

Insecure, pressured,
over-taxed and debt-
ridden youth (ipod)



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THE IPOD GENERATION

The young adults of today, the under-35s, are often referred to as the IPOD generation. This both connects them with the latest technology and design that the sleek IPOD represents, and according to David Smith in a recent article in the Sunday Times, stands as an acronym for insecure, pressured, overtaxed, and debt-ridden. Labels such as these designate a generation that is experiencing an environment and reaction both negative to itself and to the future prosperity of Britain. They call to question both whether the current situation could have been avoided, and what can be done to more fully integrate the IPOD generation into British prosperity now.

It is perhaps easiest to consider the four labels of the IPOD acronym in reverse order. First, the generation is debt-ridden. This is due not only to an increase in ease of acquiring consumer credit, but also to changing attitudes about debt and an increase in educational costs. Credit is easier to obtain than ever before, with many of the IPOD generation having multiple credit cards and getting them whilst still in school. Various banks and lending institutions, who make high profits from consumers carrying credit balances on such cards, often target young adults who may not be ready to responsibly manage debt. Where once young adults assumed they would need to work and save to emulate their parents' standards of living, today's young adults are encouraged towards immediate gratification. They can buy a car on credit, fill the tank on credit, furnish their first place on credit, and so on until their credit limits are reached. Then they are strapped, spending years paying off a quick path to a "higher" standard of living.

Additionally, many young adults leave university with high student loan debt. This reflects both a change in education and a change in the overall British economy. At one time there were well-paying jobs for those chose not to attend university. Many could enter into manufacturing and similar positions with an expectation of job stability and reasonable pay and job security. However, in the past twenty years the British economy has shifted. Many of these “secure” manufacturing jobs have been transferred to Asia and similar countries, where companies can secure workers for much lower wages. Computers and technology have changed the face of many of the jobs that remain, requiring a higher educational level for those wanting a reasonable wage. As a result, the number of young adults going on to university has increased eight times over since the 1960s. Although they feel it necessary to extend their education to have any shot at a well-paying job, this has made university education more commonplace and therefore worth less in the marketplace. Most students have responsibility for some or all of their educational expenses, and resort to loans.

Many of the IPOD generation are therefore leaving university having pounds ten or twenty thousand or more in student debt without the job prospects previous generations enjoyed. They spend years in unstable positions, combating their acquired debt and high rents. The property ladder is not even a consideration, at least not for many years.

To make matters more difficult, the IPOD generation is also over-taxed. This is the first generation who is on the losing end of the welfare bargain, who will pay more into the system than they receive from it. First, the large number of aging baby boomers require greater expenditures by the <https://assignbuster.com/insecure-pressured-over-taxed-and-debt-ridden-youth-ipod/>

government on health care and pensions. This requires current workers, including young adults, to shoulder a greater share of the tax burden. This is likely to only become worse over the next two decades, and politicians continue to be slow to cater to the needs of young adults, as the IPOD generation is both fewer and less likely to vote than their older counterparts. Young adults also receive fewer benefits from the state. They are not only expected to pay for their own education, as mentioned above, but health care and pension costs previously mentioned leave less money for other government programmes that might benefit them. Their tax burden, therefore, is disproportionate and a great hamperance to their full integration into and enjoyment of economic opportunities.

A combination of these high taxes and debt leave the IPOD generation pressured. There is a societal expectation that they should be exceeding their parents in lifestyle and success, yet good jobs are few and they have greater obligations from society economically. They must learn to juggle high debt and high taxes at increasingly an young age, often with little hope of escape from such a situation. For example, moving to another part of the country with lower taxes also typically means fewer job prospects and those jobs having lower wages.

In addition, some believe the integration of the UK into the European Union also puts pressure on the IPOD generation. On one hand, British participation opens the opportunities for companies to sell product in a wider market. However, this is more likely to benefit business owners, whom are typically of the older generations, rather than entry-level workers. Increased opening of British job markets to other Europeans actually increases the number of
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potential workers. This also disproportionately affects younger adults, as workers from some other countries will compete for entry-level and less-skilled jobs, and are often willing to work at much lower wages. This means young adults from Poland, for example, can compete for British jobs, although British young adults are unlikely to benefit similarly from job opportunities in Poland. Such political changes in the both the UK and global environment put additional pressure on the IPOD generation.

All the above leaves the young adults of today increasingly insecure. They can no longer count on job opportunities, even if they have invested the time and expense in additional education. Debt and high tax burdens leave today's young adults with less available capital, and less prospect of available capital. This makes them less inclined to risk or to venture into entrepreneurial activity. The IPOD generation in Britain are not only less likely to engage in entrepreneurial pursuits than previous generations, but, according to Smith's report in the Sunday Times, less likely than youth in America, Australia, New Zealand, or Ireland. This indicates such insecurity is particularly a British phenomena, even with the number of wider economic shifts that contribute.

Concerns are rising of the impact of all of this on the future of the British economy. An insecure generation that does not create business also does not create jobs or a tax base. Over time, this further opens British markets to competition from non-British firms. The economy begins to slide, increasing the tax burden on those who are working or trying to develop business pursuits, which hampers their success and makes other potential British entrepreneurs even more insecure and adverse to risk. This has the potential

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to become a downward circle, with continuing negative impact on the UK economy as a whole and the IPOD generation in particular.

Whilst there are certainly steps that could have been undertaken to lessen the pressure on the IPOD generation, as noted above some of the impact is simply the result of economic and demographic shifts in the economy. In regard to debt, tighter government regulation of credit and tighter credit requirements would reduce debt in the IPOD generation, as would increased government investment in higher education, and programmes to provide other job skills as an alternative to university. Certainly the government could have also anticipated rising health and pension costs and taken steps to alleviate some of tax burden on today's young adults. Instead, the government appears to be making decisions based on current votes, rather than future economic needs. Increasing affordable housing or programmes for new businesses would additionally address the pressure and insecurity experienced by the IPOD generation. However, all these require both advance planning and the willingness of the government to make difficult decisions that will be also undoubtedly unpopular to older people. Politically, this appears unlikely, although such steps could still be undertaken now.

Some possible avenues to address the needs of the IPOD generation, however, are being considered. A Reform study of the problems facing the IPOD generation contradict Tony Blair's agenda to increase school leavers who pursue additional education to fifty percent. That plan, the study contends, would flood the job market with over-educated workers who will not be able to get ample return on their educational investment. The Reform

study instead recommends focusing on increasing job skills based on the country's economic needs.

Suggestions include changing recruitment of school leavers and job seekers to assist young adults in securing stable, reasonably paying employment, and implementing apprenticeship plans where young adults can develop job skills needed by the current and future economy without incurring high debt or investing potential earning years in university education that may not provide the same return that it did for previous generations. Both these suggestions would be a step towards assisting the IPOD generation in becoming more economically viable, but larger issues requiring government intervention, as discussed above, are additionally needed to truly address the situation.