

Unemployment Among the Young

Characteristics of Alaska's youngest workers

Once a month, the U.S. Bureau of Labor Statistics conducts a household survey of labor force information in all 50 states. These surveys, which BLS uses to create its regular labor force statistics, also collect additional detail on a state's workforce, such as age and gender.

Although the sample size is small and only the annual numbers are considered reliable enough to create detailed statistics, these monthly surveys allow a general look at unemployment among specific groups.

For example, in 2013, unemployment rates for Alaska's workers age 24 and younger were in the double digits, twice and sometimes nearly three times higher than for the state overall. (See Exhibits 1 and 2).

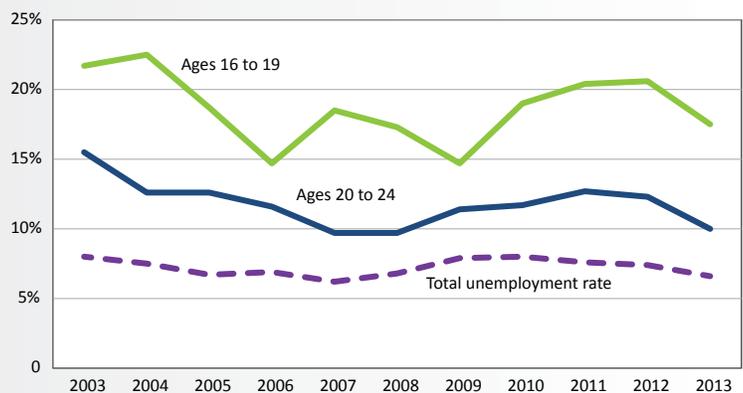
A much higher jobless rate for teenagers and younger workers versus older workers is nothing new. Much of the difference is due to what economists call "frictional" unemployment, which is unemployment caused by people changing jobs or moving.

Demographics play a large role here, as no other age groups move more than the young. Younger workers continually enter, drop out, and reenter the labor market as they relocate, travel, graduate, and complete training programs. As a result, they go through regular periods of unemployment. A lack of work experience and skills also contributes to higher jobless rates. For these reasons, younger workers' attachment to the labor force tends to be more tenuous.

Fewer younger workers participate in the labor force

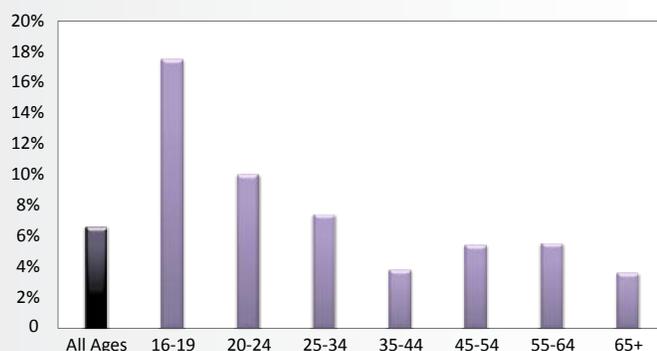
Participation in the labor force — which means

1 Rates Highest Among the Youngest Alaska unemployment, 2003 to 2013



Source: U.S. Department of Labor, Bureau of Labor Statistics

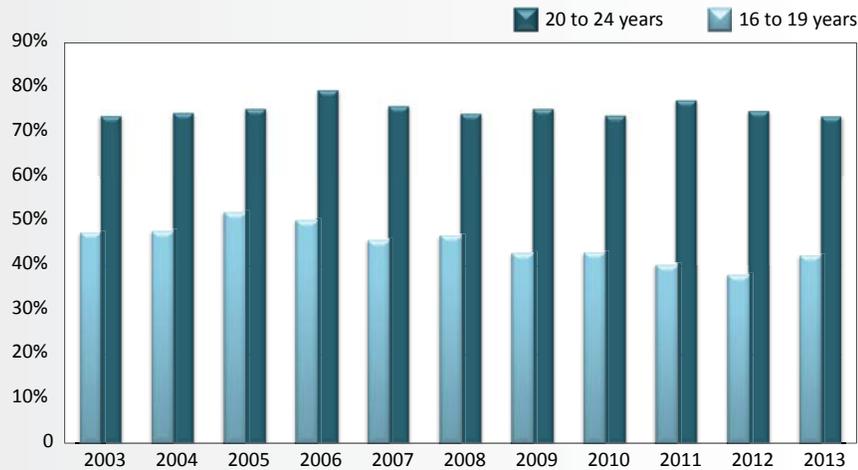
2 Unemployment Drops With Age Alaskans by age group, 2013



Source: U.S. Department of Labor, Bureau of Labor Statistics

3 Teen Participation Has Declined

Alaska labor force participation, 2003 to 2013



Source: U.S. Department of Labor, Bureau of Labor Statistics

working or actively seeking work — is also much lower among younger workers, especially 16-to-19-year-olds. (See Exhibit 3.)

Much of this younger population still live at home and are in high school, beginning college, or participating in training programs and unavailable to work.

During the past decade, participation in the labor force has fallen for both younger age groups but particularly among teenagers. Nationally, this group’s participation rate dropped from 44.6 percent in 2003 to 34.5 percent in 2013. Alaska’s decline was less precipitous, dropping from 47.3 to 42.1 percent over that period.

Part of this trend is due to more teens attending postsecondary school or training, making them less likely to seek work. At the national level, a more competitive labor market has also made it harder for teens to find jobs; some stop searching and thus drop out of the labor force.

Participation increases sharply from the 16-to-19 group to the 20-to-24 age group, as those who graduate become much less dependent on parents.

Among 20-to-24-year-old Alaskans, participation has changed little over the past decade, and nationally, it has fallen more moderately than it has for their teenage counterparts.

Lower rates, more participation in Alaska

In 2013, the unemployment rate for young Alaskans was lower than the nation’s, and it was the 15th lowest among states. (See Exhibit 4.)

A better labor market in Alaska explains some of this difference. Labor force participation was also higher for Alaska’s younger workers — 59 percent for 16-to-24-year-olds versus 55 percent for that age group nationally. Lower unemployment rates and higher participation typically go hand-in-hand.

4 Young and Jobless

Ages 16-24, 2013

Rank	State	Rate
1	North Dakota	4.5%
2	South Dakota	8.1%
3	Nebraska	8.3%
4	Utah	8.8%
5	Wyoming	8.9%
6	Iowa	9.6%
7	Minnesota	9.7%
8	Oklahoma	11.1%
9	Montana	11.1%
10	Hawaii	11.1%
11	Vermont	11.6%
12	New Mexico	11.9%
13	Kansas	12.0%
14	Florida	12.1%
15	Alaska	12.3%
16	New Hampshire	12.5%
17	Wisconsin	13.0%
18	West Virginia	13.0%
19	Maine	13.0%
20	Idaho	13.0%
21	Texas	13.6%
22	Missouri	13.6%
23	Delaware	13.8%
24	Connecticut	13.9%
25	Louisiana	14.4%
26	Maryland	14.6%
27	Virginia	14.7%
28	Colorado	14.8%
29	Ohio	15.0%
30	Pennsylvania	15.3%
	U.S. average	15.5%

Source: U.S. Department of Labor, Bureau of Labor Statistics