Advance Praise

“Read it and weep, millennials. Philip Klein efficiently demonstrates why it is remarkable that there is not generational conflict. Yet.”

—GEORGE F. WILL

“Philip Klein has written a powerful wake-up call to the rising generation. He shows just how badly millennials have been disserved by decades of reckless public policy, but he also offers them some ways forward. This is essential reading for anyone who thinks our politics must care about the future.”

—YUVAL LEVIN, author of The Fractured Republic and editor of National Affairs

“Both political parties in Washington are drunk on debt, and Klein is begging millennials to demand that DC sober up before it’s too late. Rather than bashing or ridiculing our generation with lazy stereotypes, Fear Your Future offers a rigorous diagnosis of the daunting fiscal challenges on our collective plate. Fellow millennials, please join me in taking a short break from scrolling through Instagram to read this short, digestible book. The clock is ticking, and we’re getting screwed.”

—GUY BENSON, political editor of Townhall.com and Fox News contributor
“A terrific book. Philip Klein meticulously details the economic challenges faced by millennials—and why more government regulation, debt, and taxes are not the answer.”

—Brian Riedl, senior fellow at the Manhattan Institute
Fear Your Future
FEAR YOUR FUTURE

How the Deck Is Stacked against Millennials and Why Socialism Would Make It Worse

Philip Klein
For my son
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Fear Your Future
Introduction

In early 2018, a large recurring poll of young Americans conducted by the Harvard Kennedy School Institute of Politics asked, “At this moment, would you say that you are more hopeful or fearful about the future of America?” In response, 64 percent—or nearly two-thirds of those aged 18 to 29—said that they were more fearful, compared with just 33 percent who said they were more hopeful.¹

The abstract concept of the American Dream is often distilled to mean the hope and expectation that the next generation will be better off than their parents. Instead, as millennials² transition to adulthood, their generation has been beset with a deep sense of foreboding about the grim future that awaits them.

It would be easy to dismiss this pessimism as a common feature of younger adults facing an uncertain future. Struggling to cope with all the “natural shocks that flesh is heir to” goes back to Shakespeare.³ Some of the greatest American novels ever published, from “Lost Generation” chroniclers Ernest Hemingway and F. Scott Fitzgerald, explore the dark underbelly of the American Dream. The 1970s—a decade
that saw Vietnam, Watergate, rising crime, oil shocks, and stagflation—certainly wasn’t a high time for optimism in the United States. Today millennials carry around iPhones in their pockets that have more computing power than all of NASA had in the 1960s when it sent the first men to the moon.\textsuperscript{4} Those who take a broader view of the sweep of history, who lived through tumultuous times and witnessed progress, have difficulty producing much sympathy for younger Americans.

As such, millennials may be the most mocked generation in American history. The stereotypes abound. Millennials all think they’re special snowflakes. They use social media to deliver play-by-play commentaries on their activities, from shopping for clothes to flossing their teeth. And of course, they have a psychotic obsession with avocado toast.

However, for all the joking directed toward them, millennials have legitimate reasons to be resentful, particularly toward baby boomers.\textsuperscript{5} It was the baby boomers who grew up during a massive postwar expansion in America, amassed tremendous wealth, selfishly refused to grapple with any of the nation’s serious problems, and left a staggering level of debt and obligations for future generations.

As millennials grow up and try to form families, they will be entering a period in which federal debt will reach the highest sustained levels in American history. Unlike baby boomers, who will avoid the consequences, millennials will have to confront them head on. Absent action, millennials
will be staring at a crisis, facing some combination of crushing tax increases, massive inflation, sky-high interest rates, and sudden, significant cuts to retirement programs when they reach their twilight years.

Even though millennials have little reason to believe that retirement programs will deliver what’s been promised to them, they are hamstrung in preparing. The reason is that despite recent economic improvement, they were held back by uncontrollable growth in college costs that have saddled them with student debt, even as housing and health care costs have gone up.

As millennials have asserted themselves through popular culture and online media, and exerted more influence politically, the debate surrounding them has become polarizing. Given that millennials tend to be much more liberal, conservatives are often dismissive of their complaints as whining from an overly pampered generation, while those on the Left see an opportunity to steer the younger cohort toward their vision for a more expansive role for government. This book is an attempt to break away from this false dichotomy.

Millennials face twin challenges—chasing rising living costs and absorbing unprecedented federal debt. Politicians have been promising that they can solve the generation’s economic woes through massive government programs—free college, free health care, subsidized housing, guaranteed jobs, and so on. But socializing major sectors of the U.S. economy, far from solving millennials’ problems, will only
make their situation worse by adding to the already unsustainable federal debt that threatens their futures. So yes, millennials face obstacles, but there’s a risk that this leads them to make a fatal error by embracing seemingly easy solutions that in reality would irreversibly alter the trajectory of American history.

It doesn’t have to end this way. As noted in the last chapter of this book, there are plenty of policy options that could be implemented now to secure the American Dream for future generations. Yet in the current political climate, we are no longer in a position to even have a debate about the various fixes, because both parties have decided it’s more convenient to ignore the debt problem. Millennials can change this. By the 2020 election, millennials are expected to surpass baby boomers as the largest adult population, giving them tremendous political influence. Were they to harness that power to demand changes, they could steer the nation toward a different course. But first, they have to wake up to the problem—and rise up.
PART I

Fear Your Future
Over the course of its history, the United States has had periods in which the federal government has held massive amounts of debt for a relatively short time. There have also been periods in which the government has run manageable deficits for an extended period of time. As they come of age, millennials are inheriting a fiscal situation unlike the one encountered by any previous generation: massive, historically high debt levels, persisting for as far as the eye can see. This is true no matter which way one wants to measure the debt.

Figure 1.1 charts the growth in publicly sold debt as a percentage of the economy ever since George Washington’s first term in 1790 and projects it out all the way to 2049, based on data and estimates from the Congressional Budget Office. The long-term trend, up until now, has been that it has spiked during moments of war and economic distress, and then retreated. But what’s happening now is markedly different in terms of the magnitude, duration, and circumstances.