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American Dream Is Elusive for New Generation

By LOUIS UCHITELLE

GRAFTON, Mass. — After breakfast, his parents left for their jobs, and Scott Nicholson, alone in the house in this comfortable suburb west of Boston, went to his laptop in the living room. He had placed it on a small table that his mother had used for a vase of flowers until her unemployed son found himself reluctantly stuck at home.

The daily routine seldom varied. Mr. Nicholson, 24, a graduate of [Colgate University](#), winner of a dean's award for academic excellence, spent his mornings searching corporate Web sites for suitable job openings. When he found one, he mailed off a résumé and cover letter — four or five a week, week after week.

Over the last five months, only one job materialized. After several interviews, the Hanover Insurance Group in nearby Worcester offered to hire him as an associate claims adjuster, at \$40,000 a year. But even before the formal offer, Mr. Nicholson had decided not to take the job.

Rather than waste early years in dead-end work, he reasoned, he would hold out for a corporate position that would draw on his college training and put him, as he sees it, on the bottom rungs of a career ladder.

"The conversation I'm going to have with my parents now that I've turned down this job is more of a concern to me than turning down the job," he said.

He was braced for the conversation with his father in particular. While Scott Nicholson viewed the Hanover job as likely to stunt his career, David Nicholson, 57, accustomed to better times and easier mobility, viewed it as an opportunity. Once in the door, the father has insisted to his son, opportunities will present themselves — as they did in the father's rise over 35 years to general manager of a manufacturing company.

"You maneuvered and you did not worry what the maneuvering would lead to," the father said. "You knew it would lead to something good."

Complicating the generational divide, Scott's grandfather, William S. Nicholson, a World War II veteran and a retired stock broker, has watched what he described as America's once mighty economic engine losing its pre-eminence in a global economy. The grandfather has encouraged his unemployed grandson to go abroad — to "Go West," so to speak.

"I view what is happening to Scott with dismay," said the grandfather, who has concluded, in part from reading *The Economist*, that Europe has surpassed America in offering opportunity for an ambitious young

man. “We hate to think that Scott will have to leave,” the grandfather said, “but he will.”

The grandfather’s injunction startled the grandson. But as the weeks pass, Scott Nicholson, handsome as a Marine officer in a recruiting poster, has gradually realized that his career will not roll out in the Greater Boston area — or anywhere in America — with the easy inevitability that his father and grandfather recall, and that Scott thought would be his lot, too, when he finished college in 2008.

“I don’t think I fully understood the severity of the situation I had graduated into,” he said, speaking in effect for an age group — the so-called millennials, 18 to 29 — whose unemployment rate of nearly 14 percent approaches the levels of that group in [the Great Depression](#). And then he veered into the optimism that, polls show, is persistently, perhaps perversely, characteristic of millennials today. “I am absolutely certain that my job hunt will eventually pay off,” he said.

For young adults, the prospects in the workplace, even for the college-educated, have rarely been so bleak. Apart from the 14 percent who are unemployed and seeking work, as Scott Nicholson is, 23 percent are not even seeking a job, according to data from the [Bureau of Labor Statistics](#). The total, 37 percent, is the highest in more than three decades and a rate reminiscent of the 1930s.

The college-educated among these young adults are better off. But nearly 17 percent are either unemployed or not seeking work, a record level (although some are in graduate school). The unemployment rate for college-educated young adults, 5.5 percent, is nearly double what it was on the eve of the Great Recession, in 2007, and the highest level — by almost two percentage points — since the bureau started to keep records in 1994 for those with at least four years of college.

Yet surveys show that the majority of the nation’s millennials remain confident, as Scott Nicholson is, that they will have satisfactory careers. They have a lot going for them.

“They are better educated than previous generations and they were raised by baby boomers who lavished a lot of attention on their children,” said Andrew Kohut, the [Pew Research Center](#)’s director. That helps to explain their persistent optimism, even as they struggle to succeed.

So far, Scott Nicholson is a stranger to the triumphal stories that his father and grandfather tell of their working lives. They said it was connections more than perseverance that got them started — the father in 1976 when a friend who had just opened a factory hired him, and the grandfather in 1946 through an Army buddy whose father-in-law owned a brokerage firm in nearby Worcester and needed another stock broker.

From these accidental starts, careers unfolded and lasted. David Nicholson, now the general manager of a company that makes tools, is still in manufacturing. William Nicholson spent the next 48 years, until his retirement, as a stock broker. “Scott has got to find somebody who knows someone,” the grandfather said, “someone who can get him to the head of the line.”

While Scott has tried to make that happen, he has come under pressure from his parents to compromise: to take, if not the Hanover job, then one like it. “I am beginning to realize that refusal is going to have

repercussions,” he said. “My parents are subtly pointing out that beyond room and board, they are also paying other expenses for me, like my cellphone charges and the premiums on a life insurance policy.”

Scott Nicholson also has connections, of course, but no one in his network of family and friends has been able to steer him into marketing or finance or management training or any career-oriented opening at a big corporation, his goal. The jobs are simply not there.

The Millennials’ Inheritance

The Great Depression damaged the self-confidence of the young, and that is beginning to happen now, according to pollsters, sociologists and economists. Young men in particular lost a sense of direction, Glen H. Elder Jr., a sociologist at the [University of North Carolina](#), found in his study, “Children of the Great Depression.” In some cases they were forced into work they did not want — the issue for Scott Nicholson.

Military service in World War II, along with the G.I. Bill and a booming economy, restored well-being; by the 1970s, when Mr. Elder did his retrospective study, the hardships of the Depression were more a memory than an open sore. “They came out of the war with purpose in their lives, and by age 40 most of them were doing well,” he said, speaking of his study in a recent interview.

The outlook this time is not so clear. Starved for jobs at adequate pay, the millennials tend to seek refuge in college and in the military and to put off marriage and child-bearing. Those who are working often stay with the jobs they have rather than jump to better paying but less secure ones, as young people seeking advancement normally do. And they are increasingly willing to forgo raises, or to settle for small ones.

“They are definitely more risk-averse,” said Lisa B. Kahn, an economist at the [Yale School of Management](#), “and more likely to fall behind.”

In a recent study, she found that those who graduated from college during the severe early ’80s recession earned up to 30 percent less in their first three years than new graduates who landed their first jobs in a strong economy. Even 15 years later, their annual pay was 8 to 10 percent less.

Many hard-pressed millennials are falling back on their parents, as Scott Nicholson has. While he has no college debt (his grandparents paid all his tuition and board) many others do, and that helps force them back home.

In 2008, the first year of the recession, the percentage of the population living in households in which at least two generations were present rose nearly a percentage point, to 16 percent, according to the Pew Research Center. The high point, 24.7 percent, came in 1940, as the Depression ended, and the low point, 12 percent, in 1980.

Striving for Independence

“Going it alone,” “earning enough to be self-supporting” — these are awkward concepts for Scott Nicholson and his friends. Of the 20 college classmates with whom he keeps up, 12 are working, but only half are in

jobs they “really like.” Three are entering law school this fall after frustrating experiences in the work force, “and five are looking for work just as I am,” he said.

Like most of his classmates, Scott tries to get by on a shoestring and manages to earn enough in odd jobs to pay some expenses.

The jobs are catch as catch can. He and a friend recently put up a white wooden fence for a neighbor, embedding the posts in cement, a day’s work that brought Scott \$125. He mows lawns and gardens for half a dozen clients in Grafton, some of them family friends. And he is an active volunteer firefighter.

“As frustrated as I get now, and I never intended to live at home, I’m in a good situation in a lot of ways,” Scott said. “I have very little overhead and no debt, and it is because I have no debt that I have any sort of flexibility to look for work. Otherwise, I would have to have a job, some kind of full-time job.”

That millennials as a group are optimistic is partly because many are, as Mr. Kohut put it, the children of doting baby boomers — among them David Nicholson and his wife, Susan, 56, an executive at a company that owns movie theaters.

The Nicholsons, whose combined annual income is north of \$175,000, have lavished attention on their three sons. Currently that attention is directed mainly at sustaining the self-confidence of their middle son.

“No one on either side of the family has ever gone through this,” Mrs. Nicholson said, “and I guess I’m impatient. I know he is educated and has a great work ethic and wants to start contributing, and I don’t know what to do.”

Her oldest, David Jr., 26, did land a good job. Graduating from Middlebury College in 2006, he joined a Boston insurance company, specializing in reinsurance, nearly three years ago, before the recession.

“I’m fortunate to be at a company where there is some security,” he said, adding that he supports Scott in his determination to hold out for the right job. “Once you start working, you get caught up in the work and you have bills to pay, and you lose sight of what you really want,” the brother said.

He is earning \$75,000 — a sum beyond Scott’s reach today, but not his expectations. “I worked hard through high school to get myself into the college I did,” Scott said, “and then I worked hard through college to graduate with the grades and degree that I did to position myself for a solid job.” (He majored in political science and minored in history.)

It was in pursuit of a solid job that Scott applied to Hanover International’s management training program. Turned down for that, he was called back to interview for the lesser position in the claims department.

“I’m sitting with the manager, and he asked me how I had gotten interested in insurance. I mentioned Dave’s job in reinsurance, and the manager’s response was, ‘Oh, that is about 15 steps above the position you are interviewing for,’ ” Scott said, his eyes widening and his voice emotional.

Scott acknowledges that he is competitive with his brothers, particularly David, more than they are with him. The youngest, Bradley, 22, has a year to go at the [University of Vermont](#). His parents and grandparents pay his way, just as they did for his brothers in their college years.

In the Old Days

Going to college wasn't an issue for grandfather Nicholson, or so he says. With World War II approaching, he entered the Army not long after finishing high school and, in the fighting in Italy, a battlefield commission raised him overnight from enlisted man to first lieutenant. That was "the equivalent of a college education," as he now puts it, in an age when college on a stockbroker's résumé "counted for something, but not a lot."

He spent most of his career in a rising market, putting customers into stocks that paid good dividends, and growing wealthy on real estate investments made years ago, when Grafton was still semi-rural. The brokerage firm that employed him changed hands more than once, but he continued to work out of the same office in Worcester.

When his son David graduated from Babson College in 1976, manufacturing in America was in an early phase of its long decline, and Worcester was still a center for the production of sandpaper, emery stones and other abrasives.

He joined one of those companies — owned by the family of his friend — and he has stayed in manufacturing, particularly at companies that make hand tools. Early on, he and his wife bought the home in which they raised their sons, a white colonial dating from the early 1800s, like many houses on North Street, where the grandparents also live, a few doors away.

David Nicholson's longest stretch was at the [Stanley Works](#), and when he left, seeking promotion, a friend at the Endeavor Tool Company hired him as that company's general manager, his present job.

In better times, Scott's father might have given his son work at Endeavor, but the father is laying off workers, and a job in manufacturing, in Scott's eyes, would be a defeat.

"If you talk to 20 people," Scott said, "you'll find only one in manufacturing and everyone else in finance or something else."

The Plan

Scott Nicholson almost sidestepped the recession. His plan was to become a Marine Corps second lieutenant. He had spent the summer after his freshman year in "platoon leader" training. Last fall he passed the physical for officer training, and was told to report on Jan. 16.

If all had gone well, he would have emerged in 10 weeks as a second lieutenant, committed to a four-year enlistment. "I could have made a career out of the [Marines](#)," Scott said, "and if I had come out in four years, I would have been incredibly prepared for the workplace."

It was not to be. In early January, a Marine Corps doctor noticed that he had suffered from childhood asthma. He was washed out. "They finally told me I could reapply if I wanted to," Scott said. "But the sheen was gone."

So he struggles to get a foothold in the civilian work force. His brother in Boston lost his roommate, and early last month Scott moved into the empty bedroom, with his parents paying Scott's share of the \$2,000-a-month rent until the lease expires on Aug. 31.

And if Scott does not have a job by then? "I'll do something temporary; I won't go back home," Scott said. "I'll be a bartender or get work through a temp agency. I hope I don't find myself in that position."