The Great Recession and Youth Unemployment. Evidence from the United States

Productivity, Investment in Human Capital and the Challenge of Youth Employment

October 18, 2012
Bergamo, Italy
Unemployment Rates, 15-24

Percentage-point change: 2007 to 2010

- Spain
- Greece
- Italy
- United States
- Poland
- Germany
- Switzerland
- Estonia
LTU progression in 6 recessions
Youth unemployment in context

- 16-24
- 25+

Graph showing unemployment rates from 1970 to 2010.
EPOPs or employment rates

Ages 25+

Ages 16-19
EPOPs 20-24, by demographic group

![Graph showing employment-population rates for different demographic groups from 1984 to 2011. The graph includes lines for White male, White female, Black male, Black female, Hispanic male, and Hispanic female, with shaded areas indicating recessions.]
Changing US labor force

1983 vs 2010
Effect of State URate on URate by age

Source: Hoynes, Miller & Schaller, JEP Summer 2012
Effect of State UR rate on Epops, by age

Source: Hoynes, Miller & Schaller, JEP Summer 2012
The Great Recession


US today
-3.4%
-4.7 million

CA today!
-5.6%
-844,000
Final thoughts

- US debate about the direction the country will go moving forward.

- Bailout of the banks with no stipulations. Then no money to help regular people, housing crisis, jobs crisis.

- Must put people back to work—then worry about debt & deficits—which would correct if GDP growth is strong & sustained.

- Youth are suffering from lack of opportunities and raising costs of higher education. Lower life time earnings profile.
Molte Grazie!

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