

Trends in Teen Employment in Chicago, Illinois, and the United States

Executive Summary

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January 2014

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UNREMITTING DECLINE IN EMPLOYMENT RATES OF TEENS & YOUNG ADULTS

The report: **Trends In Teen Employment In Chicago, Illinois And The United States** is part of an ongoing series highlighting the severe labor market problems of teens and young adults. The report explains how teens and young adults have been significantly left behind in the labor market and this substantial loss of work, which continues to match that of the Great Depression era, not only reduces the economic output of Illinois and the nation today, but also has a long-term societal impact.

For more than a decade, 16-19 year-old teens across the country have encountered extraordinarily severe declines in their employment rates – unmatched by any other age group. While the economy appears to be growing at a stronger rate following the Great Recession, youth employment has seen little to no growth and has actually reversed the progress gained during the early decades of the 50 years of the *War on Poverty*.

In Chicago, Illinois, and the United States, teens have experienced unremitting drops in employment rates and have failed to capture any substantive job growth post the Great Recession of 2007-2009. Nationally, the teen employment rate has fallen from 36% in pre-Recession 2006 to just 27% in 2012, a steady decline of 9 percentage points or 25%. **The current 27% teen employment rate continues to track as the lowest employment rate in the nation's entire post-World War II history.**

Teen employment rates in Illinois have mirrored the nation's continued decline, dropping from 36% in 2006 to only 27% in 2012. Once again, sustaining the lowest rates for which such state teen employment data exists. This ongoing drop in the teen employment rate **puts Illinois among the ten states with the highest jobless rates in the nation.** Within Illinois, city of Chicago teens have fared worse than their state and national counterparts, **declining to only 19% of Chicago teens having jobs in 2012 compared with the Illinois and national rate of 27%.**

Black male teens face an ongoing battle across the country and the state. However, Black male teens in Chicago have the most depressed state of employment, with rates that have continued to drop each year. In 2012, 92% of all Black male teens (16-19) in the city of Chicago were jobless. The picture is even more dismal for low-income, minority youth, with only six out of 100 Black teens from low-income households (<\$20,000) employed in Chicago in 2011-2012. This means **94% of low-income, Black teens were jobless.**

LOW-INCOME & MINORITY TEENS CONTINUE TO EXPERIENCE LOWEST EMPLOYMENT RATES

For the past decade, minority, male and low-income teens have fared worse than their counterparts in their ability to obtain employment in the U.S., Illinois and the city of Chicago.

- While the overall trend of dropping employment rates for all race-ethnic groups continued through 2012, **Black teens had the lowest employment rates across all geographic areas.**
 - Nationally, the employment rate of Black teens has sustained a declining trajectory dropping from 25% employed in 2006 to 18% in 2012 and faring worse than their Hispanic and White peers.
 - **In 2012, only 16 out of 100 Black teens in Illinois were employed and only 11 out of 100 Black teens in the city of Chicago were employed.**
- Black **male** teens, in particular, faced challenges in their ability to obtain employment in the U.S., Illinois and the city of Chicago.

- Black male teens in Chicago experienced the bleakest employment rates with the number of Black male teens with jobs dropping from 10% in 2006 to 8% in 2012. **A startling 92% of all Black males ages 16-19 in Chicago were jobless in 2012.**
- Minority, low-income teens continued to face more challenges in obtaining employment with Blacks and Hispanics experiencing significantly lower rates of employment than other race-ethnic groups.
 - Across the nation in 2011-2012, only 13% of Black teens from low-income households were employed and slightly less than 16% of low-income Hispanic teens had jobs.
 - In Illinois less than 9% of Black teens living in low-income households (<\$20,000) and only 13% of Black teens living in households with an income between \$20,000-\$39,000 were employed in 2012.
 - In Chicago in 2011-2012, only six out of 100 Black teens from low-income households (<\$20,000) were employed; equating to **94% of low-income, Black teens were jobless.**
 - Black male teens from low-income households had the lowest employment rate of all groups. **Only 4% of Black male teens from low-income households in Chicago were employed in 2011-2012.**
- While not as steep of a decline as teens, young adults (20-24 years old) in Illinois and the city of Chicago also experienced great difficulty finding jobs and a persistent decline from 2006 to 2012. **Males, Blacks, and city of Chicago residents 20-24 years old were the most significantly impacted young adults.**

CITY OF CHICAGO TEENS FACE TOUGHEST EMPLOYMENT SITUATION

In 2012, teens in the city of Chicago (19%) had worse employment rates than peers statewide (27%).

- Only 11% of all Black teens in the city of Chicago were employed in 2012.
- Only 11% of low- to mid- income (<\$40,000) Black teens in the city of Chicago held a job in 2011-2012; 89% were jobless.
- Only 6% of all low-income (<\$20,000) Black teens in the city of Chicago were employed in 2011-2012.

MINORITY YOUNG ADULTS MORE LIKELY TO BE OUT OF SCHOOL & OUT OF WORK

Across the country, young adults (20-24 years of age) were twice as likely as teens to be out-of-school and out-of-work in 2012.

- Incidence of disconnection from school and work was greater for City of Chicago young adults than the rest of Illinois or the nation.
- In Chicago, nearly 23% of 20-24 year olds were out-of-school and out-of-work versus less than 10% of the city's teens.
- The disconnection from school and work was highest among Blacks.
 - In the city of Chicago, Black 20-24 year olds were 8.6 times as likely to be disconnected as their White, non-Hispanic counterpart.
 - Among 20-24 year olds in Chicago in 2012, more than four of every 10 Black youth were disconnected versus 21% of Hispanic youth and only 5% of White, non-Hispanics.

RECOMMENDATIONS: URGENT NEED FOR SUMMER JOBS PROGRAM FOR TEENS

- ***Pursue Legislation to Add Summer & Year-Round Employment Opportunities for 16-24 Year Olds:*** Illinois' congressional delegation, the Governor and state legislators, mayors and town officials should actively pursue legislation to provide additional monies to create summer and year-round employment opportunities for teens and young adults in the city of Chicago and across the state.
- ***Revive Proposed Pathways Back to Work Act:*** The proposed act would create a \$5 billion fund providing \$1.5 billion for summer and year-round employment opportunities for low-income youth, \$1.5 billion for a competitive grant program for work-based training and education programs for both adults and youth, and create a \$2 billion subsidized employment programs for unemployed, low-income adults.

CONCLUSION

The current 27% teen employment rate continues to track at the lowest level of employment in the nation's entire post-World War II history, reversing the progress made in increasing job opportunities for teens during the early decades of the *War on Poverty*. Black males, in particular, have suffered an enormous and unremitting loss of teen work experience and work exposure and are increasingly disconnected from school.

Youth employment and re-enrollment programs that keep teens and young adults actively engaged in school, training and/or employment are key to the economic future and future employability of youth. Further, teen and young adult employment is critical to reducing and preventing the short- and long-term societal implications of youth violence and delinquency.

The exclusion of teens from the job market is likely to continue and brings with it bleak economic prospects, limited earnings potential, and significant taxpayer burden for the magnitude of dropouts who are jobless in their youth. Investment must be made to create 2014 summer and year-round employment opportunities for teens and young adults in order to have a substantial affect on the record youth joblessness. Job creation for teens and young adults has to be an immediate priority.