

Report details desperate conditions confronting US youth

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A recent report published by the Young Invincibles think tank investigated the levels of youth unemployment. The results portray a dark future for young workers and students.

The report, titled “No End In Sight,” begins by stating that unless “trends change dramatically, there is a real danger that the youth labor market will never recover from the recession’s blow.” This is not mere idle speculation. Youth unemployment in the United States had still not fully recovered from the 2001 dot-com crash at the time of the financial meltdown. Since 2007, youth unemployment has skyrocketed by 141 percent and shows no signs of abating. In 2010, the Bureau of Labor Statistics reported that youth employment would never regain its 2007 level. The bureau estimates that even by 2020, there will be two million fewer jobs available for young people than before the crash.

Today, the official unemployment rate for individuals between the ages of 16 and 24 remains at 17 percent. For individuals between the ages of 16 and 19, the rate is 21 percent. The rate for youth minority groups is also considerably higher than the overall figure—approximately 20.5 percent of Latino and 30 percent of African American youth are currently unemployed. In major cities the situation is even worse. The youth unemployment rate in New York City, for example, has remained above 30 percent for three years in a row.

The report goes on to estimate the number of “missing” jobs, or jobs that should have been available to youth had the crisis not occurred. Based on calculations of 2007 figures, an estimated 2.7 million jobs are missing—roughly the size of the entire population of the city of Chicago. It is important to note, moreover, that the report bases these figures on

the assumption that a “healthy” economy would have a youth unemployment level of 11 percent. In reality, these figures are likely far higher than the report allows.

Widespread coverage on the report by major news sources suggests a growing fear within the American ruling class of social upheaval like that which has erupted in Egypt, Spain, Greece, Chile and numerous other countries since the onset of the crisis.

Globally, the epidemic of youth unemployment is mounting. On July 10, the Organization for Economic Cooperation and Development (OECD) warned that the high jobless rate threatened a permanent “scarring effect” on the prospects of the young generations as they come into adulthood with a long gap in their work history and training. In the 34 countries of the OECD, 18.6 percent of young people were neither in school nor employed. As these youth age and raise their own children, the impoverishment created by their early loss of work may pin them as well as their future offspring to low wages, unemployment and all the social miseries bound up with financial distress.

High unemployment and lack of access to education contribute to the growth of what the Young Invincibles report refers to as “disconnected youth.” This term refers to a section of young people who are neither working nor in school, and typically have neither special skills nor a high school degree. The current level of “disconnected youth” numbers approximately 6.7 million and is expected to rise.

Such a high level of unemployment does not only affect those youth who are out of work. The reduced labor force has created a tremendous downward push on wages. The Economic Policy Institute reported last year that the average wage of male college graduates had fallen 11 percent between 2001 and 2011 to \$21.68. Female college graduates during the same

interval experienced a decline of 7.6 percent, to an average wage of \$18.80. Male high school graduates without college education saw their wages fall by 10 percent to \$11.68. Their female counterparts now earn an average wage of \$9.92—9.2 percent less than the 2001 figure.

Many youth who are employed, moreover, are able to find only part-time work. According to a survey of recent college and high school graduates conducted by Rutgers University, four out of ten college graduates—as well as seven out of ten high school graduates—were working part-time while looking for full-time employment.

Young people are likewise increasingly unable to pursue their career paths of interest. A report issued by New York City's Workforce Investment Board found that youth employment has become increasingly 'path-dependent,' meaning that the first job a young person takes is likely to become the only option for future employment. The same survey by Rutgers found that of employed college graduates, only four out of ten believed their current employment to require a four-year degree, and only two out of ten found their current employment relevant to their field.

As a result, recent college graduates are increasingly forced to take on internships for little or no pay. Under the pretense of providing a platform for much needed experience, corporations and institutions use unpaid internships as a method of cutting costs. The growing prevalence of internships places even greater pressure upon the wage-earning youth labor force.

This overall process exacerbates the trends of chronic unemployment and declining wages within the working class as a whole. A study by the National Bureau of Economic Research found that an unemployment rate at or above 8 percent leads to an average decrease by 2.8 percent of yearly earnings. Another study by Yale University found that for every percentage the unemployment rate increases, the average wage of a new entrant to the labor force decreases by 6 to 7 percent as compared with earlier entrants. Those new labor entrants, moreover, will not see as significant an increase in their pay. Even fifteen years after employment, they will still earn a wage roughly 2.5 percent less than their earlier counterparts.

The devastating conditions confronting young people are part of a broader attack on the working class as a

whole. The crisis is drawing closer every day to a boiling point. Without any means available to better themselves, growing numbers of youth will be damned to a life of poverty and despair.



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