

**EPISODE 1387**

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**FT:** So Money is brought to you by CNET, the site that shows how to navigate change all around us. So Money episode 1387, a close look at millennials and their money, with Charlotte Cowles of The New York Times.

*“**CC:** We're like kind of wimpy, failure to launch kids who were always given like participation trophies, right? And now, we can't get it together because we don't have the executive function to stop eating avocado toast or whatever. And millennials are aware of this. It's not like we've never heard this. I mean, millennials have a sense of humor about these stereotypes as well.”*

[INTRO]

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**FT:** Welcome to So Money, everybody. I'm Farnoosh Torabi. Millennials are all grown up. Some are approaching 40 years old and wondering, “Why am I not further along?” As our guest today says, this has many in this generation afraid. Charlotte Cowles joins us. She's a freelance writer for The New York Times and columnist for New York Magazine's The Cut. Her latest piece for The New York Times is called Why Millennials are Facing More Anxiety Than Ever.

A 2018 report by the Federal Reserve Board, for example, found that millennials have lower earnings, fewer assets, and less wealth in general compared with their parents. So Charlotte spent the past several months speaking to more than 30 millennials from across the country about their money, from actors, to watch makers, scientists, comedians, and a common emotional thread was fear. In our conversation, we dive into some of these profiles. Are their fears really justified? And how would they go back in time and change some of their choices, if at all? Here's Charlotte Cowles.

[INTERVIEW]

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**FT:** Charlotte Cowles, welcome to So Money.

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**CC:** Thank you. Thanks so much for having me.

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**FT:** Absolutely. I am so thrilled to have you on the show. It is just such an honor. You were on the show previously as a respected financial journalist, money journalist. It's no secret I love your work and your latest piece for The New York Times. Such an important story where you captured all these different stories related to today's millennials in our country. The title of the story is Why Millennials are Facing More Anxiety Than Ever, a big, big feature in the Times, both online and print. You interviewed about 30 different millennials from all over about their money and maybe not so surprisingly discovered that the underlying emotion they all shared is fear.

I'll let you just sort of take it from here and give us a bit of what even drew you to this story. Because we know millennials, they get a lot of headlines. They get a lot of media coverage but —

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**CC:** I should say we do. I am also a millennial.

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**FT:** I was born in 1980, so I have the opportunity to kind of sometimes pretend I'm a millennial and then sometimes pretend I'm Gen X, whichever is frankly working in my favor at the time. I'm honest. But why was this angle, Charlotte, so important for you to explore?

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**CC:** Well, I thought it was really interesting. I've spoken to tons of people about their money over the years, and there has always been this underlying sense that we aren't doing it right. Or even people who are doing everything right can never quite catch up or feel behind their peers, behind previous generations, behind where they wanted to be in their own lives. I think part of that, there's a ton of different reasons for that. One of them, I think, a big one that no one would really dispute is that we graduated into a recession, the Great Recession, a really big that one that took a very long time for the country to come out of.

I actually graduated from college in 2007, got a really cool job that I was very excited about, and then lost it in the fall of 2008, which was when a lot of other people lost their jobs too. So I can very much relate to the anxieties and fears that I think a lot of people in my generation had in their early professional lives. Then moving along, here we are. Most millennials are now in their 30s. Some are even – According to the pew definition, the oldest millennials were born in 1981. So that would mean that the oldest millennials are turning 41 this year. I'll be 38. We're now dealing with the highest inflation of our lifetimes and various fallouts from the pandemic in this economy.

This is an age when our parents had already had us in most cases, already had homes, were settled in their careers, and things just feel very precarious. We have a really high debt burden. Student loans continue to be a crisis. Even people who didn't go to college often are – It's not like they got off free. They also have various challenges in making a living wage. So it really is just a confluence of different economic headwinds that we have faced at different periods, really just a combination of bad timing, and sort of being raised during a time of relative access when we were told that if we went to school and did well and got good grades and worked hard, then the world was our oyster. That has not been the case. I think there's also the imbalance of expectations that has hit us pretty hard too.

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**FT:** Would you say, Charlotte – You kind of touched on this, but I keep going back to this problem of comparison, comparing where we are to our parents, to the previous generation.

That's a huge problem. Because, I mean, look at any generation. Our parents didn't do it the same way their parents did. So this idea that I have to go toe to toe with my parents, well, it's true. Millennials have lower earnings, less assets, less wealth compared to their parents. That's not to say that this is insignificant.

But this idea that I have to achieve all the same relative goals, buy a house, have a family, have that stable career by 29 or 33, I think that can set you up for some personal failure. Regardless of whatever was happening, whatever is happening in the economy, I wonder if that is something that we just need to highlight and abolish.

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**CC:** Yeah. That's a really good point, and it is something that I spoke with a lot of different people about. I was actually expecting even more comparison. Something that I came away with was that a lot of people may, on paper, have less than what their parents did. But they also don't necessarily want the same things. They may not want a house and a dog and 1.9 kids. They might actually want something completely different. So that was something that I really came away with.

I also found that when I asked people how they felt that they compared to their peers, a lot of people said that their peers were both ahead and behind them, and that their peers were really all over the map. So I think that also highlights another thing about our generation, which is that we are the most racially diverse generation and the most educated generation, which means that we are going to have just the biggest breadth of experiences too. So that was really interesting for me to see. The comparisons were obviously there. I think that's human nature. But there wasn't really a lot of bitterness for people who had more or seem to have it better than they did.

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**FT:** Yes. Speaking of diversity, you spoke to people in the arts, people in the sciences, business owners, people who went to college, didn't go to college, people who work in retail, a bank manager, a comedian. I encourage everybody to read your story. Again, the article is called Why

Millennials are Facing More Anxiety Than Ever in The New York Times. I'll put the link in the show notes.

I also read the comments. I'm sure you did too. There were over 860 at last check, and one of the first ones that came in my feed was from a New Yorker who said the following. I want to raise this comment because she, I think, or he shares a sentiment with many. This person said, "While I sympathize and I understand to an extent the challenges that younger people face, we all do. I will say having worked with millennials, the stereotypes are often true. They are the first to cut out and the constant griping about unfairness and how they 'feel.' In the real world, as I've always known it, nobody really cares about how you feel at work. That should be a secondary privilege. Instead, millennials feel it is their right."

It's a loaded comment, and I don't even know where to begin. I'll just maybe start by saying that I don't agree with this person. I think that while on the one hand, sure, maybe millennials are the first generation to actually put their mental wellbeing at the top of their priorities list, and they want to, God forbid, work somewhere that appreciates not just the skills and the skill set that they bring to the table but also the person, the individual. That this is a person that has a life, who has needs, financial needs.

I applaud Gen Y for being an advocate for themselves at work. Maybe other generations are rolling their eyes at that, but I think it's a step in the right direction. That said, it can induce a lot of anxiety for somebody who feels like how they are acting at work or how they think work should treat them is that they're an outlier to this, that there is opposition to how they feel. I'm sure you came across this comment or sentiment.

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**CC:** Yeah. Look, that's a pretty standard comment about millennials that you see a lot, is that we're kind of wimpy, failure to launch kids who were always given like participation trophies, right? Now, we can't get it together because we don't have the executive function to stop eating avocado toast or whatever. Millennials are aware of this. It's not like we've never heard this. I mean, millennials have a sense of humor about these stereotypes as well.

But from what I see, yes, I definitely spoke to some people who had quit their jobs or had left scenarios where they could have been more financially secure because they were really unhappy. Honestly, I dispute the narrative that previous generations haven't done that. I think that there were different conversations about it, or they may not have had the platform to admit that they were doing that.

But there are plenty of people, I think, in previous generations, and I don't have data off the top of my head to point to. But look at like rates of alcoholism in boomers and different crutches that previous generations have used much more than ours to support toxic work environments. I can think of many other ways that the previous generations have also handled stress in ways that were not ideal. So I think that our generation isn't necessarily less able to face challenges, but I think that we just have more language and more opportunities to be open about the difficulties that we're facing in ways that the previous generations didn't or felt ashamed to.

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**FT:** Maybe an antidote to that sentiment that was shared in the comments is what you took away from all of your conversations, which was that there was this resilience, this feeling of I'm not expecting a bailout. In fact, the number, the amount of money that came up, what was the average for what these individuals would say, "Hey, yeah. That would actually help me advance my life, achieve my goals, feel more like I'm 'on track,'" what was that number?

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**CC:** It was \$75,000. It was like not at all. That seems like a fairly reasonable amount of money. Not to mention that is also – I think this number has since increased, but I believe Daniel Kahneman, the economist, yeah, who found that –

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**FT:** I think it was a Princeton study. A couple of studies that say at least making \$75,000 will result in this "happiness." But anything more than 75 grand, there's sort of a depreciating happiness return.

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**CC:** Right. Like up to \$75,000, every time that you that your income increases, your quality of life goes up measurably. After that, it kind of plateaus.

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**FT:** Right, right. So if they got a check in the mail for 75 grand, that could wipe out student loan debt, let them move out of their parents' home, start the business, have a kid. I know some people you profiled felt they couldn't afford a family, which was really sad and not a unique feeling.

You're a mom, Charlotte. You're a millennial. When you were having those conversations with folks who felt financially unable to afford children, what were the things you talked about? Did you offer any advice? Were there misnomers about what it would actually even take to have a kid and what it would cost, maybe giving them some hope?

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**CC:** Yeah. It's funny. One person straight up was like, "How much money did you save before you had a kid?" I couldn't even quite remember. I hadn't approached it in that way. I hate to say this as the thing that definitely doesn't set me apart, but I just happen to be really lucky. I am married. I live in a two-income household. Like that sets a lot of people ahead. We have good health insurance. Kind of basic things actually really make things a lot more doable.

I did, yeah. I have an almost one year old. He is really expensive. Childcare is really expensive. Part of what has gotten me through looking at all of those expenses is that at a certain point, he will go to school, and some of those expenses will – The childcare thing is like very costly, but it's only for a couple of years and to just see it as a temporary thing. Not that kids really necessarily get any cheaper but –

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**FT:** You know what I see childcare as? An investment.

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**CC:** Yes, exactly.

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**FT:** A lot of the quick math I often see couples perform is they'll take her salary, usually the wife's salary, the mother's salary, and say, "Well, it's about the same as what childcare would cost. Or at the end of the day, after you've subtracted for childcare, your salary really only equates to a little bit." So what's that even worth to us? You should just quit your job and be the stay-at-home parent. I'm like, "Hold on, hold on, hold on. First of all, why are we pinning one person's salary against the other person? You make household income. Childcare is a fraction of the household income, childcare benefits.

Both of you, no one's quitting their jobs yet because when you quit your job, you're not only losing the salary but also the benefits potentially. You may not be able to contribute to a retirement account. You won't be able to contribute to Social Security. This is just a temporary expense, and it will be an expense that will, my opinion, afford not just your child access to safe and good care. But also as the working parent, the ability to stay in the game. Because as we know, we've done all these stories, two years out, even just one year out of the workforce can be detrimental to your professional growth.

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**CC:** It's true. I also –

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**FT:** Just getting that off my chest.



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**CC:** Yeah. No, no. I totally agree. I think especially when you work in a field that is very much like what have you done lately, it can be really difficult. I have I have friends who have very much struggled and I don't – Every decision is different for every family, but it's really hard. It was really heartbreaking, honestly, to speak to a lot of people who didn't even feel like they could make that choice, right? It felt like it was just out of reach for them, and that was really, really hard.

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**FT:** I want to highlight some of these anecdotes. There were many, many anecdotes. Again, I encourage everyone to read the story. Some that really just stood out to me, I thought we could go through some of them. One was Kacie Willis 35, lives in Atlanta. She's a podcast producer. So clearly, I'm a fan. Theatrical sound designer as well. I think the real takeaway for me here was that Kacie, like many, pursued her passion of theater. In those early years after college, she took on student loan debt. Frankly, those jobs did not pay the bills. They certainly didn't help her pay off debt and save and build wealth. It was just sort of helping her keep her head above water.

Then, of course, there were setbacks like the recession. We talked about the Great Recession. So she had some stop and goes, and now she's 35, finally has that job with full-time benefits, feels like she's making headway. I wondered in hindsight, Charlotte, did you talk about how maybe she would have advised herself differently? Were there any regrets? Maybe like I wouldn't have taken all the student loans. Or maybe I wouldn't have spent so much time with these hourly jobs. I would have just gone straight to a corporate career track with benefits. Would she change anything?

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**CC:** I didn't ask her that exact question, but I did ask her, looking back, what was frustrating to her because there is a sentiment I think that some people I spoke to really felt like their debt burden or the economy had been misrepresented to them, right? Like there was this sort of like

do what you love, and the money will follow idea that we grew up with, and that was not the case.

But in Kacie's case, and I totally encourage you to listen to her podcast. It's called You Heard Me Write like writing, and it's really great. She very much was like, "No, it's on me. Like I made these decisions. I don't blame anyone else for my situation." She was really thankful for the fact that she could live with her parents when she needed to.

That was another through-line that I felt, that I found very often when talking to these people, is that even people who seemed to me to be pretty down on their luck, like they'd really been handed a pretty bad deal, were always very grateful for the help that they had. They were grateful that they had been able to live with their parents for periods of time, grateful that they had found a rent-stabilized apartment. Or they were very quick to point out the lucky breaks that they have gotten.

That was interesting to me as well. There was not a lot of the moaning and woe is me. I'm sure in some cases part of it is just because people felt like they were supposed to sound grateful. But I think in a lot of cases, it was genuine too.

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**FT:** Maybe the Internet, having that community was helpful, and that they can see relatively where they are compared to others. Some said their friends are doing worse off than them. Some are more further along. I'm using further along in quotes because, again, it's all relative. But the Internet is unique to this generation, at least how they use it. You had that in your article, talking about the pros and cons of the Internet. What are some of the cons to the Internet that have led some to this financial fear?

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**CC:** I mean, I think that everybody talks about how we're like this FOMO generation, and everyone is always like looking at these aspirational influencers and being like, "Why don't I have a pool in Bali?" But I think that's actually not true at all. I think that we're just like, frankly,

not that dumb. Like most of us know that that is just sort of a fun – It's eye candy, right? I don't think most people go around looking at other people's Instagram feeds being like, "I'm such a loser that I'm not living that life." Maybe some people are. But I think for the most part, like we're a little bit more advanced than that.

I think that there's an awareness of how everybody's life looks great online, and the reality is never the same. But I think, also, the Internet breeds, in some cases, more honesty, and you can find these open forums, even on Reddit. I'm always amazed at like the personal finance advice that people will give and get from total strangers. It's not always good, but it is honest. There's like this forum where people can talk openly about their anxieties and their fears, and see other people with the same ones.

There are Facebook groups full of this stuff. There are podcasts like yours, where people are talking openly about their financial fears and seeking advice and seeking other people who can empathize with their experience. I think that is a hugely positive thing about the Internet and about the fact that we've grown up in this world where people can share more openly, in some cases, anonymously, which makes people more comfortable and feel some aspects of community in that.

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**FT:** It's encouraging to see that there is such an appetite for financial literacy and advice. We don't get this in school. I know a lot of the people you profiled admitted they didn't talk about money growing up in their households. But today, we do see communities at scale. Whether you're on TikTok or a podcast or YouTube or Reddit, people are talking about money, something that I can very much appreciate.

A little fun fact, I've actually booked on this podcast coming soon some TikTokers, who are killing it in personal finance. Some as young as early 20s, recent college grads, just explaining the basics, sharing their own paths. Of course, you have to all take it with a grain of salt. But I think that it can be a net positive. It can be accepted, unless you're selling some crypto scheme or some shady MLM whatever.

All right, let's talk about Jalil in your story. Jalil Kizy, he is such an endearing story, a guy that just followed his passion. I got to give him a lot of credit. I don't think he gives himself enough credit. He didn't go to college, and that alone can be a very isolating and thing where, "I'm not going to college, but I'm going to go to a trade school. I'm going to learn how to make watches, beautiful watches." He focused on his career, built his business. He's at the top of his game. So I give him a lot of credit. But yet he feels as though he did it all at the expense of not pursuing a family. I just want to tell him, you're 35. You have time.

I just wonder, Charlotte, did you find sometimes that -- This just might be my understanding of his anecdote, but I sense that there was a bit of like unjustified fear. I'm not to discredit his feelings. But I want to say to him, you have to give yourself more kudos. You've accomplished so much, and you have all this time. There's no such thing as either/or. You can focus on relationships now, with this financial independence, knowing that you own your own business. You have that security.

I want that for women. I don't want them to dive into relationships at the expense of pursuing a passion, a career. I want them to do both. But if nothing else, do the career first and then find the guy or the gal later. Maybe that's just me.

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**CC:** Yeah, yeah. I totally agree. He was just such an articulate person to speak with. He did have a really great story and is doing so well in his work. I think it was a great example of someone who didn't go to traditional college and had gone to trade school and really mastered a trade, which is incredible. Another thing that I think is important to highlight about his story is that he came from a family of immigrants, and that was another element of really seeing how his own father had provided for his family growing up with no education. His mother, I think, hadn't even graduated from high school. He grew up seeing a lot of resilience in his parents, in his community, and spoke at length about that.

But, yeah, I agree. There were definitely times when I spoke to people and just wanted to be like, "Don't be so hard on yourself. You're doing great." I don't know that that's necessarily a hallmark of our generation, is this sense of responsibility or living up to expectations. I think

that's ultimately just a really human quality. Like some people just have big dreams, and they want to follow them, and they are really disappointed when they don't live up to this picture that they've created for themselves.

I think that that's more of a personal quality than a generational one. But I do think one thing that would make it possibly more difficult for someone in our generation is that it is just harder. Like it is harder right now, at this specific moment, if you want to have a kid, inflation is crazy. Like salaries have not caught up to it. Money is just tighter right now. So there are a few things. If you're trying to start a business, right now would be a very precarious time to do that. If you also wanted to start a family, that could be really scary. There's just like a lack of safety net that I think has caused a lot of people to feel a lot of anxiety. That might seem superfluous, but I can also really empathize with the fact that they are just scared of not having a safety net.

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**FT:** I can almost see like a sidebar to your article, like recommendations for how we can remedy some of these issues, these are problems that are tied to systemic issues like not having a proper health care or childcare system that supports families, higher wages to just align where inflation is. Yes, we've had year over year wage growth a little bit, not really where we need it to be to afford the cost of living. Buying a home is just so out of reach for many and mostly first time buyers. I think if you're a policymaker, a political leader, you can really sink your teeth in and find some remedies or come up with ideas.

Also your article, it focuses on millennials, obviously. But, of course, the next generation coming up behind them, Gen Z, they're watching. What do you think they're taking away from their elders? Are there lessons that they're going to be left with, just like we inherited lessons from our parents and those ahead of us, good or bad? What do you think is going to be the legacy of the millennial generation?

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**CC:** It's hard to say now. I think that one thing that our parents really didn't know was how much student loans would impact us. So I don't think it was like out of –

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**FT:** Malice.

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**CC:** Definitely not out of malice or necessarily out of even ignorance. I think it was just like they just really didn't know. Look, there are plenty of people who can have a lot of student debts and be totally fine, right? Like they just pay it back incrementally, and it helps their careers. I'm not saying it's easy, but it doesn't have to be like a life-ruining cross to bear, right? But I think that probably a lot of Gen Z people are looking at like these incredibly indebted millennials and being like, "I don't really know if college is going to be worth it."

I think a lot of colleges are starting to try to be less of a burden for their students as well. More and more schools are becoming the blind. A lot of for-profit universities are no longer – There have been more measures put in place to keep them from scamming students. So I think that there are some changes, both in the private sector and in the public sector, that have improved things a little bit. It's never good when your generation has a cautionary tale. But I think every generation is a little bit.

Gen Z so far seems amazing. Like they seem like a really promising and really passionate generation. My hopes for them are that they do have a little bit more balance in their lives. One thing that I think I took away from my interviews with a lot of millennials is that money was sort of taught to them as something that you could figure out. It was like a puzzle to be solved. If you worked hard and did the right things, then the puzzle would come together.

I think that the pandemic, especially the past couple of years, has made money look really abstract and like this game that like no one really knows how to play, and especially with like weird crypto stuff happening and all these things that were made up, right? People are like, "How can we possibly win this game when the rules are changing, and the goalposts keep moving, and money just became this thing that, again, just seemed really abstract?"

What I hope for Gen Z is that they have just a little bit more of an idea of that. That money is not necessarily something that you can succeed at. While I'm certainly not someone who's like, "Don't care about money. It's all going to be fine," hopefully have a little bit more forgiveness around it and just understand that it's a really flawed system. Just because you can't deal with it well doesn't mean that there's anything wrong with you.

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**FT:** Right. Well said. What we learned in the pandemic is, to your point, yeah, that if your financial freedom journey hasn't taken off yet, or you haven't retired early by 40 or 42, it's not because you're not working hard enough. That was the narrative for some time, like just work hard, save your money, invest, buy a house, and you'll hit it. You'll hit that money bag. I know lots of people with great credit scores, who have jobs, who have savings. Yet in the pandemic, they may have lost that job. They may have lost some of that savings because they had to make ends meet. Or there are folks who don't have health care, not to any fault of their own. So, yeah, I totally agree with you on that.

The other thing too to remember is that you always need to just stay curious. Always ask. How did they get rich, though? Because people don't always present the truth, the full truth because, yes, maybe they didn't work hard. They did invest, not to discredit their efforts. But maybe, also, they were born with wealth, or they had resources, or they just had lucky breaks. A lot of this, I'm learning, does come down to timing and luck.

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**CC:** Which is like not great to hear.

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**FT:** But you can create your own luck.

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**CC:** Yes. I said all of that about Gen Z, not in saying that like you shouldn't try, which I think is not the case. Like they're an extremely passionate and idealistic generation.

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**FT:** You can make your own rules. That's what the pandemic taught us is like we trusted all these "rules of thumb and best practices." Yes, that might have worked for some people for some of the time, but it's not as though you have to do it that way or else. You can do it your own way.

The other thing I want to encourage is for everyone to be an advocate for their way. It can feel really lonely when you pursue a path that is unconventional. But we should trust that everyone's ideas and pathways are valid. Whether you want to pursue it how your parents did or just reject that altogether, that's your choice. But share your stories. Be confident in your choices.

What makes me very hopeful, not just for millennials but for all the generations coming up behind them, is that we do have this transparency that we never had before in the financial world that we do have this tendency to share, and that can be really powerful.

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**CC:** I totally agree. Because I have a young baby, I hear a lot about like nature versus nurture, right? Like how much am I shaping him, and how much is he just going to be the way he is, right? That's actually something that I thought about a lot as I was hearing these stories because how much of it is just like the situation you were born into or being at the right place at the right time? And how much of it is nurture, like the work that you've put into it and the research that you've done? I think the answer is that it's both, and it's never just one or the other.

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**FT:** I'd love to take some credit as a parent. Come on now. All this stress and effort and money got to be good for something. Charlotte Cowles, thank you so much for joining. Again,



everybody, the link is in the show notes. You can go read her New York Times feature, Why Millennials are Facing More Anxiety Than Ever. Thank you for your work, Charlotte, as always.

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**CC:** Thank you, Farnoosh. It's so good to speak with you.

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**FT:** Thanks so much to Charlotte for joining us. If you'd like to check out her article, it is linked in our story notes. Thanks for tuning in, and I'll see you here back on Wednesday. I hope your day is So Money.

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