In the Shadow of the Great Recession: Experiences and Perspectives of Young Workers

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Organized by the Board of Governors of the Federal Reserve System

Heidi Kaplan
Senior Community Development Analyst
Board of Governors

Carl Van Horn
Distinguished Professor of Public Policy Director
Rutgers University

Rory O’Sullivan
Deputy Director
Young Invincibles

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In connection with this session, you can find a variety of additional resources on this topic, available at www.fedcommunities.org. We encourage you to browse through this site and to contact your regional office if you would like additional information on any of these items.
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The Community Development (CD) function within the Federal Reserve System – consisting of individual departments at each of the twelve Federal Reserve Banks as well as at the Board of Governors – promotes economic growth and financial stability for low- and moderate-income (LMI) communities and individuals through a range of activities, including:

- **Convening stakeholders**, including practitioners, financial institutions, nonprofits, governmental agencies, and the philanthropic and private sectors,

- **Conducting and sharing research** to examine economic challenges facing low- and moderate-income communities and attendant policy implications; and,

- **Identifying emerging issues**.
Today’s Presenters

• **Heidi Kaplan**, *Senior Community Development Analyst*, Board of Governors

• **Carl Van Horn**, *Distinguished Professor of Public Policy and Director*
  John J. Heldrich Center for Workforce Development, Rutgers University

• **Rory O’Sullivan**, *Deputy Director*, Young Invincibles
Survey of Young Workers

Heidi Kaplan
Senior Community Development Analyst
Board of Governors
Heidi.A.Kaplan@frb.gov
The following will be discussed:

- The Survey of Young Workers
- How are young workers preparing for a changing labor market?
- Is there a relationship between respondents’ level of education / early work experience and current work status?
- What is the outlook of young workers?
- Policy implications
- Perspective on postsecondary education
- Challenges to increased attainment
- Millennial outlook
Why Survey Young Adults?

• Cast light on current issues affecting young adults as they join the workforce in a changing labor market
• Provide new, publicly available information as a resource to researchers and others
• Track information to identify emerging issues and trends
Survey Methods

• Deployed by GfK to their “KnowledgePanel,” a nationally representative, probability-based online panel.

• The panel is designed to be representative of the U.S. population aged 18 to 30 years old.

• Survey was fielded in December 2013.

• There was a total of 2,097 respondents.
1. How are young workers preparing for a changing labor market?

2. Is there a relationship between respondents’ level of education/early work experience and current work status?

3. What is the outlook of young workers?
Educational Programs and Goals Should Align with Labor Market Demands

Received information about jobs and careers in...

<table>
<thead>
<tr>
<th></th>
<th>High School</th>
<th>College</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>63%</td>
<td>66%</td>
</tr>
<tr>
<td>I don't know</td>
<td>11%</td>
<td>10%</td>
</tr>
<tr>
<td>No</td>
<td>25%</td>
<td>22%</td>
</tr>
</tbody>
</table>

Yes | I don't know | No
The Labor Market Rewards Education and Work Experience

Respondents with a post-secondary degree are more likely to have a career.

- **Post-secondary degree**
  - Career: 38%
  - Stepping stone to a career: 37%
  - Just a job: 23%

- **No post-secondary degree**
  - Career: 15%
  - Stepping stone to a career: 34%
  - Just a job: 48%
The Ability to Pay for Education Affects a Young Adult’s Decision to Enroll

Reasons for not enrolling in education or training:

- I don't want to borrow money / can't afford to enroll: 70%
- I don’t know which program will improve my job opportunities / Concerned I will not land a job: 67%
- The schedule does not work for me: 34%
- I don't know where to enroll: 26%
- I am concerned that the program will be too challenging: 19%
- The program is not offered at my local institutions: 19%
- I don't meet the requirements to enroll: 16%
Permanent, Full-Time Jobs Are Associated with “Careers” and Upward Mobility

Full-time workers are more likely to have promotions and opportunities for advancement.

- Full-time Workers: 54% Promotion in past year, 55% Opportunity for advancement
- Part-time Workers: 38% Promotion in past year, 31% Opportunity for advancement
### Strategies Used to Find Current Job

<table>
<thead>
<tr>
<th>Strategy</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>I contacted the employer directly</td>
<td>67%</td>
</tr>
<tr>
<td>Other family and friends provided a contact</td>
<td>27%</td>
</tr>
<tr>
<td>Searched electronic job boards</td>
<td>21%</td>
</tr>
<tr>
<td>My parent(s) provided a contact</td>
<td>14%</td>
</tr>
<tr>
<td>Services from school teacher, professor, or counselor</td>
<td>10%</td>
</tr>
<tr>
<td>Services from an employment center</td>
<td>8%</td>
</tr>
<tr>
<td>Posted online resume / advertisement (e.g., LinkedIn, Craigslist)</td>
<td>9%</td>
</tr>
<tr>
<td>Other</td>
<td>8%</td>
</tr>
</tbody>
</table>
Young Workers Value Job Stability

Young workers prefer steady employment to higher pay.

- Steady Employment: 69%
- Higher Pay: 31%
Education, Work Experience, and Job Opportunities are the Main Drivers of a Young Worker’s Outlook

Outlook about job future

- Optimistic, 45%
- Not sure, 34%
- Pessimistic, 21%
Policy Implications

Carl Van Horn
Distinguished Professor of Public Policy and Director
Heldrich Center for Workforce Development, Rutgers University
vanhorn@rutgers.edu
Policy Implications

• Prepare all high school and college students for jobs AND careers
• Bolster and refocus services for young learners and workers
• Provide better labor market and career information and guidance to high school and college students
• Integrate academic, financial, and career information and advice
• Improve “high-tech” internet-based advising and learning services, but make available “high-touch” intensive services
• Enhance transparency from workforce and educational institutions
Policy Implications (continued)

- Better align educational preparation with labor market realities
- Increase work-based learning, including high-quality internships, cooperative education, and apprenticeships during high school and college
- Make education and training services more affordable by shortening time to completion and applying competency-based learning strategies
- Increase completion and degree attainment rates
- Enhance supportive services for youth who encounter significant barriers to obtaining education and/or obtaining a job
Millennial Perspective

Rory O’Sullivan
Deputy Director
Young Invincibles
rory.osullivan@younginvincibles.org
Brief Overview

- Perspective on post-secondary education
- Challenges to increased attainment
- Millennial outlook
Message Received

• Vast majority of young adults believe education is important.
• Vast majority at least attend college after high school.
What’s the issue?

Sources: http://www.bls.gov/news.release/hsgec.nr0.htm; http://www.bls.gov/news.release/hsgec.nr0.htm
Challenges to Educational Attainment

• Information
• Cost
• Completion
• Implications for policy
Millennial Outlook

- Optimism
- Dreams delayed on financial independence
- Focus on economic security
Questions?
You have two options to ask questions today:
1. Email us at: communities@stls.frb.org.
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Wrap-Up/Closing

Thank you to today’s presenters and to all participants for joining this session.

Next steps:

• All session materials are available on our web site and in the next few days we will be posting an audio file of today’s session.

• If you have topical suggestions for future sessions, or any questions about this program, please feel free to contact us at communities@stls.frb.org

• Information about future sessions will be posted on our website along with archived materials from past sessions: www.stlouisfed.org/connectingcommunities/
In connection with this session, you can find a variety of additional resources on this topic, available at www.fedcommunities.org.

It provides an array of practical resources to help you in your role as a community development professional, whether you work involves supporting people, places, the practice of community development, or small business development.