Companies Gain Interest by Addressing Debt

BY THE YEAR 2020, 46 percent of the American workforce will be between the ages of 18 and 34. These young workers have a very different experience of the working world than generations before them. Nearly all of those in this age group who graduated from college did so after the 2008 recession. Only the oldest — mostly those born before 1990 — would have completed high school before 2008. The oldest of this generation may have struggled to find entry-level positions as they attempted to join the workforce when unemployment was higher nationally. Those that did find positions may have been under-employed, meaning they were not using their education/training or they were working part-time when they would prefer to be working full-time. Young workers who are hungry for opportunity and willing to go the extra mile for their employers can be found and trained to be optimal personnel for receptive organizations.

TalentTracker Talent Economy

There are many contributing factors to the dearth of well-paid positions.

Downsizing and the prevalence of contract work, as opposed to salaried, full-time positions, prevent workers from following a more traditional career progression. Additionally, other workers are continuing their careers for longer before retiring. The number of people entering the workforce is out-pacing the number leaving year after year. While these older workers stay at their organizations longer, the options for the advancement of younger workers narrow.

It is important for employers to discern what young workers are really looking for in a job or career whether that be flexibility, a more traditional path, or something else entirely. If an organization can be open to understanding what their current and potential employees are looking for, the connection between a choice position and a skillful candidate can be made.

One of the most impactful factors in the employment decisions of early career workers is debt.

These young workers may have any number of types of debt including credit card balances and student loans. Many young workers will take any paying work they can get to be able to make their payments. By 2020, more than 68 percent of 18- to 34-year-olds will have student loan debt. Since most of these debts will not be forgiven or eliminated, unlike debts that can be voided with bankruptcy, many of these workers will continue to pay for their education into their later years.

About 9.5 million households in the United States will be headed by someone under 35, and these households will have an average total debt payment of 14.9 percent of their income. In a country of approximately 126 million households, this is not an insignificant number. Employers should be knowledgeable of the likelihood that their employees, especially younger ones, are struggling with student loan debt. These debts can affect the quality of the employee's work, but it can also be the key to attracting top talent. There are many opportunities for employers to use tools like tuition reimbursement or financial planning to relieve this burden and help create a healthy work environment.

As 2020 swiftly approaches, the job markets may change dramatically or subtly.

There may arise challenges or opportunities of all kinds for both organizations and individuals. Understanding the circumstances that contribute to the variable approaches to the job market for employees can lead to employee and organizational growth.

Creating opportunities to encourage workers and develop them into confident team members can be a challenge, but successful organizations will be able to see that the investments in these opportunities can have a major impact on the future as these workers emerge as a large part of the workforce for decades to come.