



## FACT SHEET A FRAYED CONNECTION: JOBLESSNESS AMONG TEENS IN CHICAGO

Prepared for the Alternative Schools Network  
by the Center for Labor Markets and Policy  
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The post-2000 decline in teen employment is part of a broader pattern of decline in employment rates among large parts of the working-age population in the U.S. and Illinois

The Alternative Schools Network (ASN) in Chicago commissioned Dr. Paul Harrington, Director, Center for Labor Markets and Policy at Drexel University to prepare a report – ***A Frayed Connection: Joblessness among Teens in Chicago*** – highlighting the severe labor market problems of teens and young adults in the U.S., the state of Illinois, and the city of Chicago. The report details the continuing high unemployment rates among teens, particularly low-income and minority teens, and the consequences of failing to invest in workforce development for this group.

### TEENS LOST MORE THAN EVERY OTHER GROUP DURING THE GREAT RECESSION

From 2000 to 2013, teen employment fell nearly in half. This was partly due to gains by workers 55 and over, and especially those 65 and over, who are retiring and then taking entry-level jobs that formerly went to teens. Joblessness was especially high among Black and Hispanic teens, with low-income male teens in these groups at the very bottom.

- In Illinois the chance that a teen will be employed has fallen nearly in half since 2000.
- While about half of all teens in Illinois were employed at the end of the 1990s, by 2011-2013 just over one in four teens were working.
- Young adults aged 20-24 in the state also experienced very large reductions in their employment rate, which fell from 73 to 60 percent over the decade-plus period.

### TEENS LAG BEHIND IN JOBS RECOVERY FOLLOWING THE GREAT RECESSION

The recovery of jobs in the nation's labor market has done little to improve the job market connections of teens across the nation and in Chicago. During the economic and jobs recovery of 2011 to 2013, the teen employment rate declined even further.

- In the nation and in Illinois about 26 to 27 percent of teens were employed on average.
- In Chicago the employment rate fell to just half of the state and national average.
- Just 13 out of every 100 16-to 19-year old residents in the city were working on average over the three year period.
- The chances of a significant increase in teen employment rates in Illinois or Chicago during 2014 are not strong. The state ranked 46th among all states in its pace of new job creation, posting a rate of new job gains that was two-thirds slower than the nation as a whole.

- The state's job market had added just 67 jobs during the current recovery for every 100 jobs lost during the recession, ranking the state 43rd among all 50 states in its ability overcome the losses that occurred during the Great Recession.

### **BLACK AND HISPANIC TEENS FARE WORST IN FINDING JOBS**

Black teens faced the bleakest employment prospects in the city of Chicago.

- In 2012-13 Chicago Black teens' employment rate stood at 10.5 percent, while 21.2 percent of Hispanic teens in Chicago were employed and 30.3 percent of White teens.
- A startling 91 percent of teenage Black males in Chicago were jobless in 2012-13.
- The employment rate among Chicago's Black male teens dropped to 11 percent in 2012-13 from 18 percent in 2006-07, compared to a drop from 17.8 percent to 11.4 percent in Illinois and from 23.5 percent to 16.9 percent in the nation as a whole.
- One-fifth of Hispanic teens in Chicago were employed in 2012-13 compared to one-fourth in the state and the nation.

### **INCOME LEVEL ALSO AFFECTS EMPLOYMENT RATES**

The chances of a teen working are related to the level of family income. Teens who live in households with middle and upper income levels had employment rates that are higher than their peers with lower incomes. Teens in the lowest income households were especially less likely to be employed.

- Just 11 percent of Chicago teens from the lowest household income group (less than \$20,000) were employed in 2012/2013 while the rate rose to 15.2 percent among teens in \$20,000-\$40,000 income group, to 19.4 percent among \$60,000-\$79,000 income group, and to nearly 30 percent among \$100,000-\$150,000 income group.
- In Illinois 15.7 percent of the lowest-income teens were employed in that period, compared to 19.2 percent nationwide.
- Only 10 percent of Black teens and 13 percent of Hispanic teens from low-income households in Illinois were employed in 2012/2013.
- In Chicago during those years only 7.3 percent of Black teens in that lowest income group, 13.4 of Hispanic and 17.7 percent of Whites were employed.
- In 2013 18 percent of teens and young adults in the city of Chicago were disconnected – out-of-school and out-of-work – which was 5 to 6 percentage points higher than Illinois and the U.S. average.
- The disconnection rate was 10 percent for those 16-19 and 22 percent for those 20-24.
- Among youth aged 16 to 24, the disconnection rate was highest among Blacks (28%) and Hispanics (16%) and lowest among non-Hispanic, Whites (9%).

The reduction in work experience at a young age has negative longer-term consequences on economic and educational outcomes in adulthood, reducing long-term earnings, increasing the risk of deviant, delinquent and violent behaviors, and reducing the likelihood of moving on to post-secondary education.

The report, *A Frayed Connection: Joblessness among Teens in Chicago*, conducted by Dr. Paul Harrington, Director, Center for Labor Markets and Policy at Drexel University uses both U.S. recent American Community Survey data and is part of an ongoing series commissioned by the Alternative Schools Network (ASN).