

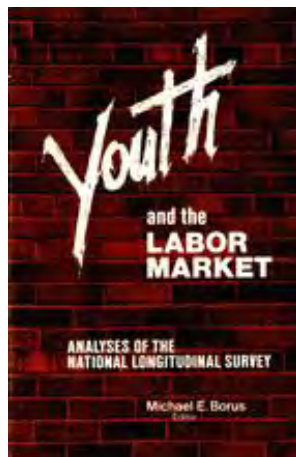
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## A Description of Employed and Unemployed Youth in 1981

Michael E. Borus  
*Rutgers University*



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## **Chapter 2**

# **A Description of Employed and Unemployed Youth in 1981\***

**by Michael E. Borus**

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The problems of youth unemployment have occupied the attention of policymakers and social scientists for many years. Particular emphasis has been given to this subject for the last half dozen years because unemployment among youth has grown both in absolute numbers, relative to the population of youth (as measured by the unemployment rate of youth) and as a proportion of total unemployment. A number of hypotheses have been suggested to explain this increase. These hypotheses are tested elsewhere in this volume and in other studies.<sup>1</sup>

This chapter describes the magnitude of the youth unemployment problem. In addition to presenting information on unemployed youth, we also describe the characteristics of discouraged workers, i.e., youth who are no longer looking for work because they believe that no jobs are available. In an expanding economy, these young people will soon begin job search again and thus shift to the

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\*A longer, somewhat different version of this paper was commissioned by and prepared for the Committee on Vocational Education and Economic Development in Depressed Areas (Commission on Behavioral and Social Sciences and Education, National Research Council). Tables from that paper appear in Appendix A of the committee's final report, *Education for Tomorrow's Jobs*, published by the National Academy Press, 1983.

category of the unemployed. Finally, employed youth serve as a useful reference group for the unemployed because the types of jobs they have may also be available for unemployed youth.

Data from the National Longitudinal Surveys of Youth Labor Market Experience gathered in the Spring of 1981 will be used to describe the characteristics of employed and unemployed youth as of that time. Most analyses are limited to youth who were age 16 to 21 at that interview.<sup>2</sup>

### **I. Description of Unemployed Youth Age 16 - 21**

One can piece together a picture of unemployed youth by examining their various characteristics as of the Spring of 1981. Overall, approximately three and a half million youth were unemployed and the unemployment rate for youth age 16-21 was 20 percent, according to the NLS.<sup>3</sup>

Approximately 400,000 more young men than young women were unemployed and the unemployment rate among the males—16 percent—was three percentage points higher than for the women (table 2.1). With the exception of 21-year-olds, the male unemployment rates were higher than or equal to the rates for women of the same age. Unemployment rates were higher for females than for males in a few subgroups of youth: blacks, high school dropouts, those youth with less than high school educations, those who were or had been married, persons who had children in their household and youth in the Northeast.

The unemployment rate declined substantially as the youth aged (table 2.1). The rate was 31 percent among 16-year-olds but only 13 percent among those who were 21 years old. The decline was steady for both males and females with the exception of 21-year-old females, who had a higher unemployment rate than 20-year-olds.

**Table 2.1**  
**Distribution of Youth Age 16-21 by Sex,**  
**Employment Status and Age, Spring 1981<sup>a</sup>**

		Females			
Age in 1981		Employed	Unemployed	Out of labor force	Unemployment rate (%)
16	No. (000s)	581	245	710	30
	Percent	38	16	46	
17	No. (000s)	893	353	830	28
	Percent	43	17	40	
18	No. (000s)	1,034	303	650	23
	Percent	52	15	33	
19	No. (000s)	1,225	214	610	15
	Percent	60	11	30	
20	No. (000s)	1,244	140	633	10
	Percent	62	7	31	
21	No. (000s)	1,242	210	597	15
	Percent	61	10	29	
Total	No. (000s)	6,218	1,466	4,030	19
	Percent	53	12	34	
		Males			
Age in 1981		Employed	Unemployed	Out of labor force	Unemployment rate (%)
16	No. (000s)	620	296	729	32
	Percent	38	18	44	
17	No. (000s)	1,071	463	612	30
	Percent	50	22	29	
18	No. (000s)	1,096	323	492	23
	Percent	57	17	26	
19	No. (000s)	1,232	285	413	19
	Percent	64	15	21	
20	No. (000s)	1,244	291	402	19
	Percent	64	15	21	
21	No. (000s)	1,474	192	325	12
	Percent	84	10	16	
Total	No. (000s)	6,736	1,849	2,973	22
	Percent	58	16	26	

(continued)

Table 2.1 (continued)

Age in 1981		Total			
		Employed	Unemployed	Out of labor force	Unemployment rate (%)
16	No. (000s)	1,201	541	1,439	31
	Percent	38	18	45	
17	No. (000s)	1,965	816	1,442	29
	Percent	47	19	34	
18	No. (000s)	2,129	625	1,142	23
	Percent	55	16	23	
19	No. (000s)	2,457	500	1,023	17
	Percent	62	13	26	
20	No. (000s)	2,487	431	1,035	15
	Percent	63	11	26	
21	No. (000s)	2,715	402	922	13
	Percent	67	10	23	
Total	No. (000s)	12,954	3,315	7,002	20
	Percent	56	14	30	

a. Persons 16 years of age born in 1965, i.e., those having their birthday between January 1, 1981 and the interview date, are not included. This reduces the number of 16-year-olds by approximately 21 percent.

Unemployment among minority youth was particularly high (table 2.2). The rate among blacks was 37 percent, compared to 24 percent for Hispanics and 18 percent for whites. Although blacks accounted for 14 percent of the youth population, they made up 23 percent of the unemployed. More than one million black and Hispanic youth were unemployed in the Spring of 1981.

As would be expected, table 2.3 shows high school dropouts suffered the highest unemployment rates—37 percent for females and 29 percent for males. Only slightly lower were the unemployment rates for high school students—27 percent overall, 26 percent for females and 29

percent for males. These two groups—high school dropouts and high school students—representing slightly less than half of the youth population, accounted for nearly 63 percent of the unemployed. The reasons for their unemployment, however, are different: dropouts are viewed as lacking skills and motivation while high school students are restricted in the hours of employment that they are willing and able to work.

**Table 2.2**  
**Distribution of Youth Age 16-21 by Sex,**  
**Employment Status and Race, Spring 1981<sup>a</sup>**

Females					
Race		Employed	Unemployed	Out of labor force	Unemployment rate (%)
Black	No. (000s)	582	364	715	38
	Percent	35	22	43	
Hispanic	No. (000s)	341	90	298	21
	Percent	47	12	41	
White	No. (000s)	5,296	1,011	3,018	16
	Percent	57	11	32	
Total	No. (000s)	6,218	1,466	4,030	19
	Percent	53	12	34	
Males					
Race		Employed	Unemployed	Out of labor force	Unemployment rate (%)
Black	No. (000s)	714	383	495	35
	Percent	45	24	31	
Hispanic	No. (000s)	422	151	168	26
	Percent	57	20	23	
White	No. (000s)	5,601	1,315	2,310	23
	Percent	61	14	25	
Total	No. (000s)	6,736	1,849	2,973	22
	Percent	58	16	26	

(continued)

Table 2.2 (continued)

Race		Total			
		Employed	Unemployed	Out of labor force	Unemployment rate (%)
Black	No. (000s)	1,296	747	1,209	37
	Percent	40	23	37	
Hispanic	No. (000s)	762	242	466	24
	Percent	52	16	32	
White	No. (000s)	10,896	2,326	5,328	18
	Percent	59	12	29	
Total	No. (000s)	12,954	3,315	7,002	20
	Percent	56	14	30	

a. Persons 16 years of age born in 1965, i.e., those having their birthday between January 1, 1981 and the interview date, are not included. This reduces the number of 16-year-olds by approximately 21 percent.

**Table 2.3**  
**Distribution of Youth Age 16-21 by Sex,**  
**Employment Status and Enrollment Status, Spring 1981<sup>a</sup>**

Enrollment status as of 1981 interview	Females				
	Employed	Unemployed	Out of labor force	Unemployment rate (%)	
High school dropout	No. (000s)	522	309	730	37
	Percent	33	20	47	
Enrolled in high school	No. (000s)	1,615	555	1,583	26
	Percent	43	15	42	
Enrolled in college	No. (000s)	1,295	153	1,064	11
	Percent	52	6	42	
High school graduate, not enrolled	No. (000s)	2,781	448	646	14
	Percent	72	12	17	
Total <sup>b</sup>	No. (000s)	6,218	1,466	4,030	19
	Percent	53	12	34	

(continued)

Table 2.3 (continued)

Enrollment status as of 1981 interview		Males			
		Employed	Unemployed	Out of labor force	Unemploy- ment rate (%)
High school dropout	No. (000s)	1,082	447	269	29
	Percent	60	25	15	
Enrolled in high school	No. (000s)	1,871	767	1,518	29
	Percent	45	18	36	
Enrolled in college	No. (000s)	1,232	150	972	11
	Percent	52	6	41	
High school graduate, not enrolled	No. (000s)	2,551	479	212	16
	Percent	79	15	6	
Total <sup>b</sup>	No. (000s)	6,736	1,849	2,973	22
	Percent	58	16	26	

Enrollment status as of 1981 interview		Total			
		Employed	Unemployed	Out of labor force	Unemploy- ment rate (%)
High school dropout	No. (000s)	1,603	756	1,000	32
	Percent	48	22	30	
Enrolled in high school	No. (000s)	3,486	1,322	3,101	27
	Percent	44	17	39	
Enrolled in college	No. (000s)	2,527	303	2,037	11
	Percent	52	6	42	
High school graduate, not enrolled	No. (000s)	5,332	928	859	15
	Percent	75	13	12	
Total <sup>b</sup>	No. (000s)	12,954	3,315	7,002	20
	Percent	56	14	30	

a. Persons 16 years of age born in 1965, i.e., those having their birthday between January 1, 1981 and the interview date, are not included. This reduces the number of 16-year-olds by approximately 21 percent.

b. School enrollment status information was not available for 17,500 youth.



Unemployment rates are directly related to lack of education (table 2.4). The unemployment rate for those with less than one year of high school completed was an extremely high 40 percent; for those who had completed some high school but not the 12th grade it declined to 28 percent, and for those who had completed college (a relatively small number in this age group) it fell to only 3 percent.

Nearly 24 percent of the youth had participated in a government-sponsored employment or training program. The unemployment rate was 27 percent for those individuals who had participated in a program (but were no longer participating) as compared with 19 percent of those who had never participated. The fact that the poor and minorities are primarily the individuals eligible for government employment and training programs may partly explain why participating youth continue to have higher than average unemployment rates.

On the other hand, if one looks at those who had training other than in regular school and government programs, one finds somewhat lower unemployment rates than among those who did not—17 percent compared to 21 percent. These observed lower rates for those who had received primarily post-secondary vocational training may reflect the benefits of receiving such training or the somewhat older age of persons who participate. In either case, the declines in the unemployment rate were not dramatic.

Only one in seven youth age 16-21 had ever been married, although nearly 20 percent of the young women had. Young men who had married had much lower unemployment rates than did those who never married. Married and single young women had the same rate, however, and women who were divorced or separated had an unemployment rate nearly half again as high as those who never married or who were married and living with their spouse.

About 15 percent of the women and 4 percent of the men—10 percent of all youth—had children of their own living with them. Again we find different patterns for men and women. Young women with children had much higher unemployment rates than those without children—31 percent as compared to 18 percent. Among males, the unemployment rates were 18 percent and 22 percent, respectively.

Two-thirds of all youth lived with their parents, but nearly 80 percent of the unemployed lived in their parents' homes—84 percent of the males and 73 percent of the females (table 2.5). The higher rate of unemployment among those living with their parents may be a function of the younger age of youth with this living arrangement.

In 1981 there were slightly higher youth unemployment rates in the North Central and Southern regions than in the Northeast and West, although the differences were not dramatic. Males had a 27 percent unemployment rate in the North Central states, the highest rate of the four regions. In contrast, the female unemployment rate of 17 percent in that region was the lowest of the four parts of the country. This difference may reflect the substantial layoffs in manufacturing and construction in this section of the country which affected males more than females.

Youth living in counties which were 50 percent or more rural had identical unemployment rates with those living in counties that were 50 percent or more urban. There were slight differences based on location in or out of an SMSA. Those not in an SMSA had an unemployment rate of 21 percent, which was slightly lower than the 24 percent for those living in the central city of an SMSA and slightly higher than the 18 percent unemployment rate of those living in an SMSA but not in the central city. These figures contradict the commonly held belief that youth unemployment is highly concentrated in the central cities of SMSAs.

**Table 2.4**  
**Distribution of Youth Age 16-21 by Sex,**  
**Employment Status and Educational Attainment, Spring 1981<sup>a</sup>**

Highest grade completed as of 1981 interview		Females			
		Employed	Unemployed	Out of labor force	Unemployment rate (%)
No schooling through 8 years	No. (000s)	71	74	199	51
	Percent	20	22	58	
Some high school 12th grade	No. (000s)	2,065	790	2,114	28
	Percent	42	16	42	
One through three years college	No. (000s)	2,702	488	984	15
	Percent	65	12	24	
Four years college	No. (000s)	1,356	113	727	8
	Percent	62	5	33	
Graduate school	No. (000s)	18	1	0	5
	Percent	96	4	0	
Total <sup>b</sup>	No. (000s)	0	0	0	0
	Percent	0	0	0	
Total <sup>b</sup>	No. (000s)	6,218	1,466	4,030	19
	Percent	53	12	34	

Highest grade completed as of 1981 interview		Males			
		Employed	Unemployed	Out of labor force	Unemployment rate (%)
No schooling through 8 years	No. (000s)	224	119	116	35
	Percent	49	26	25	
Some high school 12th grade	No. (000s)	2,729	1,095	1,671	29
	Percent	50	20	30	
One through three years college	No. (000s)	2,797	521	573	16
	Percent	72	13	15	
Four years college	No. (000s)	972	108	611	10
	Percent	58	6	36	
Total <sup>b</sup>	No. (000s)	13	0	1	0
	Percent	92	0	8	

(continued)

Table 2.4 (continued)

Highest grade completed as of 1981 interview		Males			
		Employed	Unemployed	Out of labor force	Unemployment rate (%)
Graduate school	No. (000s)	1	0	0	0
	Percent	100	0	0	
Total <sup>b</sup>	No. (000s)	6,736	1,849	2,973	22
	Percent	58	16	26	

Highest grade completed as of 1981 interview		Total			
		Employed	Unemployed	Out of labor force	Unemployment rate (%)
No schooling through 8 years	No. (000s)	294	194	315	40
	Percent	37	24	39	
Some high school	No. (000s)	4,795	1,885	3,785	28
	Percent	46	18	36	
12th grade	No. (000s)	5,499	1,008	1,557	15
	Percent	68	12	19	
One through three years college	No. (000s)	2,328	222	1,338	9
	Percent	60	6	34	
Four years college	No. (000s)	31	1	1	3
	Percent	94	2	3	
Graduate school	No. (000s)	1	0	0	0
	Percent	100	0	0	
Total <sup>b</sup>	No. (000s)	12,954	3,315	7,002	20
	Percent	56	14	30	

a. Persons 16 years of age born in 1965, i.e., those having their birthday between January 1, 1981 and the interview date, are not included. This reduces the number of 16-year-olds by approximately 21 percent.

b. School enrollment status information was not available for 17,500 youth.

Youth unemployment followed a pattern of general unemployment in that the rates were higher in local areas which had high overall unemployment rates. The youth unemployment rate was 18 percent in areas with less than 6 percent unemployment, 20 percent in those that had between 6 and 9 percent unemployment, and about 26 percent in those areas having 9 percent or higher unemployment rates.

**Table 2.5**  
**Distribution of Youth Age 16-21 by Sex,**  
**Employment Status and Living Arrangements**  
**at Time of 1981 Interview, Spring 1981<sup>a</sup>**

Living arrangements at time of 1981 interview		Females			
		Employed	Unemployed	Out of labor force	Unemployment rate (%)
Living with parents	No. (000s)	4,007	1,071	2,292	21
	Percent	54	14	31	
Away from household in college or military	No. (000s)	398	34	580	8
	Percent	39	3	57	
Living in own household	No. (000s)	1,813	360	1,158	17
	Percent	54	11	35	
Total	No. (000s)	6,218	1,466	4,030	19
	Percent	53	12	34	

Living arrangements at time of 1981 interview		Males			
		Employed	Unemployed	Out of labor force	Unemployment rate (%)
Living with parents	No. (000s)	4,888	1,556	2,120	24
	Percent	57	18	25	
Away from household in college or military	No. (000s)	365	70	630	16
	Percent	34	7	59	
Living in own household	No. (000s)	1,484	222	223	13
	Percent	77	12	12	
Total	No. (000s)	6,736	1,849	2,973	22
	Percent	58	16	26	

(continued)

Table 2.5 (continued)

Living arrangements at time of 1981 interview		Total			
		Employed	Unemployed	Out of labor force	Unemployment rate (%)
Living with parents	No. (000s)	8,891	2,628	4,412	23
	Percent	56	16	28	
Away from household in college or military	No. (000s)	763	104	1,210	12
	Percent	37	5	58	
Living in own household	No. (000s)	3,296	583	1,381	15
	Percent	63	11	26	
Total	No. (000s)	12,949	3,315	7,002	20
	Percent	56	14	30	

a. Persons 16 years of age born in 1965, i.e., those having their birthday between January 1, 1981 and the interview date, are not included. This reduces the number of 16-year-olds by approximately 21 percent.

When asked why they were looking for work, a majority of the unemployed who provided a reason, said that they were doing so because they needed money (table 2.6). Another fifth had either lost or quit their previous job. On the other hand, only about 1 in 13 said that they were looking for work to support themselves or help with family expenses.

Unemployed young people, like adults, relied most heavily on direct applications to employers in their search for employment; 58 percent of the unemployed made direct application to employers. The next most popular method of job search was checking local newspapers, used by 31 percent of the youth. Approximately 1 in 6 used the public employment service and a similar percentage asked friends or relatives about employment. Placing or answering advertisements was used by about 12 percent of the sample. The type of job search did not vary appreciably by sex, although

females were more likely to look in the newspaper and place or answer ads while males were slightly more likely to use friends and relatives. It should be noted that school employment services were used by only 6 percent of the youth and private employment agencies by 4 percent.

**Table 2.6**  
**Distribution of Reasons for Looking for Work**  
**Among Unemployed Youth Age 16-21, by Sex, Spring 1981<sup>a</sup>**

Reason looking for work		Females	Males	Total
Need money	No. (000s)	737	879	1,616
	Percent	50	48	49
Lost job	No. (000s)	125	228	353
	Percent	8	12	11
Quit job	No. (000s)	151	151	302
	Percent	10	8	9
Family expenses	No. (000s)	71	50	121
	Percent	5	3	4
Support self	No. (000s)	40	56	96
	Percent	3	3	3
Left school	No. (000s)	32	69	100
	Percent	2	4	3
Enjoy working	No. (000s)	67	29	96
	Percent	5	2	3
Other	No. (000s)	168	206	374
	Percent	11	11	11
No reason given	No. (000s)	76	180	256
	Percent	5	10	8
Total	No. (000s)	1,466	1,849	3,315
	Percent	100	100	100

a. Persons 16 years of age born in 1965, i.e., those having their birthday between January 1, 1981 and the interview date, are not included. This reduces the number of 16-year-olds by approximately 21 percent.

Approximately half of the unemployed youth, 48 percent, sought full time employment. The remaining youth (who were primarily younger and in school) wanted only part-time employment. When asked what kind of work they were seeking, 40 percent of the males and 27 percent of the females said either that they would take any kind of work or could not identify an occupation. Of the others, the females were primarily searching for clerical (28 percent of the unemployed), service (20 percent of the unemployed) and sales jobs (12 percent of the unemployed). None of the other occupational categories were sought by even as many as 5 percent of the young female unemployed. Among males, 14 percent sought jobs as laborers, 12 percent in service jobs and 12 percent in jobs in the crafts.

When asked the wage rate necessary to induce them to take the jobs they were seeking (the reservation wage), the largest group responded with the federal minimum wage of \$3.35 (38 percent of those who gave a reservation wage). See table 2.7. It should be noted that 21 percent of those who provided a reservation wage said that they would take jobs at less than the minimum wage, although the vast majority of these set a reservation wage between \$3.00 and \$3.34. It is also true that females were more likely to accept sub-minimum wages than were males.

### *The Hard-Core Unemployed Age 16-21*

The previous section has described all of the youth who were unemployed. It is possible to argue that the need for employment among many of these youth is not great; they are in school, they live in their parents' homes, they seek only part-time employment, and they may have been unemployed for only a short period of time. Therefore, it may be useful to examine the characteristics of those youth who were truly among the hard-core unemployed, although



**Table 2.7**  
**Minimum Wage Necessary to Induce Unemployed Youth Age 16-21**  
**to Accept a Job for Which They Were Looking, by Sex, Spring 1981<sup>a</sup>**

Reservation wage		Females	Males	Total
Less than \$2.50	No. (000s)	32	24	57
	Percent	2	1	2
\$2.50 - \$2.99	No. (000s)	17	28	44
	Percent	1	2	1
\$3.00 - \$3.24	No. (000s)	160	148	309
	Percent	11	8	9
\$3.25 - \$3.34	No. (000s)	118	123	241
	Percent	8	7	7
\$3.35	No. (000s)	561	616	1,176
	Percent	38	33	36
\$3.36 - \$3.49	No. (000s)	58	40	98
	Percent	4	2	3
\$3.50 - \$3.99	No. (000s)	200	212	412
	Percent	14	12	12
\$4.00 - \$4.49	No. (000s)	110	241	350
	Percent	8	13	11
\$4.50 - \$4.99	No. (000s)	27	58	84
	Percent	2	3	2
\$5.00 - \$5.49	No. (000s)	50	117	166
	Percent	3	6	5
\$5.50 or more	No. (000s)	42	127	169
	Percent	3	7	5
Data not available	No. (000s)	91	116	207
	Percent	6	6	6
Total	No. (000s)	1,466	1,849	3,315
	Percent	100	100	100

a. Persons 16 years of age born in 1965, i.e., those having their birthday between January 1, 1981 and the interview date, are not included. This reduces the number of 16-year-olds by approximately 21 percent.

obviously, the definition of who they are must be arbitrary. For the purposes of this paper the following definition will be used: youth who are out of school; who reside either in their own or their parents' household where the family income is below the poverty level; and who have been unemployed at least ten weeks. Using this definition about 300,000, or 1 in 11, unemployed youth were hard-core unemployed in the Spring of 1981.

The hard-core unemployed were almost equally divided between males and females. Very few were less than 18 years of age and they were distributed about equally among 18-, 19-, 20- and 21-year-olds. According to our definition, the proportion of unemployed youth who were hard-core did not vary substantially by race—it was 11 percent of the unemployed blacks, 10 percent of the Hispanics, and 8 percent of the whites. Contrary to what might be expected, the proportion of the unemployed who were hard-core also did not vary depending on whether one was a high school dropout or graduate. Eighteen percent of unemployed high school dropouts were hard-core, as were 16 percent of unemployed high school graduates who were not enrolled. The proportion did vary, however, with educational attainment. Twenty-one percent of the unemployed who had no schooling through eight years of education were hard-core, as compared to 5 percent of the unemployed who had some high school, and 14 percent of those who had completed the 12th grade.<sup>4</sup> Of those unemployed youth who received government training prior to the 1981 interview, 13 percent could be labeled hard-core, while only 7 percent of those who had never received government employment or training were classified in this way. Similarly, 11 percent of the unemployed who had received training other than in regular schools and government programs were hard-core as compared to 8 percent of those who had not participated in such programs.

The nature of the definition of hard-core unemployed leads to strikingly different proportions based on family living circumstances. Six percent of those unemployed youth who had never married fell into the category of hard-core unemployed as opposed to 25 percent of those who were married and living with their spouse and 31 percent of the youth in other marital situations; 27 percent of the respondents who had a child in their household were categorized as hard-core unemployed as compared with only 7 percent of those respondents who did not have their own children in their household; and 29 percent of those living in their own households met the hard-core definition while only 5 percent of those living with their parents did so.

On a regional basis, the proportions of the unemployed who were hard-core were very similar except in the West, where 14 percent of the unemployed met the definition. The proportion who were hard-core did not vary with rural or urban residence, although youth identified as living in the central city of an SMSA had a slightly larger proportion who were hard-core, 13 percent, as compared to those in an SMSA who were not in the central city, 6 percent, and those not in an SMSA, 8 percent. Finally, the proportion of unemployed youth who were hard-core increased from 6 percent in areas with less than 6 percent unemployment to 9 percent in areas with 6.0 to 8.9 percent unemployment to 15 percent in areas of 9.0 to 11.9 percent unemployment, but then fell to 7 percent among those living in areas where the unemployment rate exceeded 12 percent.

To summarize: using an arbitrary definition, we find that the hard-core unemployed tended to be older, more likely to have participated in training, to be married, to have children, to live in the central city of an SMSA, and to live in an area of high unemployment than was true of all unemployed youth.

### *Multivariate Analysis of the Unemployed*

Because many of the characteristics associated with being unemployed are correlated, a multivariate analysis was undertaken. A probit equation was estimated to calculate the independent influence of various characteristics when others were taken into account. Separate equations estimated for females and males appear in tables 2.8 and 2.9.

For young women, the probability of being unemployed was higher among high school dropouts and graduates than among high school students, and this probability declined with age. Black young women had a higher probability of being unemployed, as did those who resided in families whose income was below the poverty line. The probability of unemployment was higher among those who had previously received government employment and training services and who lived in their parental household. Finally, unemployment was significantly higher in the Northeast than in the South or North Central states, in urban areas and in those areas with unemployment rates of 12 percent or more.

Among the young men, many of the same factors were associated with unemployment. The unemployment rate was higher for high school dropouts than for high school students, among blacks and those in poverty, and among those youth living in their parents' households. Unlike the females, however, college students had significantly lower probabilities of unemployment than high school students, and only among 21-year-olds was there a significantly lower probability of unemployment than was true of 16-year-olds. Youth unemployment was highest in areas with 9.0 to 11.9 percent aggregate unemployment and in the North Central region. Finally, unlike the findings for females, for males the receipt of government employment and training services was not associated with significantly higher probabilities of being unemployed.

**Table 2.8**  
**Probit Estimates of the Probability**  
**of Unemployment Among Females Age 16-21, Spring 1981<sup>a</sup>**

	Coefficient	t-Value	Partial derivative evaluated at mean
<b>Age</b>			
16	--	--	--
17	-0.024	-0.26	-0.005
18	-0.080	-0.74	-0.017
19	-0.282	-2.28*	-0.059
20	-0.424	-3.30**	-0.089
21	-0.244	-1.87+	-0.051
<b>Race</b>			
Black	0.302	4.45**	0.064
Hispanic	-0.115	-1.39	-0.024
White	--	--	--
<b>Poverty Status</b>			
In poverty	0.124	2.03*	0.026
Not in poverty	--	--	--
<b>Enrollment Status</b>			
High school dropout	0.367	3.90**	0.077
High school student	--	--	--
College student	-0.157	-1.39	-0.033
Nonenrolled graduate	0.215	2.16*	0.045
<b>Received Government Employment or Training</b>			
Yes	0.152	2.53*	0.032
No	--	--	--
<b>Received Other Training</b>			
Yes	-0.039	-0.55	-0.008
No	--	--	--
<b>Living in Parental Household</b>			
Yes	0.039	4.56**	0.071
No	--	--	--
<b>Marital Status</b>			
Never married	--	--	--
Other	0.075	0.81	0.016
<b>Has Children in Household</b>			
Yes	0.073	0.93	0.015
No	--	--	--

(continued)

Table 2.8 (continued)

	Coefficient	t-Value	Partial derivative evaluated at mean
Region			
Northeast	0.203	2.58**	0.043
North Central	-0.077	-1.00	-0.016
South	--	--	--
West	0.091	1.12	0.019
Rural Residence			
Yes	--	--	--
No	0.136	1.86+	0.029
Central City of an SMSA			
Yes	-0.226	-0.33	-0.005
No	--	--	--
Local Unemployment Rate			
Less than 6 percent	-0.020	-0.32	-0.004
6.0 percent to 8.9 percent	--	--	--
9.0 percent to 11.9 percent	0.090	1.02	0.019
12.0 percent or more	0.312	2.67**	0.066
Constant	-1.585	-12.72**	-0.333
N = 3801			
2*Log likelihood ratio	182.08		

a. Persons 16 years of age born in 1965, i.e., those having their birthday between January 1, 1981 and the interview date, are not included. This reduces the number of 16-year-olds by approximately 21 percent.

+ Significant at  $P \leq .10$

\*Significant at  $P \leq .05$

\*\*Significant at  $P \leq .01$

**Table 2.9**  
**Probit Estimates of the Probability**  
**of Unemployment Among Males Age 16-21, Spring 1981<sup>a</sup>**

	Coefficient	t-Value	Partial derivative evaluated at mean
<b>Age</b>			
16	--	--	--
17	0.088	1.06	0.022
18	0.018	0.19	0.005
19	-0.077	-0.69	-0.020
20	-0.064	-0.55	-0.016
21	-0.251	-2.03*	-0.064
<b>Race</b>			
Black	0.223	3.40**	0.057
Hispanic	0.064	0.83	0.016
White	--	--	--
<b>Poverty Status</b>			
In poverty	0.244	4.19**	0.062
Not in poverty	--	--	--
<b>Enrollment Status</b>			
High school dropout	0.374	4.64**	0.096
High school student	--	--	--
College student	-0.329	-2.97**	-0.084
Nonenrolled graduate	0.086	0.93	0.022
<b>Received Government Employment or Training</b>			
Yes	0.051	0.92	0.013
No	--	--	--
<b>Received Other Training</b>			
Yes	0.102	1.55	0.026
No	--	--	--
<b>Living in Parental Household</b>			
Yes	0.360	4.47**	0.092
No	--	--	--
<b>Marital Status</b>			
Never married	--	--	--
Other	-0.152	-1.09	0.039
<b>Has Children in Household</b>			
Yes	0.261	1.67+	0.067
No	--	--	--

(continued)

Table 2.9 (continued)

	Coefficient	t-Value	Partial derivative evaluated at mean
<b>Region</b>			
Northeast	0.048	0.63	0.012
North Central	0.354	5.07**	0.091
South	--	--	--
West	0.084	1.06	0.021
<b>Rural Residence</b>			
Yes	--	--	--
No	0.106	1.56	0.027
<b>Central City of an SMSA</b>			
Yes	0.001	0.02	0.003
No	--	--	--
<b>Local Unemployment Rate</b>			
Less than 6 percent	-0.053	-0.90	-0.014
6.0 percent to 8.9 percent	--	--	--
9.0 percent to 11.9 percent	0.144	1.70+	0.037
12.0 percent or more	0.062	0.60	0.016
Constant	-1.590	-12.99**	-0.407

N = 3711

2\*Log likelihood ratio 244.67

a. Persons 16 years of age born in 1965, i.e., those having their birthday between January 1, 1981 and the interview date, are not included. This reduces the number of 16-year-olds by approximately 21 percent.

+ Significant at  $P \leq .10$ \*Significant at  $P \leq .05$ \*\*Significant at  $P \leq .01$



In summary, the multivariate analysis revealed only a few changes from the bivariate analysis. The decline with age in the probability of being unemployed was not so dramatic among males. High school students were less likely to be unemployed when other factors were taken into account than was evidenced in the bivariate tables. Participation in a government employment or training program was only significantly associated with unemployment among females, and receipt of training other than in school or government programs neither increased nor decreased the probability of unemployment significantly. Marital status and having children in the household did not make a difference in the multivariate framework, although they did in the cross-tabular analysis. The other factors found to be associated with higher unemployment in the bivariate tables were also significant in the multivariate analyses.

## **II. Description of Discouraged Workers Age 16 - 21**

Among the over seven million youth age 16-21 who were not in the labor force in the Spring of 1981 were approximately 200,000 young people who were not looking for work because they believed no jobs were available. Presumably, most of these youth would seek work if employment opportunities were more readily available.

The characteristics of the discouraged workers differed somewhat from those of the unemployed. The discouraged workers were more concentrated among 16- and 21-year-olds than was true of the unemployed. Blacks made up 34 percent of the discouraged youth but only 23 percent of the unemployed. More of the discouraged workers were dropouts and fewer of them were high school graduates than was true among the unemployed. The discouraged workers had a higher proportion with less than 12 years of education

or with some college than was true for the unemployed, whereas the unemployed had a much higher proportion who had completed just 12 years of schooling. In percentage terms, more of the discouraged workers than the unemployed had never been married, although somewhat more of the discouraged workers had children living in their households. The discouraged workers were particularly concentrated in the South, where almost half lived, although less than one-third of the unemployed were in the South. More of the discouraged workers also lived in rural areas and outside of SMSAs. They were also more concentrated in local areas with high unemployment rates, particularly those with unemployment rates above 9 percent (30 percent of the discouraged workers lived in these areas as compared to 20 percent of the unemployed). The two groups did not differ appreciably by gender, nor in other areas, such as receipt of various types of training and the proportion living with their parents.

### **III. Description of Employed Youth**

The NLS found that over 13 million people age 16-21 were employed in the Spring of 1981. They represented 56 percent of the population in this age group. Employed youth as a percentage of the total population (the employment-to-population ratio) was higher for the young men (58 percent) than for the young women (53 percent).

The numbers and proportions employed increased markedly with age (table 2.1). Among 16-year-olds, 38 percent were employed, compared to two-thirds of the 21-year-olds. Slightly different patterns were found for men and women: women 19, 20 and 21 years of age all had approximately the same employment-to-population ratio while young men showed a substantial increase from 64 percent for 19- and 20-year-olds to 74 percent for 21-year-olds.

As might be expected, the employment-to-population ratios were much lower for blacks, 40 percent, than for Hispanics, 52 percent, and whites, 59 percent (table 2.2). The differences between young men and women were also more marked among minorities. The employment-to-population ratios for women were 10 percentage points below those of men among both blacks and Hispanics, whereas the difference among whites was only 4 percentage points. This race and gender difference was due in part to the fact that higher percentages of minority women were out of the labor force. The most notable difference appeared among Hispanics, where 41 percent of the females and 23 percent of the males were not participating in the labor force; the gender differential for whites, in contrast, was only 7 percentage points. Among males, the lower employment-to-population ratios for blacks resulted from both substantially higher unemployment and lower labor force participation. Twenty-four percent of the blacks as opposed to 14 percent of whites were unemployed, and 31 percent of blacks as compared to 25 percent of whites were not participants in the labor force. To reiterate the most important finding, however, white youth had an almost 50 percent higher proportion employed in the Spring of 1981 than was true of blacks.

As table 2.3 shows, the employment-to-population ratio for high school graduates not enrolled in college was considerably higher than the ratios for college students, high school dropouts and high school students (75 percent, 52 percent, 48 percent and 44 percent, respectively). Sex differences occurred primarily among the high school dropouts and nonenrolled high school graduates. Seventy-nine percent of the male graduates and 72 percent of the female graduates were employed. On the other hand, among dropouts, 60 percent of the males and only 33 percent of the females were working. A much higher percentage of the females, 47 per-

cent, as opposed to 15 percent of males were not participating in the labor force. It is likely that many of the female dropouts had left school in order to marry or have children.

This pattern is also evident when one examines educational attainment (table 2.4). The proportion of women with less than 12th grade educations who were employed was substantially less than for males, but the proportion who were out of the labor force was substantially higher. On the other hand, among those with some college education, females had higher employment-to-population ratios than did males, although the numbers and differences were relatively small. There was a slight drop in the employment-to-population ratios among youth who had completed one to three years of college as compared to those who had completed only the 12th grade. This difference probably appears because those with 13-15 years of school completed are more likely to still be enrolled in post-secondary school.

The proportion employed of youth who participated in a government employment or training program prior to the 1981 interview was not very different from the proportion who had never received government training or participated in a government work program. Overall, 53 percent of the former and 56 percent of the latter were employed in the Spring of 1981. Those who received training outside of the regular school system or a government program, however, had substantially higher employment-to-population ratios than those who had not participated in such training, 67 percent and 53 percent, respectively. Again, since most of these nongovernment training programs follow secondary schooling, the age of their participants is probably higher and this age advantage may account for the difference in employment levels.

The employment-to-population ratios were considerably higher for men who had been married as opposed to those who were never married, 85 percent and 56 percent, respectively. Among young women, however, those who were married and living with their husbands had a somewhat lower percentage employed than those who had never married (48 percent and 54 percent, respectively). As one would expect, these same relationships exist for youth who had children; among males, substantially more were employed and among females the proportion who had children and were working was considerably lower.

There was no difference in the employment-to-population ratio for females who lived with their parents as opposed to those who lived in their own households (table 2.5). Fifty-four percent of both groups were employed. Among males, however, 77 percent of those living in their own households were employed, but only 57 percent of those living with their parents were working in the Spring of 1981.

The proportion of youth who were employed was highest in the West and Northeast and lowest in the South for both young men and young women. For females, the employment-to-population ratio was 59 percent in the West and only 46 percent in the South. For males it was 65 percent in the West and 55 percent in the South. Similarly, employment-to-population ratios were higher in urban than in rural areas, with differences of 6 percentage points for both men and women. Within SMSAs, those living in the central city had somewhat lower employment-to-population ratios than those who lived in other parts of the SMSA.

Interestingly, the employment-to-population ratio did not move with the area unemployment rate, particularly among men. The proportion who were working was highest, at 62 percent, in areas where the unemployment rate was 12 percent or higher, followed by areas of low unemployment rate

(i.e., less than 6 percent), and lowest among those areas where unemployment was 9.0 to 11.9 percent. Among females, the employment-to-population ratio was highest in the areas of low unemployment but was greater in areas with over 12 percent unemployment than in those areas with 9.0 to 11.9 percent unemployment.

Jobs held by youth in the Spring of 1981 varied by sex. Young women tended to be concentrated in clerical jobs (37 percent), service jobs (30 percent) and sales jobs (10 percent). Young men on the other hand were employed in service jobs (22 percent), as laborers (18 percent), as craftsmen (14 percent) and as operatives (13 percent). The industrial structure of employment also varied by sex. The largest group of both young men and women were in retail trade, where 34 percent of the men and 38 percent of the women found employment. Women, however, were more likely to be in professions (22 percent as opposed to 10 percent for young men) while the young men were more likely to be in manufacturing (19 percent as opposed to 11 percent) and construction (8 percent as opposed to less than 1 percent).

Some differences also appeared in the hours worked by young men and women employees. The percentage of young women working less than 20 hours a week was somewhat higher than for young men (31 and 24 percent, respectively) while the proportion of young men working for more than a 40 hour week was considerably higher—16 percent as compared to 5 percent. Overall, more than half of the employed youth worked less than full time (35 hours a week). Nearly half of both men and women worked on the day shift, one-sixth the evening shift and about 1 in 14 worked the night shift. As might be expected, given the combination of work with schooling by many of the youth, a quarter of them worked varying hours. There were not substantial differences between the sexes.

Of those youth providing an hourly rate of pay, nearly one-fourth (24 percent) worked at jobs paying less than the federal minimum wage of \$3.35 an hour (table 2.10). An additional 12 percent worked at the federal minimum wage. Young women as compared to young men were more likely to work at jobs paying less than \$3.00 an hour—17 and 10 percent, respectively. Young women were also more likely to be earning between \$3.35 and \$4.00 an hour than were young men—38 percent versus 30 percent. On the other hand, more young men were earning salaries of \$5.00 or more—31 percent as compared to 15 percent.

The amount of education and training required for the jobs held by the youth varies. Using a scheme developed by Eckhaus (1964), we find that 28 percent of the jobs required only an elementary school education. Fifty-one percent required less than high school graduation, 14 percent required a high school diploma and the remaining 7 percent required at least 13 years of education. In terms of the specific training required to do the jobs, nearly half (46 percent) required no more than a short demonstration and an additional 22 percent required less than 30 days of on-the-job specific vocational preparation. An additional 19 percent required no more than three months of specific vocational training. Thus 87 percent of the jobs could be learned with less than three months training. Examination of the educational and training requirements by sex indicate that the jobs held by young men were more likely to require only an elementary education. However, more of the jobs held by females could be learned within the period of 30 days to three months while more of the jobs held by young men required between three and six months of specific training. Thus, employed male youth were more likely to be in jobs requiring little formal education but slightly more specific training than was true for young women.

**Table 2.10**  
**Distribution of Hourly Rates of Pay**  
**for Employed Youth Age 16-21, by Sex, Spring 1981<sup>a</sup>**

Hourly rates of pay		Females	Males	Total
Less than \$2.50	No. (000s)	676	335	1,011
	Percent	11	5	8
\$2.50 - \$2.99	No. (000s)	334	323	657
	Percent	5	5	5
\$3.00 - \$3.24	No. (000s)	402	410	813
	Percent	6	6	6
\$3.25 - \$3.34	No. (000s)	231	252	483
	Percent	4	4	4
\$3.35	No. (000s)	820	662	1,482
	Percent	13	10	11
\$3.36 - \$3.49	No. (000s)	368	255	623
	Percent	6	4	5
\$3.50 - \$3.99	No. (000s)	1,037	1,021	2,058
	Percent	17	15	16
\$4.00 - \$4.49	No. (000s)	771	802	1,573
	Percent	12	12	12
\$5.00 - \$5.49	No. (000s)	374	510	884
	Percent	6	8	7
\$5.50 or more	No. (000s)	1,488	926	2,414
	Percent	22	15	19
Data not available	No. (000s)	274	241	515
	Percent	4	4	4
Total	No. (000s)	6,218	6,736	12,954
	Percent	100	100	100

a. Persons 16 years of age born in 1965, i.e., those having their birthday between January 1, 1981 and the interview date, are not included. This reduces the number of 16-year-olds by approximately 21 percent.



### ***Multivariate Analysis of Employment***

To determine the independent effects of various characteristics, the probability of being employed was estimated using probit analysis. Separate equations were used for males and females and are presented in tables 2.11 and 2.12. As was true in the bivariate analysis, the probability of employment increased with age and was significantly lower for black females and black and Hispanic males than for whites. There was not a significant difference for Hispanic females, however. Nonenrolled high school graduates of both sexes had substantially higher probabilities of being employed than did high school students. College students of both sexes and female high school dropouts did not differ significantly from high school students, although male high school dropouts had significantly higher proportions employed. As in the bivariate analyses, women who had never married had significantly higher probabilities of being employed, while men who had never been married were significantly less likely to be employed. Similarly, those males who had children in their households were more likely to be working while the young women with children were significantly less likely to. Youth of both sexes whose family incomes were below the poverty line had significantly lower probabilities of being employed.

The bivariate analysis and multivariate analyses showed that receipt of government employment or training services did not affect the probability of being employed, but unlike the bivariate analysis, the multivariate showed that receipt of training other than regular schooling or government-sponsored employment and training programs was not significant. Living in the parental household was associated with a marginal increase in the probability of being employed for males but did not significantly affect females. When the South is used as a base for comparison, males in the North Central states were significantly less likely to be

employed while females in the North Central and Western states were significantly more likely to be. Residence in a rural area and in the central city of an SMSA did not significantly influence the probability of employment. These findings differ somewhat from the bivariate analyses, which showed that the proportion of youth employed was highest in the West and Northeast, higher in urban than rural areas, and somewhat lower for residents of central cities. The association of employment with local unemployment rates, however, was the same as in the bivariate analysis. Youth of both sexes residing in areas where the unemployment rate was less than 6 percent had significantly higher probabilities of employment than those residing in areas with 6.0 to 8.9 percent unemployment rates, and the probability decreased significantly for those in areas of 9.0 to 11.9 percent unemployment.

**Table 2.11**  
**Probit Estimates of the Probability**  
**of Employment Among Females Age 16-21, Spring 1981<sup>a</sup>**

	Coefficient	t-Value	Partial derivative evaluated at mean
<b>Age</b>			
16	--	--	--
17	0.161	1.96+	0.064
18	0.371	3.94**	0.148
19	0.453	4.22**	0.180
20	0.591	5.39**	0.235
21	0.604	5.33**	0.241
<b>Race</b>			
Black	-0.365	-6.24**	-0.145
Hispanic	-0.046	-0.69	-0.018
White	--	--	--
<b>Poverty Status</b>			
In poverty	-0.411	-7.75**	-0.164
Not in poverty	--	--	--
<b>Enrollment Status</b>			
High school dropout	-0.005	-0.05	-0.002
High school student	--	--	--
College student	0.086	0.94	0.034
Nonenrolled graduate	0.598	6.91**	0.238
<b>Received Government Employment or Training</b>			
Yes	0.020	0.39	0.008
No	--	--	--
<b>Received Other Training</b>			
Yes	0.085	1.49	0.034
No	--	--	--
<b>Living in Parental Household</b>			
Yes	0.090	1.53	0.036
No	--	--	--
<b>Marital Status</b>			
Never married	--	--	--
Other	-0.212	-2.81**	-0.085
<b>Has Children in Household</b>			
Yes	-0.502	-7.29**	-0.200
No	--	--	--

(continued)

Table 2.11 (continued)

	Coefficient	t-Value	Partial derivative evaluated at mean
<b>Region</b>			
Northeast	0.027	0.40	0.011
North Central	0.133	2.18*	0.053
South	--	--	--
West	0.165	2.47	0.066
<b>Rural Residence</b>			
Yes	--	--	--
No	0.067	1.15	0.027
<b>Central City of an SMSA</b>			
Yes	-0.034	-0.60	-0.013
No	--	--	--
<b>Local Unemployment Rate</b>			
Less than 6 percent	0.178	3.57**	0.071
6.0 percent to 8.9 percent	--	--	--
9.0 percent to 11.9 percent	-0.211	-2.85**	-0.084
12.0 percent or more	-0.133	-1.30	-0.053
Constant	-0.502	-4.90**	-0.200

N = 3801

2\*Log likelihood ratio 662.95

a. Persons 16 years of age born in 1965, i.e., those having their birthday between January 1, 1981 and the interview date, are not included. This reduces the number of 16-year-olds by approximately 21 percent.

+ Significant at  $P \leq .10$ \*Significant at  $P \leq .05$ \*\*Significant at  $P \leq .01$

**Table 2.12**  
**Probit Estimates of the Probability**  
**of Employment Among Males Age 16-21, Spring 1981<sup>a</sup>**

	Coefficient	t-Value	Partial derivative evaluated at mean
<b>Age</b>			
16	--	--	--
17	0.252	3.34**	0.099
18	0.370	4.28**	0.146
19	0.465	4.66**	0.183
20	0.421	4.04**	0.166
21	0.556	5.13**	0.219
<b>Race</b>			
Black	-0.231	-3.98**	-0.091
Hispanic	-0.043	-0.63	-0.017
White	--	--	--
<b>Poverty Status</b>			
In poverty	-0.451	-8.49**	-0.178
Not in poverty	--	--	--
<b>Enrollment Status</b>			
High school dropout	0.205	2.76**	0.081
High school student	--	--	--
College student	-0.011	-0.12	-0.004
Nonenrolled graduate	0.557	6.64**	0.220
<b>Received Government Employment or Training</b>			
Yes	-0.008	-0.17	-0.003
No	--	--	--
<b>Received Other Training</b>			
Yes	0.054	0.92	0.021
No	--	--	--
<b>Living in Parental Household</b>			
Yes	0.115	1.81 +	0.045
No	--	--	--
<b>Marital Status</b>			
Never married	--	--	--
Other	0.569	4.64**	0.225
<b>Has Children in Household</b>			
Yes	-0.090	-0.62	-0.035
No	--	--	--

(continued)

Table 2.12 (continued)

	Coefficient	t-Value	Partial derivative evaluated at mean
<b>Region</b>			
Northeast	0.006	0.10	0.003
North Central	-0.137	-2.23*	-0.054
South	--	--	--
West	0.105	1.54	0.041
<b>Rural Residence</b>			
Yes	--	--	--
No	0.049	0.83	0.019
<b>Central City of an SMSA</b>			
Yes	-0.055	-0.98	-0.022
No	--	--	--
<b>Local Unemployment Rate</b>			
Less than 6 percent	0.107	2.12*	0.042
6.0 percent to 8.9 percent	--	--	--
9.0 percent to 11.9 percent	-0.136	-1.78 +	-0.054
12.0 percent or more	0.151	1.56	0.060
Constant	-0.382	-3.76**	-0.151
N= 3711			
2*Log likelihood ratio 494.67			

a. Persons 16 years of age born in 1965, i.e., those having their birthday between January 1, 1981 and the interview date, are not included. This reduces the number of 16-year-olds by approximately 21 percent.

+ Significant at  $P \leq .10$

\*Significant at  $P \leq .05$

\*\*Significant at  $P \leq .01$

#### IV. Summary and Policy Implications

The preceding analyses have shown that youth unemployment may constitute a national problem. Substantial proportions of the youth population are unemployed. Perhaps more important, unemployment is concentrated among certain groups of young people.

The highest unemployment rates occurred for the youngest group, the 16- and 17-year-olds. The unemployment rate declined with age, particularly among females, even when a number of other characteristics were controlled in a multivariate framework. The seriousness of unemployment among 16- and 17-year-olds is subject to question. When constraints were established that the unemployed were out of school, living in their own households or in parental households with incomes below the poverty line and had been unemployed for at least 10 weeks, almost all of the 16- and 17-year-old unemployed were excluded. On the other hand, 45 percent of the youth and 58 percent of the 16- and 17-year-olds claimed to have been affected by problems of age discrimination.<sup>5</sup> Thus, to the youth themselves, unemployment may be perceived as a major problem, even though they are still in school, living in their parents' households and seeking jobs for spending money rather than to support themselves or their families. The policy issue revolves around the allocation of relatively scarce resources. Should the government allocate its employment and training funds to this group who may be less in need than older youth or should it concentrate on the approximately 300,000 "hard-core unemployed?"

The unemployment problems associated with racial discrimination are much more clear-cut. Black youth suffer disproportionately high unemployment rates and have significantly higher unemployment rates than whites even

when a variety of characteristics are taken into account in a multivariate analysis. The fact that 21 percent of blacks perceived that they had been discriminated against on the basis of their race may truly reflect discrimination against them. The reservation wages of young black males did not differ appreciably from those of young whites with similar characteristics, but the market appeared to offer them lower wages. Further, the finding that lower proportions of blacks were holding more than one job during a year indicated that "job shopping" was not the cause of their higher unemployment rates.<sup>6</sup> If the decision were made to concentrate government programs on the hard-core unemployed, these programs would disproportionately aid blacks because 29 percent of the hard-core unemployed were black.

School enrollment status was found to be strongly associated with unemployment. Although overall, high school students were found to have very high unemployment rates, when age and living in the parental household were taken into account, high school students did not appear to be as disadvantaged.<sup>7</sup> The major problem group appears to be high school dropouts, who in the bivariate analysis had unemployment rates more than twice as high as high school graduates and who made up 48 percent of the hard-core unemployed. Further, this lack of education was perceived as a barrier to employment by 21 percent of the high school dropouts. Whether their problems arise from the lack of credentials, their lack of knowledge, or from other characteristics which led them to drop out of school is not clear. Obviously further research is necessary to determine which of these factors is dominant in leading to the higher unemployment rate for dropouts, since the policy recommendations would differ with each cause. (Chapter 4 in this volume identifies some of the factors affecting the decision to drop out of high school.)



Persons receiving government employment and training services had somewhat higher unemployment rates, and this difference was significant for females in the multivariate analysis. It is doubtful that the unemployment rates were caused by the training, however; persons eligible for these programs already have substantial unemployment histories. In fact, 47 percent of the hard-core unemployed had participated in a government employment or training program prior to their current unemployment.

Participation in programs other than regular schooling or government-sponsored employment and training did not significantly reduce the level of unemployment for youth. This finding should not, however, be interpreted as demonstrating that these programs have no effect on unemployment because the outcomes of vocational training may not appear for some time after the courses are completed.<sup>8</sup>

Surprisingly little variation appeared in unemployment rates based on residence. Residence in the central city of an SMSA and in a rural area were not significantly related to unemployment in the multivariate analysis. Although the probability of being unemployed was significantly higher in areas with high local unemployment rates, the pattern was not clear-cut. Thus, it would appear that targeting employment and training programs for youth in specific local areas may have little impact on the distribution of unemployment.

Although employment is not the reverse of unemployment, when the characteristics of the employed were examined, they tended to confirm the finding and implications discussed above. Blacks had significantly lower proportions employed; employment increased substantially with age; high school graduates were substantially better off than high school dropouts; training programs and residence in a central city or a rural area produced no effect on the employ-

ment rate; and although employment was higher in areas with low unemployment rates, the relationship was not linear.

When the jobs sought by the unemployed youth are compared with jobs held by employed youth, the unemployed did not seem to be unrealistic in their aspirations. One-third said that they would take any type of job, and the distribution of the remaining group by occupation was similar to that of youth who were working.

There were some differences (tables 2.7 and 2.10) in the wage rates at which the youth would be willing to accept a job and the hourly rates of pay for the employed. Many more of the unemployed listed the minimum wage of \$3.35 as their reservation wage—36 percent as compared to 11 percent of employed youth who actually earn this wage. On the other hand, while 23 percent of the employed youth earned less than the minimum wage, 19 percent of unemployed youth were willing to accept subminimum wages. At the other end of the spectrum, a smaller proportion of the unemployed youth, 10 percent, sought wages at \$5.00 or more, while 26 percent of employed youth were actually earning this amount.

These gross comparisons, however, do not take account of the differences in the characteristics of the employed and unemployed youth. As noted above, the employed youth tended to be older, have more education, and to include more whites, factors which would lead to higher wage rates.

Finally, the education and training requirements for jobs held by youth appear to be quite low. Only 6 percent required more than a high school education and about 80 percent required less than 12 years of schooling. Further, only 4 percent of the jobs required six months or more of specific training and almost one-half could be learned without anything more than a short demonstration. Thus, although

14 percent of the youth cited lack of experience as having led to difficulty in getting a good job, lack of training per se does not appear to be a major cause of youth unemployment.

## NOTES

1. See, for example, chapters 3 and 6 in this volume; Anderson and Sawhill (1980); and Freeman and Wise (1982).
2. The NLS sample contains youth born in the years 1957 through 1964. Since the interviews were conducted in the Spring of 1981, some youth born in 1965 had their 16th birthday prior to the interview and these youth are excluded from the NLS. As a result the data presented here underrepresent 16-year-olds, including only those whose birthdays fell after the Spring. The approximately 800,000 youngest 16-year-olds are missing. This will bias slightly the employment-to-population ratios (upward) and the unemployment rates (downward).
3. The National Longitudinal Surveys have historically found higher rates of labor force participation, employment and unemployment than has the Current Population Survey (CPS). See Santos (1981).
4. Only 5 percent of the unemployed who had attained only some school met our definition of hard-core unemployed because many unemployed in this attainment group were still enrolled in school.
5. Information on the barriers to employment discussed in this section are from Borus et al. (1983).
6. See chapter 3.
7. There may be problems of multicollinearity between these variables, however.
8. The reader should see chapter 6 for further discussion of this point.

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