

# Millennials dominate the US workforce, but they're still 10 times poorer than boomers

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- **Millennials may dominate the US workforce, but recent Fed data finds they only hold 4.6% of US wealth.**
- **That's 10 times less than the 53.2% of US wealth that baby boomers hold, Bloomberg reported.**
- **A generational wealth gap makes sense because millennials are younger, but the difference is starker than it should be because economic forces have left millennials financially behind.**

Millennials may be the largest generation workforce in the US, but they're also the least wealthy.

The generation holds just 4.6%, or \$5.19 trillion, of US wealth, Bloomberg reported, citing recent Federal Reserve data. Boomers, however, are 10 times wealthier. They hold 53.2%, or \$59.96 trillion, of US wealth. That's also twice the \$28.5 trillion of US wealth that Gen X holds.

The Fed defined millennials as those born between 1981 and 1996 (turning ages 24 to 39 in 2020) and boomers as those born between 1946 and 1964 (turning ages 56 to 74 in 2020).

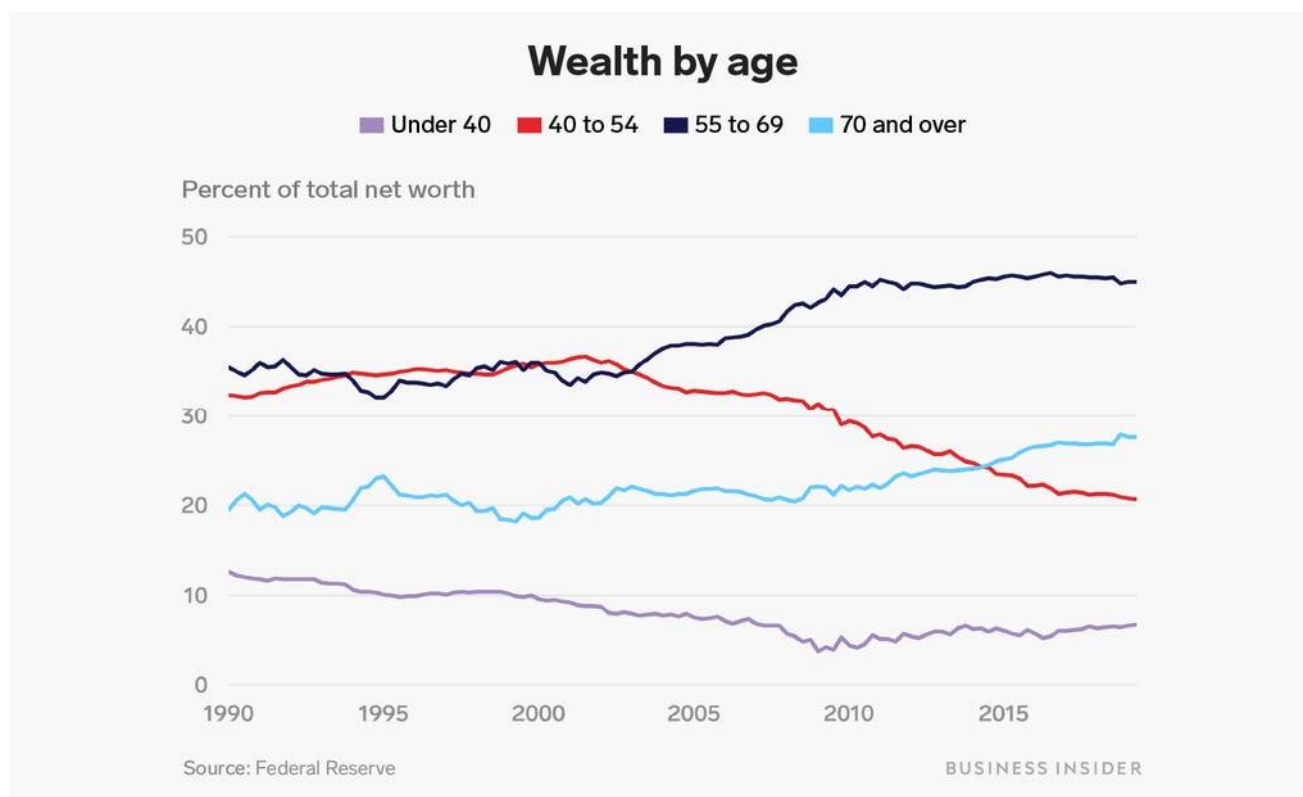
It's a stark generational wealth gap considering there are 56 million millennials in the workforce, per the Pew Research Center, more than any other generation. By comparison, there are 41 million boomers in the workforce.

This wealth gap is partially explained by the fact that boomers are older, so they've had more time to accumulate wealth. Millennials haven't yet reached their peak earning years, and the youngest are still earning entry-level salaries.

But historical trends indicate that the wealth gap shouldn't be this big. When boomers were millennials' age in 1989, according to the Fed data, they held 21.3% of US wealth. That's four times the 4.6% that millennials hold today.

## Millennials are lagging behind in wealth

The chart below, which highlights the percentage of US wealth held by age, shows that younger Americans are financially behind and their wealth levels are below where they should be.



Wealth for those above age 55 has increased, while wealth for those younger than 55 has decreased. Andy Kiersz/Business Insider

Wealth for those above age 70 has increased, but it's not as significant as the increase in wealth for those in the 55 to 69 age group. This indicates that boomers are outpacing the Silent Gen in wealth accumulation as they enter retirement.

Meanwhile, wealth for those in the 40 to 54 age bracket and for those under age 40 has decreased, which indicates that millennials and Gen X are lagging behind boomers as they move into those age brackets.

These findings underscore previous reports from 2019 revealing the millennial-boomer wealth gap. A report by think tank New America found that millennials earn 20% less than boomers did at their age, and a MagnifyMoney study of Fed data found a \$600,000 gap between the average net worth of millennials and boomers when they were millennials' age.

The generational wealth gap is partly a result of The Great American Affordability Crisis, in which millennials are struggling with rising living costs such as housing, increasing student-loan debt, and the ongoing fallout of the Great Recession.

The pandemic is just the latest challenge delaying millennials' financial growth. Younger workers have been hardest hit by the pandemic in terms of job loss, potentially further delaying the closing of the generational wealth gap.