

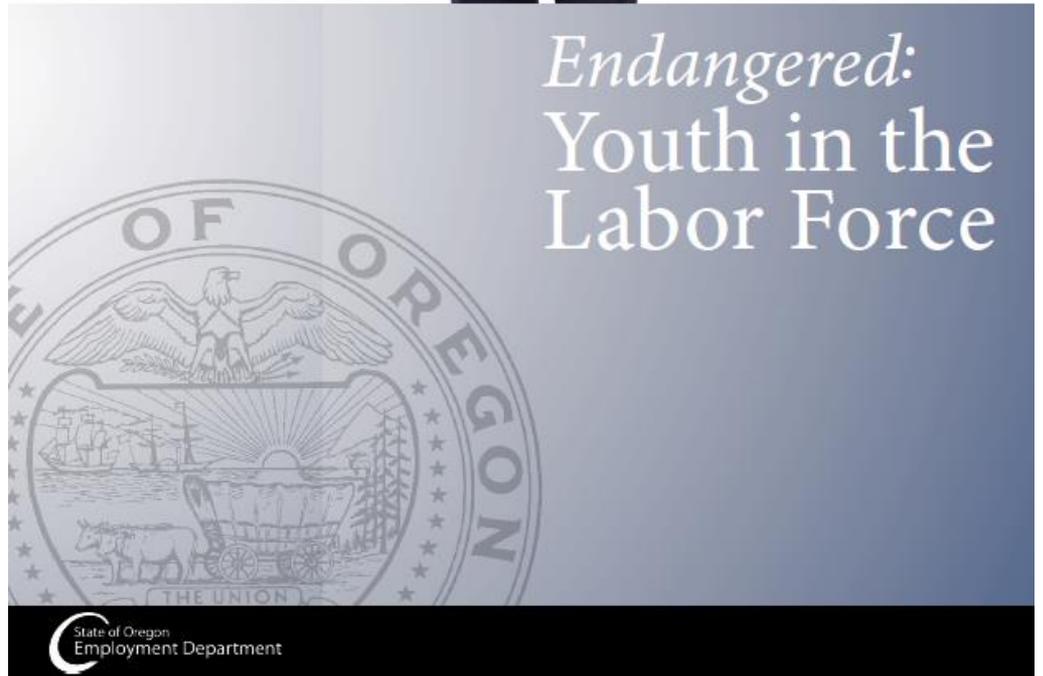
June 2016

Updated article is available
online:

[Endangered: Youth in the
Labor Force](#)

The 2014 report is also
available online:

[Endangered: Youth in the
Labor Force](#)



Oregon's labor market has improved substantially since the report was published.

- * Oregon has been adding jobs faster than the U.S. since 2013.
- * More jobs were added in the last 12 months than over any 12 month period since 1990 (at least).
- * Oregon's unemployment rate is the lowest in 40 years, and is lower than the U.S.
- * Strong job growth is boosting the labor force participation rate, offsetting the long-term decline in participation.
- * The youth labor market has improved a lot, but it's still not great, especially for teens.

Executive Summary #1

- * Oregon has added back the number of jobs lost during the recession. However, relatively few of the new jobs went to younger workers. In 2015, there were 22,000 fewer jobs held by workers ages 14 to 24 years, than there were in 2008.

Executive Summary #2

- * Unemployment rates for youth, especially teenagers, increased drastically during the recession and have not returned to previous levels. The unemployment rate of Oregon teens ages 16 to 19 years was 22.2 percent in 2015, while the rate was 8.8 percent among young adults ages 20 to 24 years.

Executive Summary #3

- * Young workers account for a disproportionate share of overall unemployment. Young people ages 16 to 24 make up 12 percent of the labor force, but accounted for 27 percent of Oregon's unemployed in 2015.

Executive Summary #4

- * Youth use fewer job search methods than adults, and they are less likely to use personal networks and public employment agencies in their job search. Increasing the job search methods used by young workers could help them find more employment opportunities.

Executive Summary #5

- * The time young people spend unemployed has lengthened significantly. That is time not spent gaining on-the-job experience. Consequently, the share of unemployed young people with no previous work experience nearly doubled, making it harder for them to compete with experienced applicants.

Executive Summary #6

- * Postponing work experience harms young workers' ability to compete for jobs. Breaking this detrimental cycle could be a focus of public policy efforts. Helping teens find and be successful in their first work experiences could improve their long-term labor market outcomes.

Executive Summary #7

- * Counter to popular belief, the Great Recession did not increase the share of “idle” youth – those neither in the labor force nor enrolled in school. More than 10 percent of youth ages 16 to 24 are considered idle, in Oregon and the U.S.

Executive Summary #8

- * The money earned by working teens, especially those from lower income families, helps improve their families' finances and stimulates the local economy.

Executive Summary #9

- * Youth today face increased requirements related to high-school graduation and college preparation, and those enrolled in school are less likely to be in the labor force than in the past. Many are forgoing early work experience to gain formal education, which could pay off long-term given the college wage premium.

Key Point about Regulations

- * Although youth labor market woes are sometimes blamed on stricter regulations, current state and federal regulations for hiring youth have been in place for decades and predate the start of the downward trend in teen labor force participation.

The recession sent youth unemployment rates to record highs. Unemployment is still very high among teens.

Young people were just 12 percent of the labor force in 2015, but they accounted for 27 percent of unemployed Oregonians.

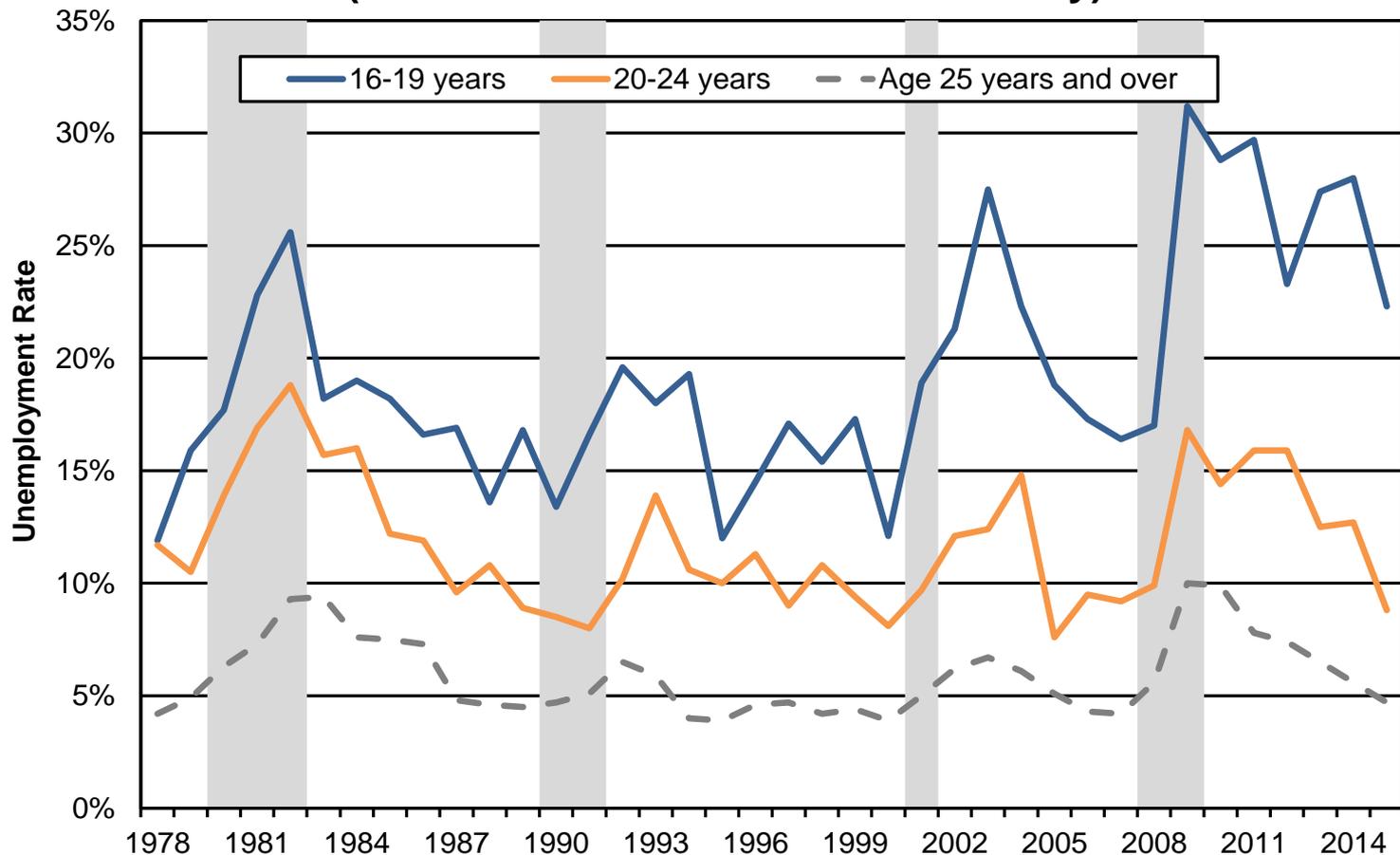
Unemployment rates:

16-19 years: 22.2%

20-24 years: 8.8%

25+ years: 4.7%

**Unemployment Rates High for Oregon's Youth
(Years with Recessions Shaded Gray)**



Source: Bureau of Labor Statistics, Current Population Survey

After years of decline, the share of teens participating in the labor force reached the lowest point on record in 2015.

It's now far more common for teens to be neither working nor looking for a job.

Participation rates:

16-19 years

34%

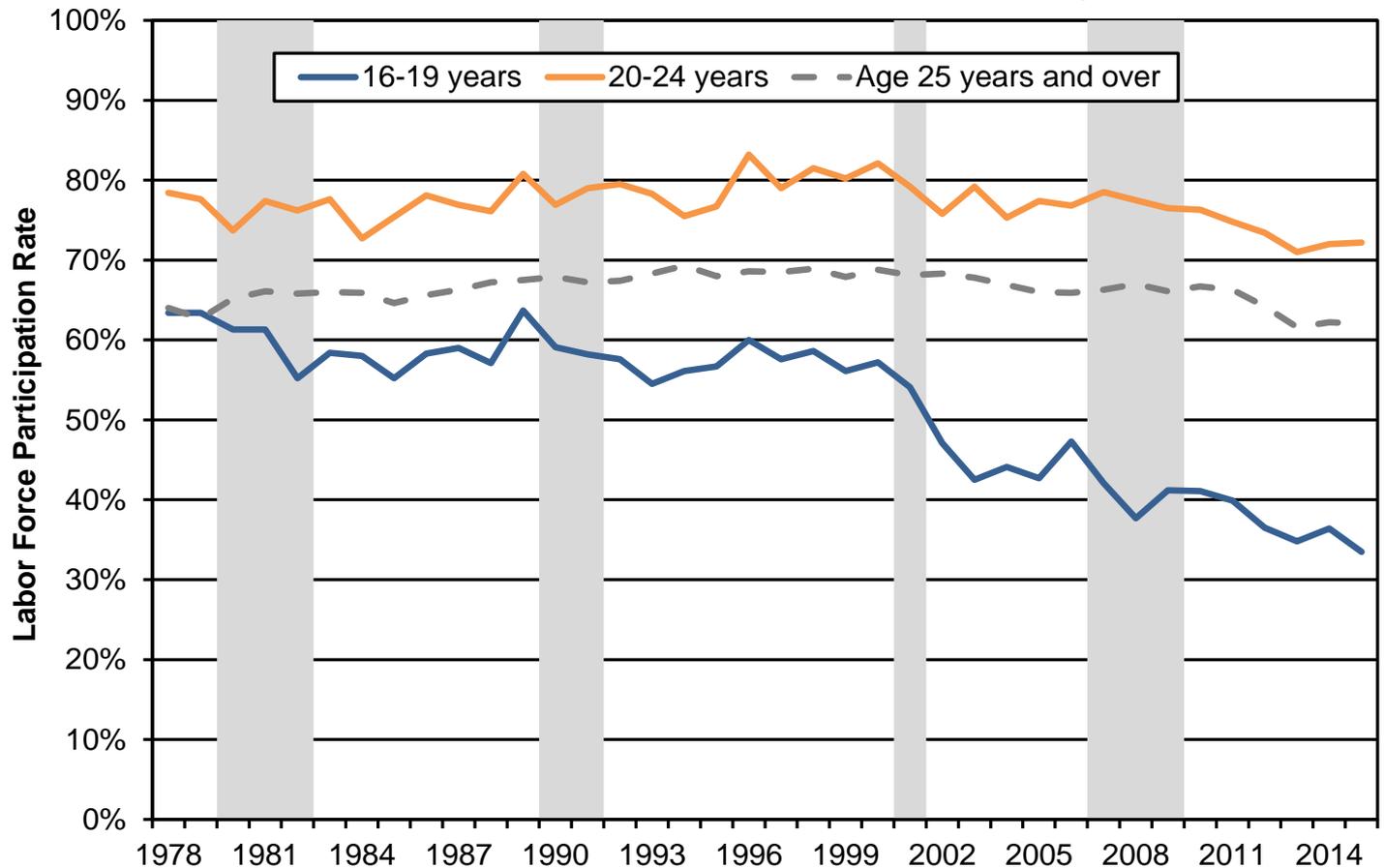
20-24 years

72%

25+ years

62%

Oregon Teen Participation Rate at Historic Lows (Years With Recessions Shaded Gray)



Source: Bureau of Labor Statistics, Current Population Survey

The participation rate of teens and young men fell over the decades. The rate for young women has increased overall, but declined recently.

Oregon Labor Force and Unemployment Rates for Youth, by Sex

	1985	1995	2005	2015
Labor Force Participation Rates				
Total Ages 16 to 19	55.2	56.7	42.7	33.5
Men	55.6	55.3	39.9	33.4
Women	54.7	58.0	45.9	33.6
Total Ages 20 to 24	75.4	76.7	77.4	72.2
Men	81.0	80.8	80.8	71.9
Women	70.5	72.9	73.7	72.6
Total All Ages	65.2	68.3	65.4	61.1
Unemployment Rates				
Total Ages 16 to 19	18.2	12.0	18.8	22.3
Men	19.7	11.9	21.9	29.1
Women	16.5	12.1	15.8	15.6
Total Ages 20 to 24	12.2	10.0	7.6	8.8
Men	12.8	9.3	9.8	11.3
Women	11.6	10.7	5.0	6.2
Total All Ages	8.8	4.9	6.2	5.7

Source: Bureau of Labor Statistics, Current Population Survey

U.S. Labor Force and Unemployment Rates for Youth, by Race and Ethnicity

Oregon's situation is not unique. There's a national trend of falling participation.

National numbers provide insight when local figures are not available.

Participation rates began to decline for young people across major and racial ethnic groups in 2001.

	1985	1995	2005	2015
Labor Force Participation Rates				
Total Ages 16 to 19	54.5	53.5	43.7	34.3
Asian			26.0	20.6
Black or African American	41.2	39.9	32.4	28.1
Hispanic or Latino	44.6	45.4	38.6	30.9
White	57.5	57.1	46.9	36.4
Total Ages 20 to 24	78.2	76.6	74.6	70.7
Asian			62.1	52.8
Black or African American	70.0	68.7	69.0	68.2
Hispanic or Latino		71.9	72.7	71.6
White	79.9	78.7	76.3	72.7
Total, All Ages	64.8	66.6	66.0	62.7
Unemployment Rates				
Total Ages 16 to 19	18.6	17.3	16.6	16.9
Asian			12.4	14.4
Black or African American	40.2	35.7	33.3	28.4
Hispanic or Latino	24.3	24.1	18.4	19.3
White	15.7	14.5	14.2	14.8
Total Ages 20 to 24	11.1	9.1	8.8	9.7
Asian			6.5	8.4
Black or African American	24.5	17.7	18.3	16.4
Hispanic or Latino	12.6	11.5	8.6	10.0
White	9.2	7.7	7.2	8.3
Total, All Ages	7.2	5.6	5.1	5.3

Source: Bureau of Labor Statistics, Current Population Survey

Job search methods of youth differ from search methods of all workers.

- * Sending out resumes and filling out applications is the most broadly used job search method for all workers.
 - * Youth rely on this method more than the average – with 63% citing this search method (compared with 57% for all workers).
- * Youth are far less likely to search for jobs using their friends or relatives
- * Youth seldom visit public employment agencies – this search method was cited by just 8 percent of job seekers ages 16 to 19, compared with 17 percent of all workers.
 - * Just 4 percent of teens use private employment agencies.

Longer time spent unemployed is a workforce issue for all age groups, including young workers.

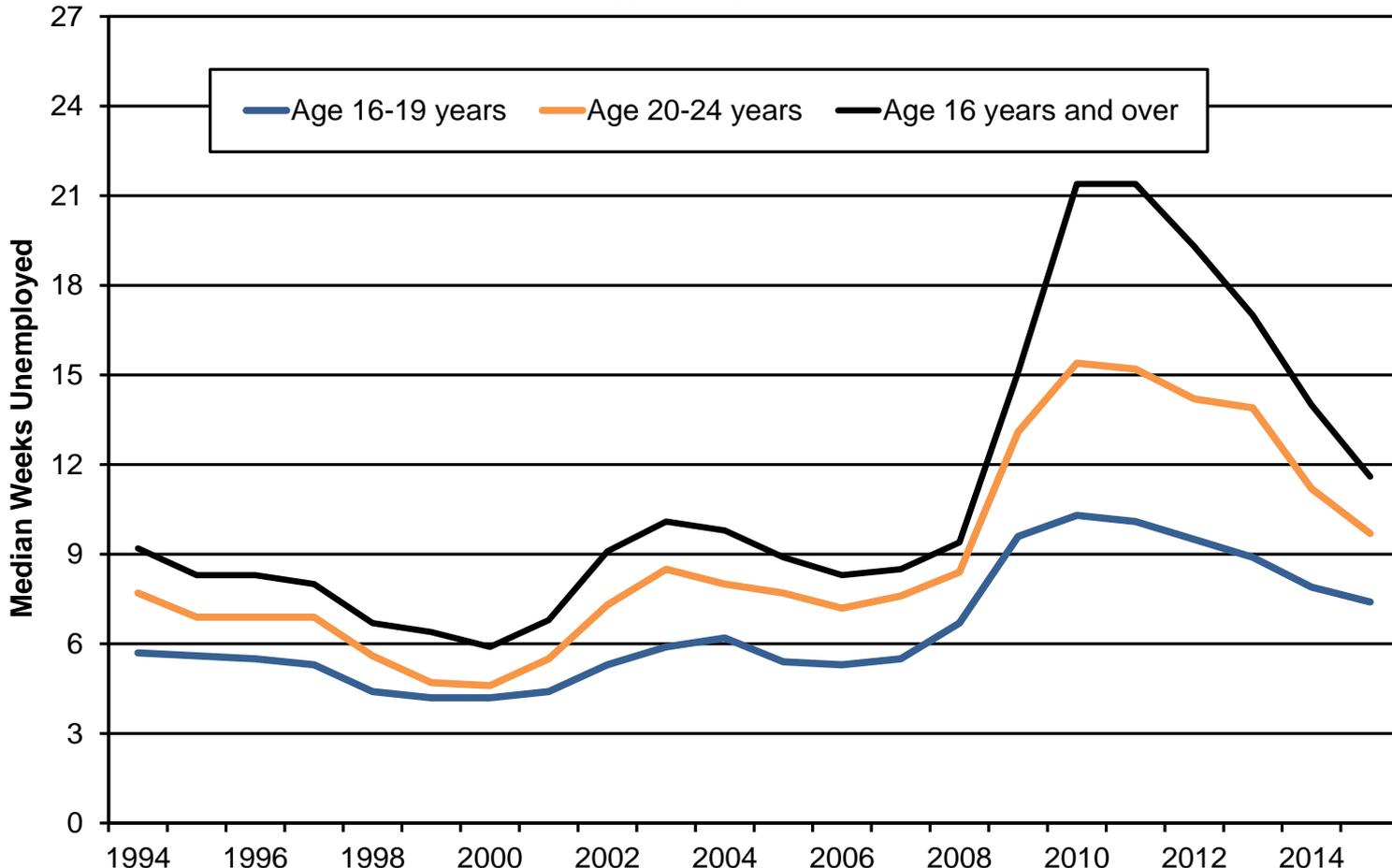
Median unemployment spells:

16-19 years
7 weeks

20-24 years
10 weeks

16+ years
12 weeks

Longer Unemployment Spells Common After Recession United States



Source: Bureau of Labor Statistics, Current Population Survey

Long-term unemployment has increased for all age groups.

Share of Long-Term Unemployed Increased in All Age Groups United States

	1985	1995	2005	2015
Age 16 to 19 years				
Less than 5 Weeks	56.9	45.6	46.5	39.9
5-26 Weeks	38.2	45.6	43.4	46.6
27 Weeks & Over	4.8	8.7	10.1	13.6
Age 20 to 24 years				
Less than 5 Weeks	45.2	40.8	39.4	32.4
5-26 Weeks	42.6	46.5	45.3	45.2
27 Weeks & Over	12.2	12.7	15.2	22.4
Age 25 years and over				
Less than 5 Weeks	36.8	32.8	31.4	26.2
5-26 Weeks	43.7	46.4	45.6	41.9
27 Weeks & Over	19.5	20.8	23.0	31.9

Source: Bureau of Labor Statistics, Current Population Survey

The share of long-term unemployed teen entrants to the labor force shot up during the recession.

Share of unemployed teen entrants by duration:

Under 5 weeks

35%

5 to 14 weeks

34%

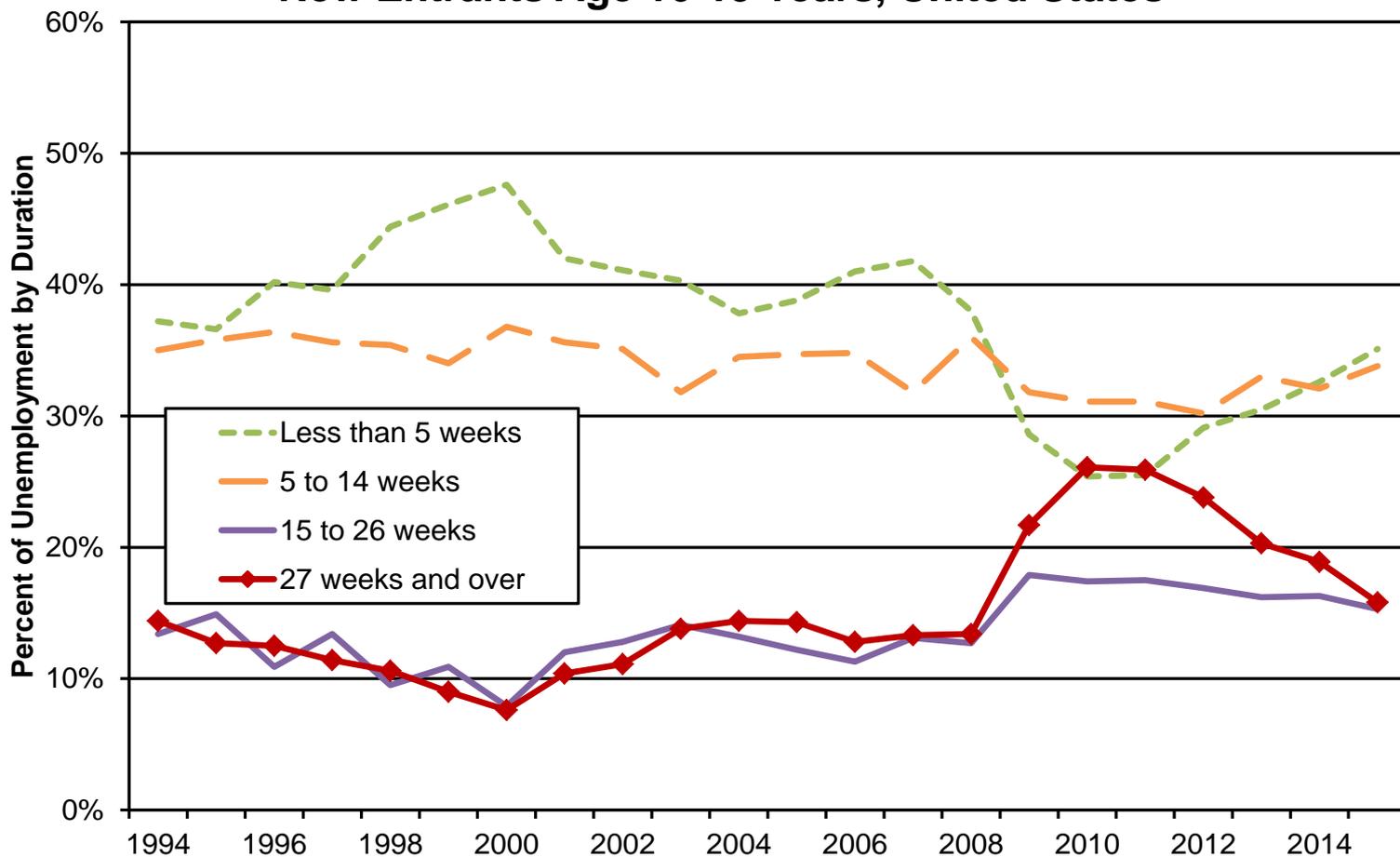
15 to 26 weeks

15%

27+ weeks

16%

Teens Taking Longer to Find Their First Job New Entrants Age 16-19 Years, United States



Source: Bureau of Labor Statistics, Current Population Survey

The share of unemployed teens with no previous work experience is much higher than it used to be, and the lack of experience makes it more difficult to find a job.

Share of unemployed with no previous work experience:

16-19 years

50%

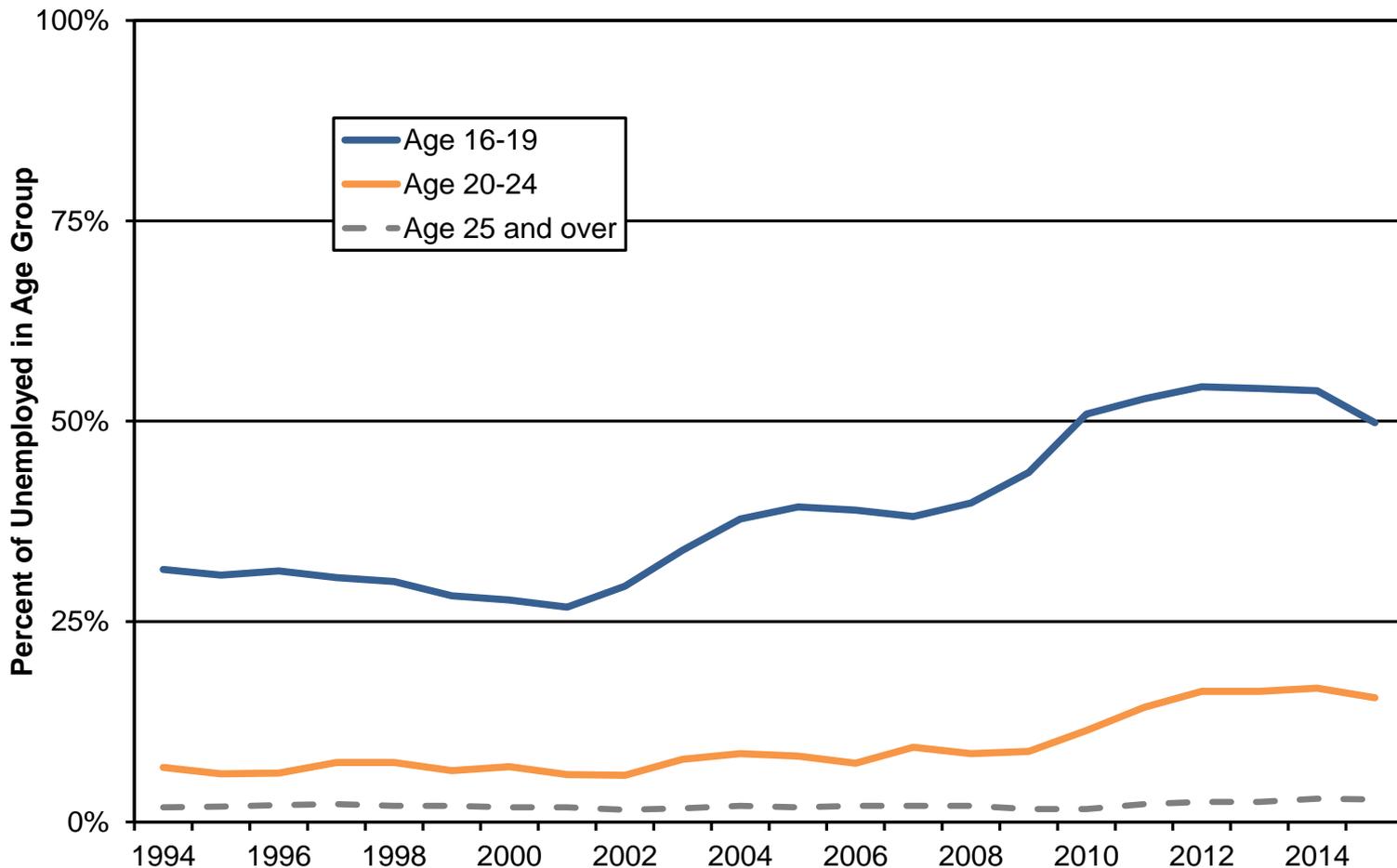
20-24 years

16%

25+ years

3%

Half of Teen Job Seekers Lack Previous Work Experience Unemployed with No Previous Work Experience, United States



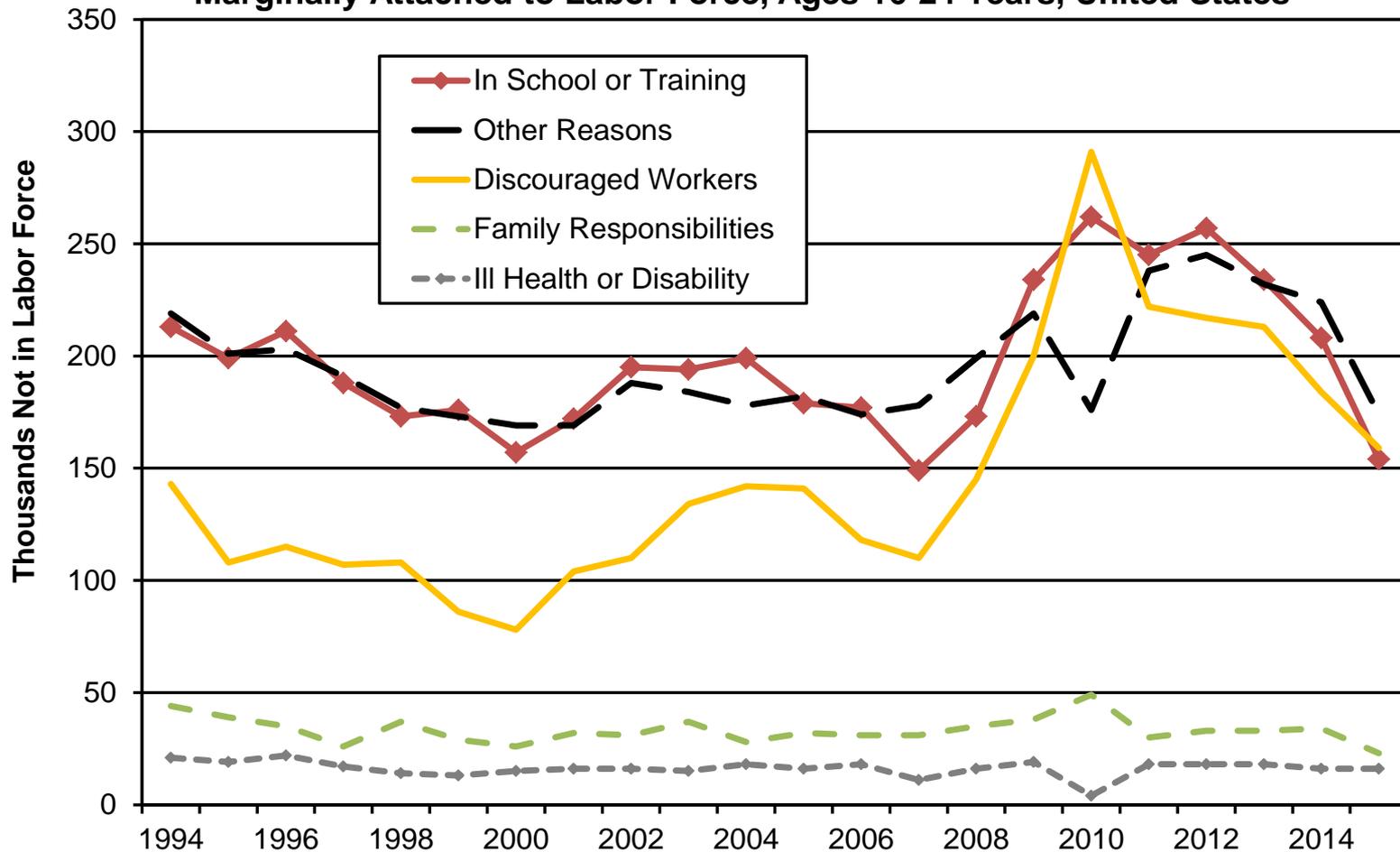
Source: Bureau of Labor Statistics, Current Population Survey

Oregon's Local Workforce Investment Boards have developed actionable items to address youth unemployment.

- * Invest funding in summer job programs for youth.
- * Support career readiness and career exploration, targeted to the youth population, throughout the education and workforce system.
- * Provide flexible, evening, and weekend classes within postsecondary institutions to accommodate youth acquiring work-related skills while still focusing on education.

Youth leave the labor force due to school enrollment, discouragement, or other reasons.

School Enrollment and Discouragement Common Reasons to Quit Looking for Work Marginally Attached to Labor Force, Ages 16-24 Years, United States



Source: Bureau of Labor Statistics, Current Population Survey

The share of youth working only part time increased during the recession.

Share of employed working part time:

16-19 years

73%

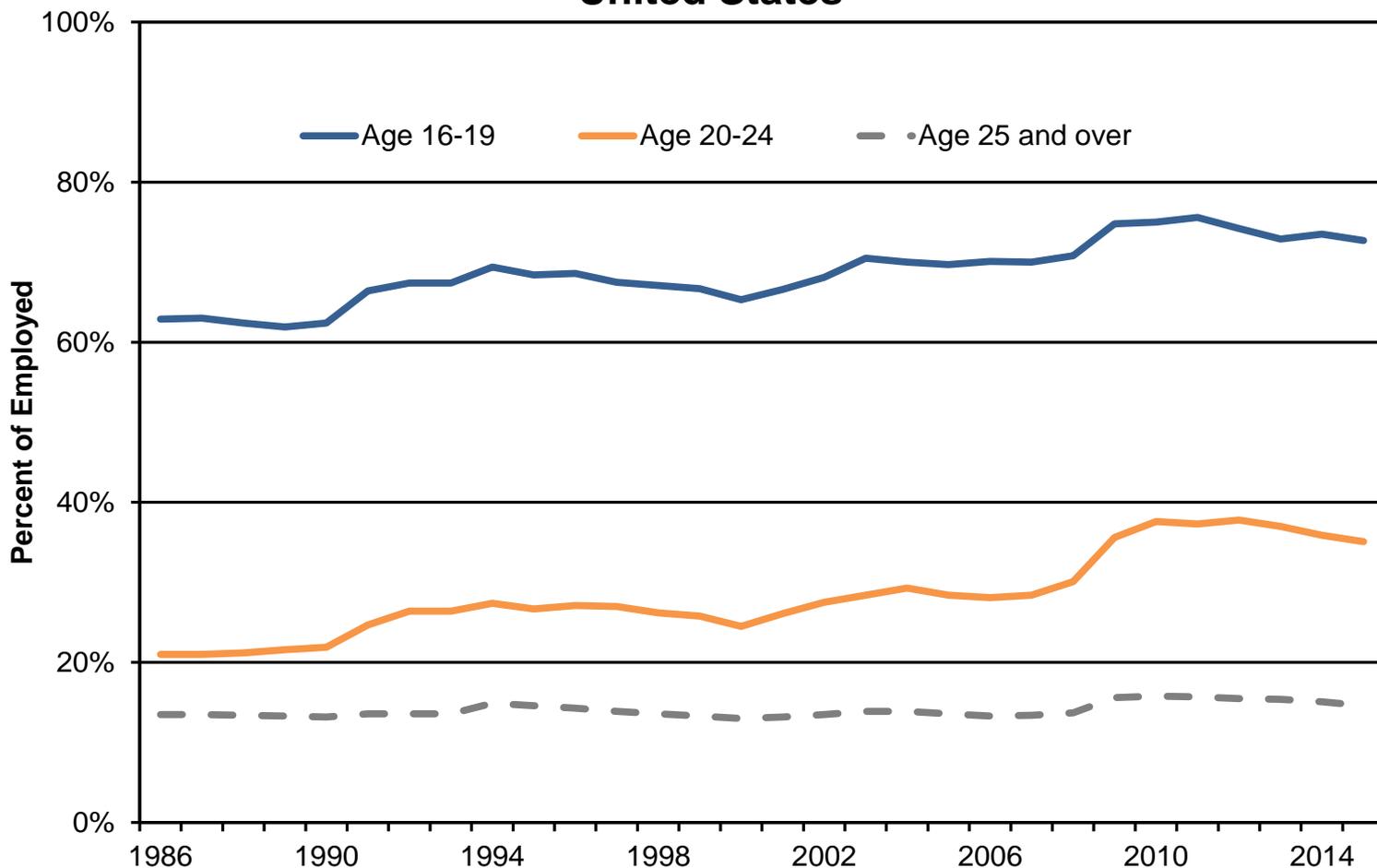
20-24 years

35%

25+ years

15%

Young Workers Far More Likely to Work Part Time United States



Source: Bureau of Labor Statistics, Current Population Survey

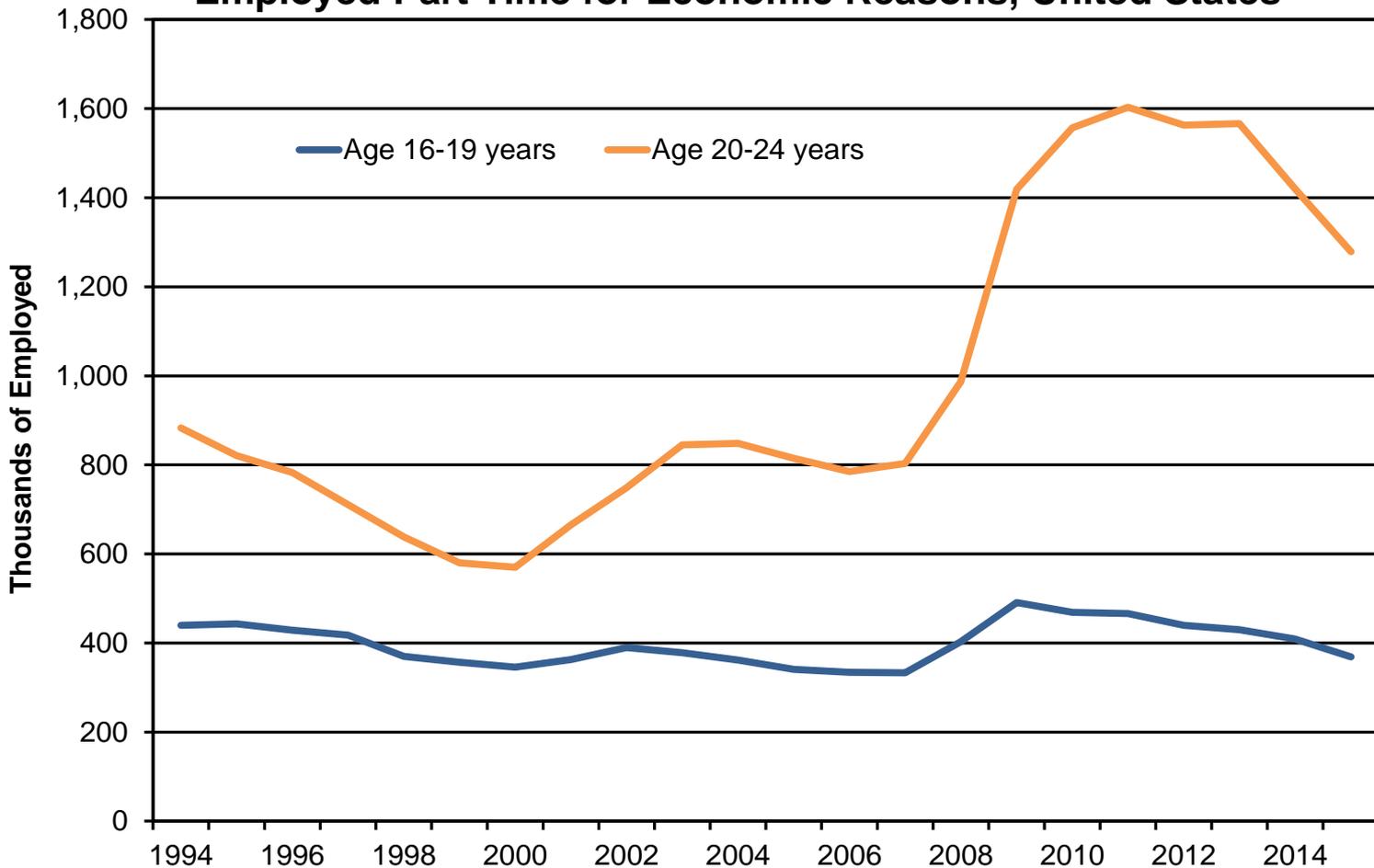
A lot of young adults have a part-time job because of slack work or business conditions, or could only find a part-time job.

Part time for economic reasons:

16-19 years
369,000

20-24 years
1,279,000

Many Young Adults Would Rather be Working Full Time, Employed Part Time for Economic Reasons, United States



Source: Bureau of Labor Statistics, Current Population Survey

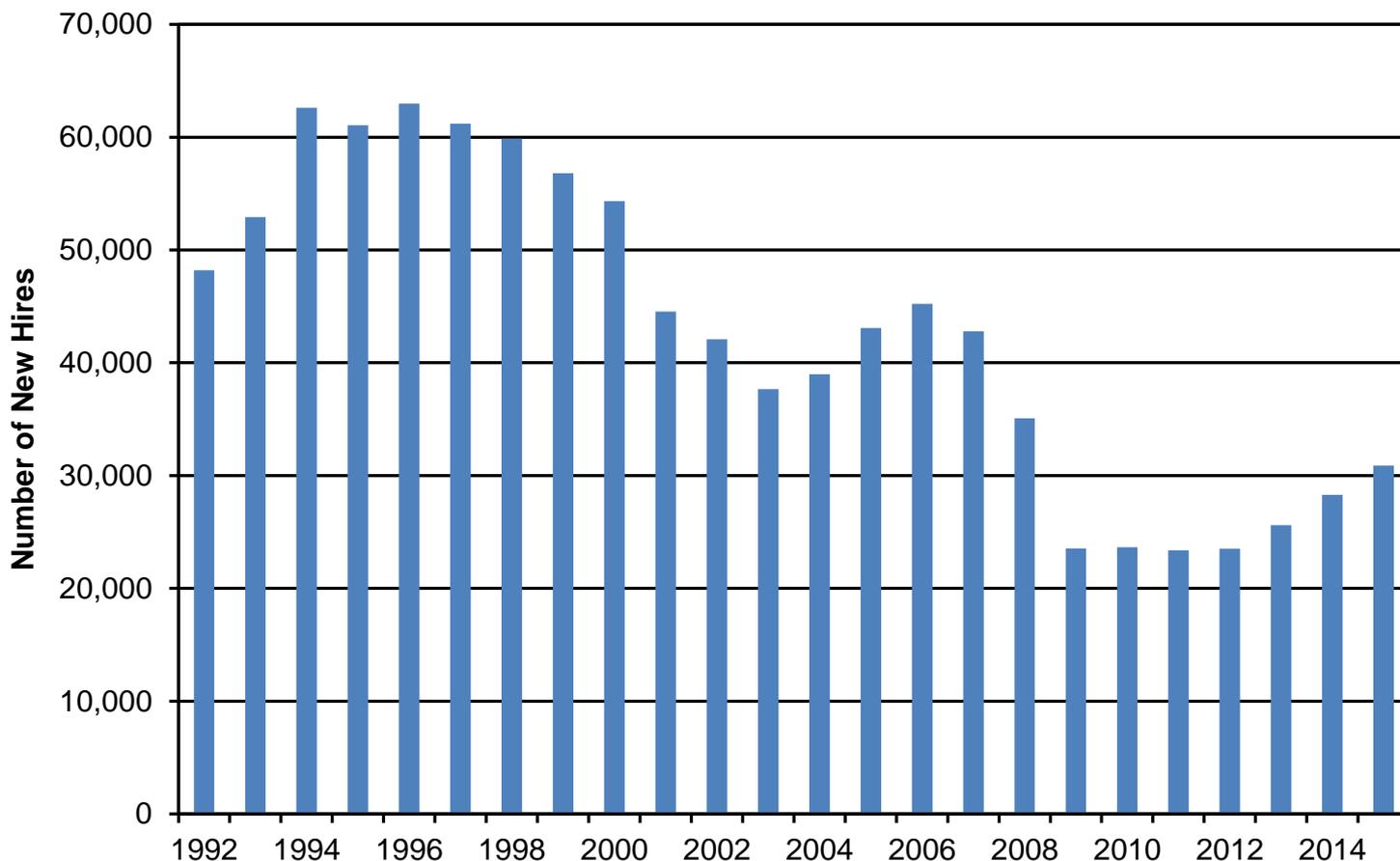
The number of teens finding a new job during the summer months is on the rise again, but still well below pre-recession levels.

The number of teen summer “new hires” fell during the recession and hasn’t recovered.

Summer 2006
45,200

Summer 2015
30,900

**Oregon Teen Hiring Halved in Recession
Third Quarter New Hires Ages 14-18**



Source: U.S. Census Bureau, Quarterly Workforce Indicators

Teenagers' share of Oregon's work force was stable during the 1990s, but has fallen dramatically in the last decade.

The change in the number of jobs by age group from 2002 to 2012:

14-18 years
-14,000

19-21 years
-11,100

22-24 years
-3,000

25+ years
+150,300

Youth Comprise Smaller Share of Oregon Workforce

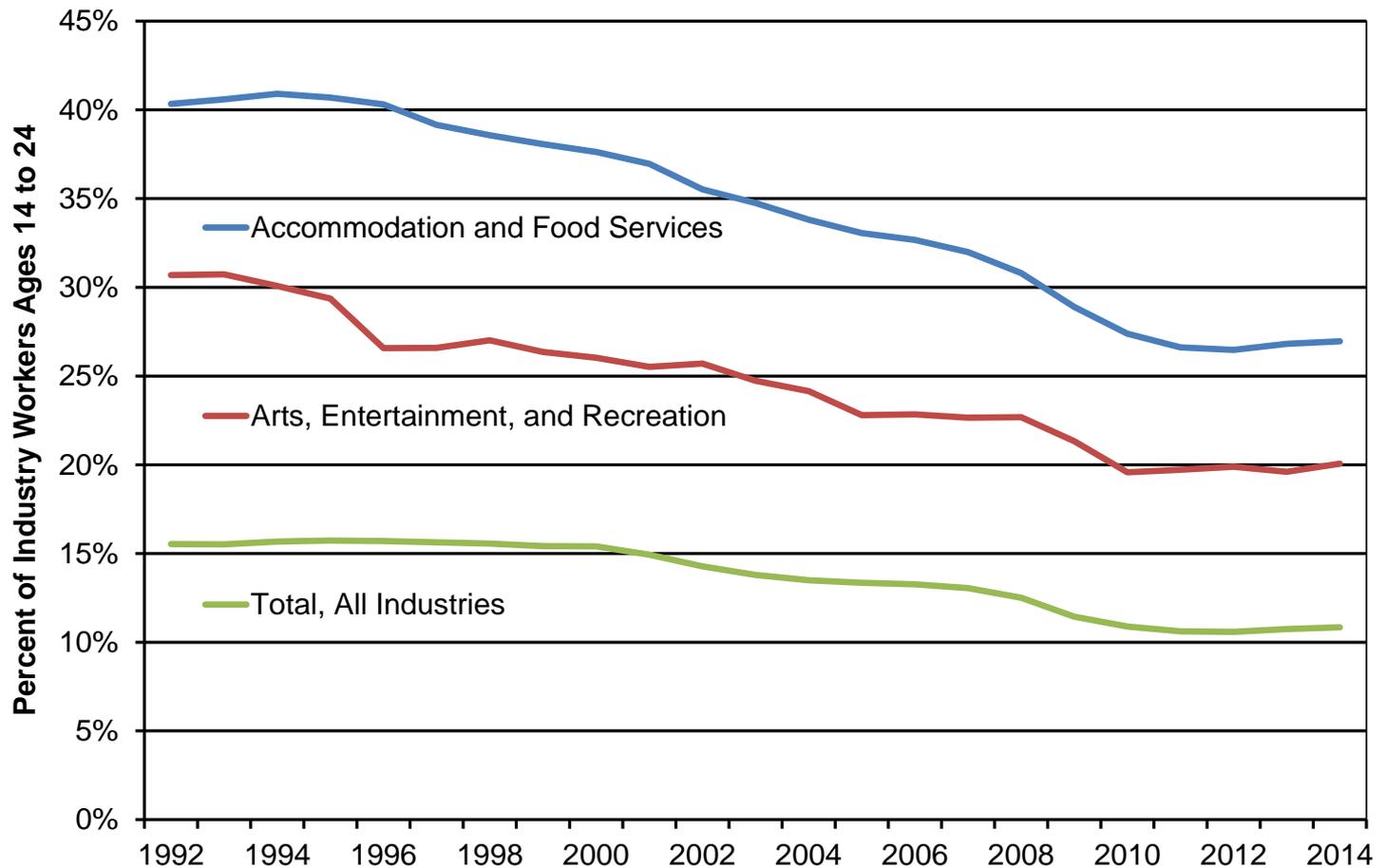
	1994	2004	2014
Workers Ages 14-24	15.7%	13.5%	10.8%
14-18	3.7%	2.5%	1.5%
19-21	5.2%	4.8%	3.8%
22-24	6.7%	6.1%	5.5%
Workers Ages 25+	84.3%	86.5%	89.2%

Source: U.S. Census Bureau, Local Employment Dynamics

The share of young workers has fallen even in industries that have traditionally relied heavily on a younger workforce.

The trend towards fewer young workers has been taking place since the 1990s, but the Great Recession accelerated the trend for these key youth industries.

Young Worker Share of Employment in Key Youth Industries is Shrinking



Source: U.S. Census Bureau, Quarterly Workforce Indicators



Summary of Oregon's Child Labor Laws

Working hours limited for 14 and 15 year olds in nonagricultural jobs.

* When school is in session

- * Not allowed during school hours
- * Only between 7:00 am and 7:00 pm
- * 18 hours per week maximum
 - * 3 hours on school days
 - * 8 hours on non-school days

* When school is not in session

- * From June 1 through Labor Day: 7:00 am to 9:00 pm
- * 40 hours per week maximum
 - * 8 hours per day

- * 16 and 17 year olds can work any hours, up to 44 hours per week

Source: Bureau of Labor and Industries, *Employment of Minors*

Examples of the types of businesses where 14 and 15 year olds may work.

- * Office work
- * Wholesale and retail stores and services
- * Restaurants and hotels
- * Car washes
- * Service stations
- * Theaters and amusement parks
- * Parks and yard maintenance
- * Nursing homes and hospitals
- * Daycare centers
- * Kennels and grooming
- * Farms
- * Entertainment production

Source: Bureau of Labor and Industries, *Employment of Minors*

Agricultural work is still allowed for minors

- * Ages 9 to 11 years old may work with parental consent on a small farm which is operated under state regulations
 - * Picking berries and beans for intrastate commerce
- * Ages 12 and 13 years old may work with parental consent in agricultural jobs not declared hazardous by the U.S. Secretary of Labor.
- * Ages 14 and 15 do not need parental consent
- * Work by those under the age of 16 must be outside school hours
- * Ages 16 and 17 may work at any time in jobs not declared hazardous.

Employing minors requires extra paperwork from employers.

- * Oregon employers must obtain an annual employment certificate to employ minors under 18 years old.
- * The requirements are simpler now than in 1995 and prior.
 - * Individual permits were required by both the minor and the employer for each minor hired.
- * Federal law requires employers of minors in agriculture to maintain records of name, address, date of birth, and written parental consent if required.

The number of idle youth has increased over the years, but they remain a relatively small share of the total youth population.

Share of Oregon Youth Not Enrolled in School or in the Labor Force

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Oregon teenagers ages 16-19	180,746	196,959	198,057	198,520	205,933	201,726	201,199	198,801	200,802	197,652
Share "Idle"	5%	5%	5%	6%	5%	5%	5%	6%	5%	5%
Oregon young adults ages 20-24	246,923	238,695	245,645	244,069	263,883	255,823	263,291	263,393	264,951	266,350
Share "Idle"	9%	10%	10%	11%	10%	10%	11%	10%	11%	11%

Source: U.S. Census Bureau, American Community Survey, data for young adults accessed through IPUMS.

- * The use of the word “idle” here is not intended to be judgmental. Some young people face situations more complex than choosing between work, education, or “nothing”.
 - * Stay at home parents
 - * Other family care responsibilities
 - * Young people with disabilities

The share of idle youth did not increase during the recession. The share in 2015 was on the long-term trend.

Idleness Did Not Increase During the Recession Not in Labor Force and Not Enrolled in School, United States

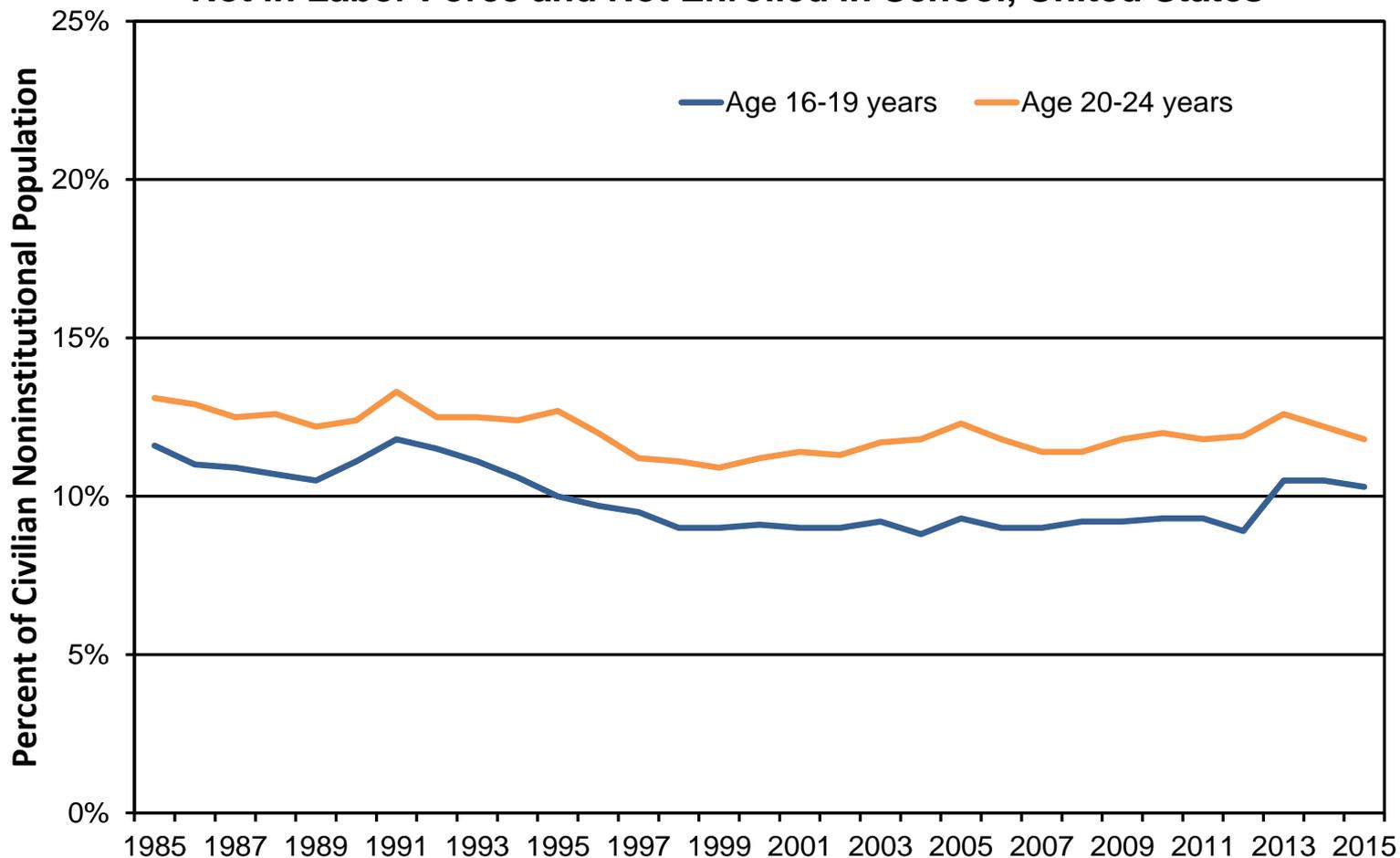
Percent in 2015:

16-19 years

10%

20-24 years

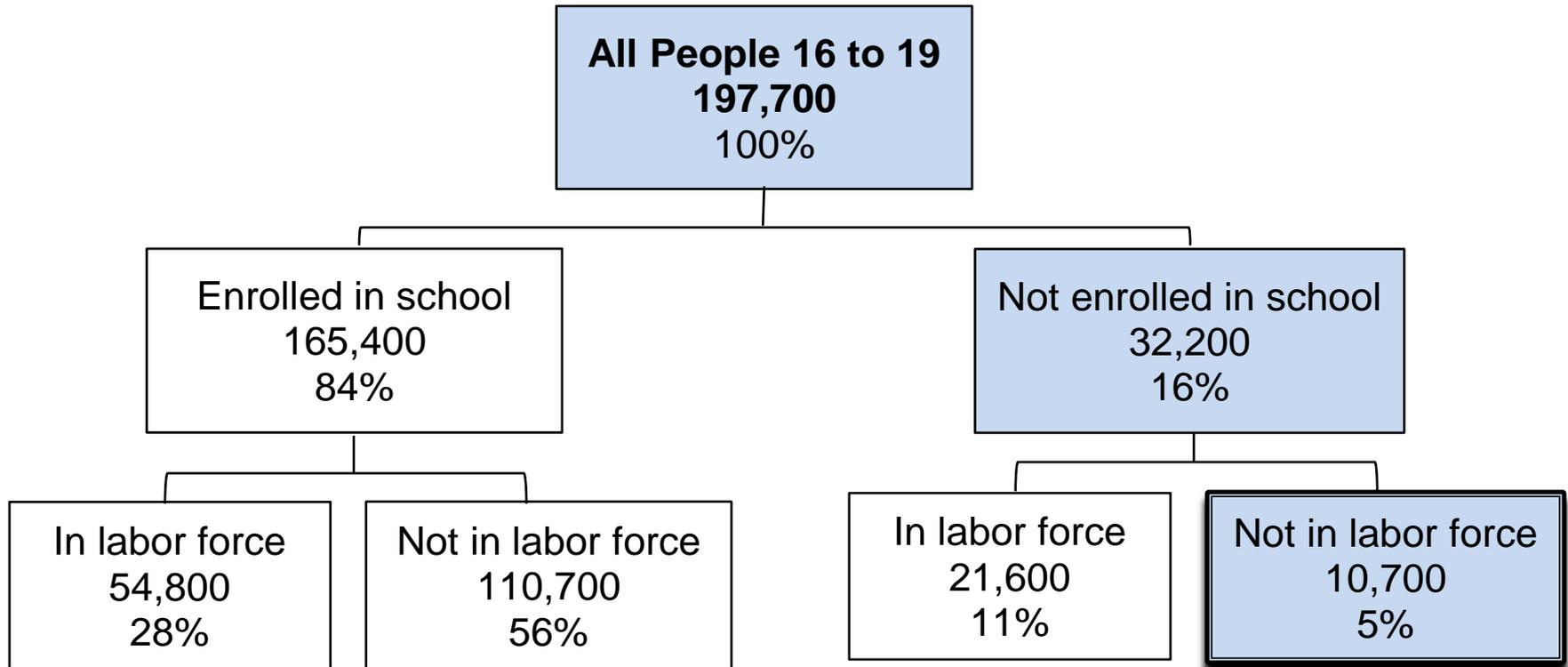
12%



Source: Bureau of Labor Statistics, Current Population Survey

About 1 out of 19 teens could be considered idle.

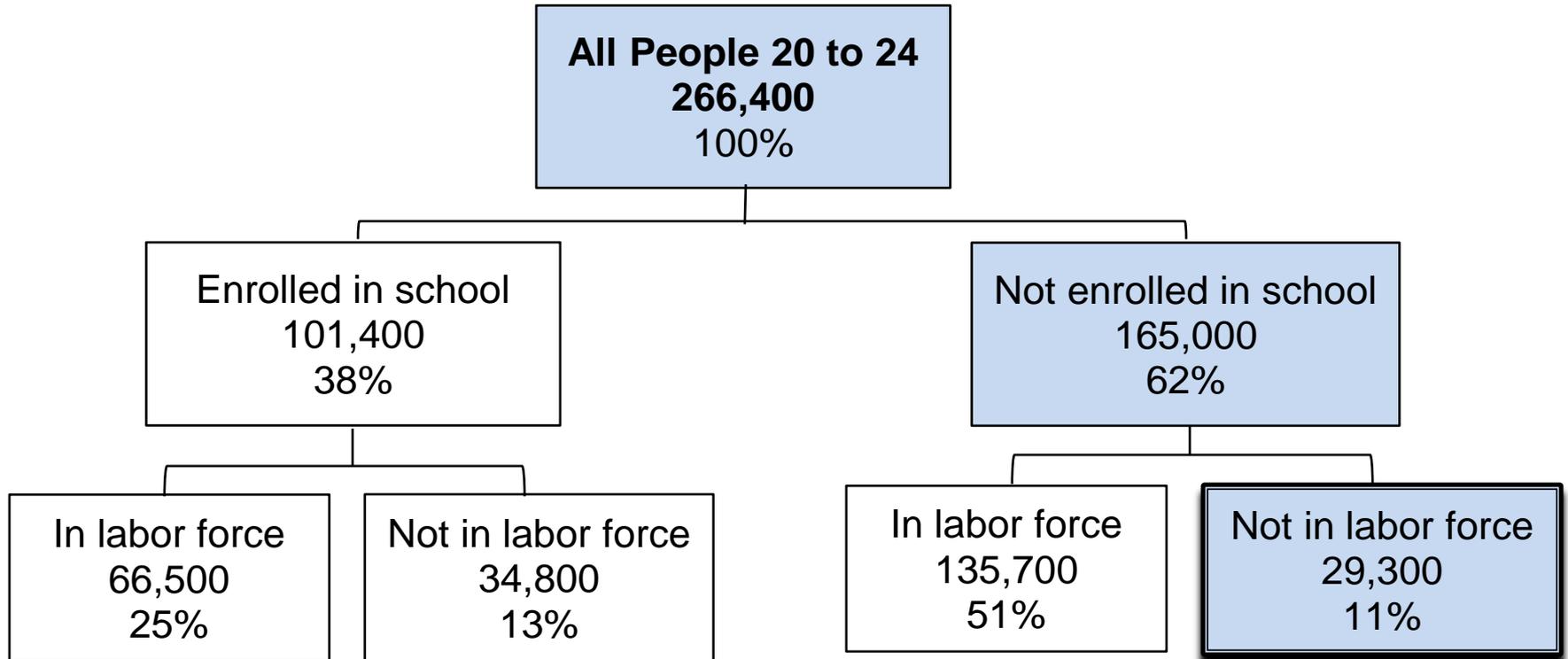
Identifying the Idle Youth: Oregon



Source: U.S. Census Bureau, 2014 American Community Survey

About 1 out of 9 young adults could be considered idle.

Identifying the Idle Youth: Oregon



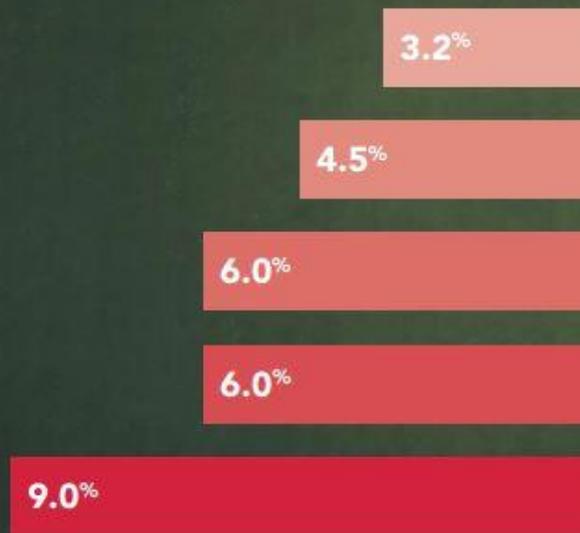
Source: U.S. Census Bureau, 2014 American Community Survey, accessed through IPUMS.

Money Earned by Teens Benefits Families and the Local Economy

- * A 2009 summer youth employment program for low income youth in rural Oregon “generated an additional 47 cents in economic impact for every dollar the program spent.”
- * The youth dedicated the largest share (26%) of their paychecks to family members or guardians.
- * An additional 20 percent of the youth said they saved their earnings for cars or trucks, housing, college, or future bills.
- * The remaining spending, most of which occurs locally, was on groceries, gas, clothing, electronics, eating out, and sports.

EDUCATION PAYS

PERCENT UNEMPLOYED



EDUCATION LEVEL

FOUR-YEAR OR HIGHER DEGREE
TWO-YEAR COLLEGE DEGREE
SOME COLLEGE, NO DEGREE
HIGH SCHOOL DIPLOMA
NO HIGH SCHOOL DIPLOMA

AVERAGE HOURLY EARNINGS



High school students can save on tuition if they complete some college classes before graduating.

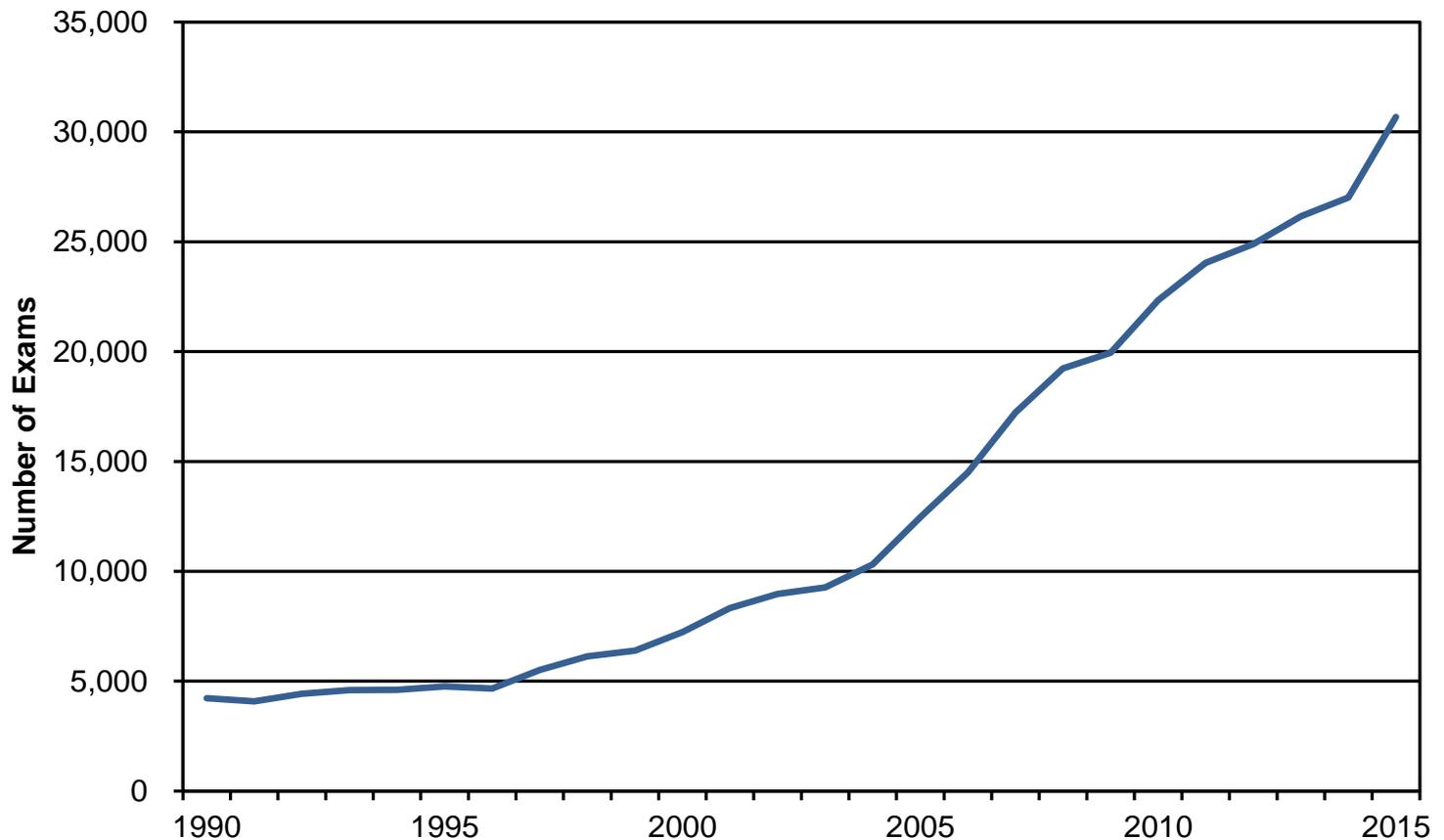
Oregon's High School Students Take More Advanced Placement Exams

The number of advanced placement exams almost tripled over the last 10 years:

1995
4,800

2005
12,500

2015
30,700

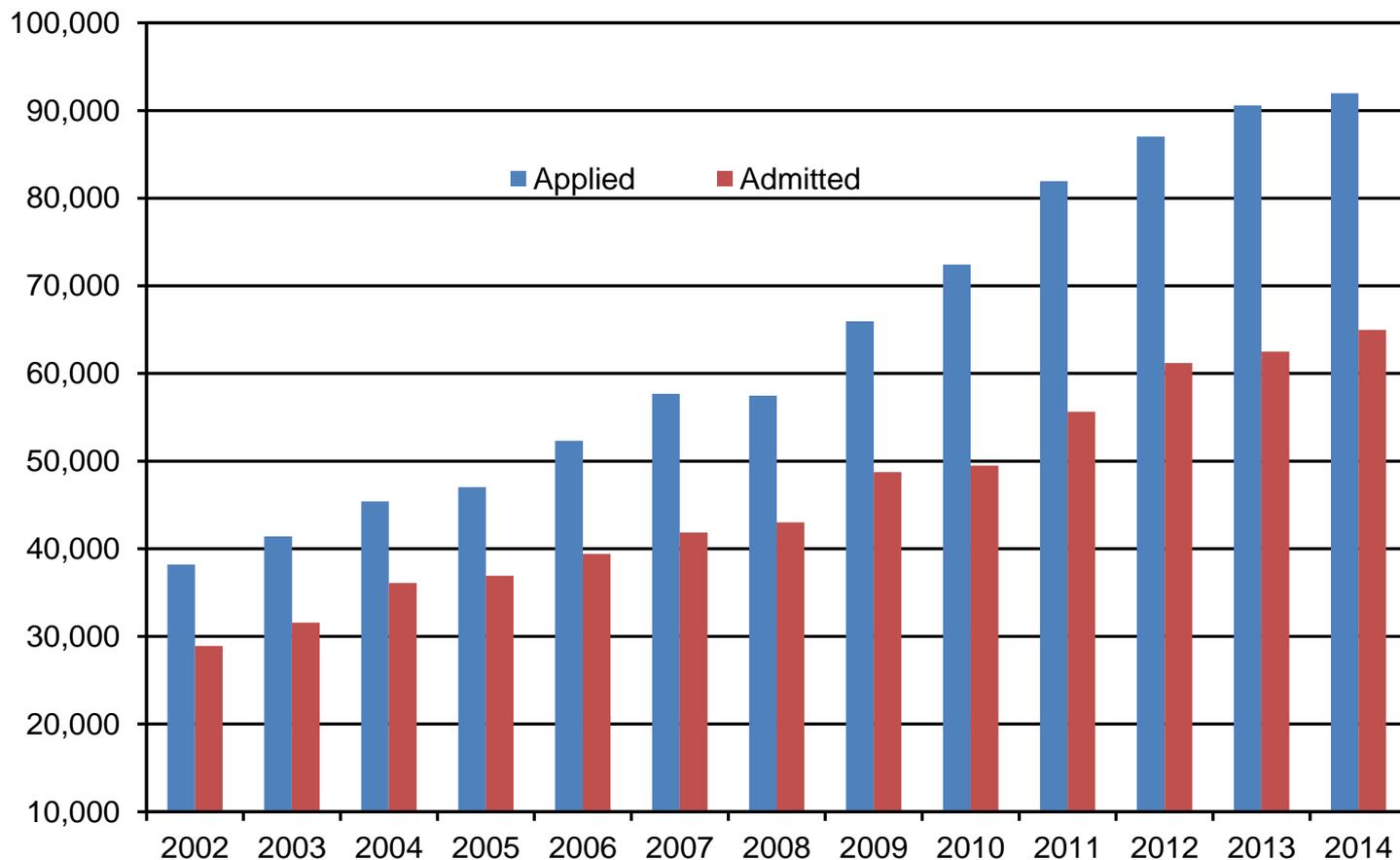


Source: The College Board, 2015

Increased competition for college slots is one reason students and their families are more focused on academics now than in the past.

Acceptance rates at four-year colleges and universities have declined over the last decade.

Applications & Admissions at Oregon's Four-Year Colleges and Universities (2002-2014)



Source: U.S. Dept. of Education, National Center for Education Statistics. Integrated Postsecondary Education Data System (IPEDS).

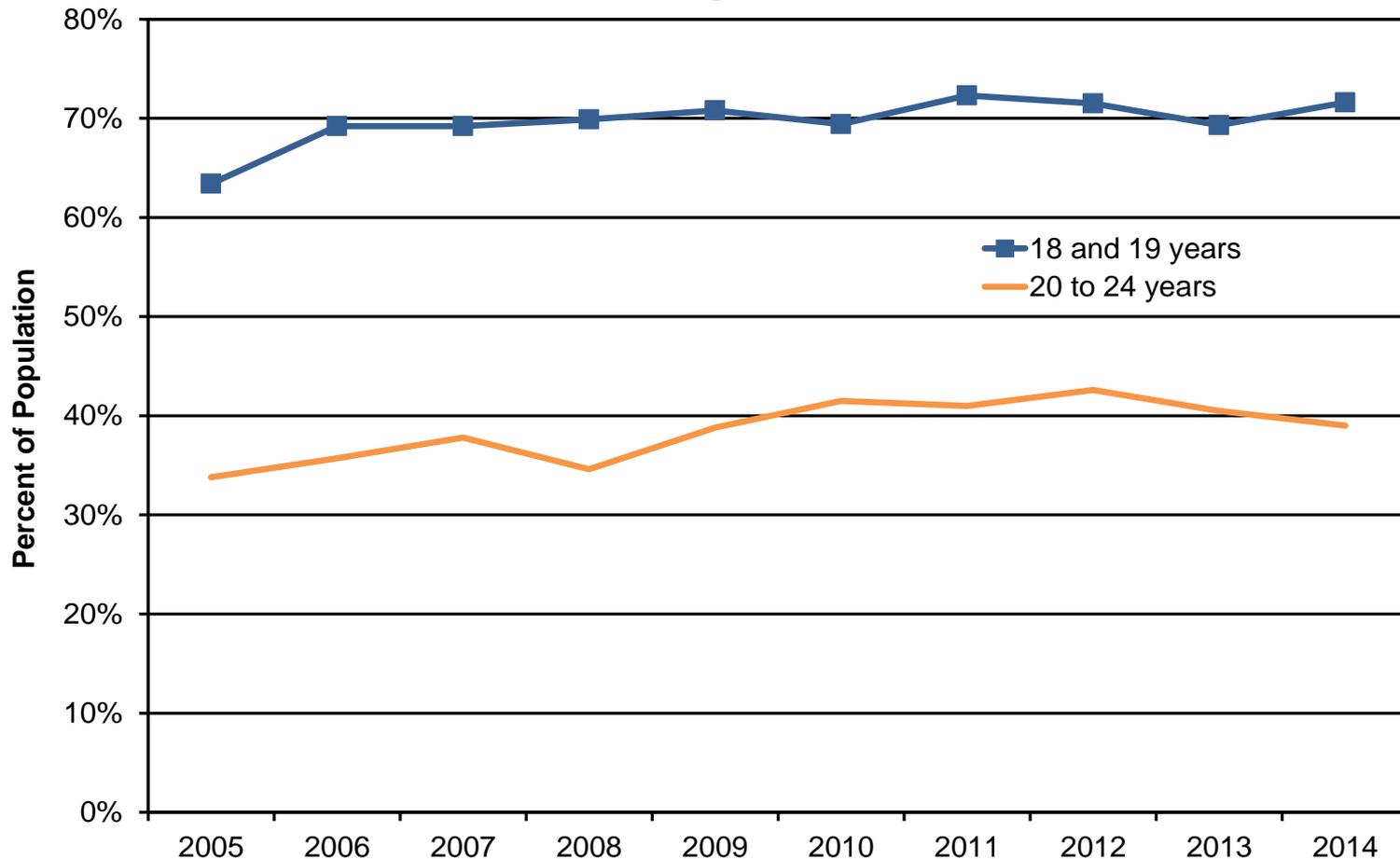
More of Oregon's youth are students today than in the past.

Percent enrolled in school:

18-19 years
72%

20-24 years
39%

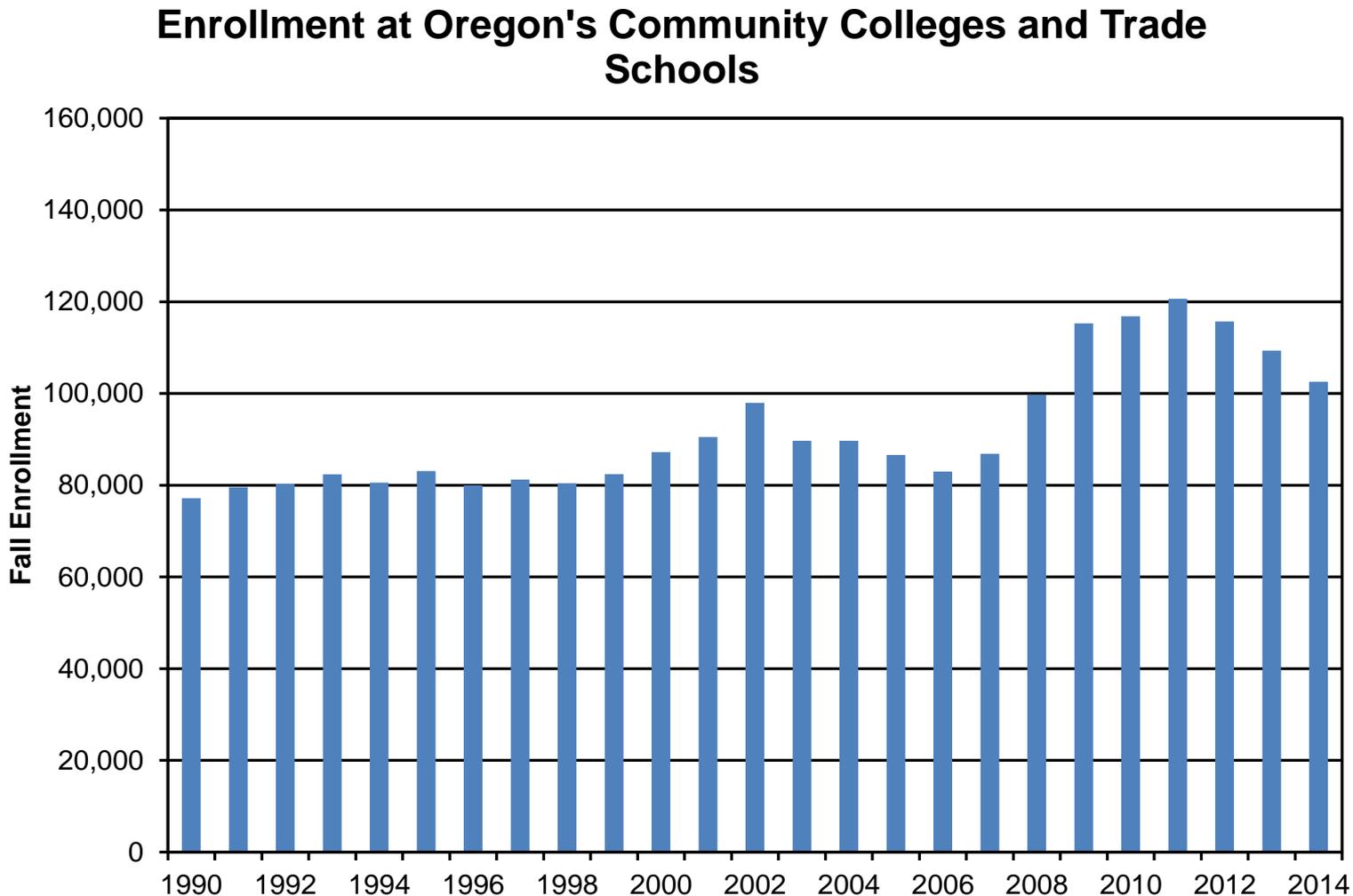
Percent of Young Adults Enrolled in School is Rising, Oregon



Source: U.S. Census Bureau, American Community Survey.

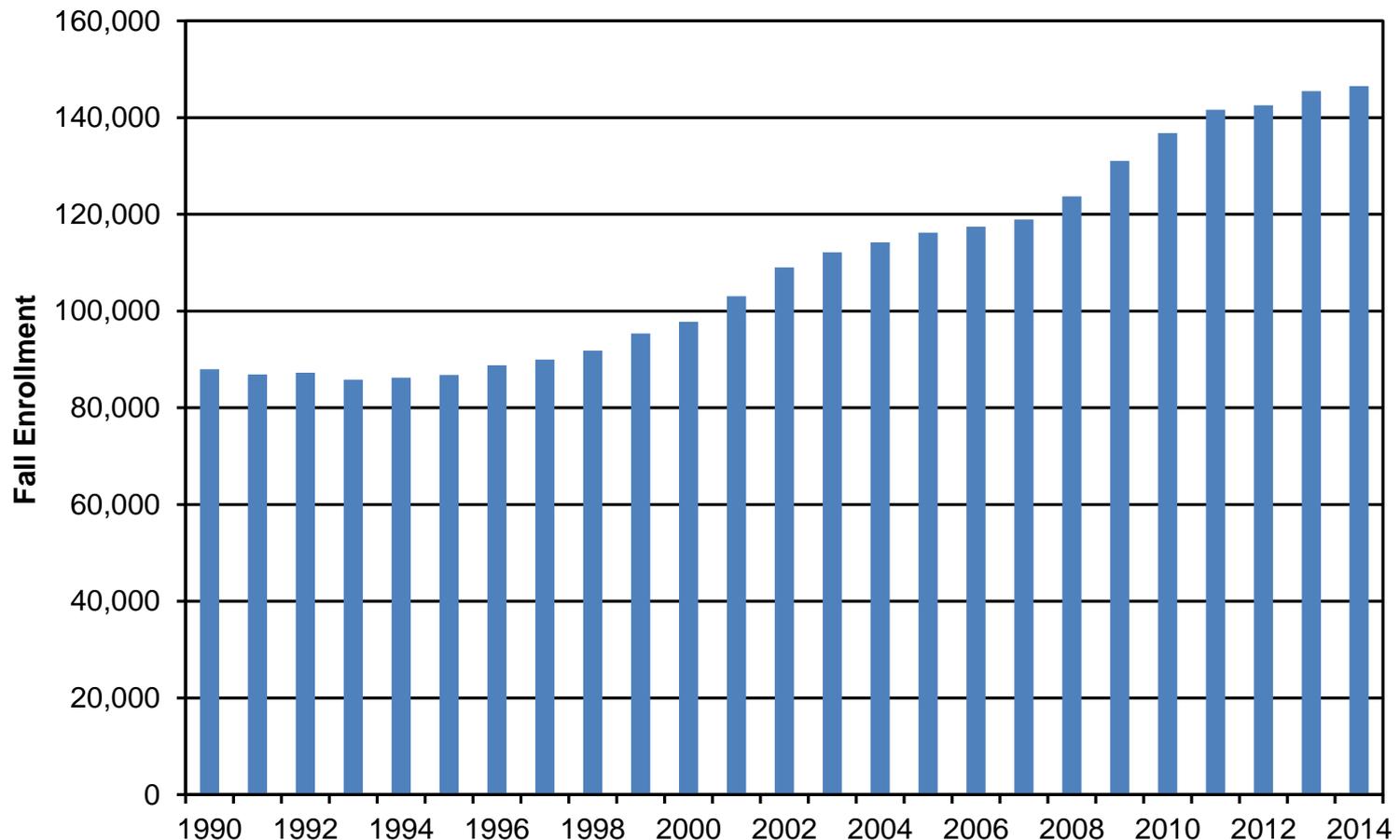
Enrollment at Oregon's community colleges and trade schools increases during recessions.

Enrollment reached record numbers during the Great Recession.



Enrollment is at record levels at Oregon's four-year institutions.

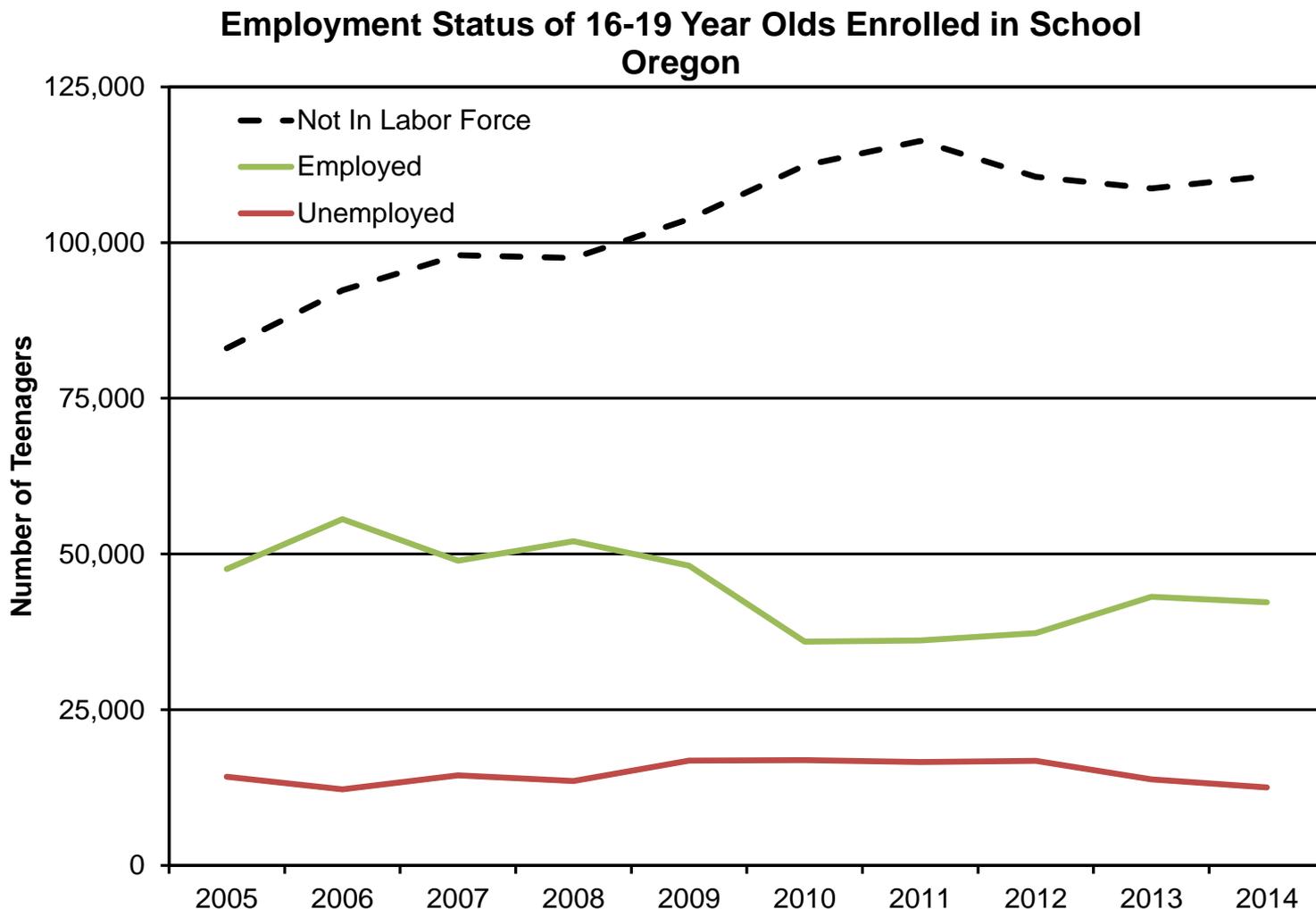
Enrollment Rising at Oregon's Four Year Public and Private Institutions



Source: U.S. Dept. of Education, National Center for Education Statistics. Integrated Postsecondary Education Data System (IPEDS).

Enrollment in school makes a big difference in the labor force participation of teens.

Among teens enrolled in school, the number not participating in the labor force has grown.

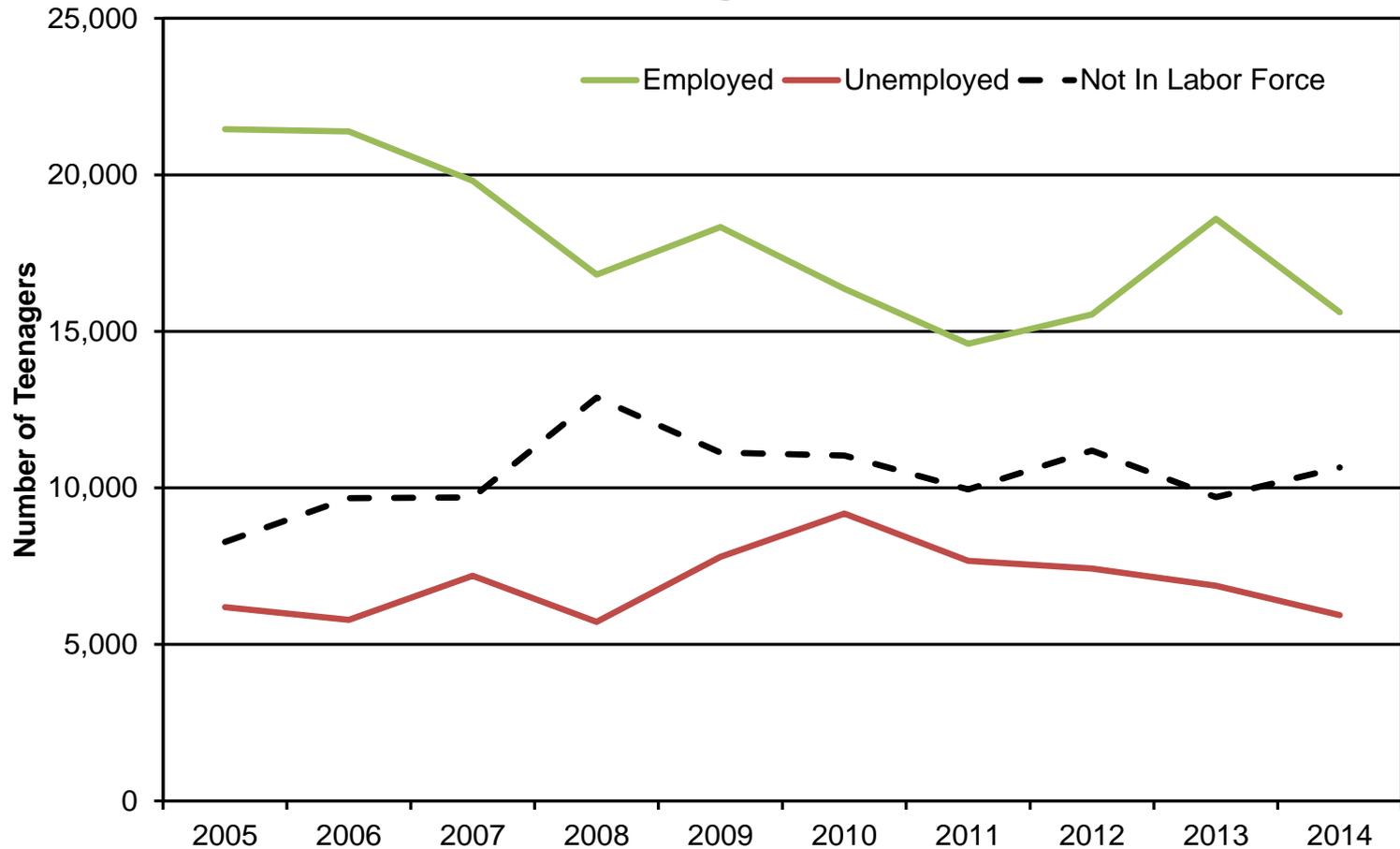


Source: U.S. Census Bureau, American Community Survey.

For teens who are not in school, the job situation went from bad to worse during the recession.

The share of those not in school with a job has fallen.

**Employment Status of 16-19 Year Olds Not Enrolled in School
Oregon**

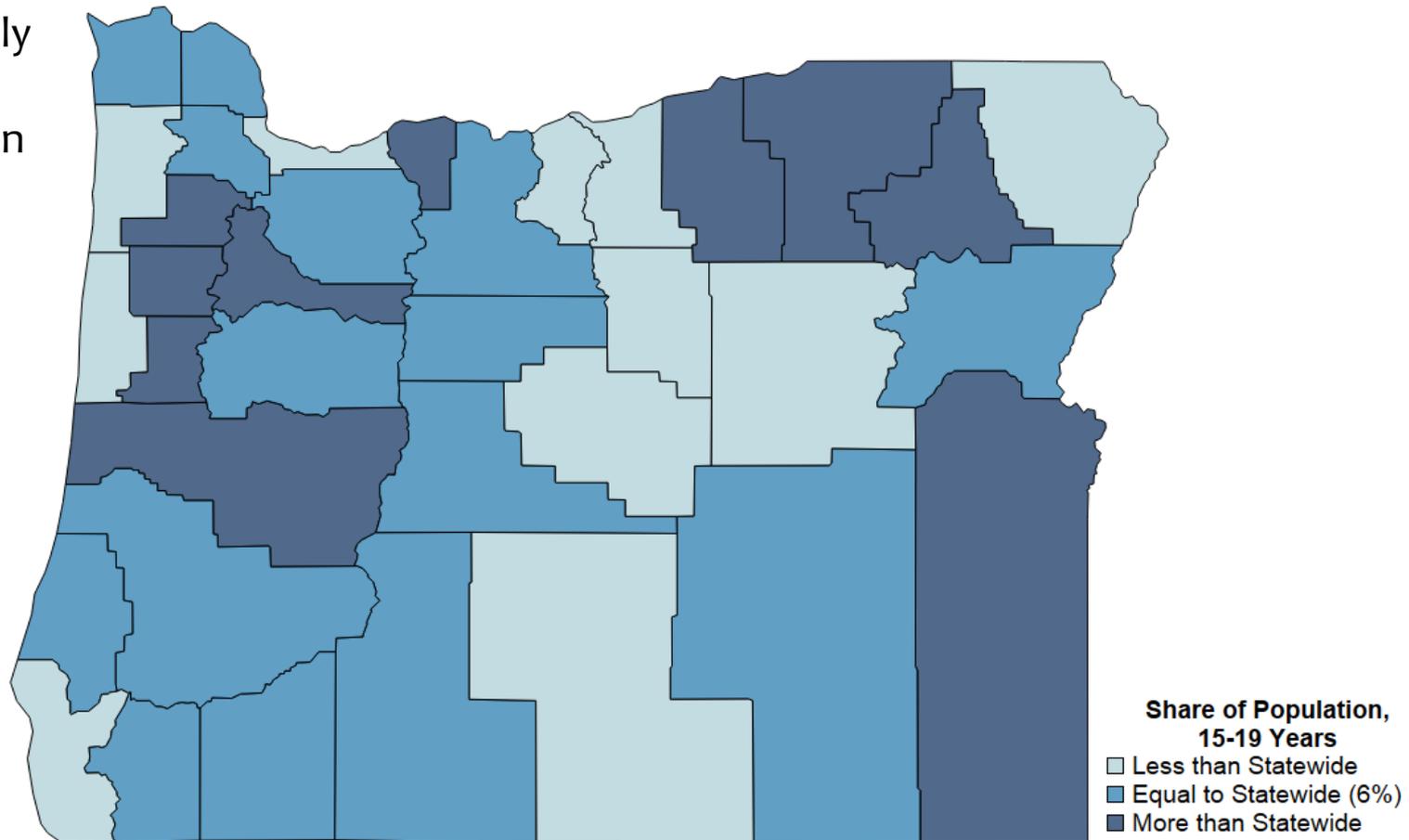


Source: U.S. Census Bureau, American Community Survey.

Out-migration of youth is a concern for many rural areas. “How do we retain the youth in our community?”

The number of teenagers actually declined in 28 counties between 2011 and 2015.

Share of Population 15-19 Years, Oregon 2015

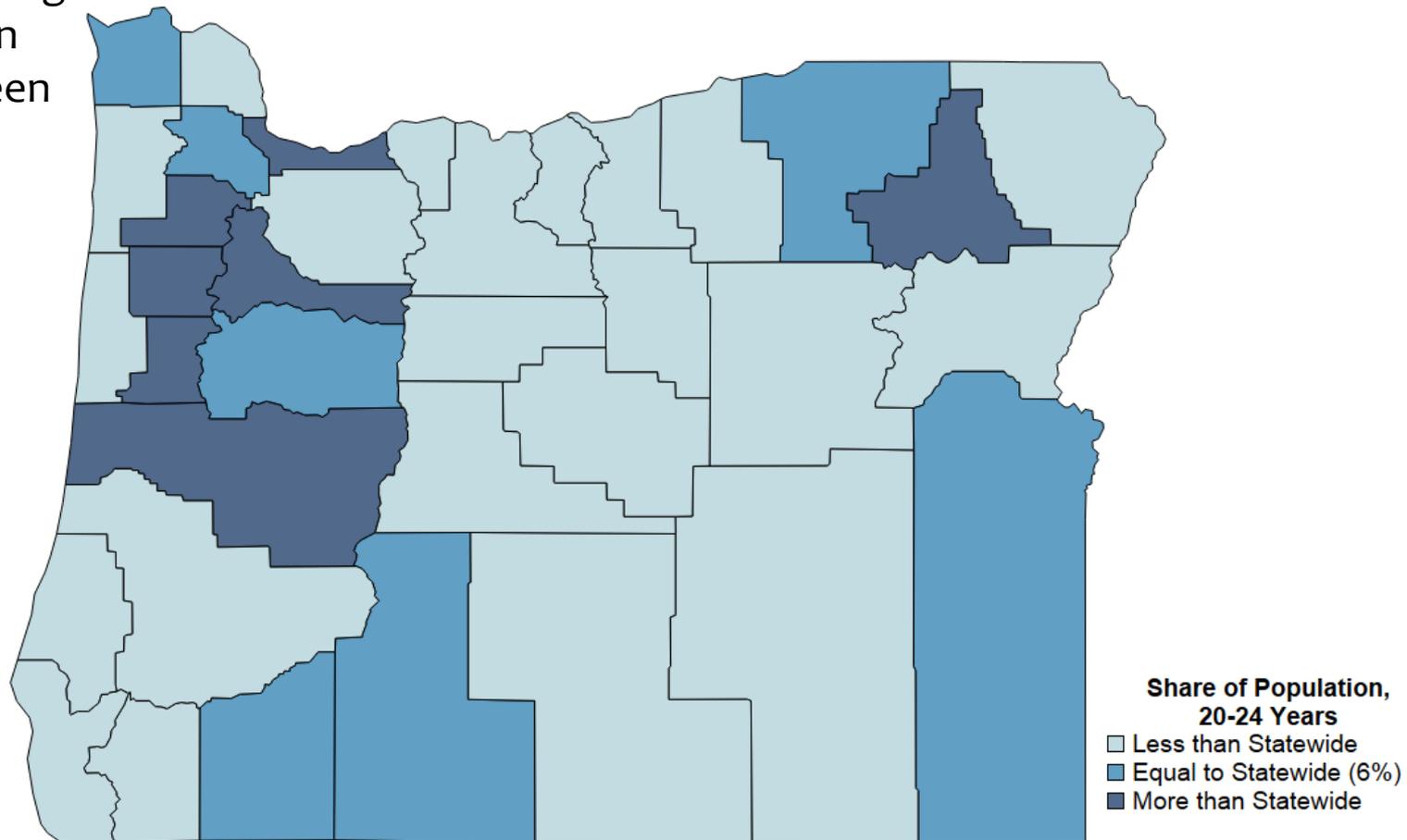


Source: Portland State University, Population Research Center

Young adults move to counties with colleges. Are they going to move back to their home counties when they graduate?

Share of Population 20-24 Years, Oregon 2015

The number of young adults actually declined in 23 counties between 2011 and 2015.



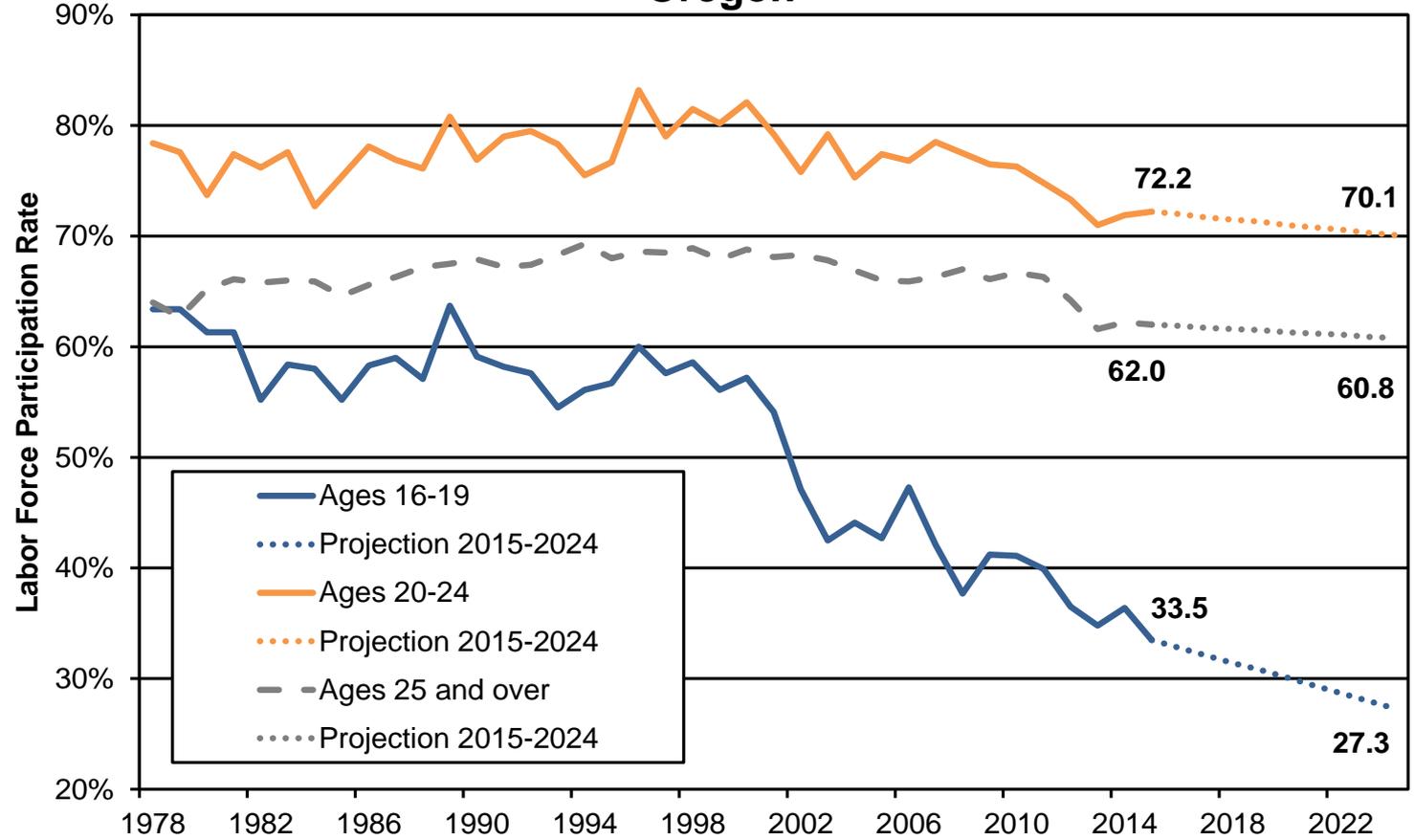
Source: Portland State University, Population Research Center

Labor force participation among youth is expected to fall faster than that of the older population through 2022.

The participation rate of teens dropped below 50% in 2002.

Declines in teen participation have been sharp, and show no sign of letting up.

Expect Continued Decline in Youth Participation Rates Oregon



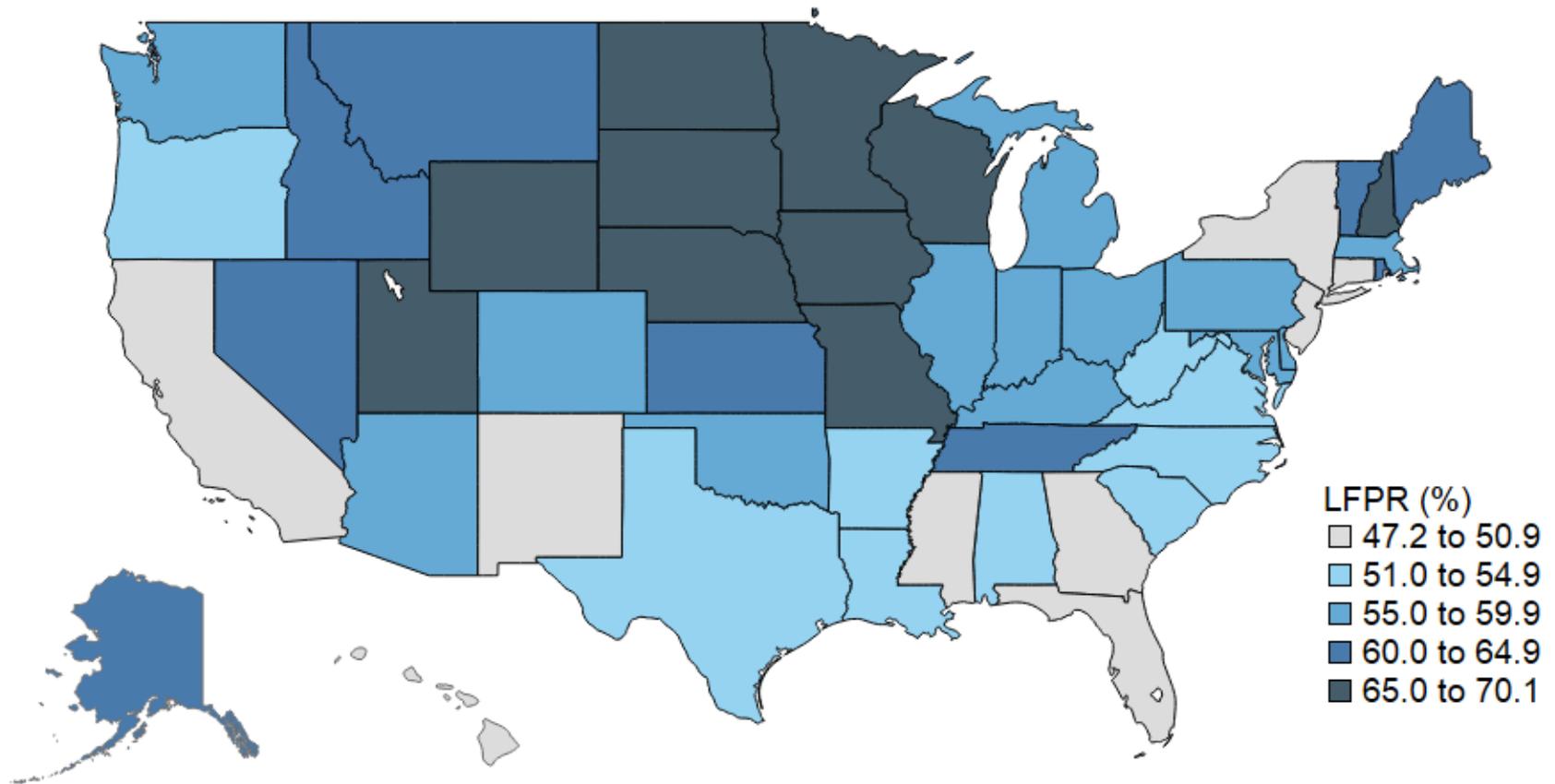
Source: Bureau of Labor Statistics, Current Population Survey. Projections developed by Oregon Employment Department using Bureau of Labor Statistics, Labor Force Projections 2014-2024.

Oregon had the 34th highest labor force participation rate (54.3%) for youth between 16 and 24.

Youth Labor Force Participation Rate, Ages 16 to 24, 2015

U.S. Rate = 55.0%

Oregon Rate = 54.3%

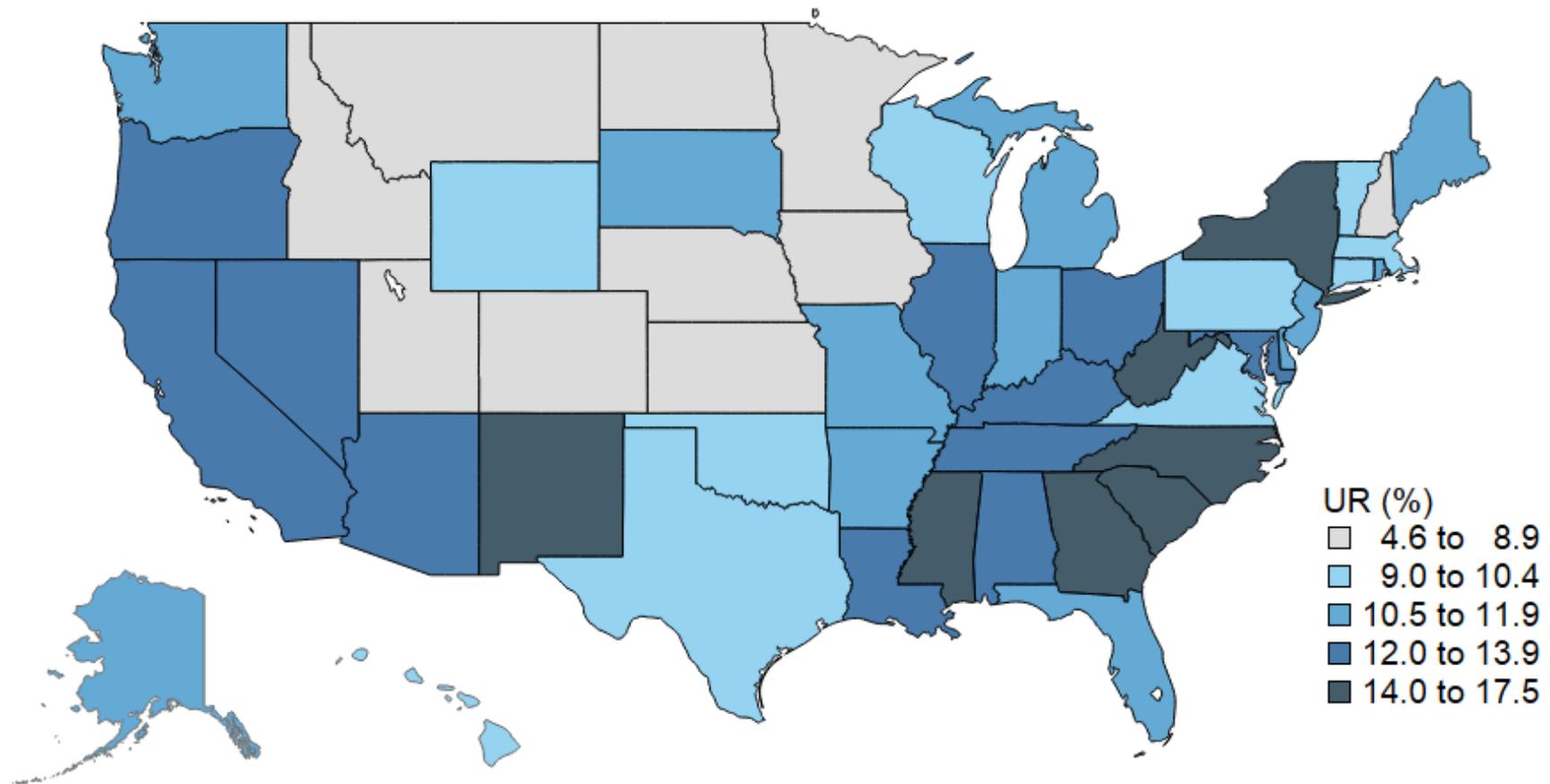


Oregon had the 17th highest unemployment rate (12.4%) for youth between 16 and 24 years.

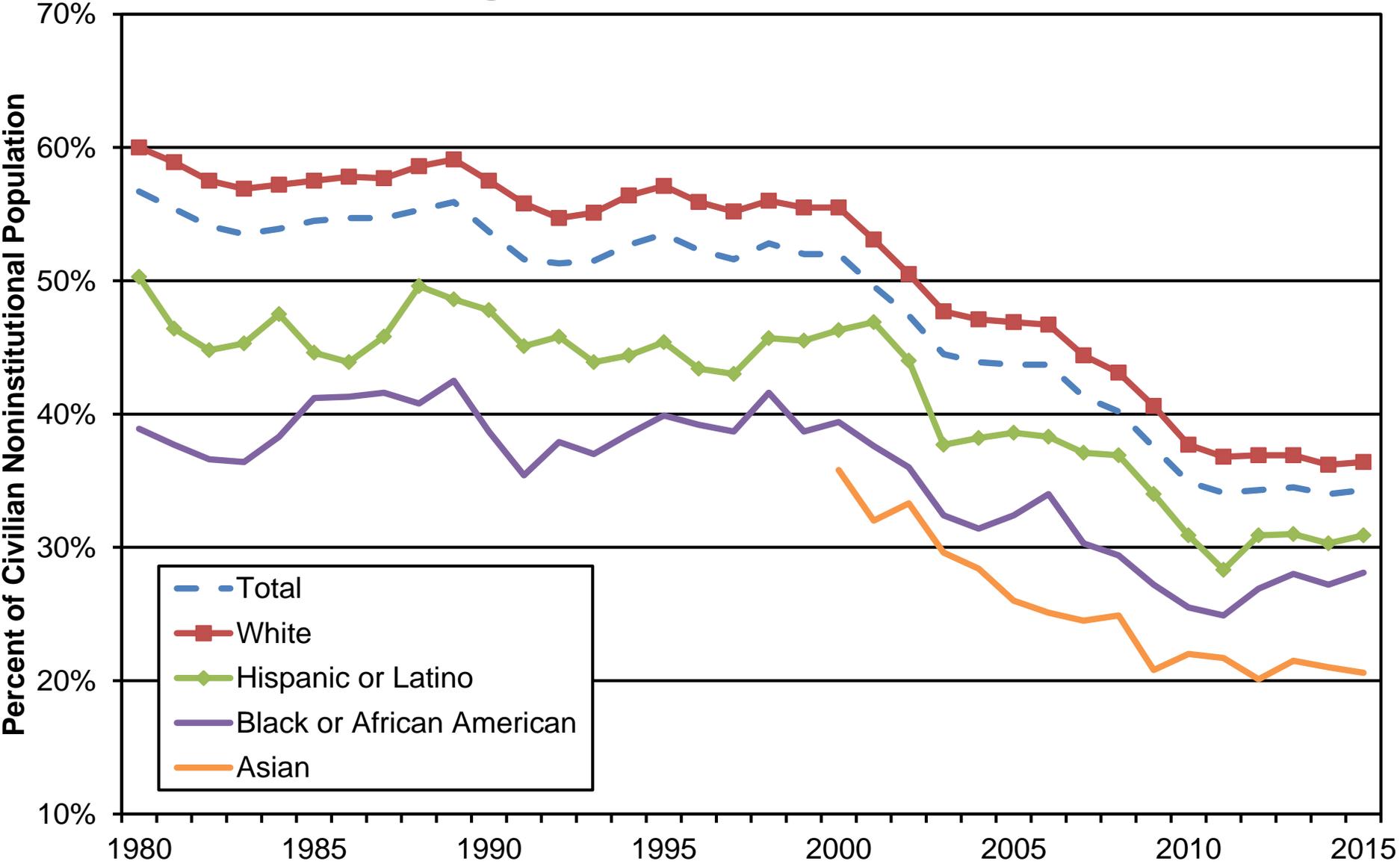
Youth Unemployment Rate, Ages 16 to 24, 2015

U.S. Rate = 11.6%

Oregon Rate = 12.4%

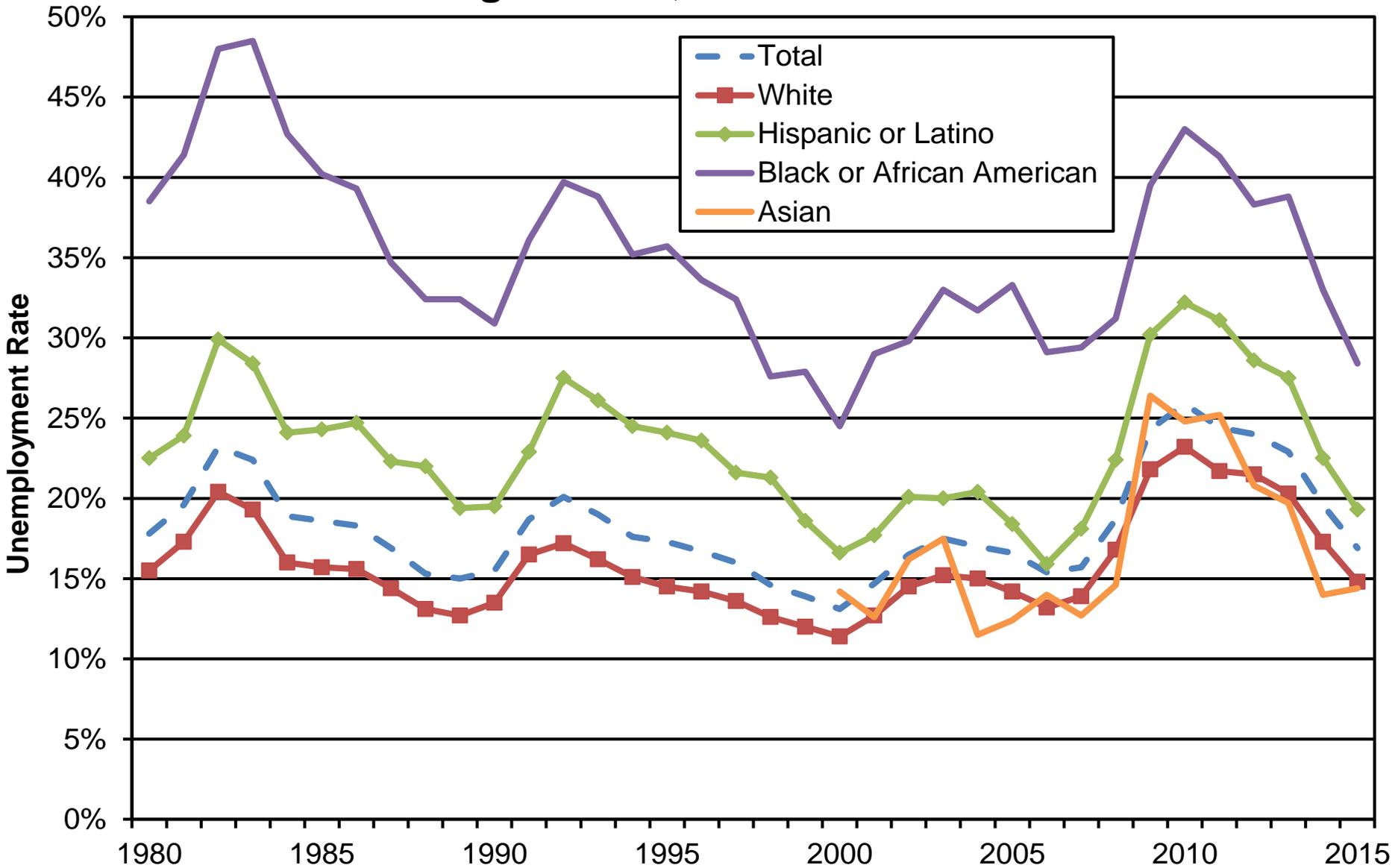


Labor Force Participation Rate by Race and Ethnicity, Ages 16-19, United States



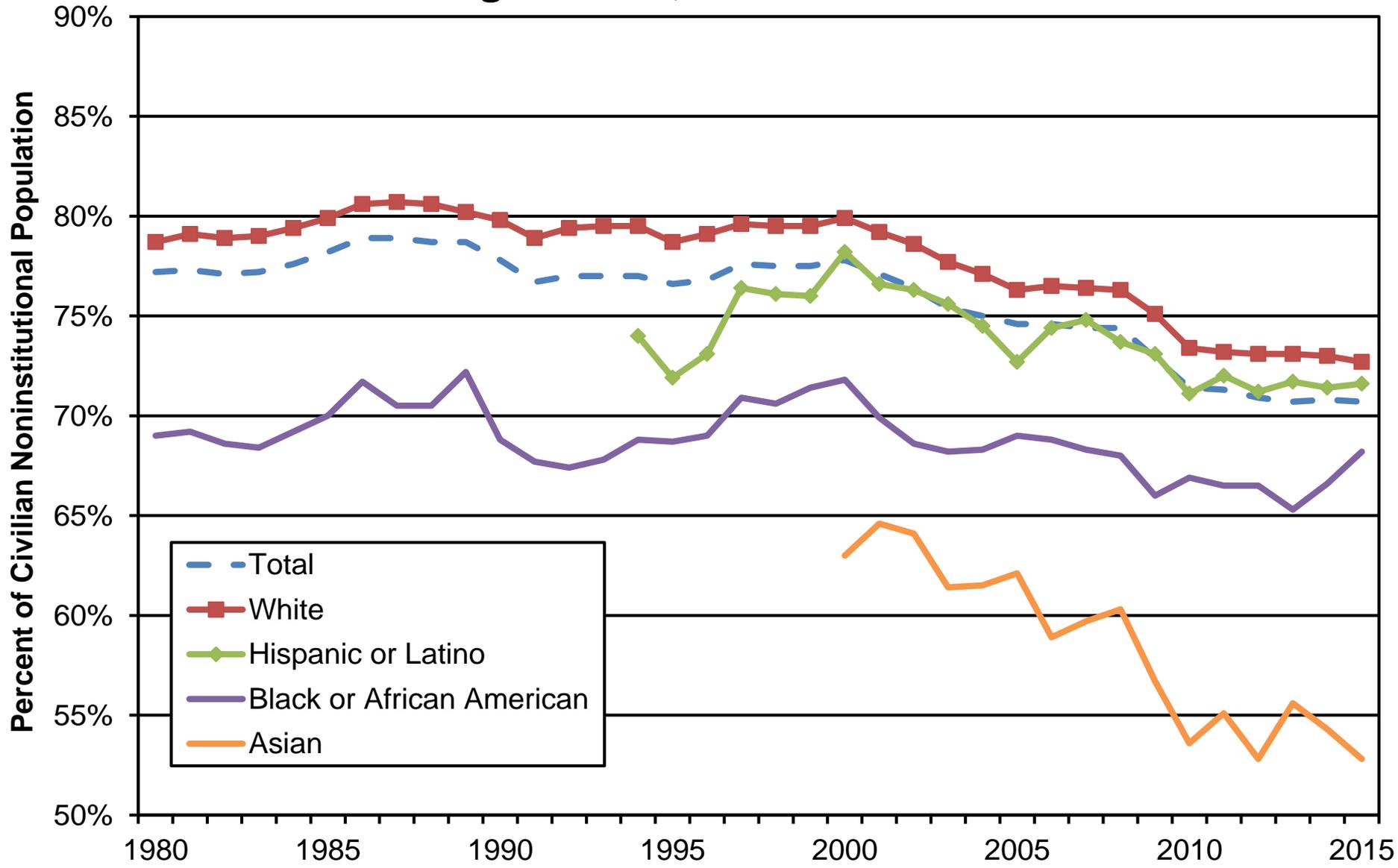
Source: Bureau of Labor Statistics, Current Population Survey

Unemployment Rate by Race and Ethnicity, Ages 16-19, United States



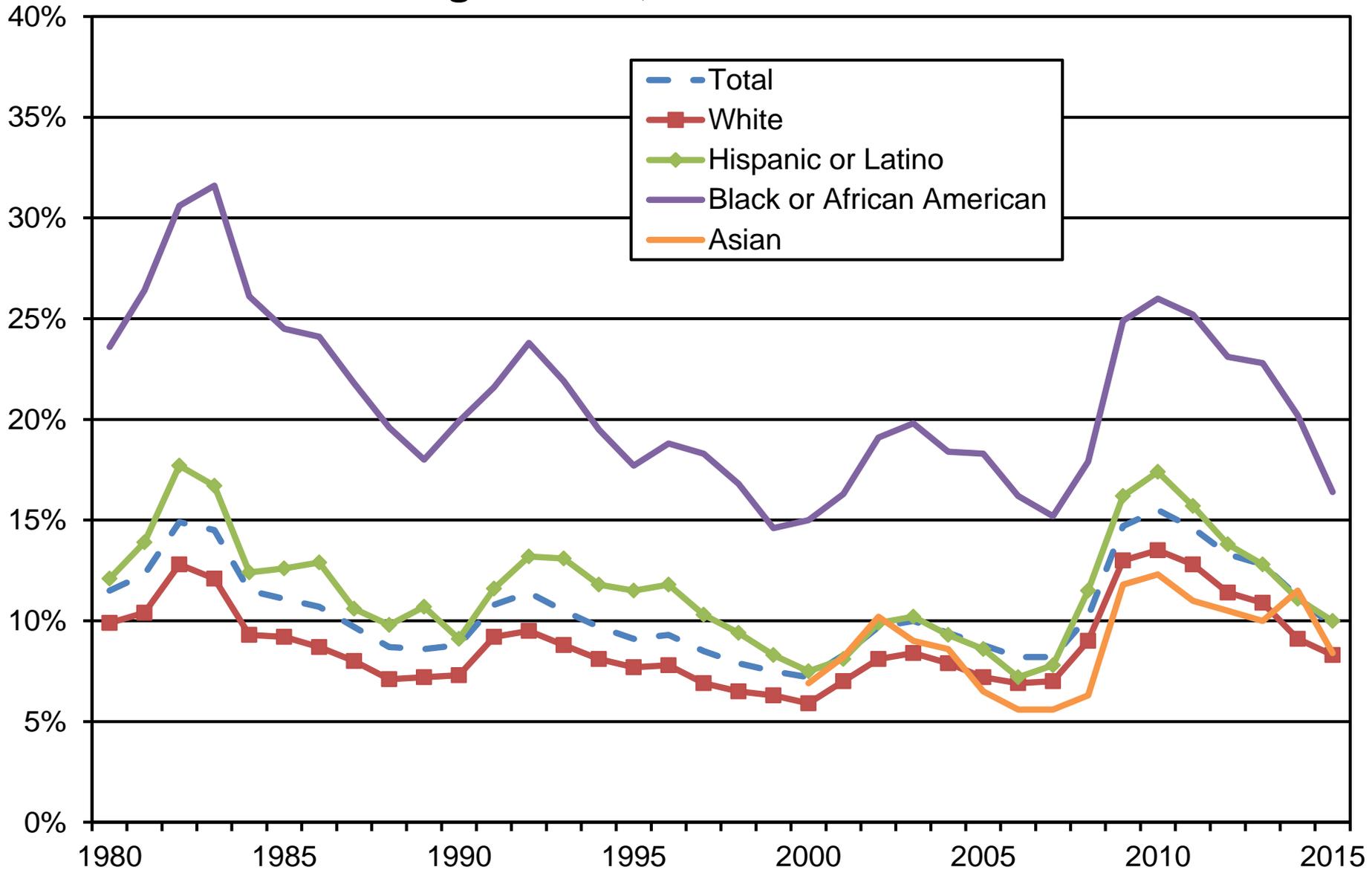
Source: Bureau of Labor Statistics, Current Population Survey

Labor Force Participation Rate by Race and Ethnicity, Ages 20-24, United States



Source: Bureau of Labor Statistics, Current Population Survey

Unemployment Rate by Race and Ethnicity, Ages 20-24, United States



Source: Bureau of Labor Statistics, Current Population Survey

Nick Beleiciks
State Employment Economist
Nick.J.Beleiciks@state.or.us
503-947-1267

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