



Where Have All the Teen Workers Gone?

Many of us can recall our first job as a teenager. A young person's entry into the labor force is a rite of passage ingrained into our collective memory, but *Economy Matters* asks: is it in danger of becoming a fading memory?

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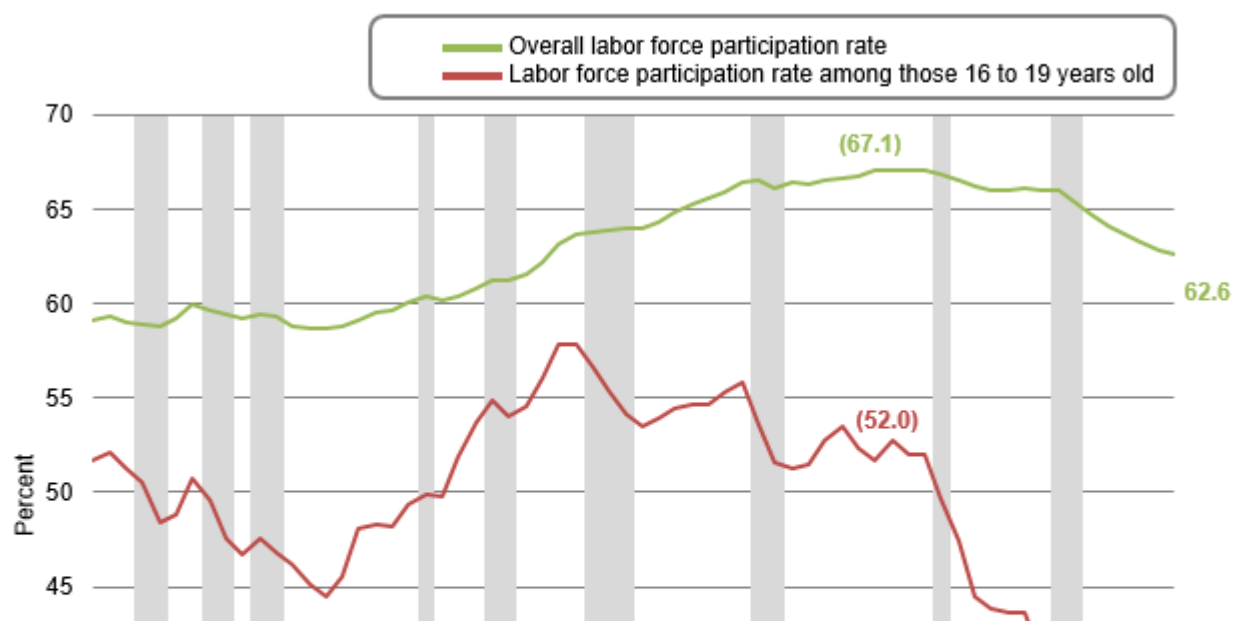


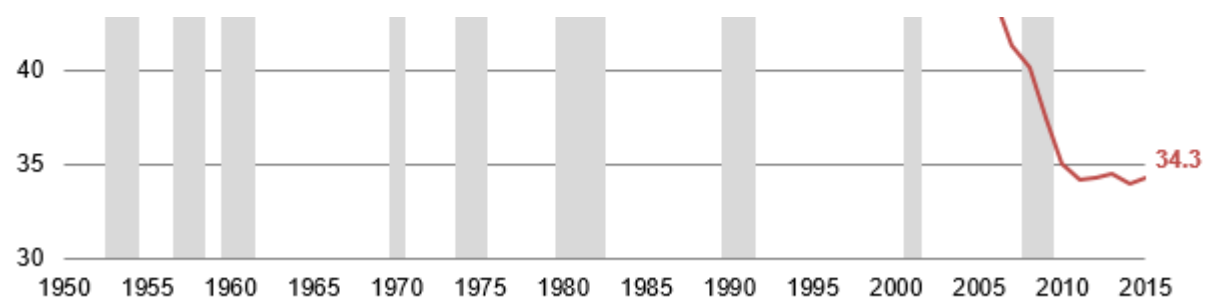
Is the teenage job a thing of the past?

The declining labor force participation rate (LFPR)—the percentage of the population that is either working or looking for work—has been thoroughly documented since the trend was observed more than a decade ago (detailed [here](#), [here](#), and [here](#), for example). As it turns out, the falling LFPR of youths, teenagers in particular, is one of the drivers of the declining overall rate, and [labor force projections](#) from the U.S. Bureau of Labor Statistics (BLS) show the trend continuing into 2024 (the outer range of the BLS's projections).

In 2000, the overall LFPR was 67.1 percent, and it was 52.0 percent among 16–19 year olds. In 2015, those figures stood at 62.6 percent overall and 34.3 percent among 16–19 year olds. So the percentage of teenagers participating in the labor force declined by nearly 18 percentage points (or 34 percent) from 2000 to 2015. That's a huge share of the notable 4.4 percentage point decline in the overall LFPR (see the chart). Although this teenage subset makes up just 7 percent of the population, it's a decline worthy of exploring. What happened to teen workers, and what, if any, labor market consequences could we expect as a result?

Labor Force Participation Rate, 1950-2015





Note: Data are through 2015 and represent a seasonally adjusted annual rate. Gray bars indicate recession.
 Source: U.S. Bureau of Labor Statistics, Current Population Survey

In its report on labor force projections (among other sources), the BLS cited increased school attendance as the main reason teens aren't working as much as they used to. High school dropout rates have declined and college enrollment has increased, implying a trade-off of work for school. This is not a bad thing, considering people make more money with a high school and/or college education. However, as many of us know from experience, attending school and holding down a job are not mutually exclusive. Being a student, then, doesn't fully explain the decline in teen LFPR.

But perhaps recent economic changes do. The last two recessions (in 2001 and 2008–09) might explain why fewer teens are working since the late 1990s. During contractionary economic times, along with reduced job opportunities comes increased competition from other age groups, so it follows that unskilled youth may be at a greater disadvantage when applying for the same job as another person with even slightly more experience. In fact, the unemployment rate for 16–19 year olds rose during these two recessions by twice as much as it did for those over 19 years old.

Whatever the causes of the declining teenage worker trend, the potential effects on the labor market remain to be seen. According to researchers at Northeastern University's [Center for Labor Market Studies](#), teenage workers have higher graduation rates, better future employment prospects, and—for every year people work in their teens—significantly higher incomes. Likewise, absent work experience, teenagers miss out on development opportunities such as interpersonal communication in a work environment, goal setting, and showing up to work on time. For some time now, business leaders across the Southeast have told the Atlanta Fed's [Regional Economic Information Network](#) (REIN) that they struggle to find workers with appropriate levels of these "soft skills," particularly at the entry level. Is lack of work before high school or college graduation partially to blame?

Some researchers argue that increased schooling and the resulting reduced levels of teenage workers will have a positive long-run impact on the labor market. This St. Louis Fed [report](#) suggests that skills developed while attending school may result in higher aggregate LFPR in the future.

No matter the outcome, there's no denying the facts: teens are not working like they used to, and more of them are opting to devote themselves exclusively to school instead. The younger generation's memories of a job as a teenager have dwindled and will likely continue to fade. On the surface, that's not necessarily a bad thing unless these individuals come to the workforce lacking in the necessary hard and soft skills that longer experience provides.

For more information on labor force participation, check out our [interactive webpage](#) devoted to the subject.

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