Policymakers shouldn't rely on generational labels or stereotypes, says economist

November 28 2023, by Sara Savat

Credit: Polina Tankilevitch from Pexels

Corporate America has heard the warnings: Generation Z is going to turn workplaces upside down with their competitive nature and demand for remote work. While the oldest Gen Zers have been in the workforce for less than a decade, there are dozens of books geared toward helping leaders successfully manage them. And don't forget entitled millennials, independent, aloof Gen Xers, and corporate-climbing baby boomers.

With four generations converging in the workplace, how's a manager to keep up?

Start by throwing out any preconceived notions and biases you have about generations, says George-Levi Gayle, the John H. Biggs Distinguished Professor of Economics in Arts & Sciences, who adds that generational labels are not good predictors of how people think and behave. Factors such as education, race, and socioeconomics are better indicators.

"From a research standpoint, generational labels are useful to understand the initial or prevailing conditions for a group of people," Gayle says, citing as an example the "silent generation" that came of age during World War II.

"The war created an initial condition for this generation, but their trajectories were affected by many different factors later on, such as educational attainment or socioeconomic standing," Gayle says. "Within this generation, they had different starting points, too.

"At the end of the day, generational labels are a summary statistic—they're not an innate part of people's character," he says.

Like other stereotypes, generational labels stick because it's easier to make a snap judgment about someone based on their generation than it is to take the time to understand the person's unique situation and abilities, Gayle says.

In the research world, generational labels have long been criticized as fake and potentially harmful. Earlier this year, the Pew Research Center—known for its prolific generational studies—announced new guidelines for conducting this type of research to "avoid reinforcing harmful stereotypes or oversimplifying people's complex lived experiences."

No one size fits all

If generational labels oversimplify, family economists like Gayle seek to add nuance to our understanding of how individual behavior and family decision-making shape macroeconomic outcomes.

Gayle's research spans various social issues, such as gender gaps in the labor force, fertility trends, and intergenerational mobility. He uses demographic analysis to understand the implications of standard economic policies intended to address these issues.

The fertility behavior of women, for example, is not an issue you might expect economists to care about, but the implications of these trends are critical to our economy, Gayle says. Programs like Social Security are built on a pyramid where younger people support older generations. With fertility rates declining, those pyramids are now inverted in the U.S. as well as in Japan and most of Europe.

Most of the policies that countries have adopted in an attempt to boost fertility rates have not had a significant impact, Gayle says. His research suggests that these policies—which often focus on immediate concerns like child care—fail to address a major concern for young people: job security. "In my research, I found that working women were more concerned about their career trajectory and the loss of future income should they break that trajectory than the immediate cost of child care," he says.

"That's not to say that affordable child care isn't important, but I would advocate that policymakers should also focus on providing paid parental leave and guaranteeing that a new mom's job will be waiting for her when she returns to the workforce."

Why economic policies fail

Gayle says there are several reasons why economic policies fail. First, policies fail when they're based on sweeping generalities, like generational labels.

It's also important to remember that context matters. For example, a policy that was effective in one part of the country can't be duplicated in another region without careful consideration of the unique opportunities and challenges present there.

Even the most well-intentioned policymakers can miss the mark when targeting the outcome they want to achieve rather than the causes and people they want to help.

"Economics is all about understanding incentives and trade-offs," Gayle says. "Outcomes are shaped by society and individuals making decisions, so you need to target the people you want to help and understand the incentives at work. Otherwise, you end up with bad policy."

Provided by Washington University in St. Louis

Citation: Policymakers shouldn't rely on generational labels or stereotypes, says economist (2023, November 28) retrieved 29 April 2024 from https://phys.org/news/2023-11-policymakers-shouldnt-generational-stereotypes-economist.html