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Generation Y enjoys a last hurrah before recession hits

Spring Break is traditionally a time for US college students to indulge in serious hedonism. But this year, as job prospects disappear and debts mount up, there is an extra edge to the beach parties. Who knows how bad the hangover will be?

Paul Harris in Panama City Beach, Florida
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A male-versus-female drinking competition under way in Panama City Beach. But America's current generation of students faces a grim future at graduation. Photograph: Andrew Testa

Jason Wenning, a 21-year-old medical student, sat in a sandy hole dug in the beach, cradling a bottle of beer and grinning tipsily in the sunshine. "What more could you want?" he asked, taking a swig.

All around him was a sea of bronzed and burnt youthful skin, as thousands of students played drinking games, tossed footballs and - occasionally successfully - urged girls to take off their bikini tops. The glorious white sands of Panama City Beach in Florida were already ankle-deep in squashed beer cans and it was barely past noon.

Welcome to Spring Break, 2009. Like the melting of snow or turning the clocks forward, Spring Break is an annual ritual of American life that marks the end of winter. For a few brief weeks in March, hundreds of thousands of college students descend on beach resorts to drink and party in a massive display of youthful hedonism.

At first glance, this year's Spring Break seems just the same as every other. From his sandy bunker, Wenning, who had driven to Florida for 14 hours from his college town in frozen Indiana, happily surveyed a sea of drinking, dancing and vomiting students. "I am having a great time," he said.

But beneath the fun and games, there is a serious undercurrent. For many of the people drinking themselves into oblivion last week will be graduating in May into the sharp

teeth of the worst recession in the US since the 1930s. This is the cohort sometimes known as generation Y, children of the 80s and early nineties who grew up during the long boom. Now some have begun to dub it a "lost generation" of young Americans who will face a struggle to get any sort of job, or have to completely rethink their career plans.

Youth unemployment is rocketing, leaving almost one in four teenagers without a job. More than 2.2 million Americans under 30 have lost their jobs since the recession began. This generation faces the real prospect of being much worse off than their parents. Even Wenning admitted that beneath his sunny demeanour was some serious fear. "People are worried. It's scary," he said, before adding with a shrug: "At least I am going into medicine. I guess, even in a recession, people will still get sick."

The road into Panama City Beach says it all. Billboards advertise bars called Pineapple Willy's and Dirty Dick's Crab Shack (motto: I got my crabs from Dirty Dick's). Others point the way to cheap booze stores, while yet more offer the services of local lawyers to help beat drink-driving charges. Or to sue drink-drivers who run you over.

To anyone over 30, Panama City Beach might be a vision of hell. But to 250,000 American students, it is a turbocharged, hormone-driven slice of paradise on earth. About 100 yards down the beach from Wenning, a mass of students were hanging from the balconies and windows of a beachside hotel. It looked like a scene from an overcrowded South American prison, rather than evidence of the US middle classes letting off some youthful steam.

In front of the cheering throng, music television channel MTV had erected a sound stage on which rapper Li'l Wayne belted out some of his recent hits. Some students discovered they could sculpt sand tables out of the beach on which to play "beer pong", a popular drinking game, and others poured beer and spirits down their throats via funnels and hosepipes. The beach also hosts Club La Vela, the largest nightclub in America, with 11 theme rooms, 48 bars and a 6,000 capacity.

For some of the students partying and flirting, there was no sense that there was anything wrong with the world. "I'm not worried about it. I am just here to enjoy the beautiful weather," said Shannon Laratonda, who studies at the University of Pittsburgh.

That blithe attitude is not limited to a few corners of Panama City Beach. Though numbers are down slightly, hordes of thirsty American students have also made their way to South Padre Island in Texas, a string of other resorts on America's Gulf coast, southern California, the Bahamas and Mexico.

Yet there is no denying the grim economic future that threatens many of them. The US economy has lost 4.4 million jobs, and is now shedding workers at the rate of almost 600,000 a month. Young people are especially hit. In Colorado, youth unemployment has grown 66%. The reason is simple: few companies are hiring and older workers - with their decimated savings accounts - are unable to retire. Young people are thus squeezed from both sides. "It is obviously very tough. I have seen nothing like this," said Professor Carrie Leana, an economist at the University of Pittsburgh.

No wonder that some of those enjoying Spring Break last week were drinking to forget, not just to have fun. Tyler Harris, 18, was camping in order to save money, spending \$12 a night to sleep in a tent rather than waste precious cash on a hotel room. The Indianan education student was worried about the future, but admitted he had found few fellow students to share his fears with. "I talk to my grandparents about it. But when it comes

to talking to people here, I don't think a lot of them want to know," he said "I think that's down to ignorance." He was already thinking about working abroad if the recession was still raging by the time he graduated. "I hear Australia is always looking for good teachers," he said.

In the face of the economic crisis, students graduating over the next few years will face a range of survival options, few of them good. Some will shelter in getting more education, though that could saddle them with crippling debts when they finally do emerge into the job market.

Others are going to have to accept any jobs that come along, abandoning dreams of their chosen career. "No one can be picky. If you get any sort of job offer, take it," said Professor Campbell Harvey, an economist at Duke University.

Harvey was blunt about what many students, excluding those in a handful of elite colleges, might face. "The majority will be under-deployed. Some might be flipping burgers," he said.

Not everyone on Panama City Beach is facing that prospect. Spring Break is mainly a midwestern and southern tradition, mostly pursued by relatively well-off white students. Quite a few of the young people gathered on the beach were blissfully insulated from the recession by their parents' money.

Winston Orzechowski, 22, his tongue slightly loosened by a day of drinking, was candid about some of his fellow party-going friends. "A lot of the people here, they are just funded by their families. So this recession has not touched a lot of them. They have always had money from their families and they still have it now. I know. I am one of them," he said.

That opinion is born out by the experts. The rich and well-connected will be okay. Students who go to Ivy League colleges - like Harvard or Yale - will still get job offers, though perhaps not as many. "There are still some jobs out there. If you go to a top college, you will still be employed," said Harvey.

Those cosseted by family wealth will also still have the cushion of that money, even as the rest of America suffers. Some students in Panama City beach were spending cash as if it was going out of fashion. They were the young men and women whose flashy cars paraded down the beachside roads, who hired out jetskis and who frequented the more expensive hotels and nightclubs. They flaunted designer jewellery and the latest in fashionable beachwear. "They don't really see the recession. They are just isolated from it. They are in a state of total youth," said Orzechowski.

But at least they were providing their own economic stimulus for the communities that host Spring Break. Indeed, after several high-profile resorts, such as Fort Lauderdale, discouraged Spring Breaks in recent years, many American cities are now desperate for student dollars.

Hard times breed practical responses. Panama City beach once had a local business group, called the Pro-Family Spring Break Coalition, that pushed for the resort to turn its back on all the hedonism. The coalition folded last year. Now local residents, such as barmaid Heather Puckett, 25, are delighted to see the Spring Breakers in town. Or, at least, mostly delighted. "We need that money. People here are hurting," she said before adding with a laugh: "They are exactly what we need. Even though they do destroy our beaches and they sure keep our cops busy."

Whether they will still be coming next year in the same numbers is not certain. Few

economists see any immediate upturn in the American economy. Perhaps the recession will start to bottom out some time in 2010. But it might not. And, either way, the joblessness rate, traditionally, is the last thing to recover.

So the lost generation is still going to have it tough. Hard times and unemployment are going to be the lot of many of the students partying last week, whether they graduate now or two years hence.

Perhaps that is why, in the middle of the beach, there was one tent offering an always reliable way out. With a sign that said "Fort Panama", the US Army had set up a recruiting station in the middle of the party and was handing out leaflets. A poster in large letters read: "Now Hiring". Beneath it, a small queue of students in bikinis and beach shorts had formed.

Generation Y: The stats

- There are 37.5 million people aged 16 to 24 in the USA. Of these, just over 21 million are counted in the labour force.
- Of 'Generation Y' (those born between 1977 and 1998); 83% of men and 86% of women are high school graduates, but only 9% of men and 13% of women have graduated from college.
- Most parents (58%) now want their children to graduate from college and 28% want them to gain an advanced degree. Only 14% of parents do not want their children to receive a college education.
- Generation Y is one of America's largest consumer groups, with an estimated annual spending power of \$200bn and major influence on parents' spending.
- A 2004 study found that, by 30, only 46% of women and 31% of men are financially independent, compared to 77% of women and 65% of men in 1960.

'It is so beautiful here – but I'm terrified about the job market'

Clinton Mosley, 22, student from Mississippi

"Oh man, it is so beautiful here. Everyone is so friendly and everyone is so nice and out to have a great time. Most people will never get to see a beach as beautiful as this one. I am graduating this summer and I am a senior in communications. I want to go into the radio field. I have my own show on my college radio station: my DJ name is B Smooth. As for the job market, I am terrified. I really am. It is so hard out there to find a job. But you know what? I remain optimistic. Internships are the key and I have an internship lined up in Texas. I know that working hard at that opportunity is the key to getting a job. So I am scared but I am also very confident. I really am."

Sondra West, 20, communications student from Ohio

"I came here with 10 people in two cars. It took us 13 hours and we were all bundled together. We are all sharing to cut costs. We rented a \$2,000 (£1,430) cottage and split it between the 10 of us and then each chipped in \$20 for food. I am about to take up a paid internship to help out with costs back in Ohio. I have got a job at a children's hospital. I will be answering the phones and things, but I will get paid. That is important because I worry about jobs and money all the time now. But we came here to Spring

Break to get away from all that. We just want to relax and enjoy ourselves. And who knows, someone you meet here might give you a job. I mean, MTV is here!"

Arthur Haug, 18, student from Iowa

"I am very worried about what the job market will look like when I graduate. I hope it is really different for me when I get out there in 2011. But I also worry about things now and how they might hit me and my family. If one of my parents lost their job then I might not be able to afford college any more. My whole family is worried. We talk about it all the time back at school in Iowa. In my economics class every day, the first thing the professor talks about is the headlines from the newspaper that morning. But at least at the end of it all America might be more fiscally responsible. I hope so anyway. I would love to run my own business one day."

Shannon Laratonda, 21, student from Pennsylvania

"I am having fun down here. I have been having an amazing time every day. I have been working out each morning and then spending the day on the beach and then going out to all the clubs in the evening. I am absolutely having fun. The recession has not really affected me at all, or my family. It is not that we are that well off : it just does not seem to have been much of a problem. So I do not really worry about it. Besides, if I decide to go to medical school it could be another seven or eight years before I get out of college and by then perhaps things will be a bit better economically. Or perhaps even completely different."

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