

# Has Britain Robbed Its Children?

by Conor Hamilton

A recent cover of the *Spectator* featured an indifferent teen being carried on the back of a speedy elderly man. The message is clear: young people are lazily relying on the old. One reason this narrative is so effective is that there is a widespread anxiety today's children will not value and uphold the efforts of the generations that came before them. It plays on a fear that young people are not fulfilling their part of an intergenerational contract, preferring to live their lives selfishly. However, what if the breach of contract is the other way around? What if older generations have been living an unsustainably extravagant lifestyle, leaving little for those that will come after them?

The immediate evidence for this would be the UK's national debt, which has increased from [34 per cent of GDP in 1991 to 90 per cent](#) (pdf). This debt is so large that the interest we pay on it is roughly the same size as our defence budget. Unfortunately, the interest will only increase as our debt shifts to just short of 100 per cent of GDP, as [it is predicted to have done by 2015](#) (pdf). It seems the taxpayers of tomorrow will be struggling with the debts of yesterday for a long time to come.

However, it is not only the profligacy of the last generation, commonly deemed synonymous with the previous Labour government, that will harm the young. The austerity measures pursued by today's coalition are also unfairly weighted against young people. University funding and housing benefits for the young have been slashed, employment schemes have been abandoned and the Education Maintenance Allowance (EMA) has been scrapped in England. Meanwhile, pensioners are exempted from caps on housing benefit, pensions remain triple-locked and universal benefits such as winter fuel payments, free TV licences and free bus passes, all remain untouched. None of those benefits existed 16 years ago. Strangely, the current deficit reduction plan shows little concern for those who will have to pay the money back.

It isn't just governments that have acted irresponsibly. The past set of homeowners have done great damage as well. Aided by a tax-relief on mortgages and the sale of public housing, past generations found it relatively easy to make their first steps onto the property ladder. As a result, the market boomed and Britain developed a skewed economy. Martin Weale, a member of the Bank of England's Monetary Policy Committee, found that if house prices had risen at the same rate as the stock market over the last 20 years, [they would be 50 per cent cheaper today](#).

As a result, Britain's homeowners have stopped investing in useful things like businesses, and have instead starting using their homes as an easy source of cash. Every time someone takes out a second mortgage or downsizes to make the most of their house's increased value, they bring that over-inflated profit along, even though they have done relatively little to earn it. This cost is then paid by the people entering the market for the first time or looking to upscale. Yet again it is the younger generations that must over-pay because of the actions of the old – a cost which has been [estimated](#) at £1.3 trillion pounds in total. This has dire consequences for the distribution of wealth, which has been shifting in favour of elderly in recent years. A [Bank of England study](#) (pdf) found that in 2005, the average wealth of people aged between 25 and 34 had fallen to a third of its 1995 value, whereas the wealth of those aged 55–64 had tripled.

However, homeownership is not the only area in which the older generations have pulled the ladder up behind them. In Britain's new, globalised "knowledge economy", places at university are both extremely important and increasingly scarce, yet students now also have to borrow up to £9,000 a year to pay for their tuition, whereas those studying 15 years ago would have received it for free. As a result, a student graduating from a three-year university course will have [an average debt of £42,000](#) (pdf) after living costs are factored in. Britain's politicians have begun penalising those who want greater knowledge and skills, in an era when globalisation makes that education vital.

A lack of affordable housing and heaps of private and public debt won't just deprive the young people of the chance to accrue material wealth, it will also delay

their chances of becoming adults. As Shiv Malik and Ed Howker note in their book *Jilted Generation*, being an adult is about “family, savings, community, realizing ambitions and ideas, stability, even having children.” Adulthood is about feeling and being in control of your life, an ideal that is now out of reach for many. Two-thirds of people aged 20 to 45 believe they have [no prospect of getting on the property ladder](#) and 2.8 million 18–44 year olds are postponing children [until they can afford a home](#) (pdf). Many of the things that indicated adulthood to previous generations are being denied to this one. Britain is robbing its children of the chance to be grown-up.