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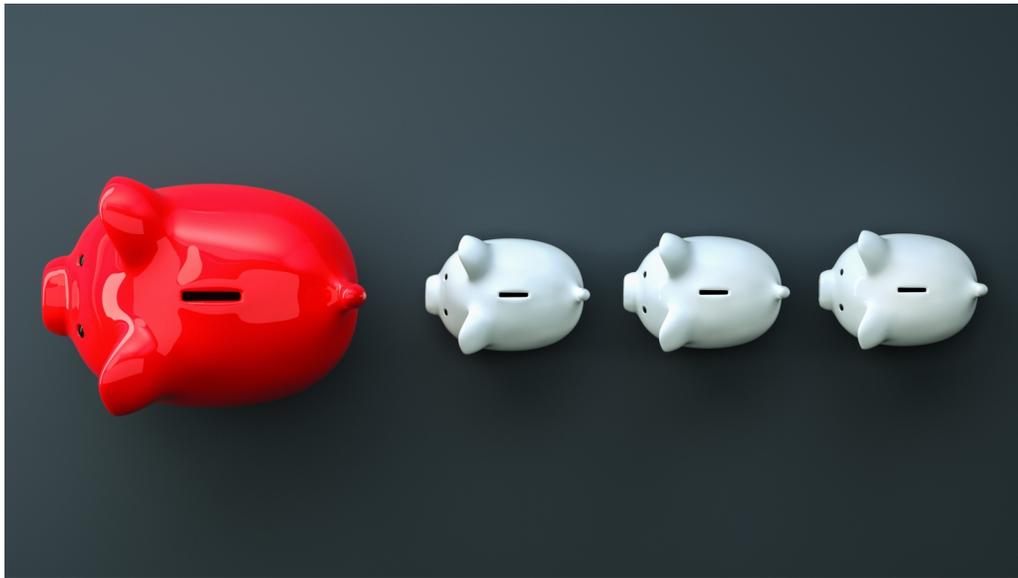


OPINION

## Opinion | Advice for millennials

Before millennials can change society, let alone the world, they must change themselves.

By ALLEN MENDENHALL • Published on March 13, 2023 at 8:03 am CDT



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Opinion | Advice for millennials

**M**illennials are hurting. Recently The Wall Street Journal ran an article titled "Americans in their 30s are piling on debt." The author, Gina Heeb, claimed that Americans "in their 30s have racked up debt at a historic clip since the pandemic." "Their balances," she wrote, "hit more than \$3.8 trillion in the fourth quarter."

Heeb warned that "the debt buildup could worsen a generational wealth gap that was already on the rise for millennials." She factored inflation, interest rates, childcare, home prices, cost of living, and student loan debt as causes.

There's more to the story: millennials, the largest demographic in our workforce, began their careers during the Great Recession, a period of low wages and high unemployment. Their struggle to find good jobs and build careers made it difficult for them to pay off loans and debt. Businesses during the recession froze hiring and cut staff, salaries, and benefits. Millennials fell behind. As of 2020, [over half of adults between 18 and 29](#) still lived with their parents.



Student loans, university administrative staff, the race to improve and expand facilities—these magnified the costs of higher education. As a result, millennials took on substantial debt to pay for college.

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Those whose parents could afford the price of college began careers ahead of students from low-income families who depended on loans and worked through college, sacrificing study time to earn rent money through odd jobs and menial labor.

Some millennials believe they can't find jobs as easily as their parents did. They don't want to work for an employer for decades until they earn a company watch or their names on a plaque. Many of them work freelance jobs or part-time gigs lacking health insurance benefits or retirement contributions. Some may enjoy the flexibility that contract work provides, but others would prefer more stability.

What's to be done?

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Mass student-loan forgiveness isn't the answer, although anyone with student loan debt should research whether they're eligible for income-based repayment plans or loan forgiveness under current rules.

Families should continue supporting their adult children or relatives. Maybe it's good that so many young adults still live with their parents. After all, aren't families supposed to be close and nurturing? For centuries extended families cohabitated, if not in the same house, then at least on the same land. If parents aid their children well into adulthood, might the children one day reciprocate, taking care of their parents who reach old age? Is it so bad to see hearth and home return to the center of community?

Regardless, millennials must learn to budget, save, and invest, ensuring that expenses don't exceed incomes. They must put away for retirement even if retirement seems far off.

Rather than ordering new credit cards, millennials should avoid debt by living within their means. If they receive tax refunds, they should save or invest them, or use them to pay off debt, but they shouldn't spend them on luxury goods or exotic vacations. They should build an emergency fund for unforeseeable exigencies such as home or vehicle repairs.

Millennials are sometimes accused of embracing socialism, but that does not appear to be so. [A 2019 Gallup poll](#) suggested that half of young adults viewed

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socialism favorably. Yet the same poll indicated that 83 percent viewed “free enterprise” favorably.

That’s promising. Free enterprise will help millennials as older generations age out of the workforce. Free enterprise yields competition, which, in turn, incentivizes companies to innovate, produce goods more efficiently, and allocate resources more effectively. The net result is to boost production, increase demand for labor, and multiply opportunities.

Millennials should embrace entrepreneurship and challenge barriers to entry that stifle innovation. People should be free to discover and create, find needed fixes to difficult problems, improve existing technologies, invent new products, and cultivate partnerships in different markets.

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But before millennials, or other younger generations for that matter, can change society, let alone the world, they must change themselves. They must work hard, improve their credit scores, pay bills on time, avoid bank overdrafts and excessive borrowing, consolidate debt into lower interest loans, establish sound financial goals, and invest (if possible) in diversified funds or assets that appreciate in value.

Millennials, heed the words of Benjamin Franklin: “Beware of little expenses; a small leak will sink a great ship.” And hang in there! I’m a millennial too, and I can feel it: Spring is just around the corner.

*Note: This article is adapted from Allen Mendenhall’s regular segment “Word to the Wise” on Troy Public Radio. ■*

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