

Youth and Unemployment



By Paula Santonocito

The impact of a prolonged recession, which included massive job losses and fewer employment opportunities, has been widespread. However, while many Americans face challenges, the nation's young people have been especially affected by this economic climate.

In April 2010, the U.S. unemployment rate for workers under the age of 25 (16-24) hit 19.6 percent – the highest rate for young workers since the Bureau of Labor Statistics (BLS) began tracking unemployment in 1947.

To put this in perspective, at nearly 20 percent, the unemployment rate for young people in America for the month of April was more than double the national unemployment rate. For the month of May, the figure dropped slightly, to 18.1 percent, but unemployment for workers 16-24 still remains nearly double the national rate.

These statistics beg the question: Why are so many young people in America unemployed?

Understanding the Situation

The assumption is the economy is partly to blame. Indeed, numerous surveys from the National Association of Colleges and Employers (NACE) show the impact of the recession on college grad job seekers.

Be that as it may, statistically, college grads have a greater likelihood of landing a job than their friends without diplomas, and they fare far better than their younger siblings. Young teens experience the highest rate of unemployment; the unemployment rate for 16-17 year-olds was more than 29 percent in April, and it hit nearly 30 percent in May.

High unemployment among young workers is a topic the U.S. Congress Joint Economic Committee (JEC) has explored, seeking to find solutions. JEC indicates that young workers are disproportionately concentrated in industries hard-hit by the recession, and this factor contributes to the jobless rate.

The numbers tell the story. Young workers account for 13 percent of all employees, but they are far from being evenly distributed across industries. Workers 16-24 are over-represented in leisure and hospitality, where they make up 34 percent of the total

workforce. Meanwhile, in wholesale and retail trade they account for 20 percent of the total workforce.

For teens, the likelihood of working in leisure and hospitality or wholesale and retail trade is even greater: Two out of every three (about 66 percent) employed teens (16-19 years of age) work in one of these two sectors.

As the economy recovers, the leisure and hospitality sector is showing signs of growth. Yet, as JEC points out, it remains to be seen whether employers will hire or rehire unemployed youth.

In the current economic environment, applicants for open positions include older, more experienced workers.

Unemployed in the Summertime

Indeed, when it comes to summer hiring, even a few years experience can give candidates an advantage.

Research from global outplacement consultancy Challenger, Gray & Christmas finds that the summer job market for teenagers is off to its slowest start since 1969, with employment among 16 to 19 year-olds growing by only 6,000 jobs in May. Meanwhile, employment among 20 to 24 year-olds grew by 270,000 jobs.

According to the firm, the numbers suggest that these older job seekers are taking jobs typically held by teens.

“As the traditional summer hiring surge gets underway, it appears that employers may be favoring older job seekers, who are apparently more willing to take lower-paying positions,” said John Challenger, CEO of Challenger, Gray & Christmas, in connection to the release of this data to the media.

Shifting the Focus

Lack of employment opportunities for teens, exacerbated by the recession, have led Teens4Hire – a website devoted to helping teens find a full-time, part-time, summer, seasonal, volunteer or vocational job – to alter its business model.

“For the most part, we have moved away from ‘individual job postings’ to a Featured Employer, Featured Jobs, Featured Industry business model and editorially select national organizations for inclusion that have a committed outreach to teens and young adults. In this model, job seekers are directed towards company job sites with openings,” says Renee Ward, founder and executive director of Teens4Hire.

Because of the shift, the site's aggregated job listings are about the same as last year. Yet, while Ward indicates there are jobs available, she points out there is more competition for each opening.

In addition to retail and hospitality, which includes amusement/theme parks, Teens4Hire currently features jobs in healthcare, banking and financial services, law enforcement and security, and vocational trades – and soon the addition of the cleantech industry.

As part of its effort to help teens compete more effectively, Teens4Hire has partnered with The A Game, an online work readiness and certification program for teens and young adults designed to improve employability and success in the workplace.

Nevertheless, despite the site's best efforts at preparing young people for employment and showcasing job opportunities, the responsibility for hiring these workers ultimately lies with employers.

For employers, choosing between inexperienced and experienced workers, in a business environment that is already challenging, can require a leap of faith – and it's a leap many aren't prepared for or in a position to make.

Recognizing the employment obstacles that confront young workers, Sen. Patty Murray of Washington has introduced a bill to provide funding for summer and year-round training programs for America's youth. Known as the "Youth Jobs Act of 2010," it aims to create up to 450,000 temporary jobs, while providing young people with experience necessary for continued employment.

For young people, entry-level employment is not a luxury. "Most teens want a paying job for necessities and what they earn helps to support the family unit. It removes some of the financial burden on parents and teaches young adults the value of earning a living," says Ward.

But it's not only about the money. Work-based learning early in life helps prepare young people for the future, Ward tells RecruitingTrends.com.

"It is at this time that young people make critical choices that affect their transition into adulthood and shape their perceptions about the world of work," Ward says. "Work experience at this stage of life is critical, and people who spend a large share of their young adult years 'employed' have an easier time finding and keeping a job later in life."