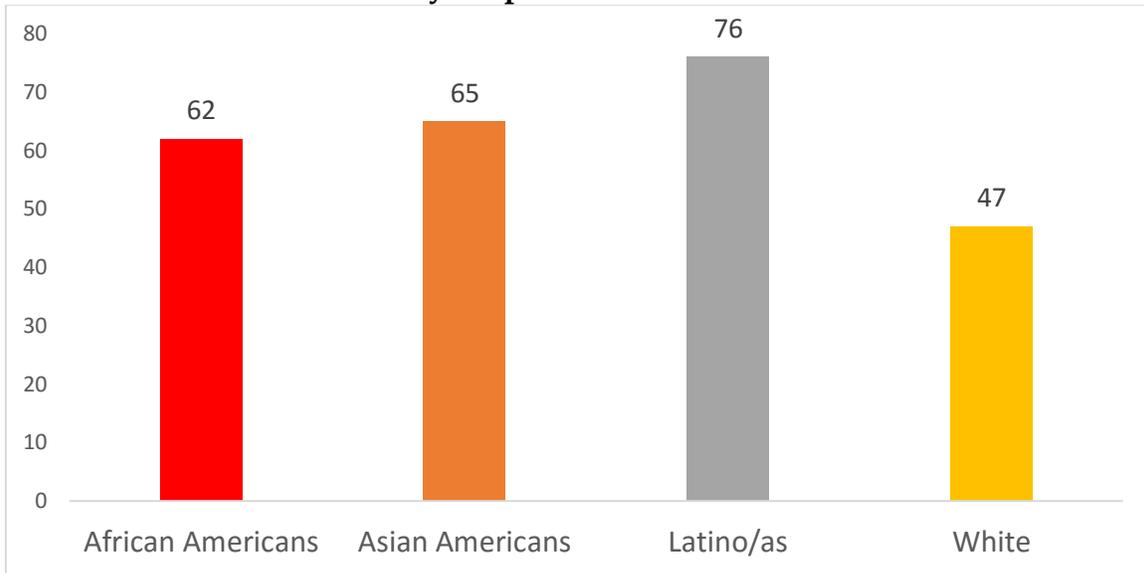
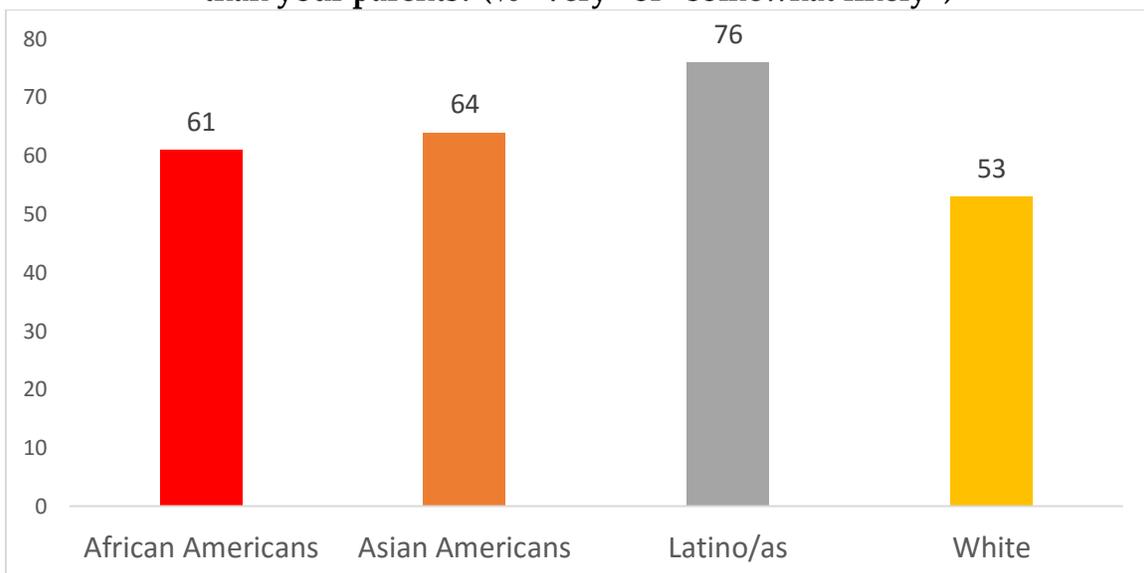


Figure 26 shows the percentage of respondents who say it is “very” or “somewhat” likely that their generation will have a better life than their parents. As was the case above, in Figure 26, Millennials of color are most optimistic about their generation’s economic opportunities and fortunes while white young adults are the least optimistic.

**Figure 26. How likely do you think it is that your generation will have a better life than your parents? (% “very” or “somewhat likely”)**



It is not easy to characterize Millennials' thoughts about their economic futures. As the data in this section reveal, many Millennials express grave doubts about the American economy—they say that there is not much opportunity in America to get ahead and they are skeptical that hard work is enough for someone who starts poor to become rich. At the same time, most Millennials are optimistic about their own personal future. In fact, Millennials of color are most likely to believe that they and their generation will do better than their parents. Part of the differences between white Millennials and Millennials of color in response to these questions may stem from the different socioeconomic backgrounds of their parents: the parents of white Millennials are more likely to have had greater economic opportunities and financial security than the parents of African American and Latino/a Millennials specifically. As a result, when asked to compare their own and their generation's economic chances to their parents, young people of different racial and ethnic groups are likely to have different baselines for comparison.

Nonetheless, these data suggest that there may be a diverging of perceptions of economic chances in America: many whites feel that they are experiencing economic stagnation or decline, while African American, Latino/a and Asian American Millennials perceive that their economic standing is likely to improve on that of their parents. These deviating feelings about economic opportunity may have additional effects in American politics and society. For example, the belief among whites of losing economic ground compared to their parents may be part of the reason that the plurality of white Millennials voted for Donald Trump, with many resonating with the appeals made by Trump to "Make America Great Again" and bolster the economic and racial status of whites in America.<sup>7</sup> These racial and ethnic differences in optimism about the future, in other words, may signify a broad variation in the attitudes of young adults about the economy, the policies and the candidates they believe will bring about economic success for them or their communities.

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<sup>7</sup> See our [previous report](#) on white vulnerability and its relation to racial resentment, sexism, and support for Donald Trump.

## *Conclusion*

This report provides an extensive look at the lived economic lives of Millennials. This includes their personal finances, how they use banking and credit services, their thoughts about retirement, and their optimism and pessimism about the economic landscape in America. At the heart of our analysis are the deep differences in the economic experiences of young Americans of different racial and ethnic groups. We find a profound and persistent economic vulnerability gap between African American and Latino/a Millennials and young white and to some extent Asian American Millennials. This gap is evident in personal finances, employment prospects, and how people use banking and credit services. And these differences go on to shape plans for and beliefs about retirement. These economic differences also map onto a racial order where African Americans experience less opportunity and mobility than other groups, especially white Americans.

In every case, we found that African Americans and Latino/as experience more, and sometimes much more, economic uncertainty and hardship than young whites and often Asian Americans. But this has not dampened young African Americans' and Latino/as' optimism about their economic futures. On the contrary, young people of color appear more optimistic about their economic future than young whites. As we look to the future, we hope that this optimism manifests itself in real economic changes that allow African American and Latino/a Millennials economic success, eliminating the persistent and structural economic vulnerability gap between themselves and young whites and Asian Americans. At the same time, we caution that there has been and may continue to be a reactionary stance among those young whites who feel they are losing ground. The trends and attitudes documented here are likely to have effects on the lives of young Americans into the future and as Millennials make their mark on our economy, society, and our politics.

## VI. Study Methodology

The GenForward April/May survey is a project of the University of Chicago. Interviews were conducted with a representative sample from GenForward<sup>SM</sup>, a nationally representative survey panel of adults ages 18-34 recruited and administered by NORC at the University of Chicago and funded by grants to the University of Chicago from the John D. and Catherine T. MacArthur Foundation and the Ford Foundation.

A total of 1,853 interviews were conducted between April 14 and May 1, 2017 with adults ages 18-34 representing the 50 states and the District of Columbia, including completed interviews with 528 African American young adults, 262 Asian American young adults, 518 Latino/a young adults, 504 white young adults, and 41 young adults with other racial and ethnic backgrounds. The survey was offered in English and Spanish and via telephone and web modes.

The GenForward survey was built from two sample sources: Fifty-nine percent of the completed interviews are sourced from NORC's AmeriSpeak® Panel. AmeriSpeak is a probability based panel that also uses address-based sample but sourced from the NORC National Frame with enhanced sample coverage. During the initial recruitment phase of the AmeriSpeak panel, randomly selected U.S. households were sampled with a known, non-zero probability of selection and then contacted by U.S. mail, email, telephone, and field interviewers (face-to-face).

Forty-one percent of the completed interviews are sourced from the Black Youth Project (BYP) panel of young adults recruited by NORC. The BYP sample is from a probability-based household panel that uses an address-based sample from a registered voter database of the entire U.S. Households were selected using stratified random sampling to support over-sampling of households with African Americans, Latino/as, and Asian Americans ages 18-34. NORC contacted sampled households by U.S. mail and by telephone, inviting them to register and participate in public opinion surveys twice a month.

Panelists on both the BYP and AmeriSpeak panels are invited to register for the panel via the web or by telephone to participate in public opinion surveys.

Of the 1,853 completed interviews in the GenForward April survey, 93 percent were completed by web and 7 percent by telephone. The survey completion rate is 32 percent. The weighted household panel recruitment rate is 22.4 percent and the weighted household panel retention rate is 94.2 percent, for a cumulative AAPOR Response Rate 3 of 6.8 percent. The overall margin of sampling error is +/- 3.46 percentage points at the 95 percent confidence level, including the design effect. Among subgroups, the margin of sampling error at the 95 percent confidence level is +/- 6.81 percentage points for African Americans, +/- 8.24 percentage points for Asian Americans, +/- 7.19 percentage points for Latino/as, and +/- 6.43 percentage points for whites.

To encourage cooperation, respondents were offered incentives for completing the survey that ranged from the cash-equivalent of \$3 to the cash-equivalent of \$10.

The interviews from the two probability-based sample sources were combined for statistical weighting and analysis. The combined panel samples provide sample coverage of approximately 97% of the U.S. household population. Those excluded from the sample include people with P.O. Box only addresses, some addresses not listed in the USPS Delivery Sequence File, and some newly constructed dwellings. The statistical weights incorporate the appropriate probability of selection for the BYP and AmeriSpeak samples, nonresponse adjustments, and also, raking ratio adjustments to population benchmarks for 18-34 year old adults. A poststratification process is used to adjust for any survey nonresponse as well as any non-coverage or under- and over-sampling resulting from the study-specific sample design. The poststratification process was done separately for each racial/ethnic group and involved the following variables: age, gender, education, and census region. The weighted data, which reflect the U.S. population of adults ages 18-34, and the 18-34 year-old populations for African Americans, Latino/as, Asian Americans, and non-Latino/a whites, were used for all analyses.