



## What millennials already know about growing old

By Laura L. Carstensen

WE THINK OF THEM AS FOREVER YOUNG. BUT MILLENNIALS are the first generation in human history who can not only anticipate reaching the age of 90 in large numbers but who will spend about one-third of their lives as what we now refer to as “old people.”

This is a hugely significant change, and one that comes with many implications. Even today, with the exception of occasional hand-wringing about Social Security and Medicare, policymakers spend no time thinking about what it means for the U.S. to have an estimated 8 million people in their 90s by the year 2050.

We’ve never had to ask what the 20s and 30s should look like when lives extend into the 90s and, for many, beyond 100 years. Are millennials living their lives differently from earlier generations? We undertook the Sightlines Project ([sightlinesproject.stanford.edu](http://sightlinesproject.stanford.edu)) at the Stanford Center on Longevity in order to address such questions. Sightlines focuses on metrics related to healthy lifestyles, social engagement and financial security, which predict long-term outcomes. We examine how six different age groups compare with people at the same age just 10 to 20 years ago. This way, we produce dynamic snapshots of changes early on that foreshadow the future population.

**WE FIND GOOD NEWS** about millennials. Smoking rates are starkly down, and exercise is up. More than young people in the past, millennials have friends they count on in tough times. More millennials have college degrees than do prior generations, and there is no better predictor of functioning well at advanced ages than education.

Yet when we turn to financial security, there are alarming signs. Millennial poverty is up, and employment is down, college debt is more than five times what it was just 20 years ago, and for those saddled with debt a more frightening financial picture emerges. Both home ownership and participation in retirement savings accounts, the two avenues that Americans follow to secure their financial futures, are starkly down in a generation that needs to prepare for lives of unprecedented length. More than a quarter of millennials report that they could not cover a \$3,000 emergency, whether with their own savings or by borrowing from family or friends, and thus live day to day with the knowledge that one mistake or accident could lead to financial ruin.

If we unpack the larger set of findings about millennials, however, we can see the outlines of a new model that (with some key alterations) could make sense in this era of long life. Many people have noted—and disparaged—the fact that so many millennials still live with their parents. Millennials are also less

### MILLENNIAL MARKERS



#### Financial challenges

More than two-thirds of the most educated generation are in debt from credit cards and student loans, while participation in savings accounts has dropped in the age group.



#### Wiser choices

Less than 30% of millennials smoke tobacco—a one-fifth decline from their predecessors in 1999. They also have more reliable social networks than those their age did in 1995.

likely to be married or have children than were Gen X-ers or boomers at the same age. But these habits could be the right approach for a generation that could find itself working into its 70s or beyond and perhaps never retiring. Viewed that way, living with parents isn’t a sign of failure but an adaptation to new family structures that include fewer siblings and cousins but more generations under the same roof. It allows them to nurture multiple lifelong friendships when previous 20-somethings were busy looking for spouses. If millennials face six decades of work instead of four, and lives that could stretch even longer, leaving home at 18 or even 22 may make little sense.

**IF LIVING WITH PARENTS LONGER** allows young people to pay down debt and save for their futures, it would have great merit. Under the best of circumstances, millennials are likely to change jobs several times. Being financially prepared not just for emergencies but for periods between jobs will be even more important than it is today. Modest investments in savings vehicles, like Roth IRAs, which allow after-tax contributions to grow without ever being taxed again, can allow compound interest to work magic across many decades. Opening tax-advantaged education accounts can help people return to school as they interweave work with education. Living with Mom and Dad could allow millennials to save for down payments on houses. Imagine buying a house at 35 (instead of 25) and paying off the mortgage at 65, just as you approach the last third of life, offering flexibility to help children, travel, make philanthropic gifts or return to school.

That’s a bright prospect. But it takes planning. Which isn’t in our nature. Very elderly people often remark that they arrived at old age by surprise—most of their peers didn’t make it. Which is a reminder: the next time the conversation turns to longevity, let’s talk about the young.

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