

The luckiest generations in the U.S. and in China: the baby boomers and the Generation '89, Part II

By Rick King and Chang Wang, contributors

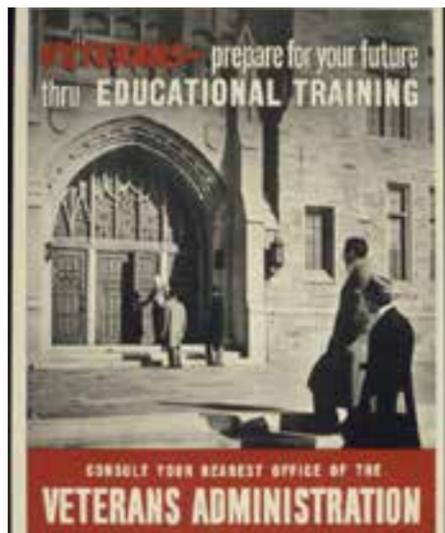
Editor's Note: Both Rick King and Chang Wang consider themselves lucky, and the luckiness is generational. King, a "baby boomer" who was born in California and grew up in Massachusetts, believes overall, his generation is better off than his parents' and his children's; Wang, originally from Beijing, belongs to "Generation '89" in China, even believes his generation is the luckiest in Chinese history since 1842.

China Insight invites King and Wang to author a conversational style essay to compare the lives and the key characteristics of the "baby boomers" in the U.S. and the "Generation '89" in China.

Last month, King and Wang defined who qualified as the boomers and Generation '89-ers and described some of the societal and economic circumstances surrounding their formative years. The rest of this series will provide details of, compare, and contrast the various factors that affect and influence the well-being of the "luckiest" generations and the generations that came before and after them.

Education

King: Many people coming back from the war - the parents of the "baby boomers" were educated thanks to the G.I. Bill. After that, the "baby boomers" and their parents needed to figure out how to fund a college education. At that time, our technical high schools were very strong in skill building. Guidance counselors in your school steered you into a technical career, meaning you would learn to be a professional carpenter, plumber, or other trade worker. Or you would go on to college based on their assessment of your aptitude and interests. Cost of college tuition hadn't exploded yet, but was already significant. But our parents were ready to sacrifice to send us to college to make the future better for us.



A poster of the G.I. Bill after the WWII

This was a time that certain government grants started to show up, to help with educational expenses. There were need-based grants: e.g., Pell Grants and Stafford Grants, to help people who did not have the means to pay for a college education. Universities with strong academic programs also began their own grants. The price of university continued to escalate during our time. It was a time people were clearly routed toward a career aspiration: either college or the trades. For my children's generation: the expansion of the colleges and schools - two year degrees and four year degrees in college - continued to a great extent, making colleges more and more accessible, but also more unaffordable.

So when you look at school and education, I might say we lived in a good time, though probably not the best time, but definitely better than my children's generation. The G.I. Bill actually continued after the Korean Conflict, still pretty significant.

For my parents' generation, education-

ally, very few people did anything outside the United States. The United States was a big booming market itself with plenty of opportunities, so people were very much focused on the U.S. My generation began to think about a semester abroad, but most people who did that were in international finance, international relations, or related fields, working for a foreign degree or foreign language. But, generally speaking, my generation was not encouraged to study abroad. The expansion of the United States was so big that people did not spend much time outside. However, for my children's generation, it would be almost unheard of for someone to finish college without at least a semester abroad. These days, living and traveling experiences in foreign countries before graduation are the norm, not the exception. It was a good time, but it was a little late because the global market had already evolved considerably with the expansion of possibilities outside the U.S. A lot of my generation was not trained globally to become the leader of global enterprises. They have to learn on the job and learn to know the rest of the world along the way.

Education-wise, my generation was probably not in the best spot, but counting pluses and minuses and considering the accessibility of college for my generation, the result was very positive.

Wang: Generation '89 did not participate, fortunately, in the Cultural Revolution (1966-1976) and the "Down to the Countryside Movement" (1968-1978). The Cultural Revolution destroyed China's arts, culture and education. In 1968, Mao declared certain privileged urban youth would be sent to mountainous areas or farming villages to learn from the workers and farmers there. In total, approximately 17 million youth were sent to rural areas as a result of the movement. Many fresh high school graduates, who became known as the zhiqing ("Educated Youth," 知青) in China and the "Sent-down" or "Rusticated Youth" abroad, were forced out of the cities and effectively exiled to remote areas of China. Some commentators pity these people, many of whom lost the opportunity to ever attend college. This generation is now in charge of China's political and economic policies. Their overall hostility to the modern principles of governance and economy probably could be explained by their early experience in the countryside.

China's education system was completely shut down during Mao's Cultural Revolution - and a whole generation before us did not receive education. In 1977, Chinese colleges reopened, so everybody in my generation could have the chance to go to college should they decide to.



One of the freshmen classes at Tsinghua University in Beijing, 1978

Most received at least a college education. Graduate school and professional degrees were very popular for my generation. Study abroad was allowed and was common.

From the late 1970s to early 1990s, Chinese universities were basically tuition-free, and with subsidy and scholarship. However, when I decided to study abroad after graduating from Peking University Graduate School, I had to return the college tuition and graduate school tuition, totaling 22,000RMB (2,660 USD) to the Ministry of Education in 2000.

China's higher education became commercialized in 1993, so for the generation after us, almost everybody needs to pay for college.

Employment

King: For my parents' generation, the economy was booming, jobs were readily available. Not everybody was fully employed, but people worked their way out of that. For my generation, the economy was still pretty strong so there weren't a lot of people who did not find a job when they graduated. Generally speaking, the economy was very positive. I actually think it was a good time for jobs.

I grew up in Massachusetts, went to school there, then to college in Vermont, and taught in Vermont for a while, volunteering for a couple of years before that. There were not a lot of desirable job openings in teaching: I wanted to coach and teach in a small school district, which did not have a lot of openings. But when there was a math-teacher opening, and I took it.

Wang: In the 1980s and early 1990s, Chinese universities and colleges took care of job assignments after students' graduation. So a lot of people in my generation did not need to make a lot of effort to search for jobs when they graduated from college.

For the generation after us who went to college after the mid-1990s, job market became very competitive. The unemployment rate skyrocketed, even for college graduates.

If you decide to study abroad, then there

will be a different story. I am also very fortunate in that scenario - landing a job with Thomson Reuters.

Housing

King: My generation witnessed a big housing boom. There were lots of differently priced houses. There were not as many different ways to finance a house as today, but home ownership was preferred. People would start with an apartment, and then try to buy a house. The only involvement of the government would be certain types of loans, depending on where you lived, there were types of programs to help people with different levels of income.



Levittown, Long Island, early 1950s

For many people of my generation, seeing housing prices decline in certain areas was a shock because, in most of our lifetime, housing prices always went up. Buying a house was considered to be "the biggest and most secure investment."

In general, for my generation, housing was booming and purchasing a house was considered a saving tool.

Chang: For my generation, the first residence after you became married was normally a small flat provided by the employer - normally a state-owned-enterprise or government entity. Very few of this kind of flat had an individual bathroom or kitchen, but at least they offered a minimal level of privacy, and it was almost free. You only paid nominal electricity and water charges. As your rank improved, you qualified for a larger flat.

In 1998, commercialization of real estate officially began in China. If you had a flat rented from your employer, you paid a one-time fee to purchase the flat. Since 1998, housing prices increased at least 20 times. So during the process, you most likely had sold your first flat, purchased at least one large apartment, and built a lot of equity, perhaps even bought a few investment properties. Again, this is only true for urban residents. The housing bubble will burst sooner or later, but most of my generation has already cashed in their profits.

I was in graduate school in 1998 so I was not qualified for a flat - I probably missed one of the biggest investment opportunities offered to my generation. ♦

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