

Young adults hardest hit by recession, US study shows

Kate Randall
10 February 2012

Young adults in the US are less likely to be employed than at any time since World War II. A new Pew Research Center study shows that the impact of the recession has been particularly severe on those ages 18 to 34, affecting their ability to find a job, pay for college, buy a home or save for the future.

The study released Thursday, “Young, Underemployed and Optimistic: Coming of Age, Slowly, in a Tough Economy,” is based on a survey of 2048 US adults conducted by Pew nationwide in December 2011 and also draws on data from the U.S. Bureau of Labor Statistics.

The report examines the impact of the economic downturn on different age groups in the US population and corresponding perceptions among these groups about their current living conditions and future prospects.

The study finds that since 2010, the share of the youngest adults, ages 18 to 24, currently employed—54 percent—has been the lowest since the government began collecting such data in 1948. In 2011, 16.3 percent of 18- to 24-year-olds were jobless, compared to 10.3 percent of 25- to 29-year-olds, and 8.6 percent of those ages 30 to 34. The employment gap between young adults and all working-age adults, about 15 percentage points, is the widest in recorded history.

Over the past five years, young adults with full-time jobs have also experienced a 6 percent drop in weekly earnings, the largest among any age group. In 2011, the median weekly earnings of 18- to 24-year-olds working full-time were \$448, down from \$477 (in 2011 dollars) in 2007. The study suggests that employers have deliberately held down the wages of entry-level jobs more than among other age groups.

There is also a widespread belief among all adults that young people today are having a harder time

reaching many basic financial goals their parents may have taken for granted. Eighty-two percent of those surveyed say that finding a job is harder for young adults today than it was for their parents’ generation. Three-quarters believe it is harder now to save for the future (75 percent), buy a home (69 percent), or pay for college (71 percent).

Economic conditions have altered the daily lives of young adults as well as their long-term plans. Half of 18- to 34-year-olds report they have taken a job they didn’t want in order to pay their bills; 24 percent have taken unpaid positions to gain work experience. More than a third of those surveyed, 35 percent, say that they have gone back to school as a result of the poor economy.

Dim economic prospects have affected all aspects of the lives of young adults. Twenty percent report putting off getting married, while 22 percent say they have postponed having a baby. After being on their own, one in four (24 percent) young adults report “boomeranging” back home to live with their parents.

The deteriorating economic position of young people has changed perceptions among parents about when financial adulthood begins. In a 1993 Newsweek poll of parents with young children, 80 percent said children should be on their own financially by age 22. By contrast, the Pew study found that 31 percent of today’s parents believe children shouldn’t be financially independent until age 25 or older.

Young people working either full- or part-time also feel more insecure about finding work if they lose their current positions. While a 1998 survey found that 65 percent of 18- to 34-year-olds said they were extremely or very confident that they could find another job if they were laid off, the share of highly confident young workers fell dramatically to only 25 percent in 2009.

This share has rebounded somewhat in the current survey, to 43 percent.

Younger workers also experience widespread job dissatisfaction. Among all employed young adults (18 to 34), only 30 percent consider their current jobs “a career,” compared with 52 percent of workers ages 35 and above. Among those 18-24, only 11 percent perceive their job as a career.

In one particularly telling statistic from the Pew survey, less than half of 18- to 34-year-olds with jobs say they have the necessary education and training to advance in their job or career. Among the unemployed, only 27 percent say they have the adequate preparation for the type of job they want. The study notes that the cost of college has roughly tripled since 1980, and finds that 71 percent of all adults believe it is harder for young people to pay for college than it was for their parents’ generation.

Overall, only 31 percent of young adults today are satisfied with their income, compared to 41 percent in 2004. However, among those who feel today that they do not have adequate earnings, only 9 percent think they will never have enough in the future. This is similar to a 10 percent finding in 2004.

The authors of the Pew survey conclude: “The consistent trend in opinion, in spite of the turbulent economic conditions during the intervening years, suggests that optimism is related more to the stage of life than to the dynamics of the national economy.”



To contact the WSWWS and the
Socialist Equality Party visit:

wsws.org/contact