



November 03, 2008

Feature

5 Reasons Gen Y is Unprepared to Survive Recession, Layoffs

The current economic downturn is the first one Generation Y will experience as working adults. The resulting budget and job cuts may come as a complete shock to this entitled, demanding generation. Do they have enough grit, experience and manners to bounce back?

– Meridith Levinson, CIO

The current economic crisis may be the best test yet of Generation Y's ability to survive. After all, this generation, which has been coddled by parents and educators, isn't known for its coping skills.

Workplace and generational experts agree that the looming recession could come as a complete shock to the entitled members of Generation Y, who've never before experienced an economic downturn as working professionals and who've had their every whim indulged since childhood. This is not a generation that's been prepared to endure hardship, let alone corporations in cost-cutting mode.

While some "millenials" experts think Gen Y can handle the downturn, they also think it will present millenials with a significant learning experience.

"For the very first time in their life, they're not being told they're the best person, and for lots of these young folks, it's a shattering experience," says Mary Crane, a business consultant who also works with graduating MBA students. "I think it will be an eye-opening experience for them," she adds of the economic downturn.

Rosemary Haefner, CareerBuilder's VP of human resources, agrees with Crane that a recession may be a rude awakening for Generation Y professionals, who are known for demanding cutting edge technology and lots of flexibility from their employers.

"That Generation is expecting things to be delivered to them on a silver platter: They expect to be promoted in a year. They expect to have state of the art technology. Their attitude is, 'If you guys aren't going to give it to me, I'll work someplace else'," says Haefner. "If more organizations are going to have a hard

on those expectations because of costs, Gen Y workers are potentially going to be disappointed."

Here are five reasons why the economic crisis may present Generation Y professionals with the biggest shock of their working lives.

For the other side of this story, see [5 Reasons Gen Y May Survive Recession, Layoff Better than Gen X and Boomers](#).

1. This is their first recession.

Generation Y has never been through an economic downturn as working adults. When they first started entering the workforce, the economy was stronger, and millennials graduating with MBA degrees were being offered big signing bonuses, says Lisa Orrell, a generational relations expert and author of *Millenials Incorporated*. "Generation Y has taken job security for granted," she says.

Now that the economy is in a tailspin, Generation Y professionals don't know what to expect or how to get through difficult times in a company. Unlike Baby Boomers and Generation X, Gen Y lacks the benefit of hindsight.

"This is the first time they're going through something that's a little bit less positive or where they might have to work harder," says Haefner.

2. They don't handle uncertainty well.

During an economic downturn, rumors about layoffs, mergers, acquisitions and plant closings spread through businesses like oil spills—fast, thick and toxic. They create uncertainty and depress morale. And if there's one thing Generation Y can't tolerate, says Haefner, it's uncertainty—because they're not used to it, having grown up with immediate gratification and instant access to information. "Ambiguity drives them crazy," she says. "They want an answer."

3. Last one hired is sometimes the first one fired.

In organizations where seniority counts, Generation Y professionals may be at a disadvantage. Consultant Crane says millennials are concerned that they'll be the first ones affected by a layoff because they're among the youngest employees.

4. They have little or no prior work experience.

What really puts generation Y at a disadvantage during a recession, says Crane, is the fact that so many of its members are coming into the workplace with no prior work experience. Because they've spent the previous four years in college, they don't know how to dress or act appropriately in professional settings, and that puts their employment at risk.

"Over 80 percent of them own a cell phone," says Crane. "Yet none of them use their cell phones to call people. They use them to text message. Employers are

When they suddenly put these people in an interview, they're not used to normal discourse. They're used to seeing questions pop up on their cell phone."

5. They lack coping skills.

Crane notes that members of Generation Y were taught as children that they're all winners in order to build their self-esteem. "This is an entire generation who has been told, 'you can not fail and you will win a prize just for showing up,' " she says.

Such child-rearing practices neglect to teach kids how to cope with real life or to digest criticism, generational experts say. Instead, those approaches to child psychology created a generation of young professionals with over-inflated egos, who are unprepared for the sometimes harsh, often thankless environment that is the workplace.

Consequently, when members of Generation Y get handed a pink slip instead of a promotion, the experience can be crushing for them, says Crane. "They might not be able to cope with a layoff because they don't know how to rebound," she says.

"One of the real mistakes people have made [with Gen Y] is creating a world of training wheels," adds Crane. "We've taught all of these young folks that you'll never fall off a bike."

And if you don't fall off the bike, you can't learn how to dust off your scraped knees and get back up.