

Jobless rate for young workers in US highest since 1948

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22 April 2011

This year's graduates, from both high school and college, face a "dire labor market" with no safety net, a briefing paper released Wednesday by the Economic Policy Institute (EPI) warned. The report by the think tank notes that the unemployment rate in 2010 for young workers age 16-24 is the worst since this data has been tracked in 1948.

The report is a devastating refutation of the Obama administration's talk of an "economic recovery." Since 2007, unemployment rates for young people ages 16-24 not attending school roughly doubled. Compared to the official overall unemployment rate of 9.6 percent in 2010, the rate for that age group is roughly double, at 18.4 percent.

While high school graduates have been hardest hit, the unemployment rate for young college graduates is more than double the rate of college graduates 25 and older.

The paper, entitled "The class of 2011: Young workers face a dire labor market without a safety net", presents a bleak picture for young jobseekers. Not only is unemployment highest among youth, there are no social programs to address their needs.

Additionally, over half of all college graduates from both public and private schools are burdened with at least \$20,000 of debt. These are from 2009 figures. In the summer of 2010 the total debt from student loans overtook that of credit card debt for the first time in the US. Tuition has been rising drastically over the last two years, so the average student debt today is significantly higher.

The report details the lack of any social safety net for youth:

"Unemployment insurance (UI), the traditional assistance program that offers cash benefits to partially replace lost wages when a worker is laid off through no

fault of their own, has strict eligibility requirements. A new entrant to the labor market is simply not eligible, no matter how scarce jobs are. Even those who have been laid off from a job must meet state requirements for wages earned and/or time worked during an established reference period. Young workers often fail these eligibility requirements due to their more intermittent attachment to the labor market.

"Furthermore, programs such as Temporary Assistance for Needy Families (TANF), also known as welfare, have work requirements and are only applicable to parents with children. The Supplemental Nutrition Assistance Program (SNAP), also known as food stamps, does allow for able-bodied adults without dependents to collect benefits, but only for three months in a 36-month time period. Also, programs such as the Earned Income Tax Credit (EITC) are one of the many 'work support' systems in which eligibility requires employment."

The rate that unemployment has risen among high school graduates is record-setting. The increase since 2007 "dwarfs the two prior recessions. In neither the 1990 nor 2001 recession did the 12-month moving-average unemployment rate for this group ever exceed 14.0%."

The paper says that indicators show that youth are not "sheltering" in school to weather out the economic crisis. "While it is appealing to think that school can provide safe haven from a desperate labor market," it is not evidenced by enrollment statistics.

The rate of "disconnected youth," that is youth who are neither employed nor enrolled in school, increased to 17.6 percent in 2010. These conditions, where young people are both unable to find work or afford to attend school "or worse saddled with student loan debt," have forced them to find support from parents and other

family. The percentage of young people living at home has been spiking since 2007 and in 2010 is as high as it was in the late 1990s. “Needing family support makes young workers a burden” on the economy, the study says, requiring resources that would otherwise be spent elsewhere.

As bad as the unemployment rates for the 16-24 age group are, those for minority young workers are worse. While the overall jobless rate for high school graduates in that age group is 22.5 percent, it is 20.3 percent for white, 22.8 percent for Hispanic and 31.8 percent for black youth. The report notes that in times of economic downturn, the disparity of unemployment rates for minorities increases.

These figures understate the reality of the situation facing young people. Official unemployment rates are based on the number of workers actively seeking work through the channels that the states provide. Since social programs are virtually non-existent for young people, the figures are necessarily conservative.

The report correctly points out the lack of opportunities for young workers is not a matter of a lack of education or skills, a theme that is repeatedly peddled by the Obama administration and the news media. High unemployment among youth, it says, “did not arise because workers don’t have the right skills,” but “the class of 2011 is one of the many casualties of a *lack of demand* for workers in the overall economy.... The fact that the unemployment rate for 16- to 24-year-olds has been well over 16% for two years straight underscores how premature is a deficit debate that fixates on deep cuts in federal spending.”

EPI is a liberal think tank, associated with the AFL-CIO. On this basis its report concludes, “to give a fighting chance” to young people, “we should focus the discussion on substantial additional stimulus spending to create jobs.”

Not only has the Obama administration rejected out of hand a second stimulus package, let alone any government-funded jobs program, it is now embarking on a brutal austerity campaign that will slash whatever meager benefits young workers retain.

Mass unemployment is not an accident but a deliberate policy. The government and corporations are deliberately creating a “new normal” of mass unemployment in order to force young workers to accept poverty-level wages. These are the conditions

that are driving the young generation into social struggle.



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