Too Big To Fail: Millennials on the Margins

Anita Sands and Madeline Goodman
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Executive Summary

It is becoming increasingly clear that those who we allow to fail or fall behind are really not so much "them" as they are "us." In ways that may not be wholly apparent, particularly in times of social upheaval, Americans are inextricably bound to one another even as they are being drawn apart. The phrase "a rising tide lifts all boats" was popularized during the Age of Affluence in post-World War II America to signify that positive changes in the economy should and would have a ripple effect and lift those in need, in essence tying together those with more and less opportunity in a joint, albeit idealized, venture. But the Age of Affluence, which had at its core a broad middle class supported by skills that were well remunerated in the labor market, is in the past. Our task now is to reaffirm a shared contract that holds even when tides are at low ebb. Then, especially, we need to see our fate as coupled to the fate of others.

Using data from the OECD’s Programme for the International Assessment of Adult Competencies (PIAAC), this report examines the size and characteristics of low-skilled U.S. millennials as they transition to adulthood, and explores the implications of this for the well-being of these individuals and our society more broadly.

- Nearly half of America’s 77 million millennials — around 36 million — are attempting the transition to adult roles with low literacy skills, and more than half — about 46 million — are doing so with low numeracy skills.
- Many of these low-skilled adults are either working (full- or part-time) or enrolled in education and training. Approximately 31 million millennials who have ties to formal education (either in high school or some form of postsecondary education) or employment nonetheless have low literacy skills; 39 million have low numeracy skills.
- Millennials with low skills are more likely to be working in low-skill occupations and earning low incomes, vulnerable to unemployment or leaving the labor market, and are less likely to have health-care coverage than those with higher skills.
- Millennials with low skills are less likely to have trust in others and be civically engaged than their higher skilled peers.

Other key points:
- The PIAAC results encourage us to broaden our current definition of “disconnection” when applied to young adults to encompass those with low skills, rather than simply young adults who are neither employed nor enrolled in education.
- Skills are developed over a lifetime and are aligned to measures of social capital (where one lives, one's social networks, and level of engagement in society). Individuals with greater levels of social capital are better positioned to both initially acquire and then maintain higher levels of human capital (skills) over a lifetime.
- Given what is known about how advantages and disadvantages compound over generations, the fate of so many millennials jeopardizes not only this critical cohort, but future generations as well.
- The title of this report was chosen to underscore a critical issue: We are all tied together in society. If we continue to allow large numbers of our young adults to fall behind, we—and the systems we’ve built — are failing them, and, ultimately, all of us.


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