A Frayed Connection:

Joblessness among Teens in Chicago

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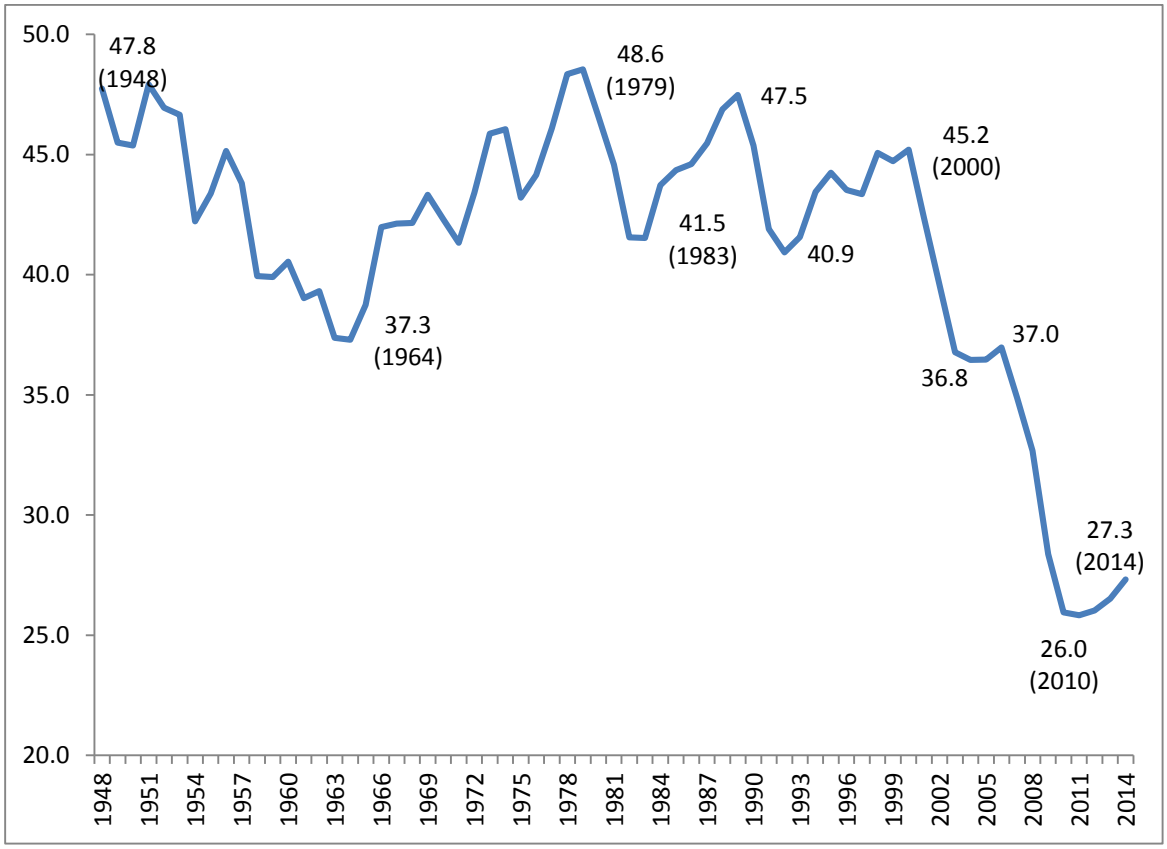
Introduction

Employment among teens has been commonplace in the United States over most of the post-World War II period. During the second half of the 20th century approximately 40 to 50 percent of teenagers had a job at any point in time—either in the summer, or part-time during the school year, or by working after exiting school—through graduation or dropping out. The chances of teens being able to find work were closely connected to the overall job market conditions during that time period. The early post-War boom saw nearly half of teens working at any point in time, only in the late 1950s, after several severe economic recessions, did the teen employment rate drop below 40 percent. Over the next four decades—even as baby boomers flooded the teen labor market in the 1960s and 1970s—the fraction of teens at work remained in the 40 to 48 percent range (Chart 1).

Chart 1:
Trends in the Annual Average Teen Employment to Population Ratio
in the United States over the Post World War II Period



Source: U.S. Bureau of Labor Statistics, Current Population Survey, January 2015; tabulation by Center for Labor Markets and Policy (http://data.bls.gov/pdq/querytool.jsp?survey=ln)/)

The trajectory of teen employment shifted dramatically at the dawn of the 21st century. After the dot-com recession of 2001 teen employment fell sharply. Even as the nation's economy and job market recovered through the end of 2007, the share of teens at work continued to fall, with no signs of a rebound. The Great Recession and the massive job losses that occurred around the nation associated with it contributed to further declines in the teen employment rate; falling to just 25 percent by 2010. Since then, as the nation's job market has rebounded, with particularly strong employment gains across the nation last year, the teen employment rate has improved only slightly rising to 27 percent in 2014—after 5 years of economic growth and jobs gains.[1]

The post-2000 decline in teen employment is part of a broader pattern of decline in employment rates among large parts (but not all) of the working-age population in the U.S. and Illinois. In Illinois the chance that a teen will be employed has fallen nearly in half

Table 1:
Trends in Employment-Population Ratios of 16 and Older by Age Group, 1998-2000 and 2011-2013 (CPS 3-Year Averages)

	Illinois			U.S.		
Age Group	1998-2000	2011-2013	Absolute Change	1998-2000	2011-2013	Absolute Change
16-19	49.5	27.6	-21.8	45.5	26.6	-18.9
20-24	73.1	60.2	-12.9	71.8	61.3	-10.6
25-34	82.5	76.3	-6.2	81.2	74.5	-6.7
35-44	82.7	76.5	-6.2	82.2	77.1	-5.1
45-54	82.8	76.0	-6.7	80.5	75.2	-5.3
55-64	61.4	62.3	0.9	58.0	60.8	2.8
65+	13.5	19.7	6.2	12.5	17.6	5.2

Source: Current Population Surveys (CPS) public use data files, 1998 through 2014U.S. Census Bureau; tabulations by Center for Labor Markets and Policy, Drexel University.

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

[1] Neeta Fogg and Paul Harrington, The Collapse of the Labor Market for 16- to 24-Year Olds, *Cascade*, Philadelphia Federal Reserve Bank, No. 78, Fall 2011.

over the decade-plus period. A look at the findings in Table 1 reveal that while employment rates declined for all residents of the state under the age of 55, older workers (55 and over) increased their rate of employment during this time period; especially workers aged 65 and older. These data reveal an odd reversal in the composition of who gets work. As baby boomers reach pre-retirement and retirement years they are more likely to work.[2] Moreover, there is considerable evidence that these older workers became employed in entry-level occupations where teen employment was most heavily concentrated.[3]

Should we be concerned that teens are working so much less than has been the case in the past? There are mixed opinions about this question with many of those concerned with secondary school systems around the nation arguing that work during teen years may reduce learning time available to young people, without contributing much to these teens except some income that is often used on frivolous teen consumption activities. This 'opportunity cost' view is based on the notion that as teens work more, the amount of time available to engage in activities that build academic proficiencies (including homework) is diminished. The kinds of jobs usually available to teens are not seen as providing experiences that would develop their abilities, skills and knowledge. Indeed, teen employment is very heavily concentrated in jobs requiring little education, training or ability, skill or knowledge.[4] So, according to this line of thinking, it is probably a positive development that employers in recent years have hired fewer teens and shown a preference for hiring older workers for entry-level jobs.

However, an alternative view (one to which the authors subscribe) is that mixing work and school is a positive experience for most teens and the reduction in work experience at a young age has negative longer-term consequences on economic and educational outcomes in

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[2] Neeta P. Fogg and Paul E. Harrington: "Rising Demand for Older Workers Despite Economic Recession," *Public Policy and Aging Report,* Vol. 21, Number 1, Winter 2011; Smith, Christopher. 2011. *Polarization, Immigration, Education: What's Behind the Dramatic Decline in Youth Employment?* Washington, DC: Finance and Economics Discussion Series, Divisions of Research & Statistics and Monetary Affairs, Federal Reserve Board.

[3]Neeta P. Fogg and Paul E. Harrington *Demographic Characteristics and Labor Force Attachment of the 55 and Older Population of Eastern Massachusetts, New England Council Commission on the Older Workforce*, New England Council, 2007 and Neeta P. Fogg and Paul E. Harrington, Occupational Profiles for the Mature Worker: Finding and Using Detailed Information about Occupations with the Largest Share of Mature Workers, *A Tapping Mature Talent Publication*, Published with CAEL with Support from The Atlantic Philanthropies, 2012

[4] Neeta P. Fogg, Paul E. Harrington and Anja Petrovich, *Building Blocks of Labor Market Success: Evidence from O*NET Job Analysis,* Commonwealth Corporation, Boston, April, 2013.

adulthood. Indeed, JP Morgan Chase just released a new study decrying the loss of employment for teens and its impact on young people's long-term educational and employment outcomes.[5]

Early work experience seems to exert a positive influence on post high school outcomes including improved post-high school employment and earnings for those who opt to not attend college; partially the result of finding work in higher level occupations more quickly after high school, as these early labor market entry workers advance up the occupational mobility ladder from where they began as teens. It also appears that working during teen years has important positive impacts on post-secondary enrollment, retention and graduation from college.

Some findings suggest that summer work reduces criminal and anti-social behavior. A study conducted in Boston suggests that the higher risk of violent crime among teens who were jobless during the summer than their peers with summer jobs is likely to be the result of social isolation that leads to their involvement in risky, deviant, delinquent, and violent behaviors.[6] Another study prepared at the University of Pennsylvania showed that summer job programs reduced violent crimes by African-American teens.[7] Finally, there is evidence that work during teen years yields greater focus and direction when young people make important life choices about work, school, family formation and child bearing.[8]

Employment Rates of Teens in Chicago, Illinois, and the U.S., 2000-2014

At the peak of the labor market expansion of the 1990s, 32 percent of 16- to 19-year old residents of Chicago were employed during the year (Chart 2); an employment to population ratio equal to less than two-thirds of the teen employment rate statewide. After the dot-com bust of 2001, employment rates among teens in the city, Illinois, and nation began to decline despite renewed economic and employment growth. Indeed, during the 2005-2007 period, representing

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[5] *Building Skills Through Summer Jobs: Lessons from the Field,* J.P. Morgan Chase & Co. January 2015. Retrieved from: http://www.jpmorganchase.com/corporate/Corporate-Responsibility/document/54887-jpmc-summeryouth-aw2.pdf.

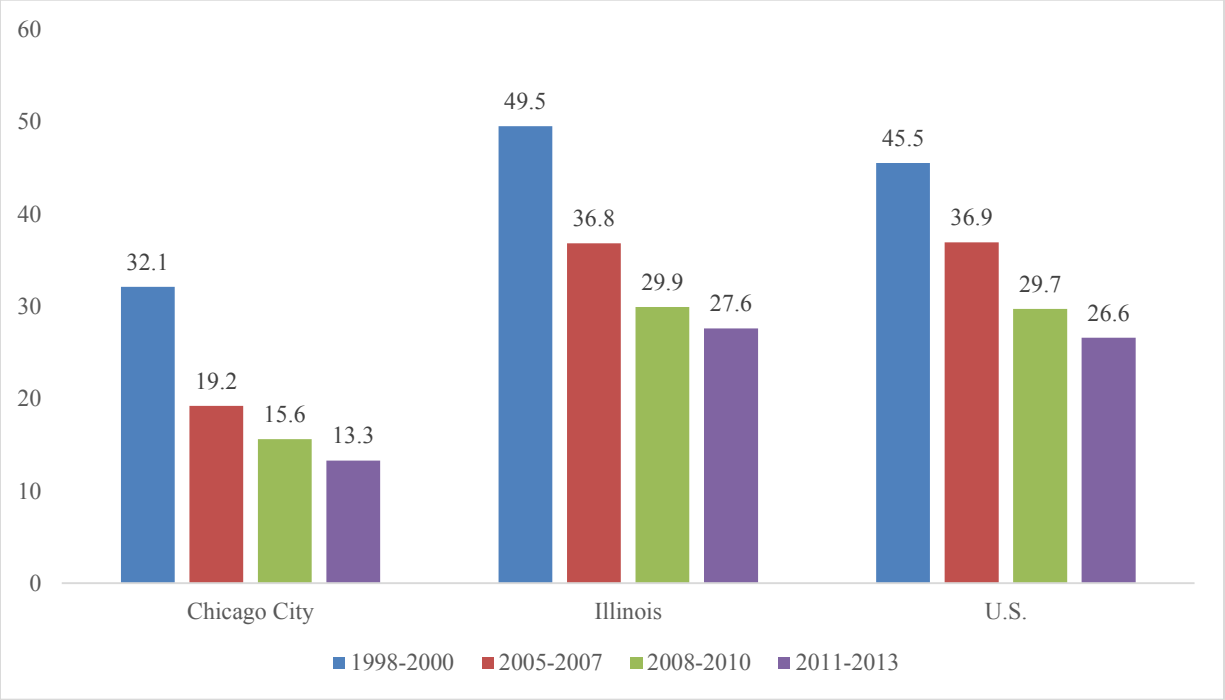
[6] See: Andrew Sum, Mykhaylo Trubskyy, and Walter McHugh, *The Summer Employment Experiences and the Personal/Social Behaviors of Youth Violence Prevention Employment Program Participants and Those of a Comparison Group,* Center for Labor Market Studies, Northeastern University, Prepared for Youth Violence Prevention Funder Learning Collaborative, Boston, July 2013.

[7] See: Sara B. Heller, "Summer jobs reduce violence among disadvantaged youth", *Science,* Vol. 346, 5 December 2014.

[8] For a summary of the gains to early work experience, see: Paul Harrington and Nancy Snyder, *Signaling Success: Boosting Teen Employment Prospects,* Commonwealth Corporation, April, 2013. Retrieved from: http://www.commcorp.org/resources/documents/BoostingTeenEmploymentProspects_042013.pdf

the heart of the recovery from the dot-com bust, teen employment rates in Chicago fell to just 19 percent, from 32 percent just five years earlier. As the nation's economy recovered and added millions of new jobs, teens lost access to employment across the nation but especially in Chicago where the teen E/P ratio had a relative decline of more than 40 percent.

Chart 2:
Trends in Employment-Population Ratios of Persons 16-to-19 Year Old in Chicago City, Illinois, and the U.S., Selected Time Periods 1998-2013 (3-Year Averages)



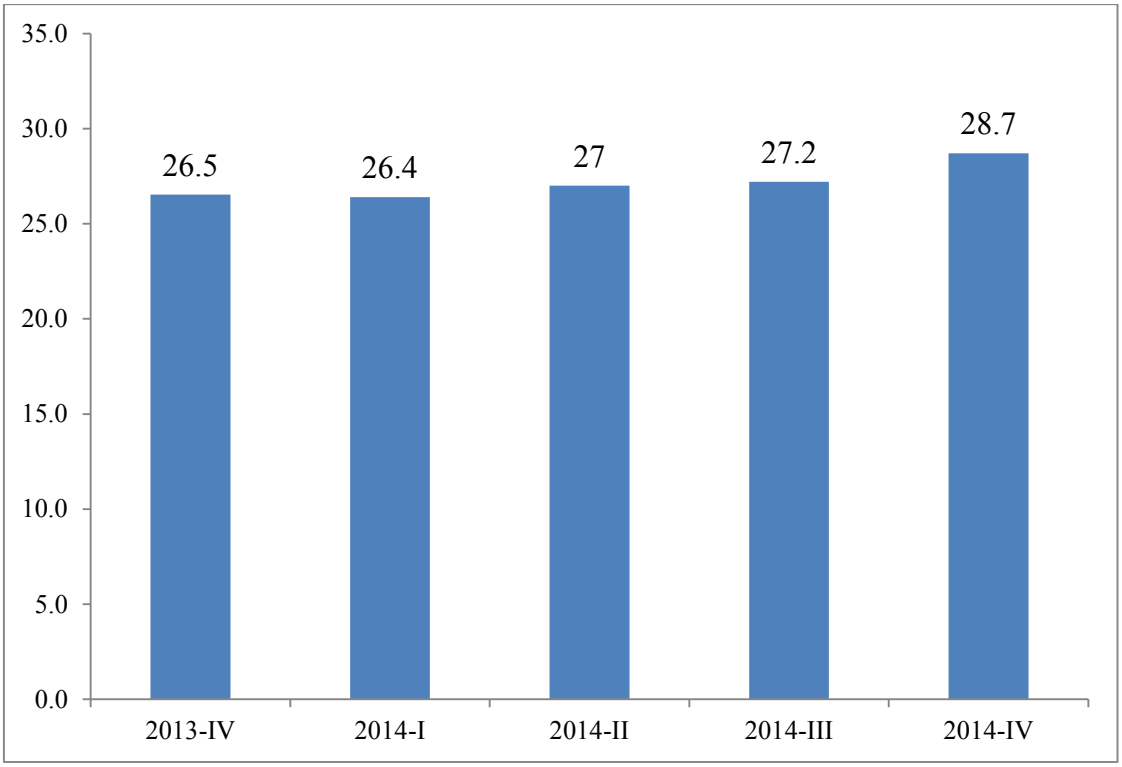
Source: Current Population Surveys (CPS), 1998 through 2014, public use files, U.S. Census Bureau, tabulations by Center for Labor Markets and Policy, Drexel University.

Triggered by a crisis in financial markets, the Great Recession of 2008-2009 generated massive job losses in most states of the nation, with unemployment and underemployment skyrocketing and young persons, including new college graduates, experiencing tremendous difficulties in transitioning into employment.[9] Teens in Chicago saw their access to employment reduced markedly from its pre-recession low. During the 2008-2010 period the city's teen employment to population ratio fell again to just 15 percent, half the employment rate of the

[9] Neeta P. Fogg and Paul E, Harrington, "From Labor Shortage to Labor Surplus: The Changing Labor Market Context and Its Meaning for Higher Education," *Continuing Higher Education Review,* Vol. 73, 2009; Neeta P. Fogg and Paul E. Harrington, Rising Mal-Employment and the Great Recession: The Growing Disconnection between Recent College Graduates and the College Labor Market," Continuing Higher Education Review, Vol. 75, 2011.

1998-2000 period. Teens in Illinois and the nation as whole experienced proportionally similar declines in their employment rates over the course of the downturn.

Chart 3:
Mean Quarterly Employment to Population Ratio of
16 to 19 Year Old Persons in the U.S., 2013 to 2014
(Seasonally Adjusted)



Source: U.S. Bureau of Labor Statistics, Current Population Survey, January 2015 (http://www.bls.gov/cps/).

Sadly, 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 over this three year period. In Chicago the employment rate fell to just half of the state and national average, with just 13 out of every 100 16-to 19-year old residents in the city working on average over the three year period.

More recent data for 2014 is not yet available for the city and state. Nationally a very strong rebound in job creation this year gave some hope that employment opportunities for teens would grow as the country added nearly 3 million jobs during 2014. While, national data for 2014 suggest a hopeful increase in the teen employment rate, the size of the gain was, in fact,

quite modest. The overall employment rate for teens in the nation increased from a near historic low of 26.5 percent at the end of 2013 to a slightly improved, but still very low 28.7 percent by the fourth quarter of 2014. We suspect that the chances of a similar increase in teen employment rates in Illinois or Chicago during 2014 are not strong. The pace of new job creation in Illinois during 2014 was among the slowest in the nation. 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. This poor pace of state's new job creation in recent months extends back to the beginning of the nation's jobs recovery in early 2010.

Illinois like a number of other states in the nation, has struggled to increase its total payroll employment count back to pre-recession levels. Table 2 provides measures of the number of jobs lost during the recession, the number of jobs added in the recovery, and the ratio of job gains to job losses over the entire business cycle for selected states. The nation as a whole lost a total of 8.6 million jobs during the jobs recession, but has been able to add more than 10.4 million jobs since the beginning of the jobs recovery, yielding a jobs recovery ratio of 1.20; in other words, the nation added 120 jobs during the recovery for every 100 jobs lost during the recession. However, among the Midwest states, a more uneven picture or loss and recovery emerges.

Two states, Indiana and Wisconsin had more robust employment expansions that were able to generate sufficient job creation over the recovery to more than recover the jobs lost during the recession. Indiana added 113 jobs for every 100 lost during the recession while Wisconsin had a jobs recovery ratio of 108 to 100. These states were ranked 21st and 27th respectively among all states in the nation based on the jobs recovery ratio. Three states in the mid-west region have job recovery rates below 1.0 including Michigan, Ohio, and Illinois.

Michigan and Ohio have recovered about 80 jobs per 100 lost, placing them at rank 39th and 40th respectively in the overall jobs recovery ratio ranking. Illinois has struggled more than most states in the nation to recover from employment declines during the Great Recession. Illinois lost 400,000 jobs during December 2007 to February 2010 period, representing a very large relative loss of 6.7 percent over a comparatively short time span. From February 2010 through November 2014, the state has added just 270,000 jobs to its non-farm payroll employment levels. This means that 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 to generate new employment opportunities of a magnitude sufficient to overcome the losses that occurred during the Great Recession.

Table 2:
Ratio of Non-Farm Payroll Employment Gains During the Current Recovery to Jobs Lost During the Great Recession, Selected States and the U.S, Ranked
(Seasonally Adjusted Data)

Relative Rank		Employment Change During the Current Recovery	Employment Change During the Great Jobs Recession	Ratio of Jobs Recovered to Jobs Lost
43	Illinois	270.6	-400.1	0.67
21	Indiana	240.4	-213.5	1.13
39	Michigan	328.3	-410.5	0.80
40	Ohio	330.3	-419.3	0.79
27	Wisconsin	182.7	-168.6	1.08
	U.S.	10440	8645	1.20

Source: U.S. Bureau of Labor Statistics, Current Employment Statistics (CES) Survey; recovery includes job gains between February 2010 through November 2014. Period of jobs recession includes December 2007 through February, 2010 tabulations by Center for Labor Markets and Policy, Drexel University.

The large jobs recovery deficit and the slow pace of new job creation in Illinois creates a labor market environment that is less favorable than the nation as whole. This suggests that the employment situation for teens in Illinois may not have improved even at the very modest pace of job market improvement we noted among teens in the nation as a whole.

Trends in the Employment to Population Ratios of the 16 to 19 Year Olds in the Largest Cities in the Nation

One of our key tasks in preparing this paper is to gain insight into the employment situation of working-age teen residents of the city of Chicago. Up to this point we have relied primarily on data derived from the Current Population Survey (CPS) that, while based on a relatively small sample size, permits us to examine labor market developments over a long period of time using a consistent set of data concepts and measures. However, we will now rely on findings from the American Community Survey (ACS), a large, but relatively new, sample

survey of households that is used to produce annual average measures of a wide range of economic, social, demographic and housing characteristics of households and individuals—even at the city and town level. It is important to note that the ACS survey questionnaire uses somewhat different labor force measures than the CPS survey that we have used in the preceding sections (the survey used by the U.S. Bureau of Labor Statistics to produce the monthly Employment Situation report that includes the official measure of unemployment levels and rates in the nation).

For a comparative perspective, we have analyzed U.S. Census Bureau's ACS data on employment status of teens and young adults in the 25 most populous cities across the U.S. and compared employment outcomes of Chicago's youth with their counterparts in these 25 cities over the 2006-2013 period.[10] Table 3 displays employment rates of teens in the 25 most populous cities in the U.S. before, during, and after the Great Recession of 2007-2009. Overall, average teen employment rates in these 25 cities fell from 28.2 percent in 2006/2007 to 26.3 percent in 2008/2008 and 20.3 percent in 2011/2012, before increasing slightly to 21.6 percent in 2012/2013.

We found extraordinarily large variations in employment rates of teens in these 25 cities. During 2006-2007, employment rates of teens in these 25 cities ranged from lows of 17.5 percent in New York City and 18.2 percent in Detroit to highs of 37.8 percent in Phoenix and 38.5 percent in Jacksonville, Florida. Chicago's 22.9 percent employment rate in 2006/07 was quite low and ranked 4th lowest, in a tie with Philadelphia among the 25 largest cities in the country.

During and after the Great Recession of 2007-2009, the already low employment rates of teens in ALL of these cities fell further. Over the 2006/2007- 2010/2011 period, the employment-population ratio decline in these cities ranged from a low of 1.9 percentage points in Boston (Massachusetts) to a high of 18 percentage points in Jacksonville. Chicago city's 6.8 percentage point employment-population decline of the teen employment rate over the 2006/07-2010/11 period was in the middle of the pack at 13th. The five cities experiencing more than 10 percentage points decline in teen employment rates over this time period included Indianapolis (-11.1), Austin (-11.9), Phoenix (-15.6), Charlotte (-16.1), and Jacksonville (-18.1). Five cities with lowest employment-population ratio decline for teens over this time period were Boston (-

[10] Full implementation of the ACS survey began in 2005 but comparable ACS data became available beginning in 2006.

1.9), Memphis (-2.9), Baltimore (-3.0), El Paso (-3.0), and Detroit city (-3.6). Some of these cities had the lowest teen employment rates in 2006/2007. Even after the recovery from the Great Recession of 2007-2009, teen and young adults employment rates failed to improve and were far below the levels that prevailed in 2006/2007 in each of the nation's largest cities.

Table 3:
Trends in Employment/Population Ratios of Teens (16-19) in the 25 Most Populous Cities in the U.S, 2006/2007 to 2012/2013 (In Percent)*

City	2006/07	2008/09	2010/11	2012/13	Change, 2006/07-2010/10	Change, 2006/07-2012/13
New York City, New York	17.5	16.5	13.4	13.0	-4.1	-4.6
Los Angeles, California	25.8	22.5	16.0	15.6	-9.7	-10.1
Chicago, Illinois	**22.9**	**21.3**	**16.1**	**16.3**	**-6.8**	**-6.6**
Houston, Texas	26.3	29.8	20.5	24.5	-5.8	-1.8
Philadelphia, Pennsylvania	22.9	20.0	16.6	15.8	-6.3	-7.1
Phoenix, Arizona	37.8	28.9	22.3	22.5	-15.6	-15.3
San Antonio, Texas	30.6	29.3	23.0	25.6	-7.6	-5.0
San Diego, California	26.3	22.1	18.1	17.5	-8.2	-8.8
Dallas, Texas	27.8	29.7	21.7	24.0	-6.1	-3.8
San Jose, California	26.5	24.2	19.8	20.3	-6.7	-6.2
Austin, Texas	34.7	31.6	22.8	26.6	-11.9	-8.1
Jacksonville, Florida	38.5	31.8	20.4	19.9	-18.1	-18.6
Indianapolis, Indiana	33.6	30.2	22.5	26.3	-11.1	-7.3
San Francisco, California	25.3	20.1	16.0	18.0	-9.3	-7.3
Columbus, Ohio	33.7	33.8	26.3	25.3	-7.4	-8.5
Fort Worth, Texas	31.4	30.3	23.9	30.1	-7.6	-1.3
Charlotte, North Carolina	36.5	29.7	20.4	23.9	-16.1	-12.6
Detroit, Michigan	18.2	15.5	14.6	12.9	-3.6	-5.3
El Paso, Texas	24.0	24.6	21.0	20.4	-3.0	-3.6
Memphis, Tennessee	24.0	25.1	21.1	19.0	-2.9	-5.0
Boston, Massachusetts	29.2	33.9	27.2	30.7	-1.9	1.6
Seattle, Washington	32.4	31.5	22.8	22.9	-9.6	-9.5
Denver, Colorado	34.0	34.1	28.3	30.3	-5.7	-3.7
Washington, DC	20.8	16.8	11.9	18.2	-8.9	-2.5
Baltimore, Maryland	24.1	24.0	21.1	19.7	-3.0	-4.3
Simple Average of Above Cities	**28.2**	**26.3**	**20.3**	**21.6**	**-7.9**	**-6.6**

Source: 2006 to 2013 American Community Surveys (ACS), summary data published by the U.S. Census Bureau tabulations by Center for Labor Markets and Policy, Drexel University.
Note: Includes the entire resident population of each city including household, group quarters and institutionalized residents.

Trends in Employment Rates of Teens Across Gender and Race-Ethnic Groups

Once again relying on two years of ACS sample data to increase sample size and statistical precision, we have produced employment rate measures for a number of demographic and socio-economic groups of teens and young adults in the city of Chicago, the entire state of Illinois, and the nation. Using combined ACS data from 2006 and 2007 we have estimated teen employment rates before the onset of the Great Recession, A comparison with teen employment rate from the (most recent) combined ACS data (2012 and 2013) provides insights on how these groups fared on the employment measure from the pre-recession 2006-07 period to the most recent 2012-13 period-characterized by economic recovery and new job creation in the nation.

Table 4 displays these trends in employment rates of civilian teens in Chicago, Illinois, and the U.S. Teen employment rates in the 2012-13 period were far below their levels in 2006-07 period in Chicago, Illinois, and the U.S. In 2012-13, fewer than 18 percent of the city's teens were employed, down 24 percent in 2006-07. Similarly large declines occurred in the teen employment rate in the state and the nation. After declining by nearly 9 percentage points, the teen employment rate in Illinois stood at 28 percent in 2012-13; down from 36 percent before the beginning of the Great Recession in 2006-07. Nationally in 2012-13, only 28 percent of the teens were engaged in paid employment, down from 35 percent in the 2006-07 pre-recession period. In 2012-13, the teen employment rate in Chicago was 10 percentage points lower in Chicago city (17%) than in Illinois and the nation (27%).

Male teens in Chicago saw a much larger decline in employment than their female counterparts. In the pre-recession period, about one in four males aged 16 to 19 were employed; by 2012-13 just one in six male teens were working, on average, over the course of the year representing a decline in the male teen employment rate of over 8 percentage points. Teen females in Chicago fared a little better; their employment rate declined from nearly 24 percent in 2006-07 to over 19 percent in 2012-13; a decline of 4 percentage points.

White teens were most likely to work in 2006-07 among all race-ethnic residents in Chicago. Nearly one in three White teens in the city were employed on average just before the economic recession compared to 29 percent of Hispanic teens and only 19 percent of Black teens. All three race-ethnic groups of teens in Chicago experienced a sharp decline in

employment. The decline in the city's teen employment between 2006-07 and 2012-13 was the highest among Hispanic teens (-7.9 percentage points) and Blacks teens (-5.5 percentage points) and lowest among White teens (-2.3 percentage points).[11] Similar declines in the teen employment-population ratio occurred in Illinois and the U.S. over the 2006-07 and 2012-13 time period.

Black teens faced the bleakest employment prospects in the city of Chicago. In both periods, among the major race-ethnic groups, Black teens had the lowest employment rate in the city. Only 16 percent of Black teens in Chicago were employed in 2006-07. By 2012-13, their employment rate stood at 10.5 percent. In both periods, Black teen employment rates in Chicago city was sharply lower than their peers across Illinois and the U.S. In Illinois, 15 percent of Black teens were employed in 2012-13 compared to 19 percent in the nation. The city's Hispanic teen residents were also less likely to be employed compared to their state and national counterparts. One-fifth of Hispanic teens in Chicago were employed in 2012-13 compared to one-fourth in the state and the nation.

Table 4:
Employment to (Non Institutional) Population Ratios of Teens (16-19) in The City of Chicago, Illinois, and the U.S., Total and by Gender and Race-Ethnic Group, 2006-07 and 2012-13 (In %)

	Chicago City			**Illinois**			**U.S.**		
Group	2006-07	2012-13	Absolute Change	2006-07	2012-13	Absolute Change	2006-07	2012-13	Absolute Change
Male	24.7	16.4	-8.2	34.5	24.8	-9.6	34.4	26.1	-8.3
Female	23.7	19.4	-4.3	37.9	30.4	-7.5	36.3	29.3	-7.1
Black	16.0	10.5	-5.5	20.0	14.9	-5.1	25.1	18.8	-6.3
Hispanic	29.2	21.2	-7.9	35.5	25.5	-10.0	32.6	24.6	-8.0
White	32.6	30.3	-2.3	41.4	33.3	-8.1	39.6	32.1	-7.5

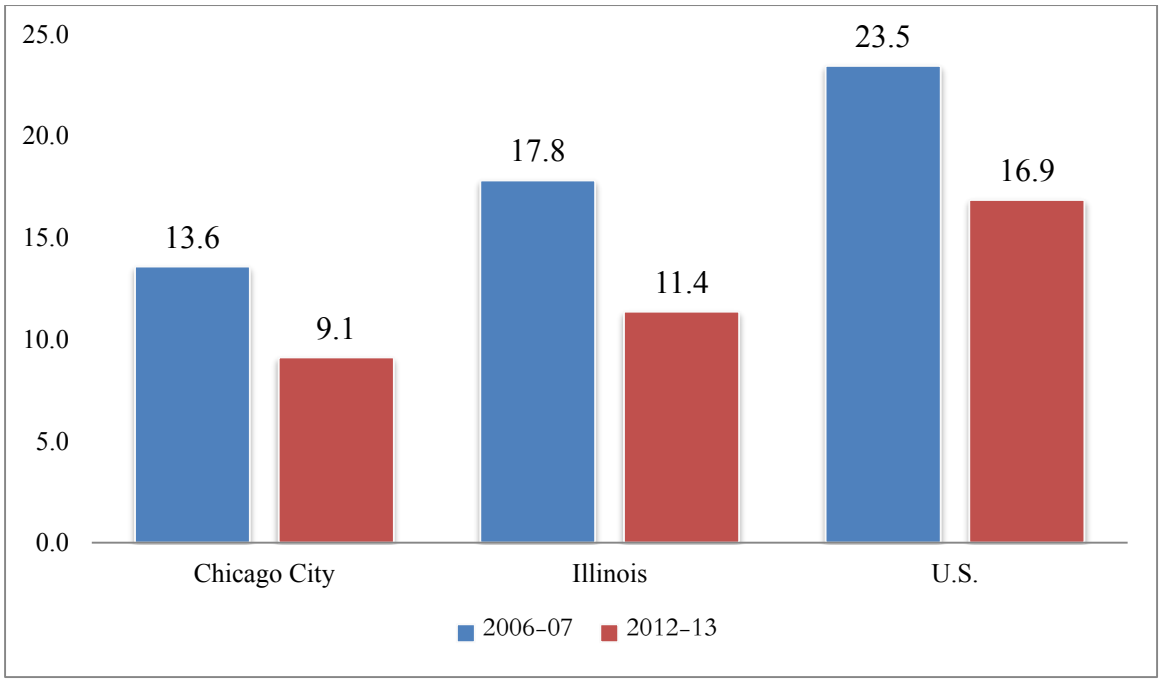
Source: 2006, 2007, 2012, and 2013 American Community Surveys, public use files, U.S. Census Bureau, tabulations by Center for Labor Markets and Policy, Drexel University.

In Chicago, Illinois, and the U.S., minority male teens, Black male teens in particular, faced severe challenges in obtaining any type of paid employment. Between 2006-07 and 2012-13, the employment rate among Chicago's Black male teens declined from 14 percent to just 9

[11] White teen employment in Chicago did not decline as sharply (as Illinois or the nation) since a disproportionate share (indeed most) of the city's resident White teens were enrolled in school while most of the teen employment decline in the city has occurred among out-of-school teens. This issue should be explored more carefully in the future.

percent; the lowest employment rate among their peers among the major race-ethnic groups. A startling 91 percent of teenaged Black males in Chicago were jobless in 2012-13 (Chart 4). In Illinois, the employment rate among Black male teens dropped from 18 percent in 2006-07 to 11 percent in 2012-13. In comparison to their peers nationwide, Black male teens in both Chicago city and Illinois had much lower employment rates in 2006-07 and 2012-13. In the entire U.S., the Black male teen employment rate declined from 24 percent in 2006-07 to 17 percent in 2012-13, a decline of 6.6 percentage points.

Chart 4:
Employment-Population Ratio of Black Male Teens (16-19) in Chicago City, Illinois, and the U.S., 2006-07 and 2012-13 (In %)



Source: 2006, 2007, 2012 and 2013 American Community Surveys, public use files, U.S. Census Bureau, tabulations by Center for Labor Markets and Policy, Drexel University.

Employment Rates of Teens in Chicago City, Illinois, and the U.S. by Household Income, 2012-2013

The likelihood of a teen working is closely 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. In the city of Chicago, employment rates of teens rose

steadily and strongly with their household income levels (Table 5). Teen employment rates were highest among affluent teens and lowest among poor teens. Only 11 percent of 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. Chicago teens in the latter income group were 2.6 times more likely to be employed than those in the lowest household income group. Only at the very highest level of incomes did teen employment rates begin to decline. Teens living in households with income at the very top of the income distribution ($150,000 and over) had lower employment rates than their peers whose household income was in the $100,000-$150,000 range. Somewhat similar patterns of employment rates by household income levels prevailed among teens in Illinois and the U.S. during 2012-2013.

Table 5:
Employment Rates Of Teens (16-19) in Chicago City, Illinois, and the U.S. by Household Income Level, 2012-2013 (In %)

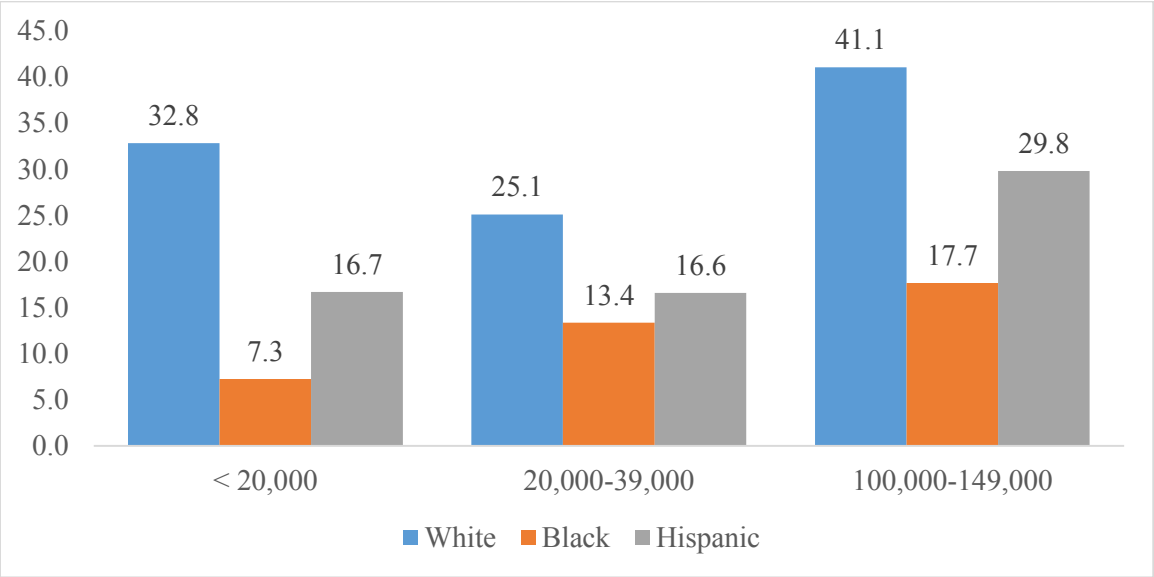
Household Income Level	Chicago City	Illinois	U.S.
< 20,000	11.5	15.7	19.2
20,000-39,000	15.2	21.2	23.9
40,000-59,000	17.8	26.1	27.6
60,000-79,000	19.4	32.5	30.7
80,000-99,000	22.8	34.1	33.7
100,000-149,000	29.6	35.7	34.0
150,000 and Over	28.2	30.9	29.3

Source: 2012 and 2013 American Community Survey, public use files; tabulations by Center for Labor Markets and Policy, Drexel University

When we combined data on race/ethnicity and household income for Chicago we found that minority teens from low-income households fared the worst in securing any types of paid employment. In Chicago, only 7 out of 100 Black teens from households with annual incomes less than $20,000 were employed in 2012/2013 (Chart 5). For Black teens from households with incomes between $20,000 and $39,000, the employment rate in 2012/13 was only 13 percent. Among Hispanic teens in this income group, the employment rate was only 16.6 percent. Low

income race/ethnic minority teens appear to have little access to employment in Chicago, raising the chances of difficulty in finding work or enrolling in school as young adults.

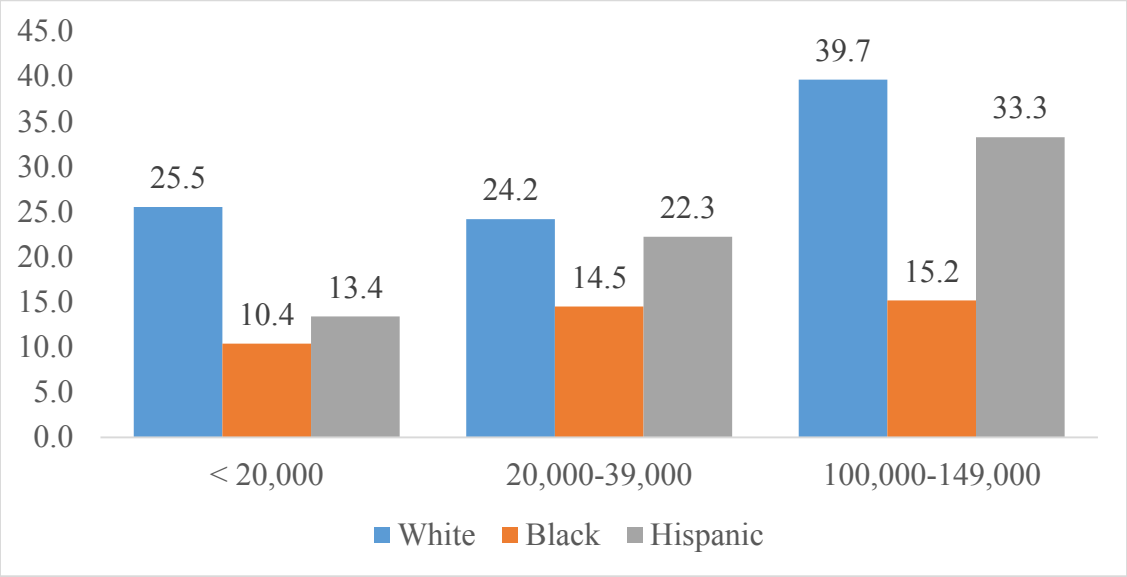
Chart 5:
Employment-Population Ratio of Chicago Teens by Race-Ethnic/Household Income Groups, 2012-2013 (In %)



Source: 2012 and 2013 American Community Surveys, public use files, U.S. Census Bureau, tabulations by Center for Labor Markets and Policy, Drexel University

Similar to the patterns in Chicago, low-income teens statewide in Illinois also were employed at very low rates during 2012/2013. Only 10 percent of Black teens and 13 percent of Hispanic teens from low-income households in Illinois were employed in 2012/2013 (Chart 6). For Black teens in the state who lived in households with $20,000-$39,000 in annual income, the employment rate was only 14.5 percent compared to 24 percent for White teens and 22 percent for Hispanic teens residing in households with similar annual income. At the upper end of the household income distribution ($100,000-$149,000), nearly 40 percent of White teens in Illinois were employed while 33 percent Hispanics and 15 percent of Black teens were employed in this household income category. The employment rates of White teens in upper household income category ($100,000-$149,000) was 3.8 times greater than low income Black male teens (<$20,000).

Chart 6:
Employment-Population Ratio of Illinois Male Teens (16-19) By Household Income Level and Race-Ethnic Groups, 2012-2013



Source: 2012 and 2013 American Community Surveys, public use files, U.S. Census Bureau, tabulations by Center for Labor Markets and Policy, Drexel University.

Incidence of Disconnection among Teens and Young Adults in City of Chicago, Illinois, and the U.S., 2013

Teens and young adults who are out of school and out of work ("disconnected youth") face adverse labor market consequences in their adult years, including higher incidence of unemployment, reduced earnings, and higher incidence of poverty. Among young males, being out of school and out of work is strongly linked to incarceration. Out-of-school and out-of-work young females have higher probability of being single mothers, being jobless, and being poor which have adverse impacts on the well-being of their children.[12] Jobless youth are also susceptible to various behavioral and health problems.[13] Given their joblessness problems and lower earnings potential, out-of-school and out-of-work youth rely heavily on cash and in-kind

[12] See: Neeta Fogg, Garth Mangum and Andrew Sum *Confronting the Youth Demographic Challenge: The Labor Market Prospects of Out-of-School Young Adults,* Sar Levitan Center for Social Policy Studies, Johns Hopkins University, October 2000.
[13] See: Caban-Martinez AJ, Lee DJ, Goodman E, Davila EP, Fleming LE, LeBlanc WG, Arheart KL, McCollister KE, Christ SL, Zimmerman FJ, Muntaner C, Hollenbeck JA, "Health Indicators Among Unemployed and Employed Young Adults," Journal of Occupational and Environment Medicine, February, 2011, 53(2), pp. 196-203.

transfers from the government to make their living. The likelihood of being out-of-school and out-of-work is found to be higher among central city minority youth, among those in poor neighborhoods, and those living with single parents.

Table 6 displays share of 16-to-24 year old youth who were out of school and out of work during 2013 in the city of Chicago, Illinois, and the U.S. Both teens and young adults in the city of Chicago had substantially higher disconnection rates than their peers in Illinois and the U.S. Eighteen percent of teens and young adults in the city of Chicago were out-of-school and out-of-work, which was 5 to 6 percentage points higher than Illinois and the U.S. average on this ACS based measure. The disconnection rate was dramatically higher among young adult residents of Chicago than among the city's teens. During 2013, the disconnection rate was 22 percent among young adults compared to 10 percent among teens. Similar patterns of disconnection prevailed for teens and young adults in both Illinois and the U.S. Among youth aged 16 to 24 in major race-ethnic groups in the city of Chicago, the disconnection rate was highest among non-Hispanic Blacks (28%) and Hispanics (16%) and lowest among non-Hispanic, Whites (9%). Similar findings prevailed among teens and young adults of major race-ethnic groups in Illinois and the U.S.

Table 6:
Percent of 16-24 Year Olds* Who Were Out-Of-School-and-Out-of-Work In the City of Chicago, Illinois, and the U.S., Total and by Age Group and Race-Ethnic Group, 2013

Group	City of Chicago	Illinois	U.S.
16-19	10%	7%	8%
20-24	22%	16%	18%
16-24, All	18%	12%	13%
Black, non-Hispanic	28%	23%	21%
Hispanic	16%	13%	17%
White, not Hispanic	9%	9%	11%

*Note: Restricted to civilian teens and young adults.
Source: 2013 American Community Survey, public use files, tabulations by Center for Labor Markets and Policy, Drexel University.

Disconnection rates among teens and young adults in Chicago city varied by gender within each race-ethnic group. Among Black and White youth, disconnection rates were higher

among males than among females. However, among Hispanic youth, females were more likely to be disconnected than males (Table 7). The low disconnection rate among Hispanic males was due to higher work rates among foreign-born Hispanic young males without a college degree in the city. These findings for Hispanics in Chicago were found to be consistent with disconnection patterns in both Illinois and the U.S. (Table 7).

Table 7:
Percent of Civilian Teens (16-19) and Young Adults (20-24) in the City of Chicago, Illinois, and the U.S. Who Were Out-of-School and Out-of-Work, 2013 (In %)

	Teens (16-19)			**Young Adults (20-24)**		
Gender/Race	Chicago City	Illinois	U.S.	Chicago City	Illinois	U.S.
Male						
White, non-Hispanic	9.1	6.3	6.5	9.0	12.7	14.5
Black, non-Hispanic	11.7	11.5	12.1	49.6	38.4	29.3
Hispanic	8.5	9.6	9.3	14.5	11.4	17.2
Female						
White, non-Hispanic	6.0	4.6	5.6	9.8	12.1	14.7
Black, non-Hispanic	10.3	9.9	10.9	31.3	25.5	23.5
Hispanic	12.8	8.6	9.7	27.7	22.8	24.3

Note: Restricted to civilian teens and young adults.
Source: 2013 American Community Survey, public use files, tabulations by Center for Labor Markets and Policy, Drexel University.

In 2013, the disconnection rate among male White teens in the city of Chicago was 3 percentage points higher than their female peers (9% versus 6%) while among Black male teens, the disconnection rate was under 2 percentage points higher than their female counterparts (12% versus 10%). In contrast, the disconnection rate of Hispanic male teens (9%) was 4 percentage points *lower* than that of their female counterparts (13%) (Table 7).

Among young adults (20-24) in the city, disconnection rates were higher than among teens. There were variations in disconnection rates between male and females within race-ethnic groups. In the non-Hispanic White race-ethnic group, there was little difference between male and female disconnection rates (9% and 9.8%) in 2013 (Table 7). Among the city's Hispanic 20-to 24-year old residents, females were two times as likely to be disconnected as males (28% versus 14%).

The disconnection rate among the city's Black young adult residents was extraordinarily high. One in two young Black males aged 20-24 in Chicago were disconnected from school and

work. Black females in this age group in the city also had a very high disconnection rate (31%). Black males between the ages of 20 and 24 in Chicago were 5.5 * more likely to be disconnected than their White peers (50% versus 9%). Such extreme rates of disconnection among such a large fraction of the city's population bodes poorly for the employment and earnings prospects of young residents of the city, and for the city's ability to grow and prosper as a center of economic activity and upward mobility.

Data Sources and Methodology

Two major data sources - Monthly Current Population Surveys (CPS) and American Community Surveys (ACS) were used to generate labor market outcomes for teens and young adults in the city of Chicago, Illinois, and the U.S. appearing in this report. The CPS is a monthly national household survey conducted by the U.S. Census Bureau for the U.S. Bureau of Labor Statistics with a nationally representative sample of approximately 60,000 households per month. The survey asks working-age non-institutionalized household members 16 and older about their labor force status, job seeking activities, hours of work, industry and occupations of employment etc. Monthly estimates of nation's civilian labor force, employed and unemployed populations and official unemployment rates published by the U.S. Bureau of Labor Statistics are based on this survey.

The ACS is a national survey conducted year-round by the U.S. Census Bureau. Nearly 3 million households are randomly surveyed throughout the year. The ACS collects detailed information on demographic and socioeconomic characteristics of household members, including their citizenship status, place of birth, place of work, their educational attainment levels and school enrollment status, college major field of study, labor force status, industry and occupation of jobs, their mean annual earnings, commuting behavior, receipt of various government cash and in-kind transfers, health insurance status, home ownership status, property tax payment etc.

Estimates in this report were generated from the ACS's public use sample data from 2006 to 2013. To generate employment estimates from these ACS public use samples, we used person weights provided in the public use data files. We have also used U.S. Census Bureau's published data from the ACS from 2006 through 2012. Estimates of time series employment for teens and young adults in the City of Chicago, Illinois, and the U.S. appearing in this report are generated from Monthly CPS public use files from 1998 to 2014.