

FACTS & FIGURES

From the Economic Policy Institute

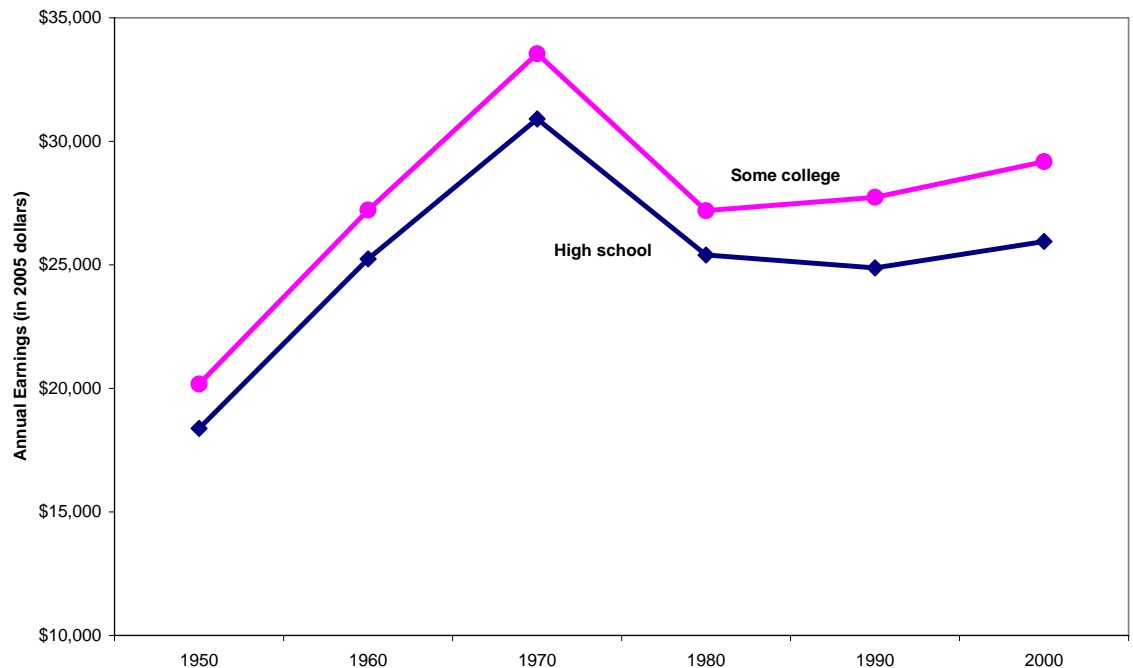
Young Workers

Young workers' prospects are a barometer of the strength of the labor market: When the labor market is strong for workers the prospects for young workers are very strong, and when the labor market is weak their prospects are very weak. Not surprisingly, the recession, jobless recovery, and then weak job growth of the last five years have sharply reversed the progress that young workers and their families were making in better times.

Wages and Income

- ❖ Wages fell among every entry-level group of workers, both high school and college-educated workers and both men and women in the period of sluggish wage growth since 2000. This contrasts to the extremely strong wage growth for each of these groups from 1995 to 2000, when wages rose roughly 10% for entry-level high school men and women and 20.9% for entry-level college men, 11.7% for college women.

Annual earnings of 25-34 year olds, by education, 1950-2000



- ❖ Families headed by someone age 25-34 had 5.8% lower incomes in 2005 than in 2000. In contrast, this type of family enjoyed incomes 12.3% higher in 2000 than in 1995.

- ❖ Wages among women college graduates have grown more strongly than among any other group of women, and this strength is reflected in the long-term trend among entry-level women college graduates; their wages grew 21.4%, or \$3.01, from 1979 to 2005.
- ❖ More young men age 25-34 are living with their parents. The share declined in the late 1990s, from 15.4% in 1995 to 12.9% in 2000, but rose to 13.7% in 2005. Young women's living arrangements have been relatively stable in this period.
- ❖ Incomes fell almost across the board between 2000 and 2004, with larger losses for younger families headed by someone under 35. This represents a sharp reversal from the trends in the latter 1990s, when the job and wage opportunities associated with full employment lifted the incomes of young families more quickly than those of older families.

Benefits

- ❖ Employer-provided health insurance among recent high school graduates fell by roughly half, from 63.3% to 33.7%, between 1979 and 2004 (the latest data). Pension coverage fell over this period as well, from an already low 36.0% in 1979 to an even lower 18.8% in 2004
- ❖ Health insurance coverage fell among recent college graduates, but not as drastically as among recent high school graduates. The share covered was 77.7% in 1979 and 63.5% in 2004, with roughly half the decline resulting from the precipitous seven percentage point drop between 2000 and 2004. Pension coverage among young college graduates fell over the 2000-04 period by 5.3 percentage points, from 54.6% to 49.3%. This sharp reduction in both health and pension benefits for young college graduates over the last few years indicates a substantial job quality problem even for those with the highest educational attainment.

Employment

- ❖ Employment rates for young (in this case 25-34-year-old) high school graduates grew in the late 1990s (up 2.0%) but then fell 4.2 percentage points from 2000 to 2005.
- ❖ After reaching just over 88% in the 90s boom, the employment rate for young college graduates (ages 25-34) dipped to about 84% in 2003 and 2004. In 2006, though, the rate eased upward to about 86%.

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