

Left Behind:

Jobs Recovery Bypasses Philadelphia Teens

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Contents

| | |
|---|---|
| Introduction..... | 1 |
| Trends in the Employment to Population Ratios of the 16 to 19 Year Olds in the 25 Most Populous Cities in the U.S., 2006/07 and 2013/2013 | 4 |
| Trends in Employment Rates of Teens Across Gender and Race-Ethnic Groups..... | 7 |

Introduction

Work is at the center of growth and development in American society, it is an expression of the fundamental dignity of individuals to support themselves, their families and more broadly the community in which they live. An entry-level job on a company's payroll perhaps at a fast food restaurant, a grocery store, or a retailer in a shopping mall is often the first context in which adolescents begin to assume the roles and responsibilities of adulthood. They interact with adult co-workers, customers and bosses, in the same way that their parents interact with adults in the workplace. Employment for teens is much more than a few extra dollars; it provides a 'real world' education about the culture of work and the ways in which their choices at work can have positive as well as negative impact on themselves, their co-workers, their customers, and bosses. Success at a job is a signal of the maturity and competence of young workers that raises likelihood of future success in the labor market.

Working during the teenage years—while in high school and during the summer — provides important and lasting gains in the job market. Early work experience exerts 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 advancing to higher level occupations more quickly after high school because of their early labor market entry and early beginning on the occupational mobility ladder. 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 in summer compared to 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.¹ Another study prepared at the University of Pennsylvania showed that summer job programs reduced violent crimes by African-American teens.² Finally, there is evidence that work during teen

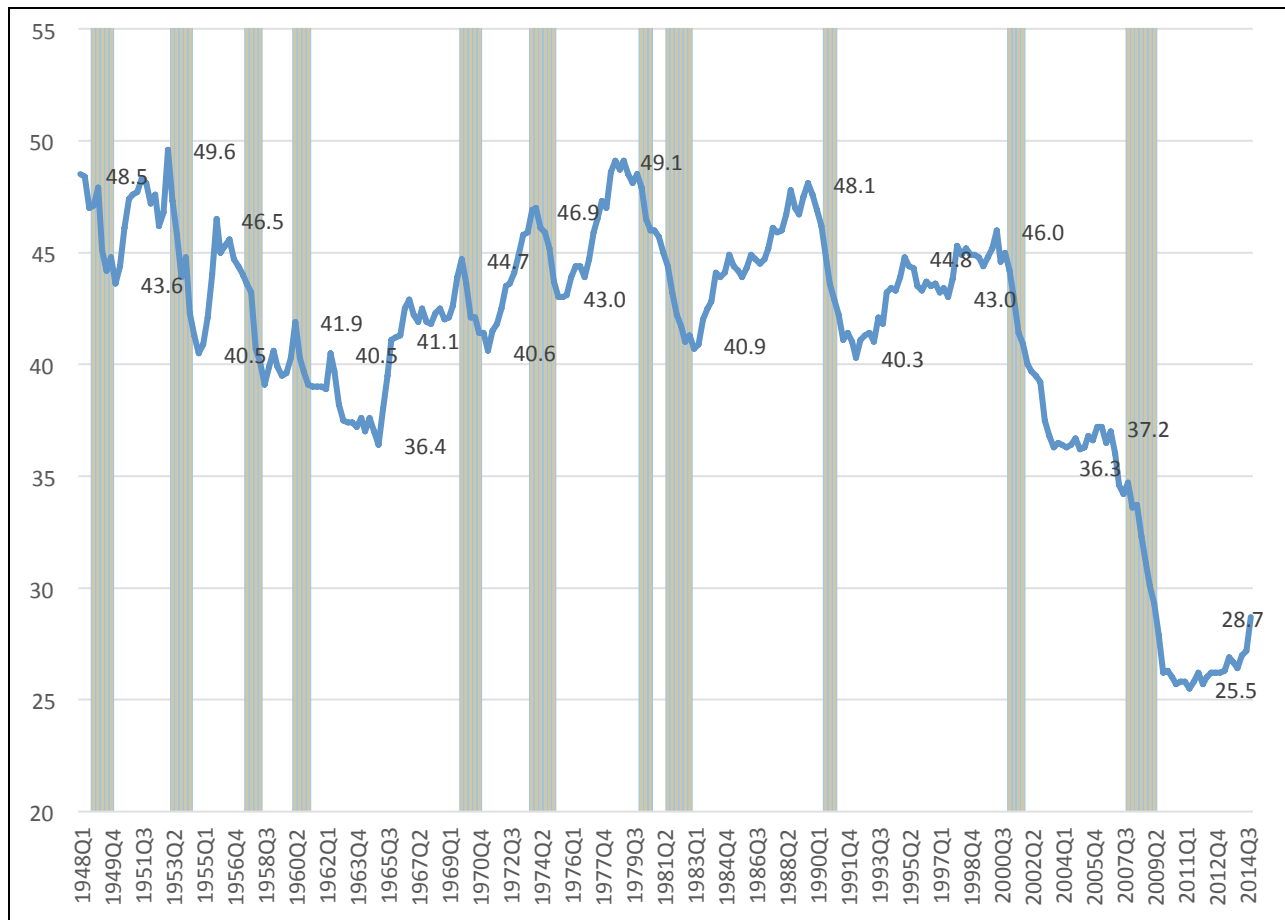
¹ See: Andrew Sum, Mykhaylo Trubskyy, and Walter McHugh, *The Summer Employment Experiences and the Personal/Social Behaviors of Youth Violence Prevention Employment Program Participants and Those of a Comparison Group*, Center for Labor Market Studies, Northeastern University, Prepared for Youth Violence Prevention Funder Learning Collaborative, Boston, July 2013.

² See: Sara B. Heller, "Summer jobs reduce violence among disadvantaged youth", *Science*, Vol. 346, 5 December 2014.

years yields greater focus and direction when young people make important life choices about work, school, family formation and child bearing.³

Sadly, teen employment, among both in-school and out-of-school teens, is much less prevalent among today compared to past generations. As late as the early 2000s it was commonplace to see teens at work in a wide range of entry-level jobs. Depending on overall business cycle conditions somewhere between 40 percent and 50 percent of teens (aged 16-19), had a job during a given month. At the end of the economic expansion of the early 1990s, even

Chart 1:
Trends in Quarterly Average Teen Employment to Population Ratio
in the United States over the Post World War II Period, (Seasonally Adjusted Rates)



Source: U.S. Bureau of Labor Statistics, Current Population Survey, tabulation by Center for Labor Markets and Policy, available (<http://data.bls.gov/pdq/querytool.jsp?survey=ln>); data accessed February 18, 2015.
Note: The shaded grey columns in the Chart are U.S. recession quarters determined by the Business Cycle Dating Committee of the National Bureau of Economic Research (NBER).

³ 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

as the number of working age teens rose sharply as the echo generation of the baby boomers entered high school in the early 1990s (born in 1978 and after, sometimes called the millennials) the fraction of teens with a job rose to a monthly average of 46 percent during 2000, up from 40 percent from the early 1990s. But the 15 years, characterized by a high degree of labor market turmoil and very poor net job growth in the nation as a whole, has witnessed a large and sustained decline in teen and young adult employment. From 2000 to 2014, the share of the nation's teens who worked has steadily declined from 45 percent to 27 percent, a 40 percent reduction in the teen employment to population (E/P) ratio.

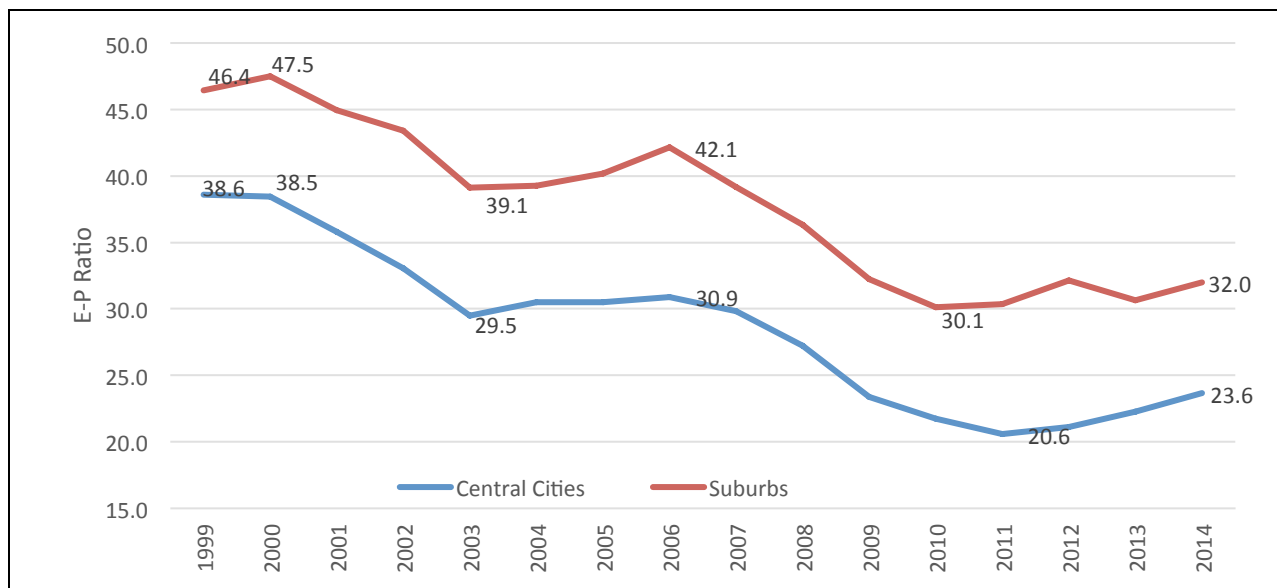
Since the end of the Great Jobs Recession in early 2010, the nation added almost 11.5 million jobs, increased payroll employment above pre-recession levels. In the last year alone, the nation generated more than one quarter of these jobs expanding employment levels by 3.3 million in just 12 months. Yet, despite this job growth the fraction of teens at work has barely budged. After five full years of jobs recovery the teen employment rate increased from a low point of 25 percent to 29 percent last month, still hugely below its 2000 level of 46 percent.

The labor market experiences of teens living in U.S. central cities have been quite different than their peers living in suburban areas dating back to 1999 (Chart 2) the chance of working among central city teens has been consistently lower than that of their suburban counterparts. Although all teens experienced a sharp deterioration in employment rates since the end of the prolonged labor market boom of the 1990s, teens residing in large central cities fared the worst in securing any type of employment. At the height of the 1990s jobs boom, just under 39 percent of U.S. teens living in central cities were employed while the employment rate for teens in suburban areas was 8-percentage points higher (46.4%).

Similar to all teens, the employment rate for central city teens started to decline during and after the short recession in 2001, reaching 29% in 2003 and staying around that level until 2007; when the employment rate gaps between central city and suburban area teens reached to 10 -percentage points. During and after the Great Recession of 2007-2009, central city teens fared the worst with their employment rate plummeting to under 21% in 2011. The current recovery has done little to boost teen labor market success in either central cities or the nation as a whole and the entire nation. The employment rates of both group of teens living in central cities and suburban areas are 14- to 15 -percentage points below their peak rates in 1999-2000. In

2014, fewer than one quarter of the nation’s big city teens were employed while 1 in 3 teens from suburban areas were working at any point in time. Teens in general are worse off, but the odds of finding work have shifted even more sharply against city teens in recent years.

Chart 2:
Employment-Population Ratios of Teens (16-19) in Principle Cities Across the U.S., 1999-2014
(CPS Annual 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.

Trends in the Employment to Population Ratios of the 16 to 19 Year Olds in the 25 Most Populous Cities in the U.S., 2006/07 and 2013/2013

In this section of the report, we will examine trends in employment rates of teens over the past 8 years across the 25 most populated cities in the U.S. Our examination of the long term trends in teen employment in Philadelphia, Pennsylvania, and the U.S. is based on data from the monthly CPS survey. The CPS sample for many cities is too small to produce teen employment rates with sufficient statistical precision.⁴ Therefore we have used the American Community Survey (ACS) data to produce teen employment rates by key teen characteristics for cities. The ACS is a relatively new survey designed to replace the long-form questionnaire of the decennial Census. Starting with a few years of pilot programs, the ACS was fully implemented in 2005 and

⁴ The U.S. Bureau of Labor Statistics produce employment rates of teens for less than 20 selected cities annually in their publication Geographic Profile of Employment and Unemployment. Due to small sample size, the employment rates for teens in these cities tend to be quite volatile.

individuals in group quarters and institutions were added to the ACS sample starting 2006.⁵ Data on a wide range of demographic, social, economic, and housing characteristics of households and individuals are available annually from the ACS at the national, state, and local level.

Using ACS data we have produced employment rate of teens in the 25 most populous cities across the U.S. between 2006-2007 and 2012-2013 during representing the period before, during, and after the Great Recession of 2007-2009. The average teen employment rate across these 25 cities fell from 28.2 percent in 2006-2007 to 26.3 percent in 2008-2009 and 20.3 percent in 2011-2012, before increasing slightly to 21.6 percent in 2012-2013.

There was a lot of variation across these 25 cities in the teen employment rate. 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. Philadelphia's 22.9 percent employment rate in 2006-07 was ranked the 5th lowest among these 25 cities, in a tie with city of Chicago.

Teen residents across these large cities fared very poorly during the Great Recession of 2007-2009. The already low employment rates of teens in all of these cities fell even further. In 2006-2007 and 2010-2011, the decline in the teen employment-population ratio in these cities ranged from a low of 1.3 percentage points in Fort Worth, Texas to a high of 18 percentage points in Jacksonville. Philadelphia's 6.3 percentage point decline was somewhere in the middle of the pack, ranking 6th highest decline out of 25 cities. The five cities experiencing more than 10 percentage point decline in the teen employment rate over this time period included Jacksonville (-18.1), Charlotte (-16.1), Phoenix (-15.6), Austin (-11.9), and Indianapolis (-11.1). Five cities with lowest teen employment-population ratio decline over this time period were Boston (-1.9), Memphis (-2.9), Baltimore (-3.0), El Paso (-3.0), and Detroit (-3.6). Some of these lowest decline cities also had the lowest teen employment rate in 2006-2007. Even in 2012-13 after three years of economic recovery in the labor market, teen employment rates continued to stay well below pre-recession levels (2006-2007) in each of the nation's 25 largest cities.

⁵ Nearly 3 million households are randomly surveyed throughout the year at the national level.

Table 1:
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- 2010/11 | 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: The employment rates for teens published by the U.S. Census Bureau (in the American FactFinder) differ slightly from those obtained with ACS public use micro files (PUMS). For Philadelphia, the discrepancy in 2006-2007 was less than a percentage point, but in 2012-2013, the estimates were identical. According to the Census Bureau, the ACS PUMS data files include only about two-thirds of the cases contained in larger ACS data set used to generate published estimates in the American FactFinder. Estimates derived from smaller sample cases in the ACS PUMS data files, thus, differ slightly from those published by the Census Bureau. In addition, to protect the confidentiality of respondents, the Census Bureau also “top-codes” (suppresses values above a certain level—top code) of some continuous variables.

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

As noted above, just before the onset of the Great Recession, in 2006-07 Philadelphia had the fifth lowest teen employment rate one of the lowest among the 25 most populous cities in the nation. Within the city's teen population, employment rates varied fairly widely by gender, race-ethnicity, and income. Table 4 shows employment rates of teens in Philadelphia, Pennsylvania, and the U.S. in pre-recession years (2006-2007) and the most recent time period (2012-2013).

The decline in teen employment rates over the 2006-2007 and 2012-2013 period in Philadelphia, Pennsylvania, and the U.S. varied widely across major demographic groups. In Philadelphia, male teens fared worse than their female counterparts with 9.2 percentage point drop in their employment rate over the 2006-2007 and 2012-2013 period (21.4% in 2006-2007 to 12.2% in 2012-2013). Among the city's female teen residents, the employment rate dropped by just 3.8 percentage points (22.7% in 2006-2007 and 18.9% in 2012-2013). In contrast, male and female teens in Pennsylvania and the U.S. experienced similar size declines in employment rates over the 2006-2007 to 2012-2013 period; 5- to 6 -percentage points in Pennsylvania and 7- to 8 -percentage points nationwide.

Table 2:

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

| Group | Philadelphia City | | | Pennsylvania | | | U.S. | | |
|----------|-------------------|---------|-----------------|--------------|---------|-----------------|---------|---------|-----------------|
| | 2006-07 | 2012-13 | Absolute Change | 2006-07 | 2012-13 | Absolute Change | 2006-07 | 2012-13 | Absolute Change |
| All | 22.1 | 15.6 | -6.4 | 36.0 | 30.3 | -5.8 | 35.3 | 27.6 | -7.7 |
| Male | 21.4 | 12.2 | -9.2 | 34.2 | 27.9 | -6.3 | 34.4 | 26.1 | -8.3 |
| Female | 22.7 | 18.9 | -3.8 | 37.9 | 32.6 | -5.2 | 36.3 | 29.3 | -7.1 |
| Black | 17.7 | 13.9 | -3.8 | 24.3 | 19.4 | -4.9 | 25.1 | 18.8 | -6.3 |
| Hispanic | 30.0 | 20.2 | -9.8 | 39.0 | 33.5 | -5.6 | 39.6 | 32.1 | -7.5 |
| White | 18.1 | 13.1 | -5.0 | 27.3 | 23.8 | -3.5 | 32.6 | 24.6 | -8.0 |

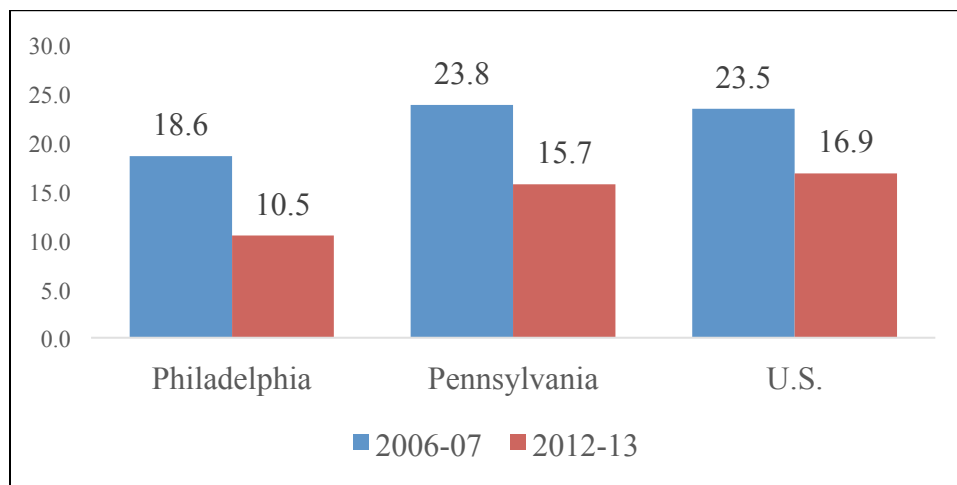
Source: 2006, 2007, 2012, and 2013 American Community Surveys, public use files, U.S. Census Bureau, tabulations by Center for Labor Markets and Policy, Drexel University.

Among the three major race-ethnicity groups in Philadelphia city, Hispanic teens saw the sharpest decline (-9.8 percentage points) and followed by White teens (-5 percentage points) and Black teens (-3.8 percentage points). In the state of Pennsylvania, teens in each of the three

major-race ethnic group experienced employment rate declines of 3 to 6 percentage points during the 2006-2007 and 2012-2013 period with the highest decline among Hispanic teens and the lowest among White teens. Pennsylvania teens in major race-ethnic group had somewhat lower employment rate decline than their peers cross the U.S. In the entire U.S., Black, Hispanic, and White teens employment rates declined from 6-8 percentage points over this time period.

There is a sizable concentration of non-Hispanic Black teens in Philadelphia. During 2012-13 Black teens comprised 44 percent of the city’s overall teen population. The city’s Black teens, particularly male Black teens, experienced an especially large decline in their chance of getting work as the worst effects of the Great Recession took hold in Philadelphia. In the 2006-2007 pre-recession Philadelphia job market, just 19 percent of Black male teen residents of the city were working. By 2012-2013, their employment rate had plunged to just 10 percent, a drop of 9 percentage points over the 2006-2007 and 2012-2013 time period. In both Pennsylvania and the U.S., nearly one quarter of Black male teens were employed prior to the Great Recession year (2006-2007). In 2012-2013, the employment rate of Black male teens in both areas had declined to 16 percent in the state and 17 percent in the nation, representing a drop of 8- to 9 - percentage points (Chart 3). While about one in six black male teens were working during 2012-2013 in the nation and in the rest of Pennsylvania, just one in ten young black males were employed in Philadelphia.

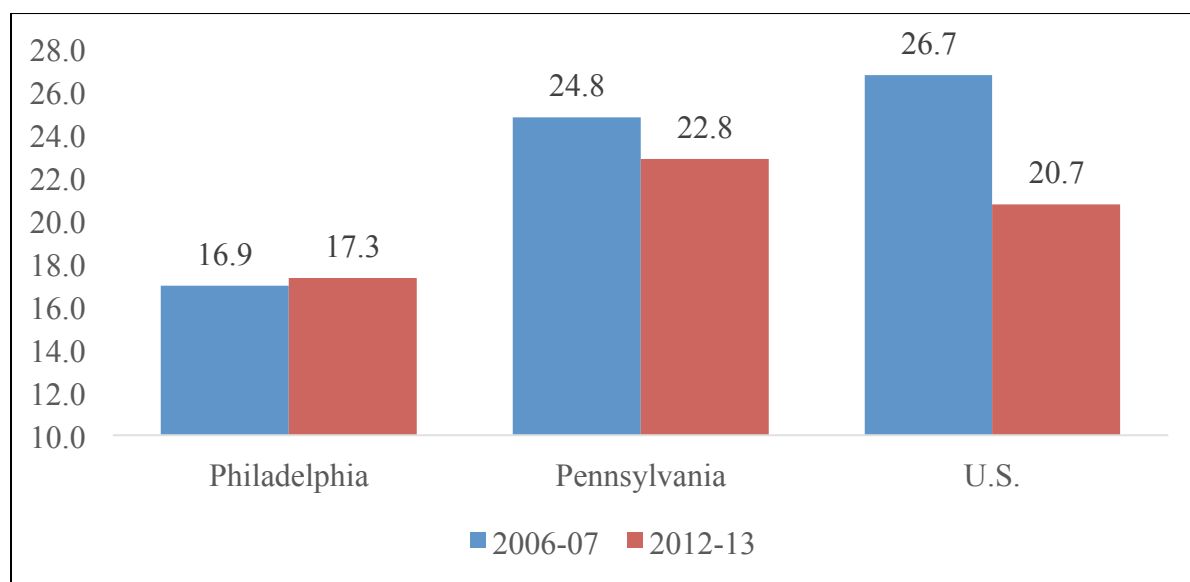
Chart 3:
Employment-Population Ratio of Black Male Teens (16-19) in Philadelphia City, Pennsylvania, and the U.S., 2006-07 and 2012-13 (In %)



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.

Unlike the sharp deterioration in employment rates of Black male teens in Philadelphia city and Pennsylvania over the 2006-2007 and 2012-2013, Black female teens employment rates during this period held steady (Chart 4). In both time periods, 16-17% of Black female teens in Philadelphia city and 23-25% of Black female teens in Pennsylvania were employed. In contrast, Black female teens in the U.S. experienced 6-percentage points decline in their employment rates over this time period (26.7% in 2006-2007 and 20.7% in 2012-2013).

Chart 4:
Employment-Population Ratio of Black Female Teens (16-19) in Philadelphia City,
Pennsylvania, 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.

Our analysis of the ACS data for Philadelphia reveals a strong link between household income level and employment rates of teens. In general, teen employment rates tend to rise strongly and steadily with household income until a certain level beyond which it tapers off. The strong positive link between employment rates and levels of household income held true for teens in every race-ethnic group with the exception of Asians.⁶ In Philadelphia, employment rates of teens varied widely by household income level. Teens in lower income households had

⁶ Nationally, among all Asian teens, there were no sharp variations in employment rates by level of household income. In general, Asian teens employment rate were found to be low in every household income strata.

the lowest employment rates. In 2012-2013, only 11 percent of teens in Philadelphia from households with income under \$20,000 were employed. Teen employment rate increased steadily with each additional \$20,000 household income level; rising from 15 percent among Teens from households with incomes of \$20,000 to \$40,000 to 17 percent, 21 percent and 30 percent among teens from with household incomes of 40,000 to 60,000, 60,000 to 80,000, and 80,000 to 100,000, respectively.

Among upper income households, the teen employment rate was lower, falling to 27 percent among households with incomes between 100,000 and 150,000 and 16 percent in the highest income households, with annual incomes of \$150,000 or more. The patterns of employment rates by household income levels in Pennsylvania and the U.S. followed very similar patterns, but employment rates for teens in these areas were much higher than in Philadelphia.

Table 3:
Employment Rates of Teens (16-19) in Philadelphia City, Pennsylvania, and the U.S. by Household Income Level, 2012-2013 (In %)

| Household Income Level | Philadelphia | | |
|-------------------------------|---------------------|---------------------|-------------|
| | City | Pennsylvania | U.S. |
| <\$20,000 | 11.2 | 18.8 | 19.2 |
| 20,000-39,000 | 14.5 | 26.9 | 23.9 |
| 40,000-59,000 | 17.4 | 29.8 | 27.6 |
| 60,000-79,000 | 21.4 | 34.2 | 30.7 |
| 80,000-99,000 | 29.7 | 41.6 | 33.7 |
| 100,000-149,000 | 26.9 | 38.3 | 34.0 |
| 150,000 and Over | 15.7 | 31.5 | 29.3 |

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