YOUTH EMPLOYMENT FALLS TO RECORD LOW IN SUMMER 2009

About 1.7 million fewer teenagers and young adults were employed in July than a year earlier, as the share of 16- to 24-year-olds with jobs falls to a record low 51.4 percent, according to the Bureau of Labor Statistics (BLS). “The steep decline from July 2008 to July 2009 reflects, in part, continued weak labor market conditions due to the recession that began in December 2007.” The BLS has tracked the youth labor force every summer dating back to 1948.

The 4.6 percentage point drop in the proportion of youth who were employed was greater than the 2.0 point decrease last summer, during the first year of the downturn. Also because of the poor job market, the youth unemployment rate jumped 4.5 percentage points to a record high 18.5 percent this year, more than the 3.2-point increase in 2008, when the summer jobless rate was 14.0 percent. Only about three out of five 16- to 24-year-olds (63 percent) participated in the labor force this July, either working or unemployed and actively looking or work, the lowest proportion in 54 years. In 2008, the rate held steady, at about 65 percent.

This year, 19.3 million teenagers and young adults had full- or part-time jobs in July, when youth employment typically peaks, down from 21.0 million in the same month of 2008. The number of summer jobs was down over the year in all private industries, including the two largest employers of youth, leisure and hospitality (127,000) and retail trade (29,000), while increasing only in the government sector (50,000).

Three industries together account for a decrease of nearly 1 million jobs from 2008, led by construction (346,000), followed by manufacturing (322,000) and professional and business services (309,000). Nearly nine out of 10 employed youth (88 percent) worked in nonfarm private industries, while the next largest share (8 percent) were employed in local, state, or federal government. A small proportion worked in agriculture and related industries or were self-employed and unpaid family workers (2 percent each).

The share of youth employed this summer was down from a year ago for both men and women and among all racial and ethnic groups. Most of the decrease occurred among young men, whose employment-to-population ratio dropped 5.7 percentage points, to 52.2 percent from 57.9 percent, while that of young women fell 3.7 points, to 50.5 percent from 54.2 percent.

By racial or ethnic group, the share of all 16- to 24-year olds who were employed in July was highest for whites (55 percent), followed by Hispanics (47 percent) and Asian (41 percent), while blacks had the lowest employment-to-population ration (36 percent).

Unemployment was higher this summer for both men and women and among all racial and ethnic groups. Young men, who account for about 62 percent of the total employment decrease from July 2008, had a higher unemployment rate than young women (19.7 percent versus 17.3 percent). Among racial or ethnic groups, the youth jobless rate was highest for blacks (31 percent), followed by Hispanics (22 percent), while whites and Asians had the lowest rate (16 percent).

Labor force participation declined among all groups from a year ago. The share of young men working or seeking jobs dropped by 3.2 percentage points, to 64.9 percent from 68.1 percent, while that of young women edged down 1.0 point, to 61.1 percent from 62.1 percent. By racial or ethnic group, the participation rate was highest for whites, (66 percent), followed by Hispanics (59 percent) and blacks (53 percent), while Asians had the lowest rate (49 percent).


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