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It's Official: The Boomerang Kids Won't Leave

By ADAM DAVIDSON JUNE 20, 2014

Annie Kasinecz has two different ways of explaining why, at age 27, she still lives with her mom. In the first version — the optimistic one — she says that she is doing the sensible thing by living rent-free as she plans her next career move. After graduating from Loyola University Chicago, Kasinecz struggled to support herself in the midst of the recession, working a series of unsatisfying jobs — selling ads at the soon-to-be bankrupt Sun-Times, bagging groceries at Whole Foods, bartending — in order to pay down her student loans. But she inevitably grew frustrated with each job and found herself stuck in one financial mess after another. Now that she's back in her high-school bedroom, perhaps she can finally focus on her long-term goals.

But in the second version — the bleaker one — Kasinecz admits that she fears that her mom's house in Downers Grove, Ill., half an hour west of the city, has become a crutch. She has been living in that old bedroom for four years and is nowhere closer to figuring out what she's going to do with her career. "Everyone tells me to just pick something," she says, "but I don't know what to pick."

One in five people in their 20s and early 30s is currently living with his or her parents. And 60 percent of all young adults receive financial support from them. That's a significant increase from a generation ago, when only one in 10 young adults moved back home and few received financial support. The common explanation for the shift is that people born in the late 1980s and early 1990s came of age amid several unfortunate and overlapping economic trends. Those who graduated college as the housing market and financial system were imploding faced the highest debt burden of any graduating class in history. Nearly 45 percent of 25-year-olds, for instance, have outstanding loans, with an average debt above $20,000. (Kasinecz still has about $60,000 to go.) And more

than half of recent college graduates are unemployed or underemployed, meaning they make substandard wages in jobs that don't require a college degree. According to Lisa B. Kahn, an economist at Yale University, the negative impact of graduating into a recession never fully disappears. Even 20 years later, the people who graduated into the recession of the early '80s were making substantially less money than people lucky enough to have graduated a few years afterward, when the economy was booming.

Some may hope that the boomerang generation represents an unfortunate but temporary blip — that the class of 2015 will be able to land great jobs out of college, and that they'll reach financial independence soon after reaching the drinking age. But the latest recession was only part of the boomerang generation's problem. In reality, it simply amplified a trend that had been growing stealthily for more than 30 years. Since 1980, the U.S. economy has been destabilized by a series of systemic changes — the growth of foreign trade, rapid advances in technology, changes to the tax code, among others — that have affected all workers but particularly those just embarking on their careers. In 1968, for instance, a vast majority of 20-somethings were living independent lives; more than half were married. But over the past 30 years, the onset of sustainable economic independence has been steadily receding. By 2007, before the recession even began, fewer than one in four young adults were married, and 34 percent relied on their parents for rent.

These boomerang kids are not a temporary phenomenon. They appear to be part of a new and permanent life stage. More than that, they represent a much larger anxiety-provoking but also potentially thrilling economic evolution that is affecting all of us. It's so new, in fact, that most boomerang kids and their parents are still struggling to make sense of it. Is living with your parents a sign, as it once was, of failure? Or is it a practical, long-term financial move? This was the question that the photographer Damon Casarez, who is 26, asked when he moved in with his parents after graduating from art school. So he started searching for other boomerang kids, using tools like Craigslist. The result is this photo essay. And the answer to whether boomeranging is a good or a bad thing depends, as Kasinecz noted, on how you look at it.

Childhood is a fairly recent economic innovation. For most of recorded history, a vast majority of people began working by age 4, typically on a farm, and were full time by 10. According to James Marten, a historian at Marquette

University and the editor of The Journal of the History of Childhood and Youth, it wasn't until the 1830s, as the U.S. economy began to shift from subsistence agriculture to industry and markets, that life began to change slowly for little kids. Parents were getting richer, family sizes fell and, by the 1850s, school attendance started to become mandatory. By the end of the Civil War, much of American culture had accepted the notion that children under 13 should be protected from economic life, and child-labor laws started emerging around the turn of the century. As the country grew wealthier over the ensuing decades, childhood expanded along with it. Eventually, teenagers were no longer considered younger, less-competent adults but rather older children who should be nurtured and encouraged to explore.

Jeffrey Jensen Arnett, a psychologist at Clark University who coined the term "emerging adulthood," sees boomerang kids as the continuation of this centuries-long trend. Returning home, he told me, is a rational response to a radically different, confusing postindustrial economy. In past generations, most people took whatever work was available and, crucially, learned the necessary skills *on* the job. From 1945 to around 1978, amid the postwar boom, work life in America was especially benign and predictable. The wage gap between rich and poor shrank to its lowest level on record, and economic growth was widely shared.

But we now know that, during the '70s, this system was becoming unhinged. Computer technology and global trade forced manual laborers to compete with machines at home and with low-wage workers in other countries. The changes first affected blue-collar workers, but many white-collar workers performing routine tasks, like office support or drafting or bookkeeping, were also seeing their job prospects truncated. At the same time, these developments were hugely beneficial to elite earners, who now had access to a larger, global market and productivity-enhancing technology. They were assisted by changes in government policy — taxes were cut, welfare programs were eliminated — that further rewarded the wealthy and removed support for the poor.

Millennials' parents could be forgiven for underestimating the consequences of these trends. For most of American history, it was natural for each generation to become richer than the previous one. Now that's no longer true. These changes created a new, far less predictable dynamic — some people would do much better than their parents could have ever dreamed; others would fall

permanently behind. Given the volatility of the changes, the idea of an "average" worker was becoming obsolete. And while much of the discussion about economic inequality has centered on the top 1 percent, it's the gap between the top 20 percent and the rest that's more salient to young people. "That is a dividing point," says Mark Rank, a professor at Washington University in St. Louis. People in the top 20 percent of income — roughly $100,000 in 2013 — have taken nearly all the economic gains of the past 40 years. (Of course, the top 1 percent and, even more so, the top 0.01 percent, has taken a far more disproportionate share).

This uncomfortable fact, which many economists have recently accepted, suggests that we are living not simply in an unequal society but rather in two separate, side-by-side economies. For those who can crack the top 20 percent, there is great promise. Most people in that elite group, Rank told me, will spend at least part of their careers among the truly affluent, earning more than $250,000 a year. For those at work in the much larger pool, there will be falling or stagnant wages and far greater uncertainty. A college degree is an advantage, but it no longer offers any guarantee, especially for those who graduate from lower-ranked for-profit schools. These days, a degree is merely the expensive price of admission. In 1970 only one in 10 Americans had a bachelor's degree, and nearly all could expect a comfortable career. Today, about a third of young adults will earn a four-year-degree, and many of them — more than a third, by many estimates — are unlikely to find lifelong secure employment sufficient to pay down their debt and place them on track to earn more than their parents. If they want a shot at making it into the top 20 percent, they now need to learn a skill *before* they get a job. And for many, even with their parents' help, that's going to be an impossibility.

For all these grim forecasts, people now in their 20s are remarkably optimistic. Arnett, who recently conducted a nationwide poll of the group, discovered that 77 percent still believe they will be better off than their parents. A Pew survey found that only 9 percent of young adults believe they won't be able to afford the lives they want. This combination of confidence in the face of historic uncertainty might seem confusing, but Arnett argues that optimistic boomerang kids might not be as blithely naïve as their parents imagine. Many are rejecting the Dilbertian goal of a steady, if unsatisfying, job for years of experimentation, even repeated failure, that eventually leads to a richly

satisfying career. Sleeping in a twin bed under some old Avril Lavigne posters is not a sign of giving up; it's an economic plan. "Stop dumping on them because they need parental support," Arnett cautioned. "It doesn't mean they're lazy. It's just harder to make your way now than it was in an older and simpler economy."

Adrianne Smith, 28, graduated from the University of Central Florida in 2008 and went to work as a behavioral analyst treating children on the autism spectrum. She was quickly making more than $60,000 a year, but in order to earn that money, "I had a huge caseload," she said, handling 25 clients while paying off more than $40,000 in student loans. She knew of therapists earning $100,000 annually, but they did so by handling 40 or more physically and emotionally demanding cases.

So Smith came up with a more efficient idea. After doing some research on local clinics, she noticed that a rise in autism diagnoses mirrored the rising demand for clinic services. And with the convenience of modern technology, from smartphones to their attendant payment readers, she could build a clinic serving clients in their homes, one that could be leveraged into a larger regional network. With a bit of hustle, Smith thought, she could set herself up with a profitable business that would give her returns for the rest of her life. To afford the start-up costs, she moved back in with her parents, turned her sister's old room into an office where she could work and store toys for her clients, and used what would have been rent money to develop a website and hire a few part-time therapists to make house calls. "I couldn't have opened a clinic without my parents' support," she said. Now when Smith meets peers who deride her for living at home, she replies that it's really just a business incubator.

I wasn't surprised that Arnett was impressed by Smith's plan. But I didn't expect him to praise Kasinecz too. At 27, she had a lot of debt, no career in mind and a series of unsatisfying jobs. I worried that her prospects were dimming, that crossing that 20 percent threshold would seem harder and harder with each passing year. She seemed worried, too. "We're kind of in this limbo phase where we're expected to be these great professionals who come out of college with bomb-ass jobs," she said of her generation. "And then we're like, Wait. I've got 80 grand in debt. How am I supposed to do that?"

Arnett told me, however, that I wasn't seeing her hidden strengths. In fact, he would be far more worried if she had done what the previous generations did — stayed in whatever job she took after graduating, no matter how little she liked

it — or if she were similarly underemployed but expressed no urgency about finding a better job. Kasinecz, he said, was still searching for the right fit and refusing to settle for anything less. Somewhat counterintuitively, Arnett said, it's the people most actively involved in this struggle, the ones who at times seem totally lost, who are likely to find their way. Kasinecz seemed to know this, too. And in that sense, she was emblematic of a generation in which there are no more average workers and even less certainty. Kasinecz may well find a job she likes and, eventually, the right career — even if she terrifies her mother, herself and a few hand-wringing economists in the process.

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