

Philadelphia teens are left behind in jobs recovery, with black male teens faring worst of all

May 12 2015



A new Drexel study found that only one in 10 young Black males in Philadelphia had a job in 2012-2013, among the lowest rates of all big cities in the nation.

Since the end of the Great Recession in early 2010, the economy has



rebounded, adding nearly 11.5 million jobs and increasing employment above pre-recession levels. In the last year alone, the nation generated more than one quarter of these jobs, expanding employment levels by 3.3 million. But as the economy has bounced back, how have teens fared?

According to a new study from Drexel University's Center for Labor Markets and Policy, despite the nation's job growth, the fraction of teens at work has barely budged. After five full years of jobs recovery, the teen employment rate has increased from a low point of 25 percent to 29 percent – still far below its 2000 level of 45 percent.

The study also found that urban teens fared worse than their suburban peers, with urban Black teen males faring worst of all. Only one in 10 young Black males in Philadelphia had a job in 2012-2013, among the lowest rates of all big cities in the nation.

"These numbers are frightening because employment for teens means much more than a few extra dollars," said Harrington.

"Working during the teenage years – while in high school and over the summer – provides important and lasting gains in the job market, impacting everything from employment outcomes for those who don't attend college, and enrollment, retention and graduation rates for those who do. Some findings even suggest that summer work reduces criminal and anti-social behavior."

Entitled "Left Behind: Jobs Recovery By-Passes Philadelphia Teens," the study was conducted by Paul Harrington, PhD, director of Drexel's Center for Labor Markets and Policy and a professor in the School of Education, and Neeta Fogg, PhD, and Ishwar Khatiwada, PhD, labor economists in the Center. A follow-up study about disconnected youth will be released by the Center in October.



Cities vs. Suburbs and Teen Employment

Using data from the monthly Current Population Survey (CPS) from the U.S. Census Bureau, the researchers found that, from 2000-2014, the share of the nation's teens that work has steadily declined from 45 percent to 27 percent, a 40 percent reduction in the teen employment to population (E/P) ratio.

The data also revealed that, for teens living in urban areas, the numbers have been even worse than those for their suburban peers. In 2014, fewer than one quarter of the nation's big city teens were employed, while one in three teens from suburban areas were working at any point in time.

To look at the employment rate of teens across the 25 most populated cities in the United States, the researchers examined trends over the past eight years using data from CPS and the American Community Survey (ACS). They found that the average teen employment rate across these 25 cities fell from 2006-2012, before increasingly slightly in 2012-2013. Even in 2012-2013, after three years of economic recovery, teen employment rates continued to stay well below pre-recession levels in each of the nation's 25 largest cities.

Just before the recession, Philadelphia's 22.9 percent teen employment rate was ranked the fifth lowest among the 25 most populous cities. By 2012-2013, that rate had dropped to 15.8 percent, well below the national average of 21.6 percent.

Demographics and Teen Employment

The decline in teen employment has varied widely across major demographic groups. In Philadelphia, male teens fared worse than their



female counterparts with a 9.2 percentage point drop in their employment rate over the 2006-2007 and 2012-2013 period. The employment rate for the city's female teen residents dropped by just 3.8 percentage points.

During 2012-2013, Black teens comprised 44 percent of the city's overall teen population. In the 2006-2007 pre-recession Philadelphia job market, just 19 percent of Black male teen residents were working. By 2012-2013, their employment rate had plunged to just 10 percent. While about one in six black male teens were working during 2012-2013 in the nation and across Pennsylvania, just one in 10 young black males were employed in Philadelphia.

Household Income and Teen Employment

The researchers' analysis of the ACS data for Philadelphia reveals a strong link between <u>household income</u> level and employment rates of teens. In general, teen employment rates tend to rise strongly and steadily with household income, until a certain level, beyond which it tapers off.

In Philadelphia, teens in lower income households had the lowest employment rates. In 2012-2013, only 11 percent of teens in Philadelphia from households with incomes under \$20,000 were employed. Teen employment rates increased steadily with each additional \$20,000 household income level. Among upper income households, the teen employment rate was lower, falling 27 percent among households with incomes between 100,000 and 150,000, and 16 percent in the highest income households, with annual incomes of \$150,000 or more.

"The fact that teen <u>employment rates</u> rise with household income is a really important finding," said Harrington. "What this says is that kids from low incomes households aren't working, even further reducing the



longer term employment, earnings and educational prospects of these youngsters."

More information: To read the full report, download the PDF here: drexel.edu/~/media/Images/now/ ... pril2015RevisedTitle %20(2).ashx?la=en

Provided by Drexel University

Citation: Philadelphia teens are left behind in jobs recovery, with black male teens faring worst of all (2015, May 12) retrieved 30 June 2024 from https://phys.org/news/2015-05-philadelphia-teens-left-jobs-recovery.html

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