



# Business Trends

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## A CHALLENGE FOR THE 'SIXTIES

The explosive rise in the birth rate during the second half of the 1940's, which has caused many of our schools to bulge with ever larger numbers of pupils, is about to bring a similar overcrowding to the country's labor force as the products of the baby boom reach working age. The size of the impending invasion of young people can best be gauged from the fact that the number of persons becoming 18 years of age, which was 2.6 million in 1960, will rise to 3.8 million by 1965, a figure almost half again as large as the one five years earlier.

For most young Americans, especially males, reaching the age of 18 marks the transition from going to school to going to work. A growing number of young people today are postponing their first job hunt by continuing their formal education for several years in order to be better prepared for the most desirable jobs. Others start hunting for a job without waiting for their 18th birthday or completing their high school education.

Of the entire 3.8-million crop of new 18-year olds in 1965, not all will be thinking of immediate employment, of course. Some will enroll in colleges and others, including young women assuming domestic responsibilities, will stay out of the labor force for various reasons. Yet an estimated total of 26 million young people,

or 2.6 million each year on the average, will join the labor force in the decade from 1960 to 1970, as compared with about 1.8 million annually during the 1950's. That large influx of young workers will considerably rejuvenate the labor force by raising the proportion of its 14 to 24-year old members from less than 19 percent in 1960 to over 23 percent in 1970, and will account for almost one-half of the estimated total 10-year growth in the labor force of close to 13 million.

This almost unprecedented infusion of young, vigorous workers into our working population will supply the manpower needed for large economic growth. It will also present our country with a serious challenge to provide training and, most important, employment for a larger number of young persons than in any previous 10-year period in our history. Seen in this light, the influx of young people not only permits, but demands a large increase in the economy lest the country finds itself with millions of young adults who are ready to take their places among the working population but are unable to do so for want of opportunities.

Economic growth in this country has been less than satisfactory in recent years. The expansion of the labor force has been greater than the economy's ability to create new jobs. This deficit in new employment has contributed

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to an undesirably high level of total unemployment and to a substantial proportion of people remaining jobless for prolonged periods of time.

A continued slow pace of economic growth would not be encouraging news for young workers, as it would keep their rate of unemployment at its present high level. Young people generally have a higher rate of unemployment than older workers. Being less experienced occupationally and holding less seniority than their older co-workers, they are more vulnerable to layoff; they are also more inclined to quit voluntarily in order to shop around for the most satisfactory job. In 1962, on the average, 13 percent of the 14 to 19-year old males in the labor force were unemployed, and 9 percent of those 20 to 24 years old, while the unemployment rate for men over 24 years of age was only about 4 percent. Stated in a different way, people of both sexes between the ages of 14 and 24 years contributed one-third of the 4 million unemployed in 1962 but only one-fifth of the 72 million persons in the labor force. Just last week, a record rate of nearly 18 percent unemployment among teenagers in mid-May was announced by the Secretary of Labor, with expressions of concern.

On the job supply side, it should be remembered that the proportion of "entry jobs" for young workers will continue to decline as employment opportunities in the lower-skill categories of the blue-collar occupations and in agriculture are shrinking from year to year. At the same time, higher actual or potential skills will be expected of applicants for work in expanding industries and occupations.

Improvement in Education. As available employment will tend to go to the applicants who are best prepared, college graduates among young job seekers can expect to experience the least amount of difficulty in landing their first jobs, although some of the top beginners' salaries might recede to somewhat less glamorous levels than today's. In the search for nonprofessional jobs, young persons fortified with a high school diploma will continue to have an advantage, both in finding and keeping employment, over competitors who have quit school before graduation.

It is expected that the trend toward more and better education will continue and that an estimated seven out of every ten young labor force entrants in the 1960's will possess a high school graduation certificate. The proportion of young people beginning their working lives with only eight or even fewer years of schooling will be half as large as during the past decade. Yet three out of ten young job seekers, or 7.5 million out of the 26 million 14 to 24-year olds mentioned earlier, will be looking for employment without the benefit of a completed high school education, perhaps unmindful of the fact that the unemployment rate of school dropouts of a given year is about twice as high as that of June high school graduates of the same year. As today's dropouts stand a good chance of becoming tomorrow's long-term jobless or relief recipients, efforts to remove the causes for quitting school should have high priority.

Meeting the Challenge. The abundance of manpower with which we are favored in this decade makes it mandatory to create almost 13 million new jobs over the ten years merely to keep up with the growth in the labor force, to say nothing of additional employment needed to absorb workers who will be displaced by technological advances. In meeting this challenge, the country will undoubtedly be helped by spontaneous employment increases stimulated by demands for more goods and services from a growing population, particularly young people marrying and establishing their own families. But few observers believe that such spontaneous increases in demand will provide the entire solution. More positive steps will be needed. Also, it may become necessary to give serious consideration to proposals for "sharing" employment through shortening the work week or work year or curtailing the size of the labor force by means of delayed entry and earlier retirement.

Failure to meet the challenge - which, in Dr. Conant's words, contains "social dynamite" - could cause large numbers of young people to become disillusioned and frustrated in their aspirations for a normal and useful life.

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