

# Wealth Consilium



Wealth stewardship advice for your family

[www.consilium-llc.com](http://www.consilium-llc.com)



## Talkin' 'bout My Generation

**T**he Who's famous 1965 rock song, "My Generation" spoke to the generational conflict of the time. The Vietnam War, hippies, and rock and roll music itself were all part of that generational clash. It was these very 1960's conflicts that gave birth to the modern notion of a "generation gap."

Fifty years have passed since the release of that song, and the Vietnam War and hippies have all faded from view. But the generations are still with us, and so are generational differences—with online gaming, social media, tattoos and piercings now filling the roles

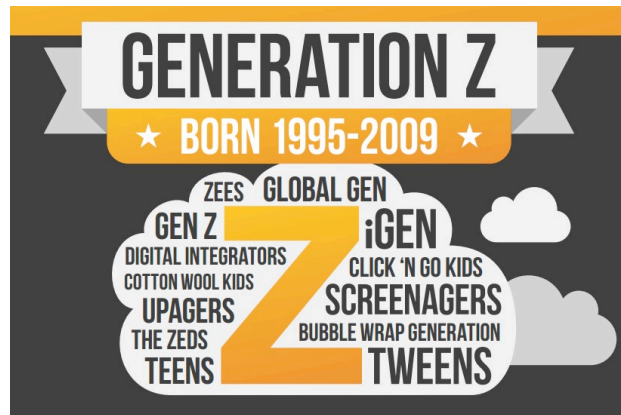
once played by long hair and bell bottoms. In fact, the last few decades have seen many articles, and multiple books written about the various generations. So much ink has been spilled, you may have concluded that members of different generations are different species, unable to relate with each other. Despite generational differences, there is hope for bridging this generational divide. Our experience in working with multiple generations of families in our [Families of the Century](#) program has taught us that the journey to realize our program motto of "connect, collaborate, and continue" can be not only fun, rewarding, but even life changing.

The findings of generational family research will help us explore answers to:

How are generations different? What threats and opportunities come from differences? Do your family members resemble common generational stereotypes? What can your family do to thrive with all these differences?

### What's in a name?

The Greatest Generation, The Silent Generation, Baby Boomers, Gen X, Millennials, and Gen Z. These are a few of the names to describe different generations. These generations are sometimes called by other names. For example Gen X has been called Busters and Slackers. Millennials have been labeled both the Me Generation and Generation We. Gen Z is sometimes called Post Millennials and Digital Natives. How to make sense of it all?



Let's organize each generation by ages, birth range, and importantly size. The two largest generations today are the Baby Boomers and Millennials. Gen X is the smallest of the big three. Millennials are the most talked about, and generally the offspring of Baby Boomers.

The newest generational group is Gen Z. This gen-

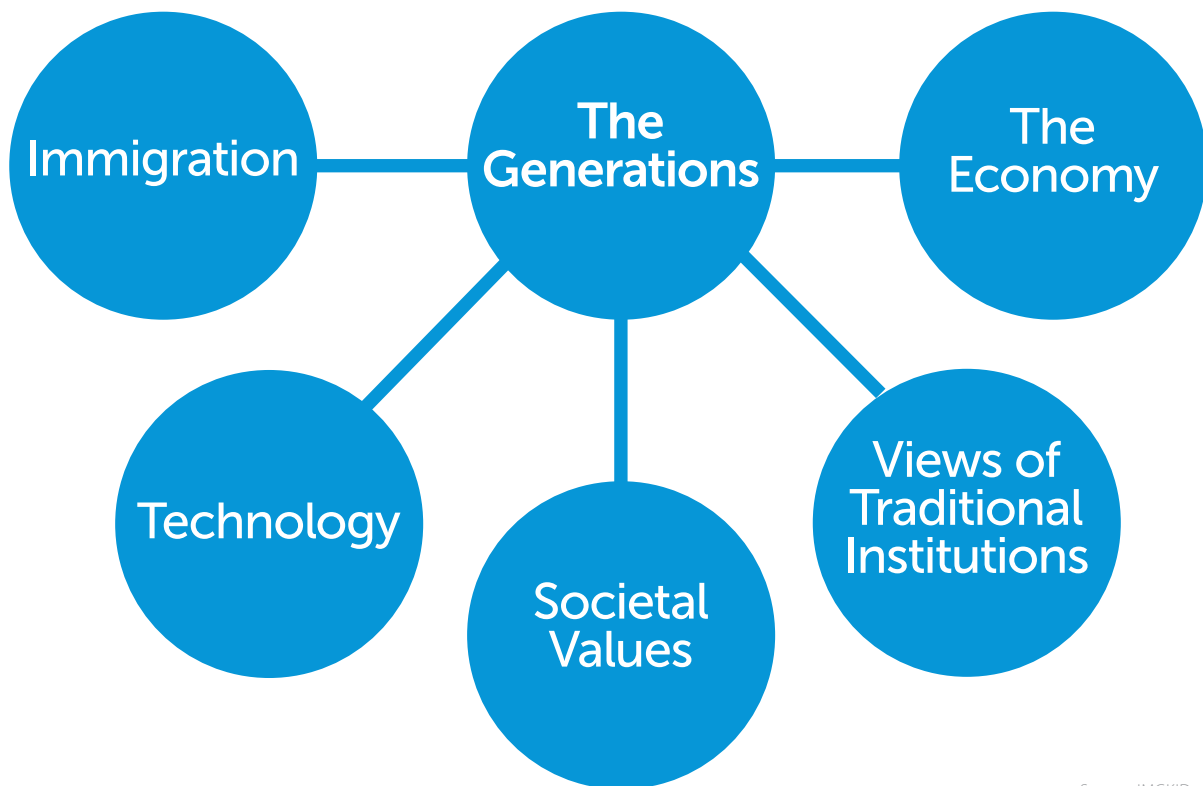
The Generations			
<b>The Millennials</b>			
Born: After 1980	Age of adults in 2015: 18 to 34	Share of adult population: 30%	Jennifer Lawrence, LeBron James
<b>Generation X</b>			
Born: 1965 to 1980	Age of adults in 2015: 35 to 50	Share of adult population: 27%	Halle Berry, Adam Sandler
<b>Baby Boomers</b>			
Born: 1946 to 1964	Age of adults in 2015: 51 to 69	Share of adult population: 30%	George Bush, Barack Obama
<b>The Silents</b>			
Born: 1928 to 1945	Age of adults in 2015: 70 to 87	Share of adult population: 11%	Martin Luther King, Gloria Steinem
<b>The Greatest Generation</b>			
Born: before 1928	Age of adults in 2015: 88+	Share of adult population: 2%	Sen. Robert Dole, Sen. George McGovern

Source: Pew Research Center

eration begins about 1995-2009. They are teenagers, and have grown up with social media and the post financial crisis. It's a fascinating group and we encourage you check out New York demographic research firm Sparks & Honey's intriguing online research presentation on Gen Z – "Forget Everything You Learned About Millennials":

### Not so secret agents

Why are generations different? It's because of what we call agents of change. Agents of change are environmental forces that affect each generation in varying degrees and ways. The graphic below displays five of these "agents".



Source: IMGKID.com

These agents of change have impacted all generations, but their impact seems most pronounced on the Millennials and Gen Z. As a result we see that younger generations relative to older generations are:

- Better educated at similar points in life
- More technologically savvy
- More likely to embrace new values/views that conflict with traditional views on marriage, sexual orientation, and organized religion
- More accepting of change in male and female roles
- More diverse racially and ethnically
- Less affluent at similar points in life
- Of a slightly different mindset when it comes to work
- More negative in their views on aging

We'll now take a closer look at key findings from leading researchers and provide commentary on each finding as well.

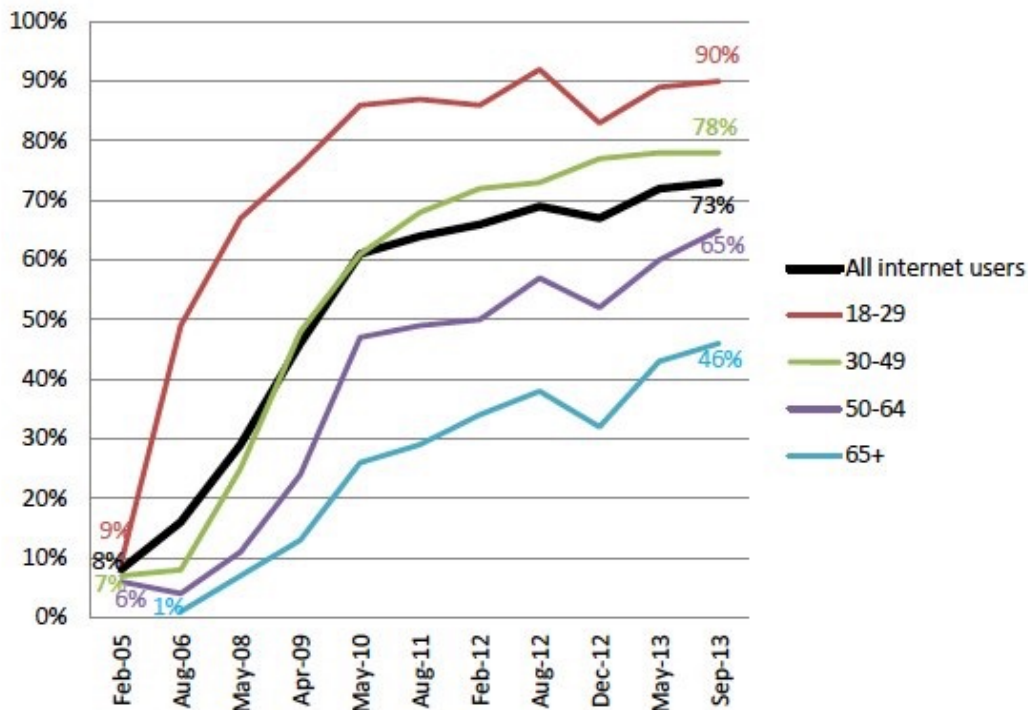
## Surveys say

Let's start with the big difference: technology. As some may suspect, findings show that younger generations are generally more tech savvy than their elders.

The chart below depicts the use of Social Media networking sites like Facebook, LinkedIn, Pinterest, Instagram, and Twitter. What's most telling is the speed at which Millennials and Gen Z have accepted social media. The red line representing Millennials goes nearly vertical on its stunning growth.

Baby Boomers and Silents have also embraced social media but not to the same extent. The purple and light blue lines reflect their usage over the eight year

**Social networking site use by age group, 2005-2013**  
*% of internet users in each age group who use social networking sites, over time*



Source: Latest data from Pew Research Center's Internet Project Library Survey, July 18—September 30, 2013. N=5,112 internet users ages 18+. Interviews were conducted in English and Spanish and on landline and cell phones. The margin of error for results based on internet users is +/-1.6 percentage points.

period of time.

**% of American adults in each generation who own each device**

	Millennials (Ages 18-34)	Gen X (35-46)	Younger Boomers (47-56)	Older Boomers (57-65)	Silent Gen. (66-74)	G.I. Gen. (75+)	All adults (18+)
Cell phone	95	92	86	84	68	48	85
Desktop computer	57	69	65	64	48	28	59
Laptop computer	70	61	49	43	30	10	52
iPod/MP3 player	74	56	42	26	16	3	47
Game console	63	63	38	19	8	3	42
e-Book reader	5	5	7	3	6	2	5
Tablet, like iPad	5	5	4	3	1	1	4
None of these	1	3	8	8	20	43	9

Source: Pew Research Center's Internet & American Life Project, August 9–September 13, 2010 Tracking Survey. N=3,001 adults 18 older, including 1,000 reached via cell phone. Interviews were conducted in English (n=2,084) and Spanish (n=197).

Similarly, when it comes to technological devices, Millennials are leaders in use of mobile devices: cell phones, laptop and ipods, and iWatches. Gen X rules the desktop computing world, while Gen X and Millennials both love video games.

While this data set is a bit old (2010) it does reveal that tablets and ebook readers are a bit more popular with older generations than the young. This may be due to their interest in reading.

**Key point:** we think it's important to point out that older generations should not be intimidated by younger generations seeming knack for technology. Realize that much of their edge is due to having more time to use the device, along with fewer responsibilities to manage. We can however learn from their relative fearlessness around new technology.

## Collegiately Inclined

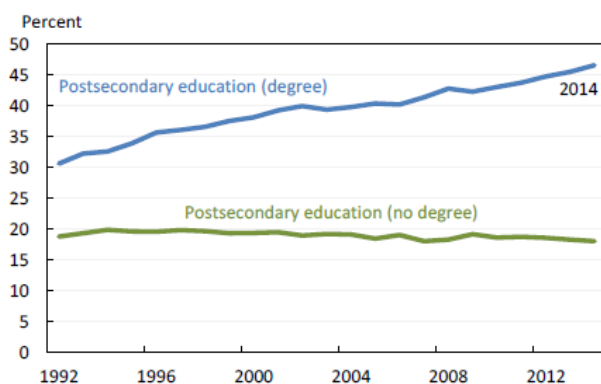
Many of us have experienced sending our children off to college over the years. Turns out, that rite of passage is growing more and more popular.

Per the President's Council of Economic Advisors, "More Millennials have a college degree than any other generation of young adults. In 2013, 47 percent of 25 to 34 year-olds received a postsecondary degree (associates, bachelor's, or graduate degree) and an additional 18 percent had completed some postsecondary education, as Figure 6 shows."

Consulting firm, Sparks & Honey, adds, "Gen Z is the most educated of all with, "1 in 2 college educated vs 1 in 3 millennials, and 1 in 4 Gen X."

This increase in education has led to debates about whether more college educated people makes sense, as noted in the *Wall Street Journal* article by Lauren Weber, "Do Too Many Young People Go to College?"

**Figure 6: People Ages 25 to 34 By Educational Attainment,**



Source: Current Population Survey; CEA calculations.

Much of the debate centers on those who have done poorly in high school and the high probability of their failure to complete college. Our advice is that higher education is still worth it for those with demonstrated high school success, which is a good indicator for college success. Additionally, on average, higher paying jobs do go to people with college degrees.

## Money, Money, Money...

The economy we are faced with makes a big impact on our lives. The Great Recession has passed but its impact is still being felt. Paul Taylor in his book, *The Next America* notes, "In 1984 the typical household headed by someone 65 or older had 10 times the net worth of the typical household head by someone under the age of 35. By 2011 that ratio had ballooned to 26:1"

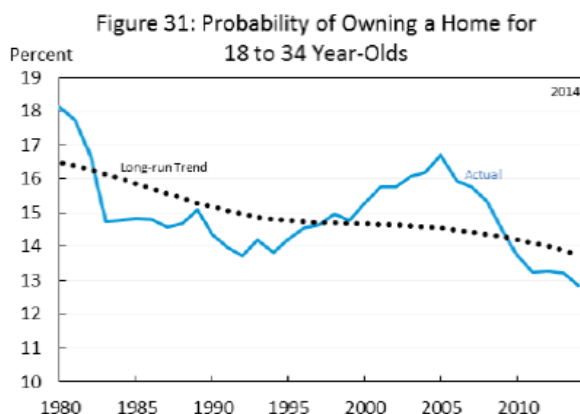
According to a report by the President's Council of Economic Advisors,

"Millennials still face challenges associated with several decades of slow wage growth—compounded by the Great Recession... The typical employed college graduate who entered the market in the mid- to late-1990s (Gen X) saw his or her wages increase by around 50 percent between the ages of 23 and 28. This indicator of wage growth for young workers declined to 24 percent in 2001 and 2002, then recovered somewhat to exceed 30 percent before falling again to under 25 percent for college graduates who entered the labor market at the start of the Great Recession."

Home ownership levels for Millennials are also notable. Again, per the report by the President's Council of Economic Advisors

"The lower likelihood of homeownership among Millennials today is largely in line with long-standing declines in homeownership among young people. While disentangling the factors contributing to the lower likelihood of owning a home in recent years is difficult, at least three forces appear to be at play. First, the gradual shifts in labor force participation, increased college enrollment, and delayed marriage discussed earlier in this report suggest that Millennials are delaying homeownership until they grow older, rather than substituting away from homeownership altogether."

With economic opportunities less rosy for Millennials for now, it is helpful to remember that human



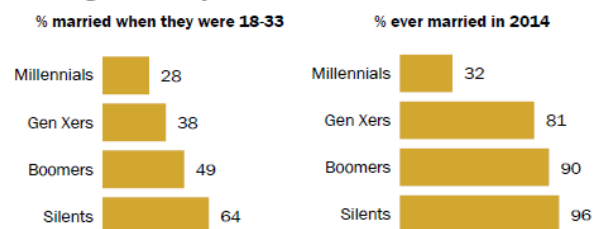
Source: Bureau of Labor Statistics; CEA calculations. Note: Long-run trends are estimated using a smoothed weighted average over a 15-year moving window.

and intellectual capital development is vital. Families have the opportunity during these more challenging economic times to focus on human and intellectual capital, which produced the financial capital in the first place. Our *Family of the Century* meetings help families to develop their human and intellectual family capital with our *CapitalWise* program.

## Going to the Chapel

Paul Taylor in *The Next America* notes a major sea change in marriage among the young; comparing the Silent Generation to Millennials, "In 1960, 6 in 10, 20 somethings were married. Today just 2 in 10 are. In 1960 5% of children were born to an unmarried mother. Today 41% are". The following chart from the Pew Research Center reveals a continual decrease in marriage rates from the Silents to Boomers to Gen X to Millennials. In terms of magnitude, the biggest

### Marriage Rates by Generation



Ages shown are as of 2014. Members of the Silent generation were 69 to 86 in 2014. Since the Current Population Survey aggregates those ages 85 and older into one category, results for 69 to 84 year-olds are shown.

Source: Pew Research Center tabulations of the 2014, 1998, 1980 and 1963 Current Population Surveys from the Integrated Public Use Microdata Series (IPUMS)

generational change occurred between the Silents and Baby Boomers, a drop from 64% to 49%.

Clearly, a decrease in marriage rates, can have negative consequences for families, by having fewer actively involved family members. We advocate for more connected and collaborative families not fewer.

## Breadwinners

Paul Taylor writes, “until a few decades ago, becoming a man meant becoming the family breadwinner. Today some 4 in 10 children have a mother who is either the family’s sole or primary breadwinner, up from 11% in 1960. Nearly 60% of college students are women and in a knowledge based economy, which pays no premium for male strength, women are now nearly half of the labor force, leaving many young men struggling to find careers and life scripts, and many young women faced with a choice of ‘marrying down’ or staying single.’ ”

An unintended consequence of the growth in women in the workplace, as noted by Paul Taylor above, is the possibility of the loss of the male life script. This should be on the radar for all families who want to maximize the talents and skills of every family member.

## Race and Ethnicity

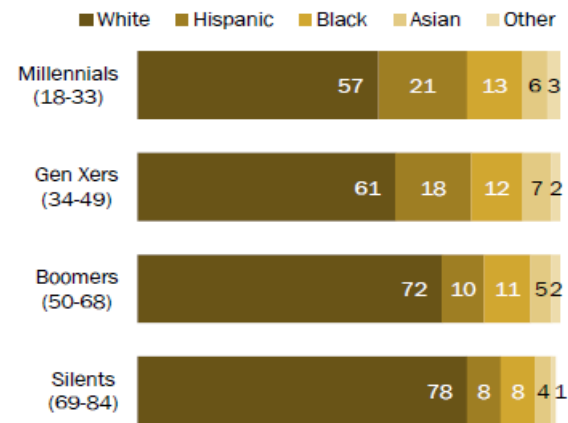
Immigration has profoundly impacted the makeup of younger generations. The white population has decreased significantly as a percentage of each generation.

Immigration is not a new agent of change in this country. Almost everyone who lives here is a descendent of an immigrant. The countries from which immigrants come can change and has. That is what we have seen in recent years with more immigration from Latin American and Asia.

## Losing our Religion?

All generations surveyed reflect a growing turn to atheism, agnosticism or nothing, though the rate of change is most obvious with the Millennials.

## Race and Ethnicity by Generation, 2014



Ages shown are as of 2014. Members of the Silent generation were 69 to 86 in 2014. Since the Current Population Survey aggregates those ages 85 and older into one category, results for 69 to 84 year-olds are shown. Hispanics are of any race. Racial groups include only non-Hispanics. Figures may not add to 100% because of rounding.

Source: Pew Research Center tabulations of the 2014 March Current Population Survey from the Integrated Public Use Microdata Series (IPUMS)

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## Religiously Unaffiliated Make Up Growing Share Across Generations

% of each generation that identifies current religion as atheist, agnostic or nothing in particular

	2007 %	2014 %	Change
Silent generation (b. 1928-1945)	9	11	+2
Baby Boomers (b. 1946-1964)	14	17	+3
Generation X (b. 1965-1980)	19	23	+4
Older Millennials (b. 1981-1989)	25	34	+9
Younger Millennials (b. 1990-1996)	n/a	36	n/a

2014 Religious Landscape Study, conducted June 4-Sept. 30, 2014. All changes are statistically significant.

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We believe that spiritual values such as philanthropy are key components of human capital. A loss in the level of religious affiliation points to an opportunity for families to maintain such values via family traditions and practices. In our [Families of the Century](#) program we help families create a family mission statement based on their family values with that need in mind.

## America the Not so Great?

Another difference between older and younger generations is their view on American exceptionalism. The differences are striking. They were asked if America is the greatest country in the world, and responded as follows:

- Millennials – only 33% agree
- Silents – 66% agree

This rise in ambivalence leads to an important question? Does anyone want to live in an unexceptional country? Younger generations as argued in the book, “*Generation We*” have the ability to make positive changes. This is of course true for all generations.

## Don't forget Gen Z

We noted earlier that we wanted to address the youngest generation; Gen Z. Given its size and buying power, Gen Z is gaining attention daily. Courtesy once again of Sparks & Honey, here's a bullet list of descriptors for Gen Z:

- Driven—encouraged to find jobs early and independently without help
- Use fewer drugs, teen birth rate down
- One in 4 living in poverty, Source: Rutgers 2013, Annie E. Casey Foundation
- 30% pushing out high school graduation date; reacting to older siblings struggles
- Collaborative; diverse
- Not as coddled as Millennials
- Live in multigenerational homes with grandparents and millennial siblings; thus are sharers and respect/have affinity for elderly
- Lack situational awareness
- Use images, take shortcuts to communicate
- 41% spend > 3 hours per day on computers for non-school work
- Know world issues like hunger and environment

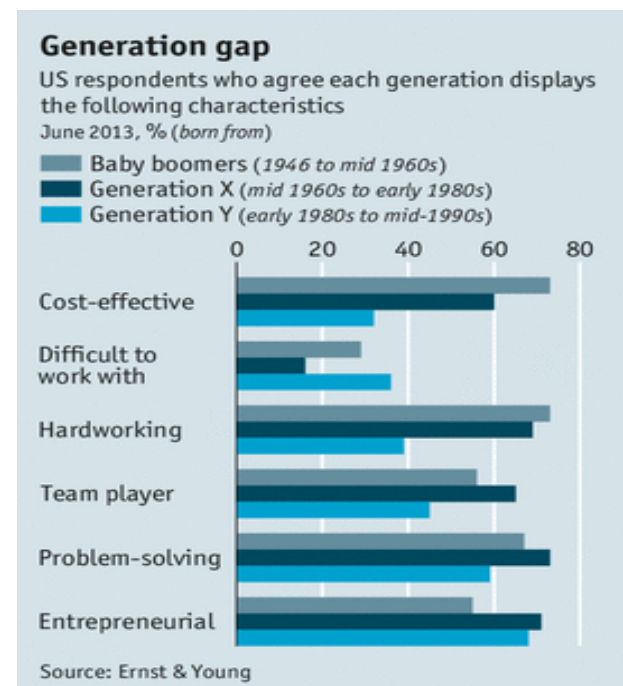
- 66% of 6-11 year olds list gaming as their main source of entertainment; much less active than prior generations
- Are both foodies & obese; teen obesity has nearly tripled from 1971-2010

## Gens at work

How have differences emerged in the workplace? Ernst & Young took a look at six work characteristics, then surveyed respondents to see how Baby Boomers, Gen X and Gen Y (Millennials) were viewed:

As the chart shows, Gen X took home the most honors; they were considered the most entrepreneurial, the best team players, and the best problem solvers. Baby Boomers were considered the hardest working and the most cost effective.

Gen Y/Millennials did not fare well on a relative basis. They were considered the most difficult to work with, the least cost effective, the least hard working, the worst team players and the worst at problem solving. Before we write off this generation, it is likely that their place as relative newbies in the workplace impacts some of the relatively negative views.



Source: The Economist



# What's the point?

Now that we've examined some key research, the question remains: Are these generational differences on balance, threats or opportunities? The approach we use to answer the question is based on the premise that healthy, vibrant levels of family capital are the keys to generational success.

Thus, we'll assess how these differences impact family capital and its three components; human, intellectual and financial. Developing all three of these forms of capital is crucial. To get started, here's a table that summarizes our views:

Difference	Family Capital Impacted	Opportunity	Threat
Tech usage higher in the young.	Intellectual	Reverse mentoring to benefit older generation's latent tech skills.	Older generations failing to recognize their ability to utilize new technologies.
Higher education levels.	Intellectual	Potential for higher paying jobs. Able to share knowledge with future generations	Higher student debt levels.
Rising obesity levels in the young.	Human	Create Family support systems to address and overcome.	Diminished health. Higher health care costs potentially.
Lower net worth for young.	Financial	Wise use of Family Bank concept may be appropriate.	Makes borrowing more difficult.
Sluggish wage growth.	Financial	Wise use of Family Bank concept may be appropriate.	Slower pace of wealth accumulation.
Rising levels of younger generations living at home.	Financial	Possibility of stronger family ties. Reduces cost of living for young.	Potential for additional family stress.
Lower marriage rates.	Human	Create values based Family Mission Statement.	Fewer family members = fewer family resources.
Lower levels of religious affiliation.	Human	Create values based Family Mission Statement.	Potential threat to spiritual values such as philanthropy.
Women as primary/sole breadwinner	Human / Financial	Growth in job opportunities for women.	If sole breadwinner, fewer family members to earn money. Loss of male "life script".
Working Styles	Human	Reverse mentoring.	Potential generational conflict
Race/Ethnicity	Human	Education from additional diversity of cultures.	Possible erosion of long held values.
Younger generations are more liberal	Human	Reminder to share family values and why they are important if different. Finding ways to bridge gaps.	Potential generational conflict.
Younger generations view of aging	Human	Younger generations can learn that positive views of aging lead to more positive aging experiences.	Negative views on aging could harm view of family capital, if older generations deemed less valuable or unable to flourish.

## Your Family

Now that we've identified the generations, learned about key differences among the generations, and provided our analysis of the differences, what's next?

Our purpose in writing this paper is to provide you with information, ideas, and tools you can use with your own family. As we close, we want to share a few

tools you can use in your family.

To begin with, we've provided you with a blank table where you can fill in the generational threats and opportunities you see and follow with a Generational Relationship Check List.

Difference	Family Capital Impacted	Opportunity	Threat
Tech usage higher in the young.	Intellectual		
Higher education levels.	Intellectual		
Rising obesity levels in the young.	Human		
Lower net worth for young.	Financial		
Sluggish wage growth.	Financial		
Rising levels of younger generations living at home.	Financial		
Lower marriage rates.	Human		
Lower levels of religious affiliation.	Human		
Women as primary/sole breadwinner	Human / Financial		
Working Styles	Human		
Race/Ethnicity	Human		
Younger generations are more liberal	Human		
Younger generations view of aging	Human		

## Generational Relationship Checklist

- Don't dwell on differences
- Build collaborative relationships
- Get to know each other better
- Use reverse mentoring (where younger generations teach tech skills to older generations)
- Have family meetings to discuss these generational issues
- Recognize the similarities present in all generations (as noted below by Jennifer J. Deal, a research scientist with the Center for Creative Leadership)
- Family is the top value for all generations
- Everyone wants respect
- Nobody likes change
- Everyone wants to learn
- Everyone likes feedback

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## Wealth Consilium Survey

Would you like an assessment of how your family resembles these generational stereotypes and learn more about your family's human and intellectual capital?

If so Consilium Wealth Advisory offers an easy, online, anonymous survey that will offer valuable insight to families who want to learn more..

Our clients tells us the survey report is fascinating—

and reveals plenty of opportunities to “connect, collaborate, and continue” as a family.

Finally, we are always happy to talk with people about the **“Family of the Century”** program, should you want to learn more.

Thanks for reading and if you are interested in the surveys, [please send an email to:](#)

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