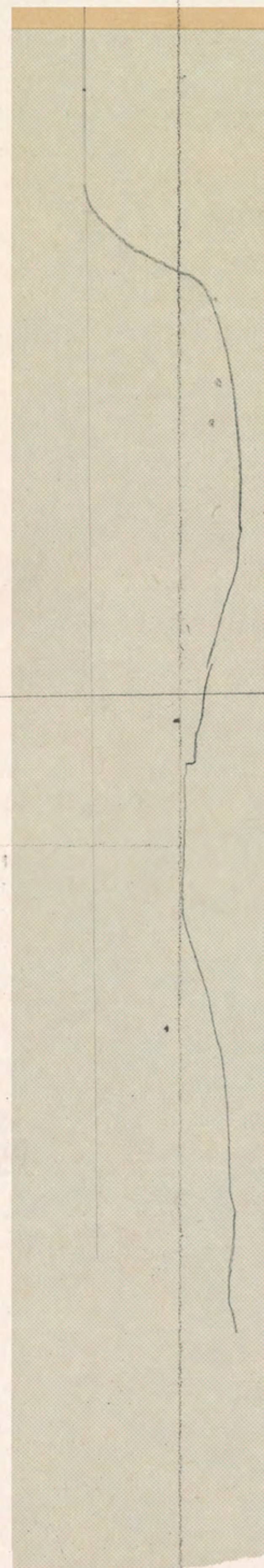
THE PETER PAN STATE:

How Bad Policy Delays Adulthood

By Rikki Schlott

A generation raised under constant supervision is discovering that the oversight doesn't end when they grow up. In the 21st century, the government increasingly acts as a permanent chaperone, standing between young people and the milestones that have long marked adulthood.



ILLUSTRATIONS BY MIKE MCQUADE

Young people are hitting important life milestones at later and later ages, if at all. They are delaying leaving home, forming relationships, settling down, having kids. In 1975, 45 percent of young adults aged 25 to 34 had moved out and were married with children and working. By 2024, that number had shrunk to less than a quarter. Many young people think the American dream is out of reach, but what they don't realize is that much of their stunted development is a byproduct of bad policy. Reaching adulthood has become a permissions-based, legislated, and chaperoned process. Today, growing up means surmounting one policy-imposed hurdle after the next.

Spend a minute in the typical young American's shoes.

It's time for college! You'll probably need a student loan. Federal lending was supposed to lower the barrier to higher education, but the cost of tuition has only gone up since students started taking out federally backed loans. It turns out that schools will charge more as long as students can borrow more through indiscriminate lending. You arrived at school a kid, and now you're an adult buried in debt.

Or maybe you want to skip the credentials and get straight to work? Not so fast. Countless trades—from hair braiding and interior design to real estate and plumbing—require licenses and hours of classes. The proportion of workers who need a license to work has quintupled since the 1950s, affecting 1 in 4 workers today. And don't think you can just up and move from one state to the next. These licenses aren't necessarily portable across state lines. If you wind up opening a small business, expect permits, licensing, zoning restrictions, and endless fees.

Now it's about time you finally move out of your childhood bedroom and find a place you can call your own. Unfortunately, your local government has likely done a number on the very sorts of rental housing you're after. Zoning laws make building more expensive for developers and often restrict the number of units that can be built where people actually want and need to live. With rents high, your local city council may swoop in with rent control, but that will just distort the market further and incentivize older tenants to hold on to apartments for longer than they otherwise would and discourage landlords from maintaining their properties.

You probably want to become a homeowner, don't you? That starter home you've been dreaming about is a relic of a bygone era. Forty percent of houses built in the early 1980s were entry-level homes geared toward first-time buyers; by 2019, that had dropped to 7 percent. Many local rules make smaller homes impossible to build. Zoning laws that regulate home sizes, yard sizes, setbacks, and parking capacity all drastically reduce the possible plots for starter homes. Permitting delays can stretch as long as a year and a half in some cities, further constraining the supply of housing and pushing up prices. We haven't even gotten to tariffs yet, which, of course, make building materials—and even furniture for your new home—more expensive. And all of that is assuming a mortgage is possible

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with your student loans. According to the Federal Reserve, having more student debt is associated with delayed home ownership. Definitely don't count on your president to ease the pain. He's pulling the housing ladder up behind his generation—and saying the quiet part out loud. "I don't want to drive housing prices down," Trump told his cabinet in January, "I want to drive housing prices up for people that own their homes, and they can be assured that's what's going to happen."

But let's say you cleared all those hurdles and actually got a home. Congratulations. Now it's time to start a family. Alas, you will find that the government has worked its magic on childcare, too. Staff ratio minimums, group size limits, and facility regulation all make childcare more expensive. Childcare costs rose 214 percent between 1990 and 2020—far more than groceries or housing—while family income increased by only 143 percent. In Washington, DC, the annual cost of childcare was as high as $26,193 in 2024.

And hey, are you building wealth? Do you have enough savings? Is your 401(k) fat enough? Probably not, considering you're paying for someone else's retirement with every paycheck. Social Security checks are funded by taxation of current workers, forcing young people to pay for promises made before they were born. A typical 22-year-old entering the workforce will see a $110,000 cut to their lifetime earnings, or the equivalent of 20 months' pay, in order to keep Social Security afloat. And the system is set to run out of reserves in 2033, unless your taxes are hiked even more. Either Social Security will be unable to pay out its promises by the time you come of retirement age, or you'll be putting your grandkids in an even deeper hole.

In short: government has gotten in the way of your ability to move out, get educated, work as you please, start a new business, buy a home, build a family, and save your hard-earned cash. But you already knew that. Bad policy has been getting in your way since childhood.

You didn't roam freely with friends or walk home from school or buy something in a store by yourself like your parents did as kids. And that's thanks to a culture—and set of policies—that have legislated how children should be raised. Cops have been called on parents who let their children take a walk around their neighborhood or play

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outside on their own. In 2020, there were 2.1 million unsubstantiated investigations into child mistreatment. This is in part an outgrowth of punitive laws that vary from state to state. When you were growing up, such laws could be as absurd as making it illegal to leave a child under 12 alone. Childhood independence was reframed as neglect in the name of protecting you. But from what?

Even getting a summer job was made harder by politicians. You wanted to get some work experience and a couple of bucks, but minimum wage laws may have priced you out of certain gigs due to your lack of experience. According to the majority of research on the topic, increases to the minimum wage have a negative impact on employment numbers, and teens, young adults, and less educated workers feel the sting the most.

And, because you were a young person in 2020, you know as well as anyone what direct government intrusion into your life really looks like. If you're young enough, bureaucrats shut down your school during the pandemic in the name of safety, even though you, as a young person, had a significantly reduced risk of adverse effects from COVID-19. When you were missing class, nations like Sweden were proving that opening schools was good policy, but the policymakers around you put their feelings over the data. If you were in a government-run school, you probably had it worse, thanks to public-sector unions advocating to keep campuses closed—in some cases for two years. You probably don't even know the full extent of the social consequences and learning losses you suffered, and the likely decline in wages you will earn over time as a result. If you were already out of school, you may have experienced that era as a series of setbacks in your career, injuries to your social life, and damage done to your mental health.

The government has put hurdles between young people and the American dream. But many young voters want the government to fix that problem with more regulation and more benefits. On the political left, that sentiment is personified by New York City Mayor Zohran Mamdani, who has promised to fix this sense of stagnation with free childcare, rent freezes, and government-run grocery stores. But many of these policies would just exacerbate the problems they're

trying to fix and make young people even more dependent on the government that initially failed them. On the right, the sentiment has also manifested in the form of pronatalist policy designed to encourage people to have more babies and build families. Pronatalists advocate for baby bonuses for young parents, though those bonuses have limited effects and fail to raise fertility in a sustained way. On the more extreme end, pronatalists have argued that reducing women's access to education would be a roundabout way to increase the birthrate.

Both pronatalism and Mamdani-ism are intrusive attempts at social engineering, when the government could simply let people flourish by getting out of the way of housing, childcare, work, and savings. Many young people are suspended in an arrested adolescence precisely because government insisted it must hold their hands along the pathway to adulthood. The American dream isn't dead. Bad policy is just strangling it. ✦

ABOUT THE AUTHOR

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