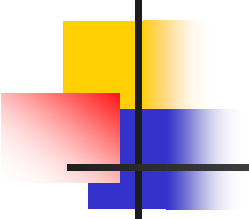


The Collapse of the Nation's Teen Labor Market and the Case for a Revitalized National Summer Youth Employment Program

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The Collapse of the Teen Labor Market and the Case for Revitalized National Summer Earning and Learning Program for Youth

- The steep decline in teen summer jobs since the summer of 2000; a record low employment rate for teens in the summer of 2007
- The complete failure of the nation's teens to benefit from national job growth over the past five years
- Who got the jobs in the summer of 2007; how did teen summer job losses between 2000-2007 vary across demographic and socioeconomic groups (age, gender, race, household income)
- Do teens want to work? How large are teen unutilization and underutilization problems?
- Why we should care about the collapse of teen employment? Future labor market and social consequences of youth joblessness.
- The goals, funding, design, and administration of a new federally-funded summer jobs program for teens.



The Summer 2007 Labor Market for the Nation's Teens

- The actual 2007 summer teen employment situation versus the projected outlook
- How low was the teen summer employment rate; a new historical low
- Comparisons of the summer of 2007 with earlier summers since 2000
- How many more teens would have been employed in the summer of 2007 if we had matched the summer 2000 employment rate
- How have the nation's teens fared in capturing new jobs in the country over the past 5 years; comparisons with their job gains during the decade of the 1990s. What went wrong?

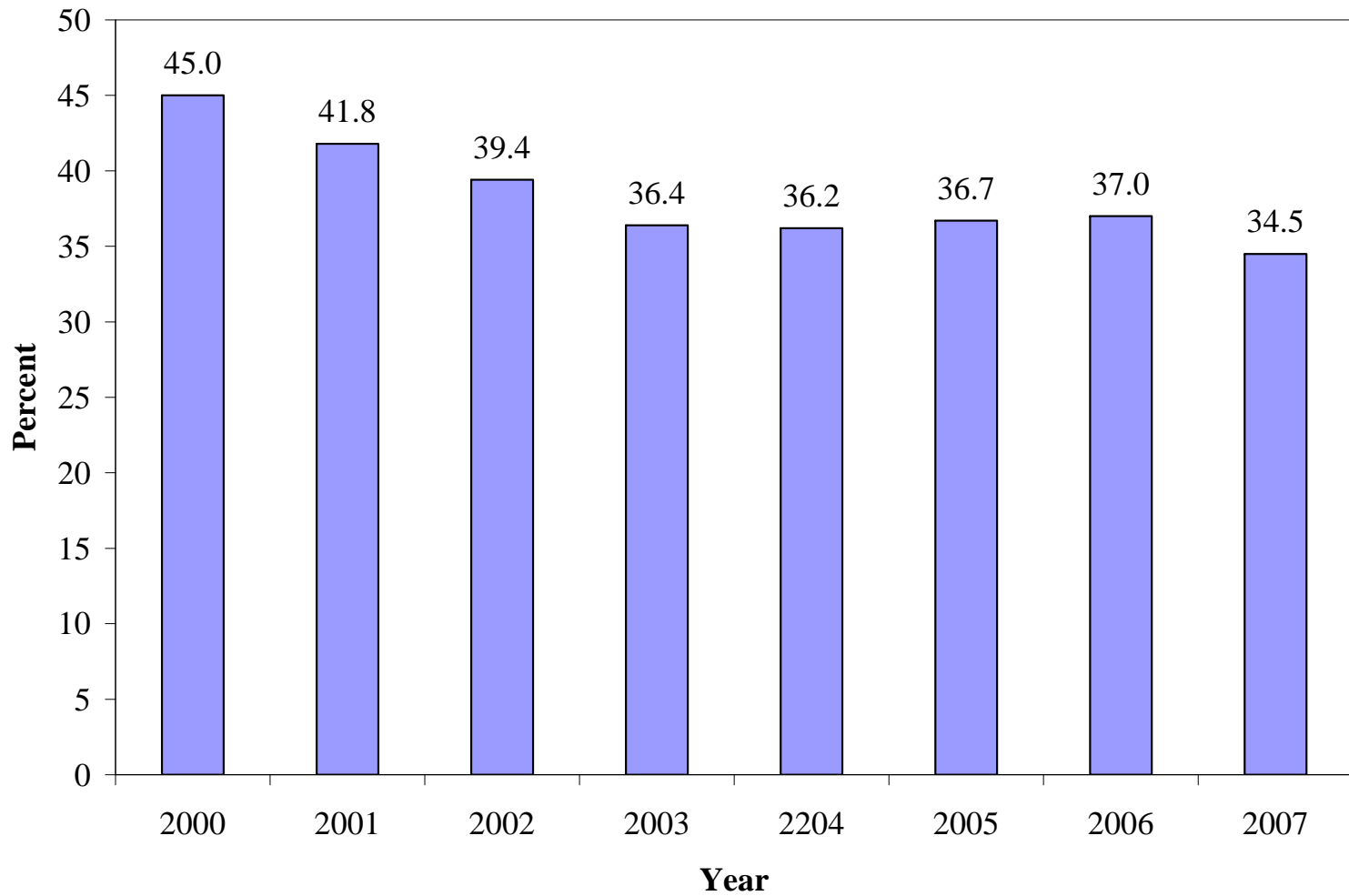


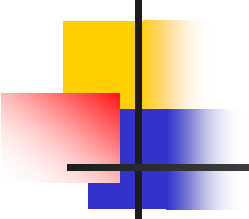
Estimated Employment Rates of the Nation's Teens
(16-19) During June, July, August 2006 and 2007
(in %, Seasonally Adjusted)

	(A)	(B)	(C)
Month	2006	2007	Percentage Point Change
June	37.5	35.2	-2.3
July	37.1	35.0	-2.1
August	36.3	33.3	-3.0
3 Month Average	37.0	34.5	-2.5

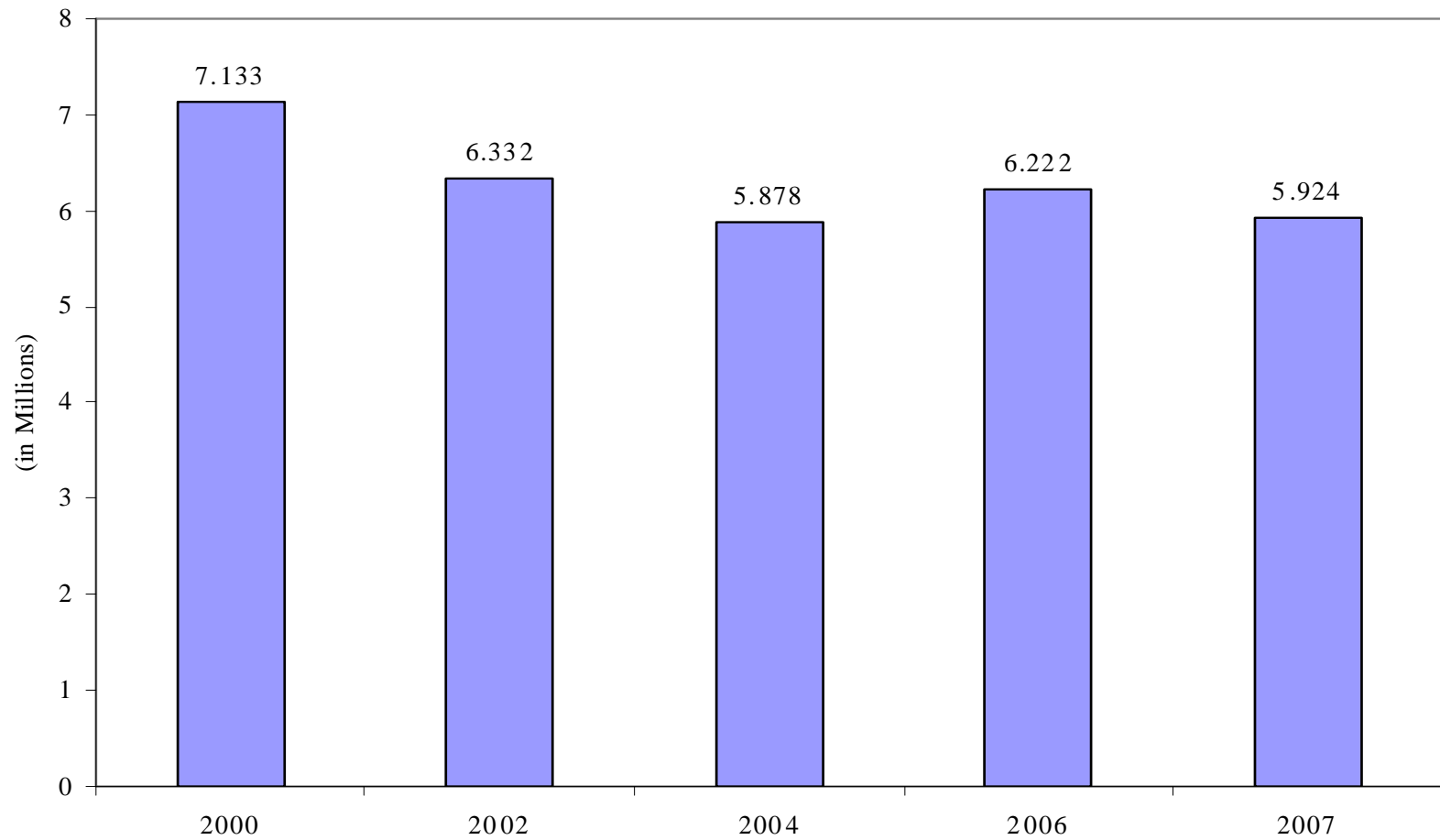


Summer Employment Rates of the Nation's Teens from 2000 to 2007 (in %, Seasonally Adjusted)

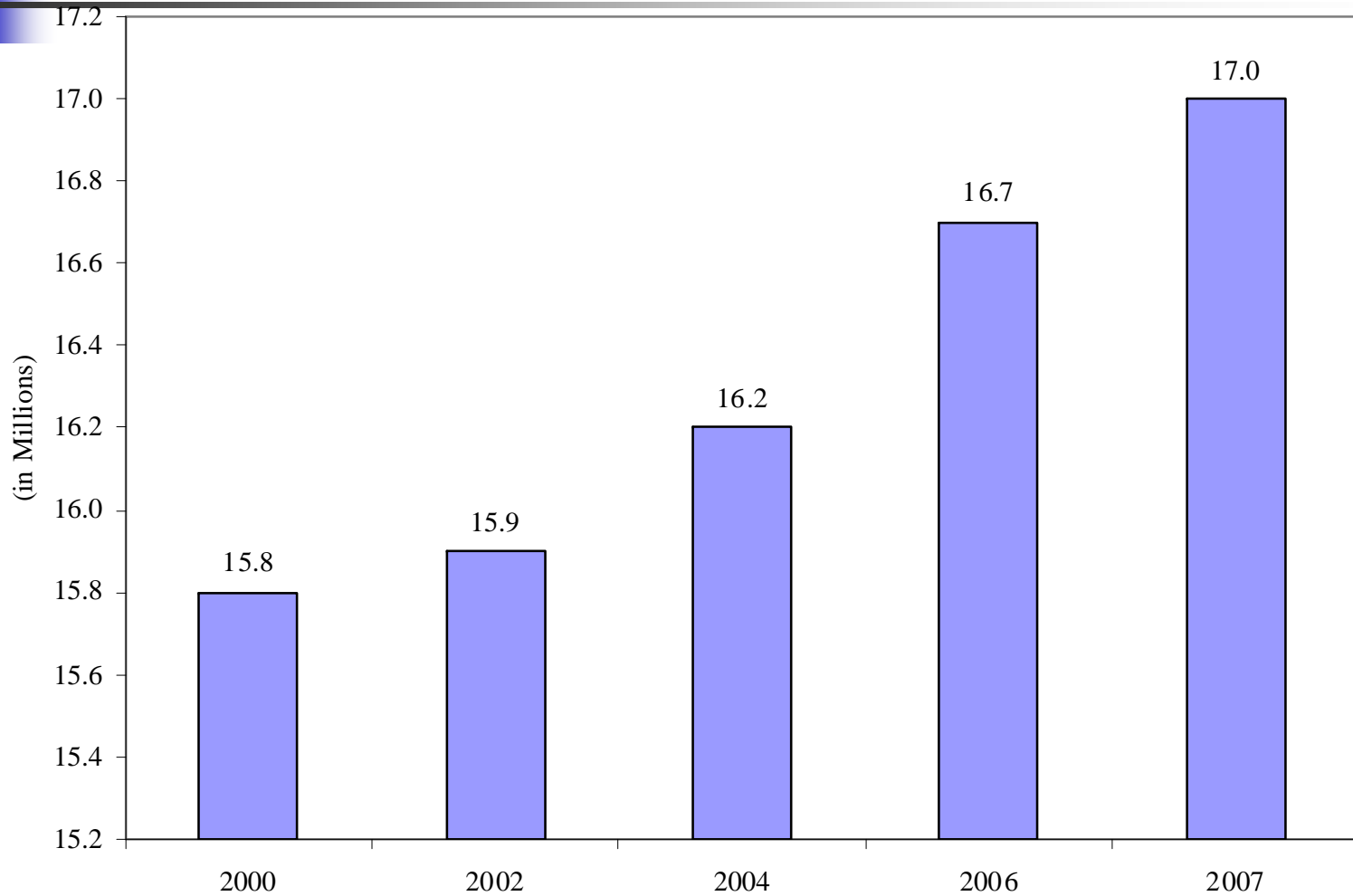




Trends in the Number of Teens Employed,
Summer 2000 to Summer 2007
(Seasonally Adjusted, in Millions)



Trends in the Number of Teens in the Civilian Non-institutional Population of the U.S., Selected Years Summer 2000 to Summer 2007 (in Millions)



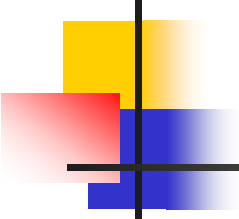
Teen Share of National Employment Growth
from the Pre-Recession Peak in 2001-I to May-July 2007
and the Job Recovery Period from May-July 2002 to May-
July 2007 (Seasonally Adjusted)

	(A)	(B)	(C)
Time Period	Growth in National Employment (16+)	Growth in Teen Employment (16-19)	Teen Share of Job Growth
2001 I – May-July 2007	8,340	-1,123	-13.5%
May-July 2002 to May- July 2007	9,609	-716	-7.5%



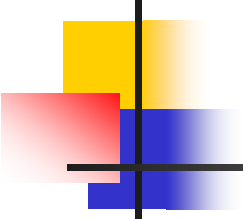
Who Worked in the Summer of 2007 and Who Did Not

- The summer 2007 employment rates of teens by gender and race-ethnic groups; the declines in summer employment rates of these groups between 2000 and 2007
- The summer 2007 employment rates of the nation's teens by single age group; declines in summer employment rates of these groups between 2000 and 2007
- The summer employment rates of teens by family income and race-ethnic group; implications for targetting future summer job interventions



The Geography of Teen Employment: Variations in Teen Employment Across Geographic Region's, States, Central Cities/Suburbs/Non-Metro Areas

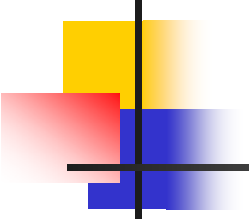
- Summer teen employment rates across geographic regions; the degree of declines in teen employment across region
- Summer 2007 teen employment rates across individual states
- Summer 2007 teen employment rates in central cities, suburbs, non-metropolitan areas



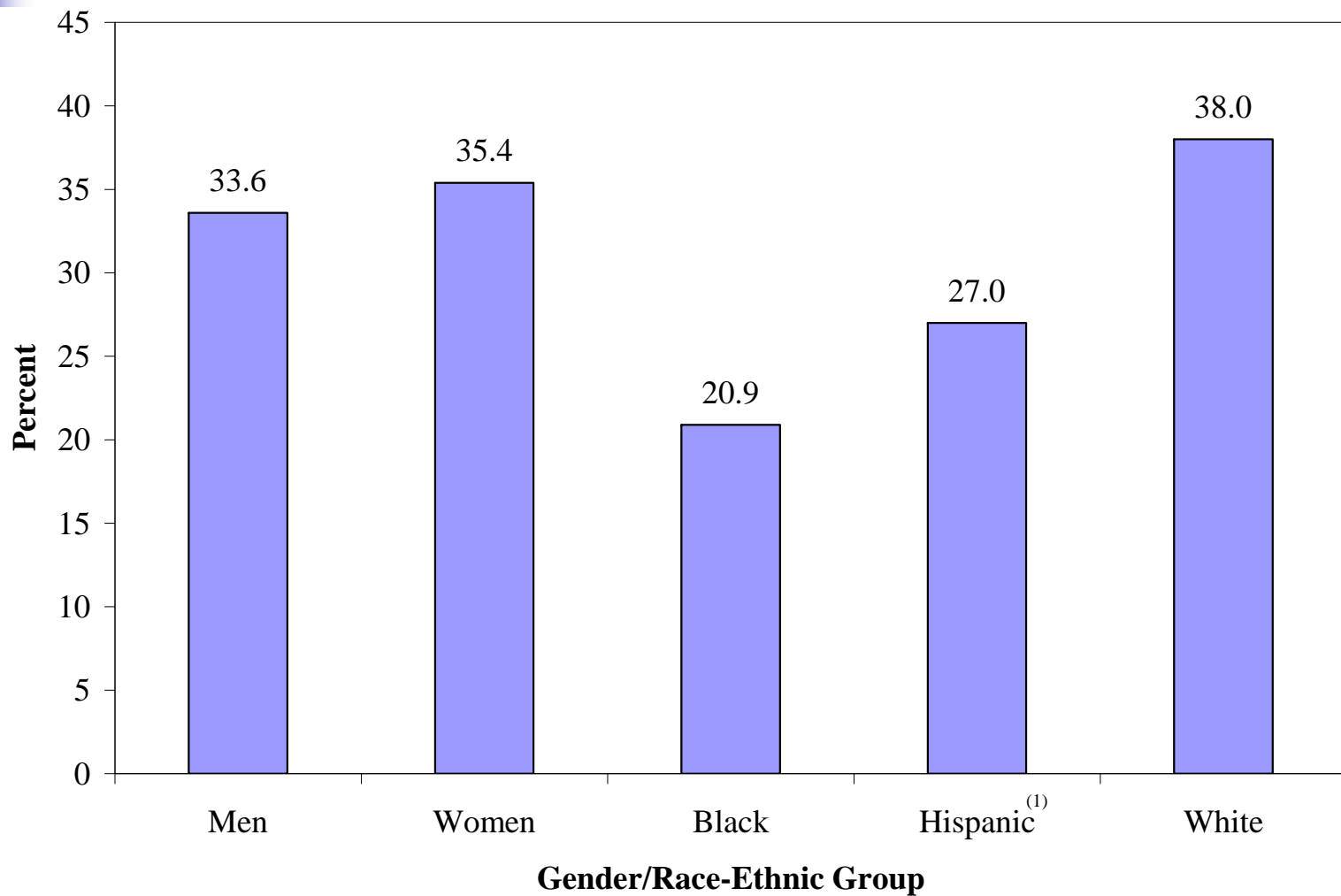
Comparisons of Teen Summer Employment Rates in
2000 and 2007 for Gender and Race-Ethnic Groups
(Seasonally Adjusted in %)

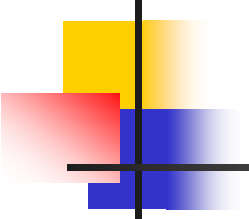
	(A)	(B)	(C)	(D)
Group	2000	2007	Percentage Point Change	Percent Decline
All	45.1	34.5	-10.6	-24
Men	45.2	33.6	-11.6	-26
Women	44.7	35.4	-9.3	-21
Black	28.9	20.9	-8.0	-28
Hispanic ⁽¹⁾	40.3	31.0	-9.3	-23
White	49.1	38.0	-11.1	-23

Note: Summer employment rates for Hispanic teens are not seasonally adjusted.



2007 Summer Employment Rates of the
Nation's Teens 16-19 for Gender and Race-Ethnic Group
(in %, Seasonally Adjusted)

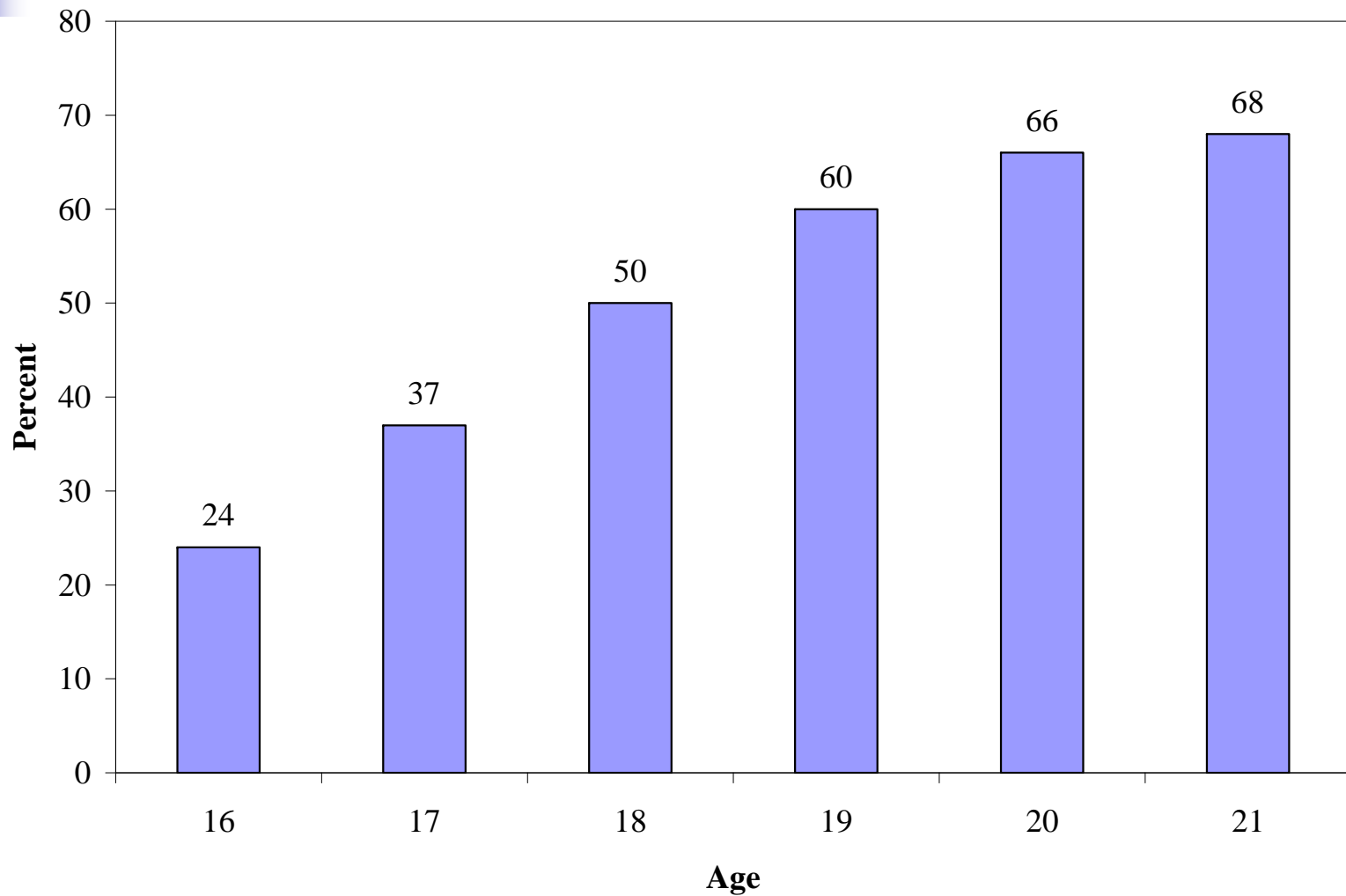




Comparisons of the Employment Rates of 16-22 Year Olds
in the U.S. by Single Age Group, June – July 2000 and
June – July 2007 (in Percent, not Seasonally Adjusted)

	(A)	(B)	(C)	(D)
Age Group	2000	2007	Percentage Point Change	Percent Decline
16	36.3	24.2	-12.1	-33
17	48.3	37.1	-11.2	-23
18	58.4	49.6	-8.8	-15
19	67.4	60.4	-7.0	-10
20	70.1	66.3	-3.8	-5
21	74.4	68.1	-6.3	-13
22	74.6	69.5	-5.1	-7

Employment/Population Ratios of 16-21 Year Olds by
Single Age Group in the June – July Period of 2007
(in %, not Seasonally Adjusted)





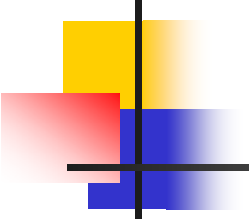
Employment/Population Ratios of 16-21 Year Olds by
Single Age and Race-Ethnic Group in June-July 2007

	(A)	(B)	(C)	(D)
Age Group	Asian	Black	Hispanic	White
16	9.4	12.4	13.9	31.0
17	14.3	20.8	25.6	45.6
18	34.6	34.0	38.4	57.0
19	48.7	39.7	54.0	67.8
20	50.0	51.4	62.4	75.2
21	54.2	59.4	71.1	70.5

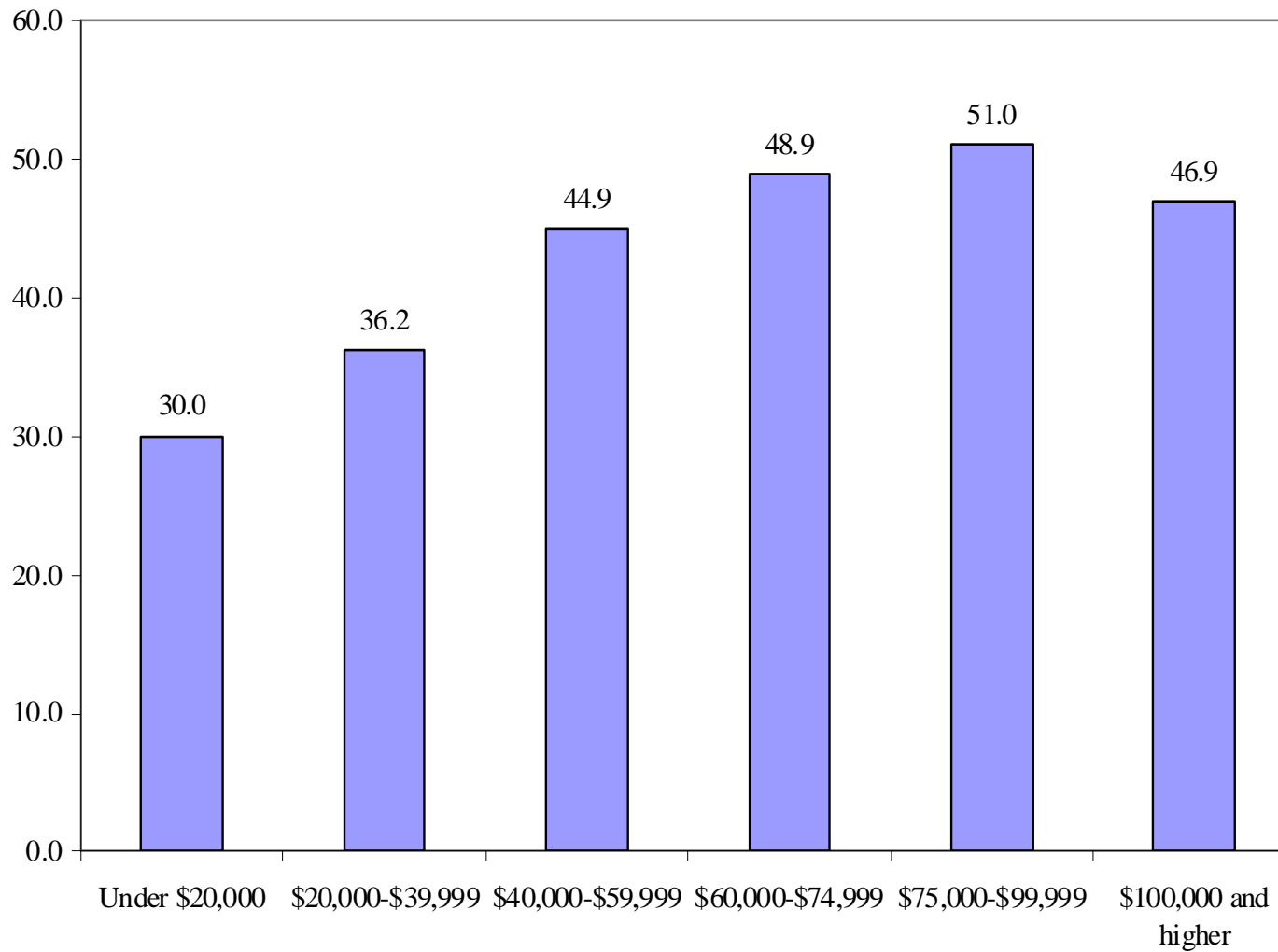


Relative Ratios of Black/White and
Hispanic/White Employment Rates from
Ages 16 to 21, June – July 2007 (in Percent)

	(A)	(B)	(C)
Age Group	Asian/White	Black/White	Hispanic/White
16	30	40	45
17	31	46	56
18	61	60	67
19	72	60	80
20	66	72	88
21	77	84	101



Employment/Population Ratios of Teens in
the U.S. by Household Income, Summer 2007
(Not Seasonally Adjusted)

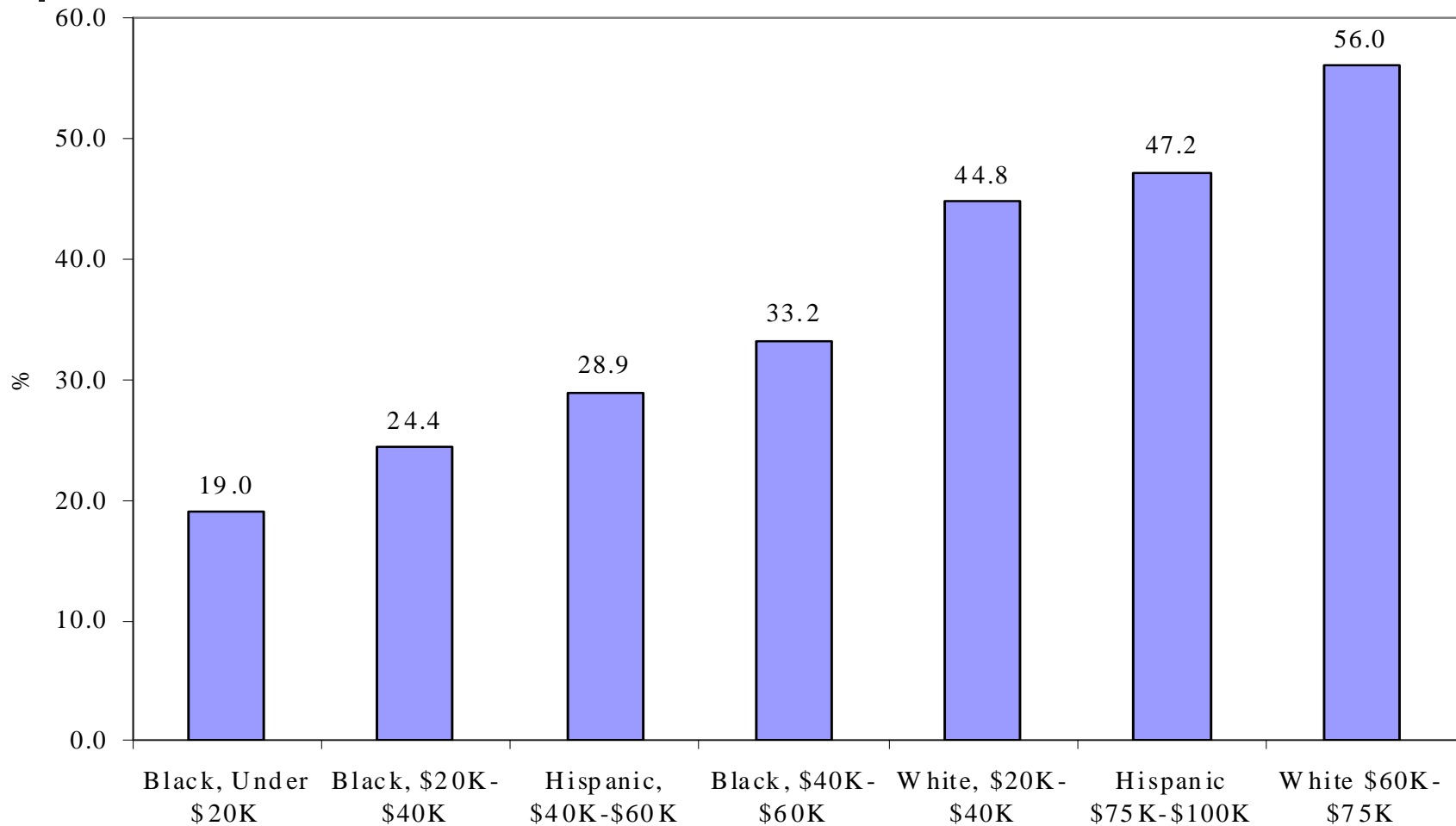




Summer 2007 Employment Rates of Teens by
Household Income and Selected Race-Ethnic Group
(in %, Not Seasonally Adjusted)

	(A)	(B)	(C)
Household Income	Black, not Hispanic	Hispanic	White, not Hispanic
Under 20,000	19.0	29.1	37.6
20,000 – 39,999	24.4	28.9	44.8
40,000 – 59,999	33.2	30.0	53.6
60,000 – 74,999	31.5	37.4	56.0
75,000 – 99,999	28.6	47.2	55.8
100,000+	28.4	36.2	50.1

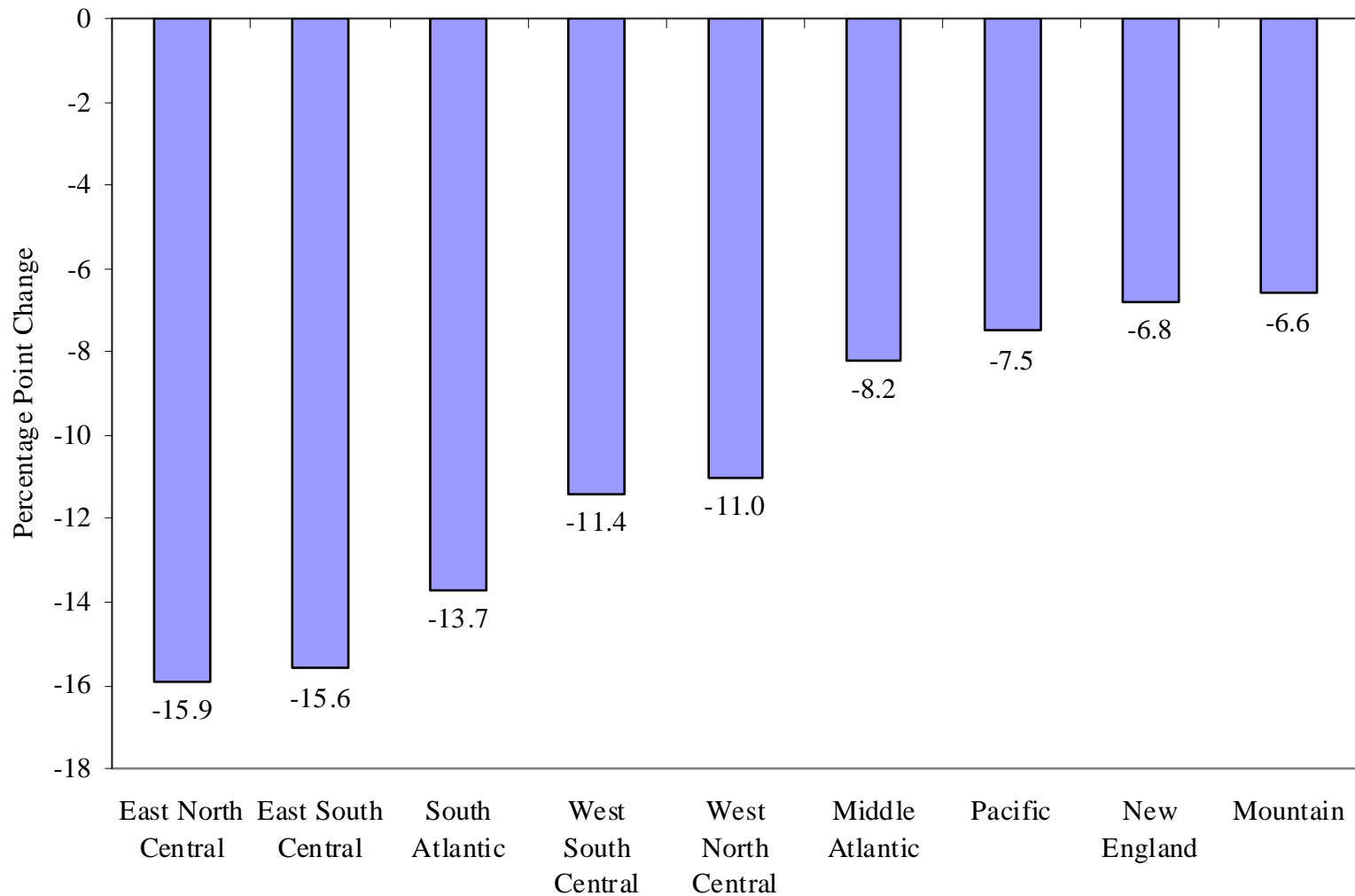
Percent of 16 to 19 Year Olds who Worked in the Summer of 2007 by Race-Ethnic Group and Household Income (in %, Not Seasonally Adjusted)



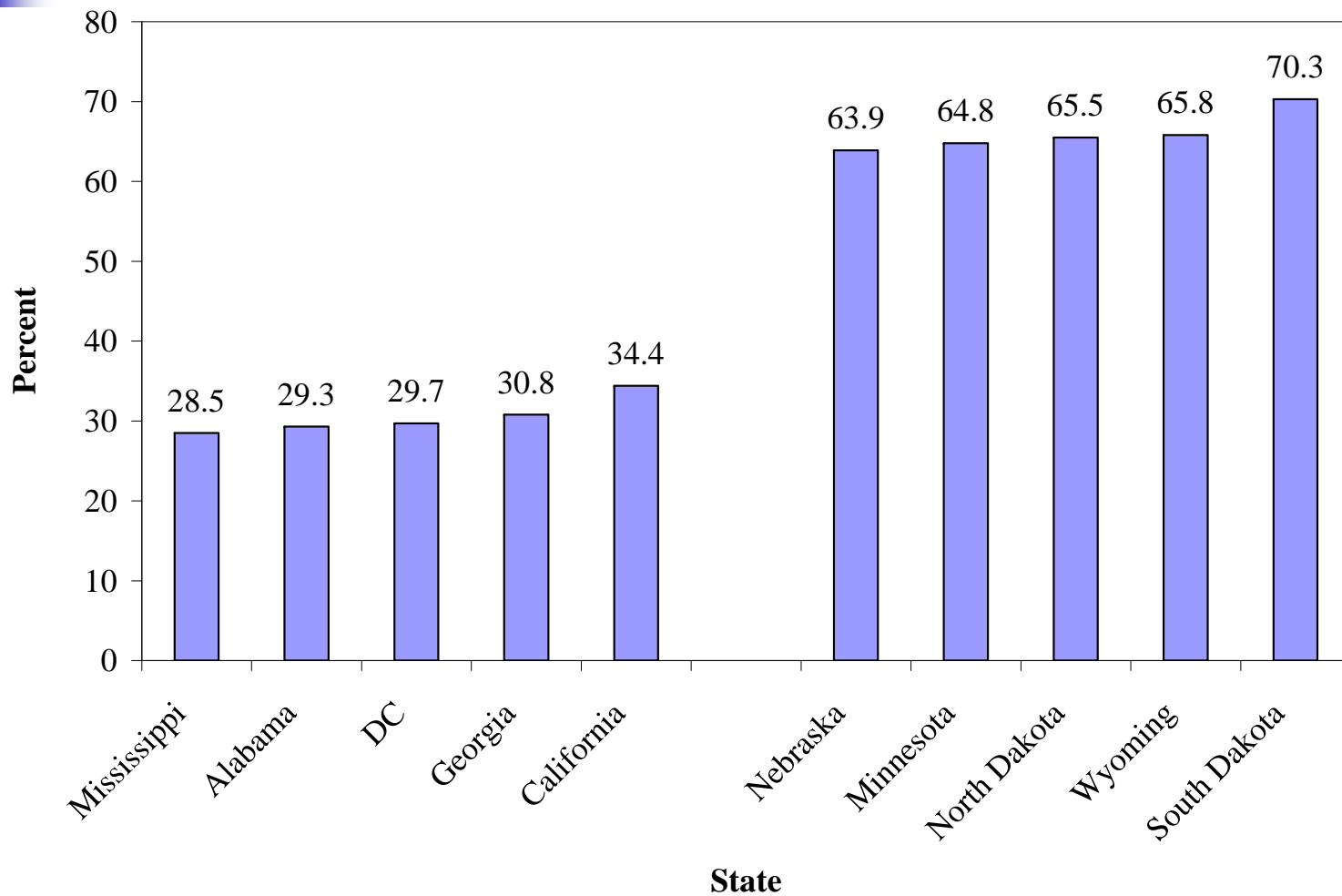
Changes in the Summer Employment Rates of
Teens (16-19) in the Nine Geographic Regions of the
U.S. 2000-2007, Ranked by Percentage Point Changes
(Numbers in %)

	(A)	(B)	(C)
Geographic Region	2000	2007	Percentage Point Change
East North Central	61.3	45.4	-15.9
East South Central	48.3	32.7	-15.6
South Atlantic	50.4	36.7	-13.7
West South Central	47.2	35.8	-11.4
West North Central	66.9	55.9	-11.0
Middle Atlantic	47.9	39.7	-8.2
Pacific	43.6	36.1	-7.5
New England	58.1	51.3	-6.8
Mountain	52.1	45.5	-6.6

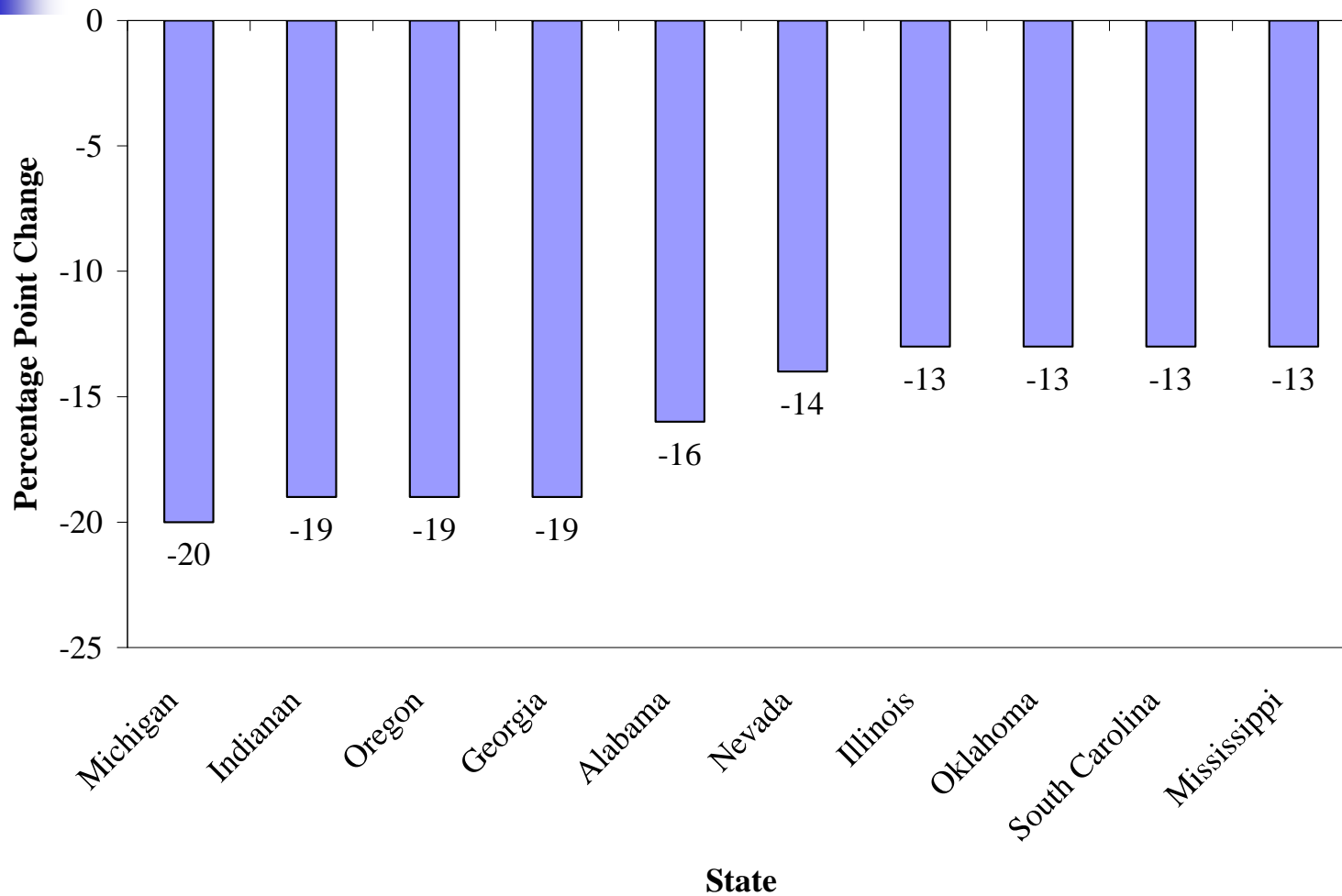
Percentage Point Declines in the Teen Summer Employment Rate Between the Summers of 2000 and 2007 in the Nine Geographic Regions

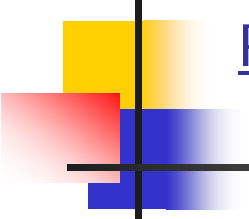


The States with the Five Lowest and Five Highest Teen Employment Rates During the Summers of 2006 – 2007 (in %)



Ten States with the Largest Teen Summer Employment Rate Declines 1999-2000 to 2006-2007





Comparisons of the Teen Summer Employment
Rates in 2000 and 2007 by Geographic Area of Residence
(Not Seasonally Adjusted, in %)

	(A)	(B)	(C)	(D)
Geographic Area	2000	2007	Percentage Point Change	Percent Change
All	51.9	40.6	-11.3	-22%
Central cities	41.5	32.8	-8.7	-21%
Suburbs of metro areas	54.8	42.8	-12.0	-22%
Non-metropolitan areas	57.1	43.1	-14.0	-25%

A Listing of the 25 Cities With the Largest Weighted
Sample of Teens in the U.S. and the Average Teen
Employment Rate in Those Cities During June and July of 2007

City	
1	New York City, NY
2	Los Angeles, CA
3	Chicago, IL
4	Houston, TX
5	Phoenix, AZ
6	San Diego, CA
7	Detroit, MI
8	Dallas, TX
9	Fort Worth, TX
10	Santa Ana, CA
11	San Jose, CA
12	Milwaukee, WI
13	Long Beach, CA
14	Fremont, CA
15	Charlotte, NC
16	Mesa, AZ

City	
17	Las Vegas, NV
18	D.C.
19	Oakland, CA
20	Boston, MA
21	Arlington, TX
22	Atlanta, GA
23	Oxnard, CA
24	Virginia Beach, VA
25	Paradise, NV
Average Teen Employment Rate	
29.0%	



A Review of Labor Unutilization and Underutilization Problems Among the Nation's Teens in Summer of 2007

- Unemployment among teens; conservative estimates of unemployed youth
- The hidden unemployment pool; want to work but not actively looking
- The underemployed; working part-time but wanting full-time jobs
- Size of the unutilized pool of teens
- Labor underutilization rates across gender and race-ethnic groups of teens



Why We Should Care About Reduced Teen Employment Both Year-Round and Summer

- Reduced work experience is a loss in human capital that reduces future employability and wages of youth
- Reduced work today reduces teen earnings and their ability to finance their own consumption, help reduce family poverty deficits, finance their college educations
- Reduced in-school work has negative consequences on high school graduation of disadvantaged youth



Why We Should Care About Reduced Teen Employment Both Year-Round and Summer (Continued)

- Reduced job experience adversely affects the employability and job preparation of youth; severe employer criticism of new high school graduates job preparation
- Increased employment among teen girls reduces rates of teen pregnancy

Labor Market Underutilization Problems of U.S.
Teens 16-19, All and by Gender: June – July 2007 Averages
(Numbers in 1000s)

	(A)	(B)	(C)
Labor Force Group/ Underutilization Problem	All	Men	Women
Civilian Labor Force	8,571	4,392	4,178
Unemployed	1,467	800	667
Labor Force Reserve	1,016	550	466
Underemployed	503	264	239
Sum of Above Three Problems	2,986	1,613	1,373
Adjusted Civilian Labor Force	9,587	4,942	4,644
Underutilization Rate (in %)	31.1%	32.6%	29.6%

Source: June – July 2007 monthly CPS household surveys, public use files, tabulations by authors.

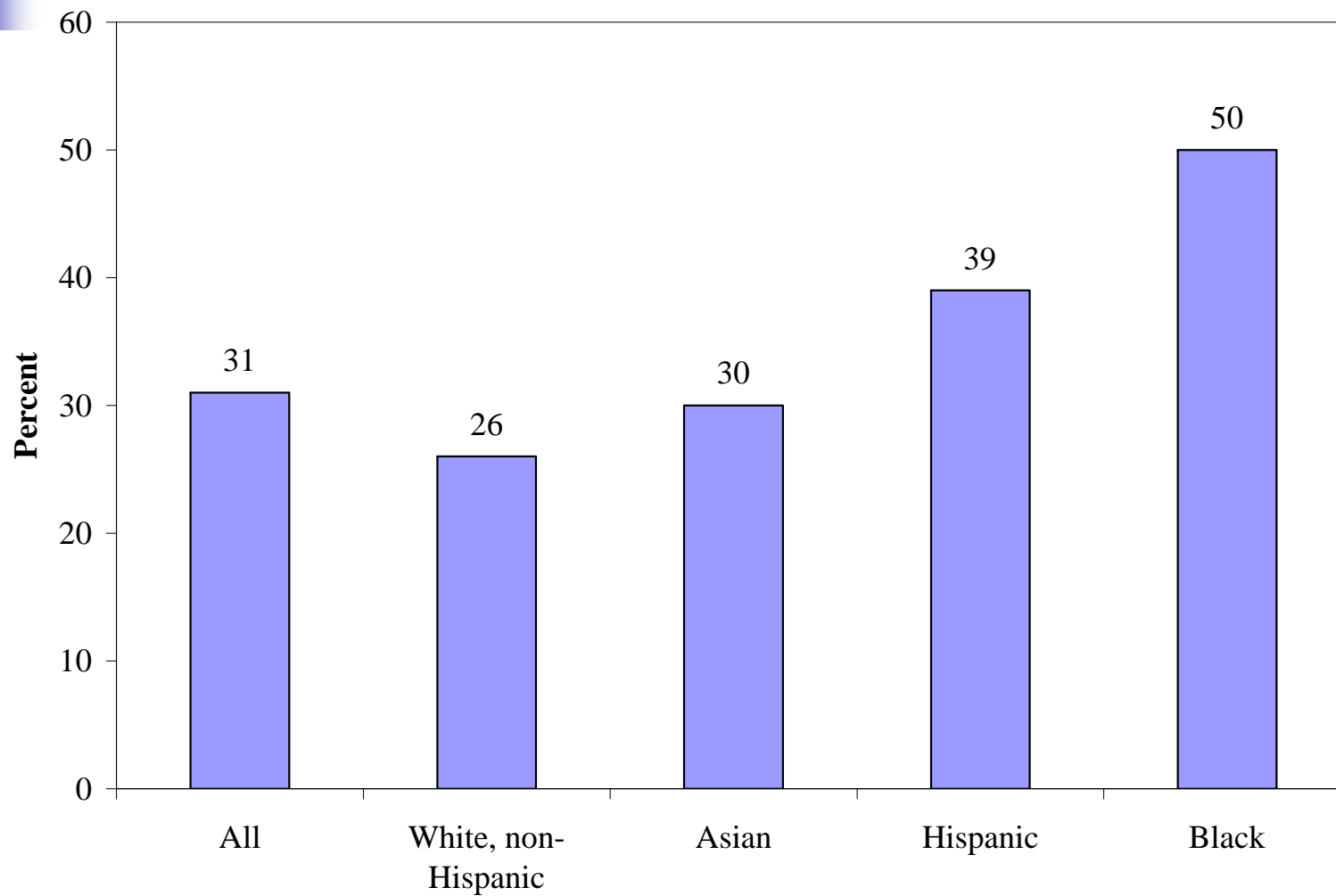
Labor Market Underutilization Problems of U.S.
Teens 16-19 by Race-Ethnic Group: June – July 2007
Averages (Numbers in 1000s)

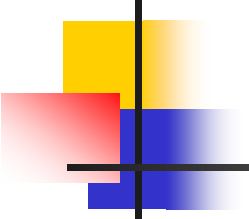
	(A)	(B)	(C)	(D)
Labor Force Group/ Underutilization Problem	Asian	Black	Hispanic	White, Non- Hispanic
Civilian Labor Force	183	961	1,200	5,967
Unemployed	19	324	248	841
Labor Force Reserve	33	218	218	507
Underemployed	14	49	83	337
Sum of Above Three Problems	65	592	550	1,686
Adjusted Civilian Labor Force	216	1,179	1,418	6,474
Underutilization Rate (in %)	30.1	50.2	38.8	26.0

Source: June – July 2007 monthly CPS household surveys, public use files, tabulations by authors.



Labor Market Underutilization Rates of U.S. Teens (16-19) All and by Race-Ethnic Group, June-July 2007) (in %)

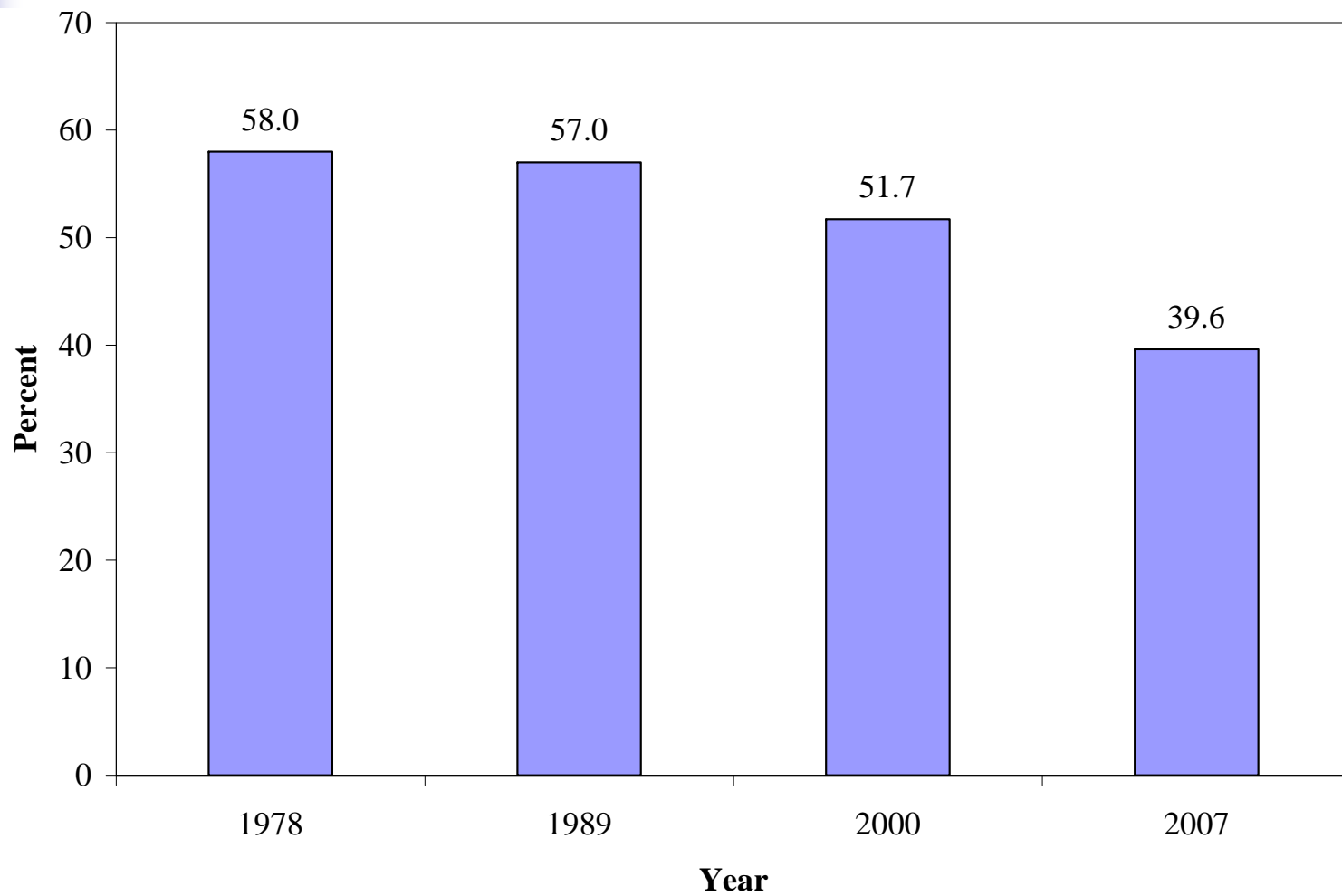




Simulating the Summer 2007 Teen Employment Impacts of Matching Teen Employment Rates in Previous Peak Years

- Comparing teen employment rates in the summer of 2007 with those in the summers of 2000, 1989, and 1978
- Additional numbers of teens that would have been employed last summer if the previous year's teen summer employment had been achieved
- Job creation impacts for male and female teens; the steep drop in male teen employment over the past few decades

Comparisons of Teen Summer Employment Rates in Previous Peak Years and 2007 (Not Seasonally Adjusted, in %)



Estimating the Number of Additional Teens That Would Have Been Employed in the Summer of 2007 if Previous Peak Year Employment Rates Had Been Achieved (in Millions)

	(A)	(B)	(C)	(D)	(E)
Year	2007 Employment Rate (in %)	Hypothetical Employment Rate (in %)	Increase in Teen E/P Ratio (in Percentage Points)	Teen Population (in Millions)	Gain in Teen Employment in Summer 2007
2000	39.6	51.7	12.1	17.0	2.057
1989	39.6	57.0	17.4	17.0	2.958
1978	39.6	58.0	18.4	17.0	3.128
▪ Men	39.1	64.1	25.0	8.6	2.150
▪ Women	40.1	51.9	11.8	8.4	.992



The Goals, Planning, Funding, and Design of A New Summer Jobs Program

- The primary goal would be for local WIB organizations together with private employers, high schools, colleges, and state/local government to provide both employment and learning opportunities for the nation's teens, including youth from families with incomes below the low income level (200% of poverty line)
- The first year goals would be to provide subsidized and unsubsidized jobs for at least one million teens in the summer of 2008; funds could be used to create subsidized jobs in the public and nonprofit sectors, provide wage subsidies for private sector employers, and expand unsubsidized job opportunities for teens via strengthened connections with employers



The Goals, Planning, Funding, and Design of A New Summer Jobs Program (Continued)

- The funding for the program must be provided immediately by the U.S. Congress to give local and state organizations sufficient time to plan and design the program
- Low income teens are the prime target group, but youth from higher income families can be served by the program with subsidized wages for private employers and unsubsidized jobs
- A first year funding level of \$2 billion will be set by the Congress and allocated to states based on their share of national jobless youth and youth in low income families



The Goals, Planning, Funding, and Design of A New Summer Jobs Program (Continued)

- All participants will be expected to participate in learning based activities during the summer. These activities will take place at the worksite in small educational settings in community colleges.