

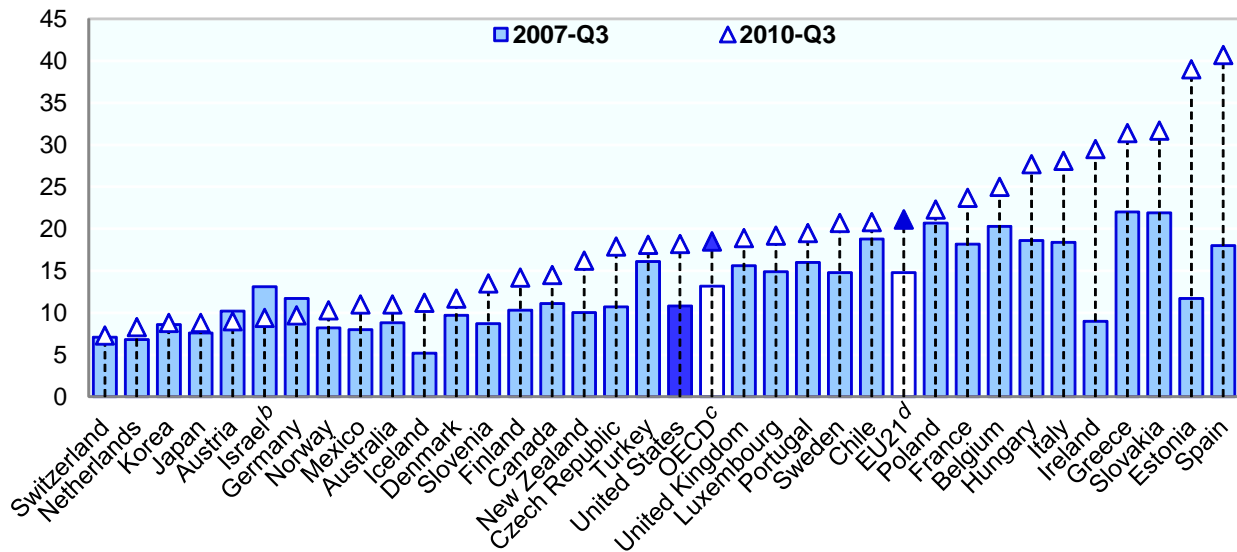
OECD (2010) – Off to a Good Start? Jobs for Youth

UNITED STATES

The US youth unemployment rate has risen by 7.4 percentage points during the recent economic crisis (Figure A) and is likely to remain high in the coming years. Teenagers have been hit especially hard. In October 2009, the teenage unemployment rate peaked at 27.6%, its highest since World War II, and it has declined only slightly since.

And, for some groups of youth, the unemployment rate is still on the rise. This is the case for the unemployment rate of African American teenagers which stood at 43% on average in the first 11 months of 2010, compared with 39% in 2009. Historically, youth in this group have had the worst prospects on the labour market and the recent rise in unemployment increases the risk that they will withdraw from the labour market and remain trapped in inactivity for a number of years. The share of US youth neither in employment nor in education, which provides a rough measure of the pool of disadvantaged youth, was 15.5% in the second quarter of 2010, above the OECD average of 12.5%, and almost 5 percentage points higher than a decade earlier (Table A).

Figure A. Significant deterioration of the youth unemployment rate in 2007-10^a, OECD countries



a) Non seasonally adjusted data. Data for Czech Republic, Estonia, Greece, Israel, Italy, Norway, Switzerland, Turkey and the United Kingdom refer to 2010-Q2 and 2007-Q2 instead of 2010-Q3 and 2007-Q3. Data for Chile refer to 2009-Q4 and 2006-Q4 instead of 2010-Q3 and 2007-Q3.

b) The statistical data for Israel are supplied by and under the responsibility of the relevant Israeli authorities. The use of such data by the OECD is without prejudice to the status of the Golan Heights, East Jerusalem and Israeli settlements in the West Bank under the terms of international law.

c) Unweighted average of the 21 OECD and EU countries.

d) Unweighted average of the 34 OECD member countries.

Source: National labour force surveys.

To prevent unemployed youth from becoming disconnected from the labour market and to improve youth's employability in the medium-term, the OECD recommends that the US take the following measures:

- Raise federal funding significantly and permanently on jobs programmes for young people which are currently heavily underfunded, reaching just 5% of the population at risk. Given the current strain on the public finances, additional spending on labour market programmes, education and training must be focused on measures that pass a positive benefit-cost test.
- Extend vocational training by rolling out nationwide Career Academies, small learning establishments within high schools combining academic and technical education;
- Broaden the role of the Office of Apprenticeships to include funding responsibilities and introduce subsidies and sub-minimum wages for apprentices in order to promote the use of apprenticeships in SMEs and for teenagers and at-risk youths;
- Expand the Job Corps programme for young adults and encourage teenagers to stay on the programme longer and do more vocational training.

Table A. Scoreboard for youth aged 16-24,^a United States, Europe and OECD, 1999, 2009 and 2010-Q3^b

	1999			2009			2010-Q3		
	United States	EU ^c	OECD ^c	United States	EU ^c	OECD ^c	United States	EU ^c	OECD ^c
Employment rate (% of the age group)	59.0	39.8	42.8	46.9	35.8	38.9	45.4	33.8	37.3
Unemployment rate (UR) (% of the labour force)	9.9	17.7	15.4	17.6	20.3	18.2	18.2	21.1	18.5
Relative UR youth/adult (15-24)/(25-54)	3.1	2.5	2.5	2.1	2.8	2.7	2.3	2.8	2.7
Unemployment to population ratio (% of the age group)	6.5	7.8	7.1	10.0	8.5	8.0	10.7	9.0	8.5
Incidence of long-term unemployment (% of unemployment)	3.6	27.6	21.0	12.2	21.0	16.9	-	-	-
Incidence of temporary work (% of employment)	-	33.5	31.8	-	39.0	35.9	-	-	-
Incidence of part-time work (% of employment)	34.9	17.2	20.6	38.3	23.7	26.4	-	-	-
NEET rate (% of the age group)	10.6	12.5	13.2	12.1	9.8	11.3	15.5	11.4	12.5
School drop-outs (% of the age group) ^d	13.9	18.1	20.0	9.5	14.5	16.1	-	-	-
Relative UR low skills/high skills (ISCED<3/ISCED>3)	4.9	2.3	2.3	4.6	2.4	2.4	-	-	-

ISCED 3: International Standard Classification of Education referring to upper secondary education; LTU: long-term unemployment; NEET: neither in employment nor in education or training; UR: unemployment rate.

a) Youth aged 16-24 for Iceland, Norway (for 1998 only), Spain, Sweden, the United Kingdom, and the United States; and 15-24 for all other countries.

b) Seasonally adjusted data; all indicators refer to second quarter except the unemployment rate which refers to the third.

c) Unweighted averages for the 21 OECD and EU countries and for the 34 OECD countries.

d) Share of youth not in education and without an upper secondary qualification (youth holding qualifications at ISCED levels 0, 1, 2 or 3C).

Source: National labour force surveys; and *OECD Education database*.

Jobs for Youth: United States was published in 2009 as part of a series of [OECD reports on youth employment policies](#) that now covers sixteen countries. The report is available online to subscribers and accredited journalists via [SourceOECD](#), the OECD online library. It is also available for purchase at the [OECD Online Bookshop](#). For comment on the report, journalists are invited to contact Glenda Quintini in the OECD's Employment Analysis and Policy Division on +33 1 4524 9194 or glenda.quintini@oecd.org. For more details about the project, visit www.oecd.org/employment/youth.