

Declining Summer Employment Among American Youths

By Steven A. Camarota

This report examines the dramatic decline in summer employment among U.S.-born youths (16 to 24) over the last decade. The decline started before the recession that started at the end of 2007 and is broad, affecting students and non-students, as well as those of every education level and racial background. The fall-off in youth employment is worrisome because research indicates those who do not work when they are young often fail to develop the skills necessary to function in the labor market, creating significant negative consequences for them later in life. At the same time youth employment has declined, the number of immigrants working in the summer has increased significantly as a result of high levels of permanent legal immigration (green cards), illegal immigration, and temporary worker programs.

Among the findings:

- The total number of youths (16 to 24) not working hit a record high of 18.5 million in the summer of 2011, an increase of 7.2 million since 2000.
- Even before the current downturn that began at the end 2007, the summer employment situation for U.S.-born youths (16 to 24) was deteriorating. Between the summers of 2000 to 2007, the share of U.S.-born youths working declined from 64 percent to 56 percent. In the summer of 2011 it stood at just 48 percent.
- Although a number of business associations have lobbied for increased immigration to fill seasonal non-agriculture jobs, there is little evidence of a labor shortage at any time in the last decade.
- The severity of the decline is similar for U.S.-born black, Hispanic, and white youths. In the summer of 2011, only 35 percent of U.S.-born black youths worked; for U.S.-born Hispanic youths it was 38 percent; and for U.S.-born white youths it was 54 percent.
- The decline in youth summer employment is broad and began before the recession:
 - The share of teenagers (16 to 19) holding a summer job declined from 53 percent in 2000, to 40 percent in 2007, to 30 percent in 2011.
 - The share of older youths (20 to 24) holding a summer job declined from 75 percent in 2000, to 71 percent in 2007, to 63 percent in 2011.
 - The share of youths (16 to 24) *enrolled* in school holding a summer job declined from 48 percent in 2000, to 40 percent in 2007, to 33 percent in 2011.
 - The share of youths (16 to 24) *not enrolled* in school holding a summer job declined from 71 percent in 2000, to 66 percent in 2007, to 58 percent in 2011.

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- The share of high school dropouts (19 to 24) holding a summer job declined from 56 percent in 2000, to 53 percent in 2007, to 42 percent in 2011.
- The share of those with at least a bachelor's degree (21 to 24) holding a summer job declined from 82 percent in 2000, to 78 percent in 2007, to 73 percent in 2011.
- Studies by Christopher Smith of the Washington, DC, Federal Reserve, Andrew Sum at North Eastern University, and Steven Camarota at the Center for immigration Studies indicate that immigration accounts for a significant share of the decline in youth employment in the United States.
- Although there has been a significant increase the share of youths enrolled in summer school, the fall-off in employment is similar for those in school and those who are not. Thus the overwhelming majority of the decline in work would have occurred regardless of the increased summer school enrollment.
- From 2000 to 2011, the overall number of immigrants without a college degree working or looking for work in the summer increased by over three million.
- Since 2000, legal permanent immigration (green cards) averaged one million annually; temporary worker programs for seasonal non-agricultural jobs, such as the H-2B, J-1, and Q-1 expanded significantly; and the illegal immigrant population grew by 2.3 million.
- One factor that does not explain the decline in youth employment is an increase in unpaid internships:
 - First, high school dropouts show a similar decline to those who attend college — dropouts are very unlikely to be in unpaid internships.
 - Second, 16- and 17-year-olds show a similar decline as older youths, even though younger teens are much less likely to be in internships.
 - Third, according to Princeton Review's *Internship Bible*, there are only about 100,000 internships (paid and unpaid) in the country. The number of U.S.-born youths not working in the summer has increased by 7.3 million since 2000.

Introduction

Working in the summer has become less and less common for American youths. As recently as 2000, nearly two-thirds of U.S.-born youths (16 to 24) worked during the summer; by 2011 it was less than half. While the summers from 2008 to 2011 were particularly bad for U.S.-born youths, the deterioration began before the current economic downturn that started at the end of the 2007. The decline in youth employment is worrisome because there is evidence that not working in one's youth can contribute to significant problems for workers down the road. A number of studies have found that the lack of early labor market experience can have a significant negative impact on employment and wages later in life.

At the same time that U.S.-born youths have been working less and less, the number of less-educated immigrants working in the summer has increased insignificantly. Between the summers of 2000 and 2011, the number of immigrants (legal and illegal) who do not have a bachelor's degree holding a summer job or looking for one increased from 14 million in 2000 to 17.1 million in 2011. The growth in immigrant workers has been driven by high levels of new immigration. One million green cards (permanent immigration) were issued each year on average over this time period. The Department of Homeland Security estimates that the illegal immigrant population was 2.3 million larger in 2010 (the newest estimate available) than in 2000.¹ While much smaller in scale than illegal

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immigration and permanent legal immigrants, programs such as the H-2b, Q-1, and J-1 visa programs that allow foreign temporary workers to take unskilled seasonal jobs outside of agriculture have also expanded significantly.

In a new report, Jerry Kammer discusses the growth in the summer work and travel portion of the J-1 visa program and its consequences.² In many ways the work and travel program is emblematic of a larger problem with the nation's immigration system. New programs are created and allowed to expand significantly without giving careful consideration to their impact on the labor market or the larger American Society.

There is good research that immigrants (legal and illegal) are crowding out U.S.-born teenagers in the labor market.³ There are several possible reasons for this. Employers may perceive immigrants as better workers and therefore discriminate against young Americans. In addition, immigrants typically arrive as adults with labor market experience in their home countries. This may give them a significant advantage over American youths, particularly teenagers. It is also possible that immigrants have more effective social networks for finding employment. Immigrants may also be willing to work for less and be more willing to tolerate unpleasant working conditions. Whatever the reason, there is a long-term decline in work among young people that pre-dates the current economic downturn.

A number of business associations have for years lobbied congress to increase the number of immigrants allowed into the country. Those employers arguing specifically for an expansion of seasonal guest workers were among the most politically active. The U.S. Chamber of Commerce has been in the forefront of arguing that legal immigration has to be increased because there are not enough workers available. Also the Essential Worker Immigration Coalition (EWIC) was specifically founded to work for legal status for illegal immigrants and to increase legal immigration, including guest worker programs to allow in more unskilled workers. EWIC includes the National Restaurant Association, American Hotel & Lodging Association, American Nursery & Landscape Association, International Association of Amusement Parks and Attractions, International Franchise Association, National Association of Home Builders, National Retail Federation, and the Outdoor Amusement Business Association.⁴ All of these industries employ large numbers of seasonal workers to perform jobs that require modest levels of formal education. These are the type of jobs traditionally done by young people.

It is very difficult to reconcile the perspective of employers who argue there are not enough seasonal workers with the huge decline in youth summer employment. If workers were in short supply, more and more young people should have been drawn into the labor market, the opposite of what actually happened.

Findings

Figure 1 reports the share of U.S.-born youths (16 to 24 years of age) employed in the summers of 2000, 2007, and 2011. It also reports figures for teenagers (16 to 19 year of age) and older youths (20 to 24 years of age) separately. The 2001 recession began in March and the 2007 recession began in December. Thus, 2000 and 2007 should show a similar employment picture as both are the peak summers before the 2001 and 2007 recessions. Despite this fact, the figure shows that a smaller share of American youths were working in 2007 than in 2000. The decline in employment is somewhat more pronounced for teenagers (16 to 19) than older youths (20 to 24 years of age). However, both age groups show a smaller percentage working in 2007 than 2000. Figure 1 indicates that the decline in work began before the current economic downturn. Since 2007 things have deteriorated further, with fewer than half of U.S.-born youths holding a job in the summer of 2011.

Figure 2 reports the number of U.S.-born teenagers and older youths not working in the summer of 2000, 2007, and 2011. The total number of U.S.-born youths (16 to 24) not working increased by 3.8 million between 2000 and 2007. It increased another 3.5 million between 2007 and 2011. Both teenagers and older youths have seen a significant increase in the number not working. For the period 2000 to 2007, teenagers accounted for about two-thirds of the total increase in the number of youths (16 to 24) not working. But for the 2007 to 2011 period, older youths accounted for 57 percent of the increase in the number of youths not working.

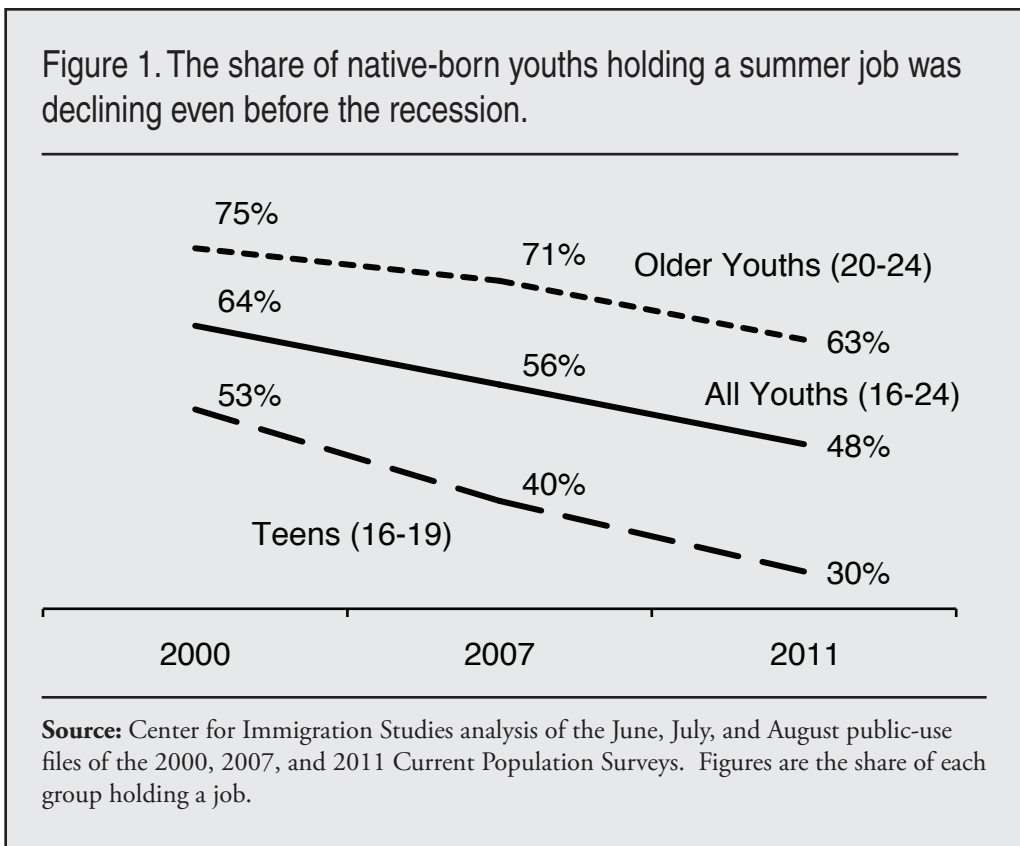


Figure 3 reports the decline in work for non-Hispanic whites, non-Hispanic blacks, and Hispanic youths. While white youths are much more likely to work in the summer than minority youths, all three groups show a similar decline in summer employment from 2000 to 2011.

Figure 4 show the decline in summer employment for youths enrolled in school and those not enrolled. Not surprisingly, those not enrolled are more likely to work than those enrolled. However, both groups have experienced a similar decline in work. Over the years there has been a significant increase in the share of youths who are enrolled in summer school. In 2000, 26.8 percent of U.S.-born youths were in summer school; by 2007 it was 37.6 percent and by 2011 it was 40.6 percent. Since those in school are less likely to work than those not enrolled, some of the decline in work might be due to the increase in enrollment.

The increase in the share of youths in school does not explain the overall trend of declining summer employment, however. It is possible to estimate the impact of the rise in summer school enrollment by assuming that the share of youths who are students has remained the same (26.8 percent), but the decline in work for students and non-students took place. This type of calculation shows that two-thirds of the decline in youth employment would have occurred from 2000 to 2007 even if there had been no increase in school enrollment. For the period 2007 to 2011, 91 percent of the decline still would have occurred even with the increase in enrollment. For the entire 2000 to 2011 period, 78 percent of the decline would have occurred. Thus the overwhelming majority of the decline in work would have occurred regardless of the increase in enrollment.

It is also worth noting that enrollment in school has never precluded students from working, at least part time. In fact, as recently as 2000 nearly half of U.S.-born youths enrolled in summer school also worked. Thus a rise in school attendance in the summer would not necessarily have to reduce work. Moreover, even if it did, the increase in summer school attendance does not explain any of the decline in work shown in Figure 4, in which students and non-students are considered separately. The bottom line is that young people are working less in the summer whether they are in school or not.

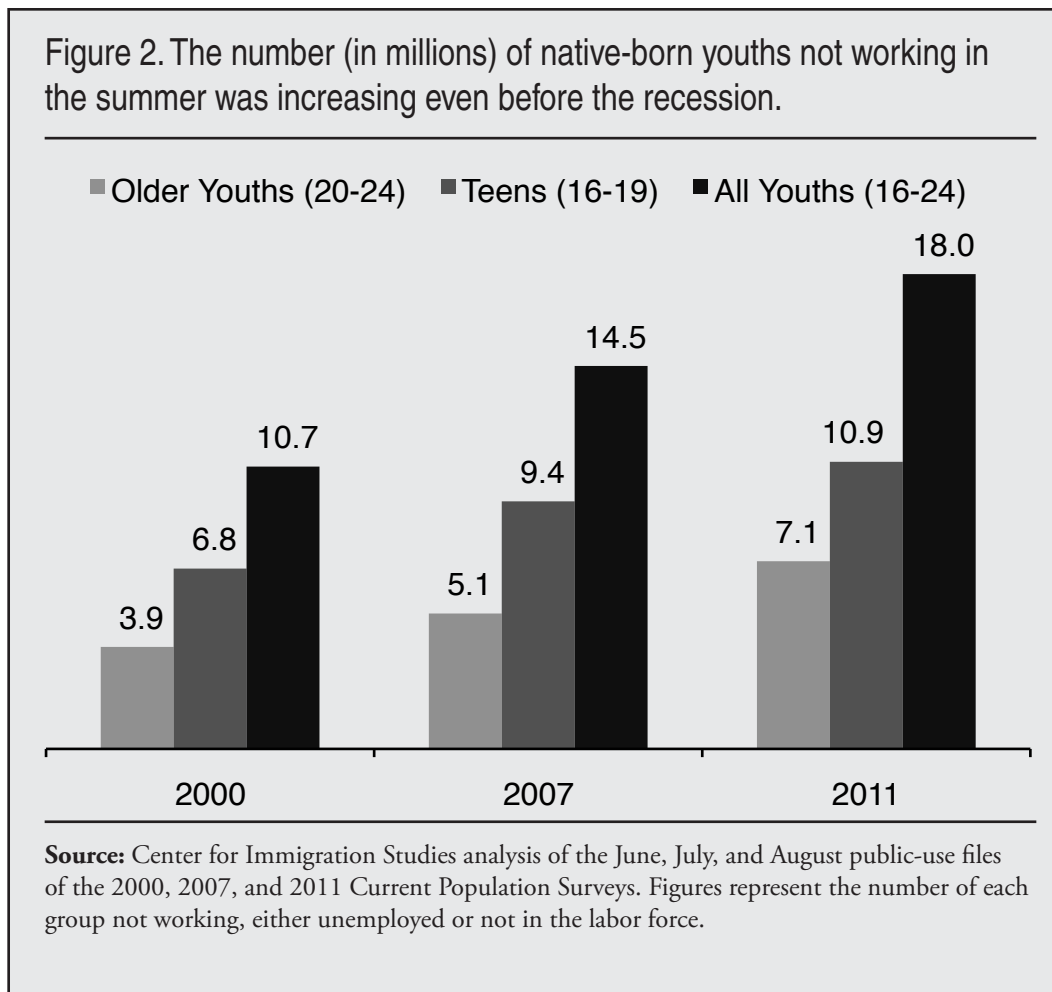


Figure 5 reports employment for different types of youths. The figure shows how broad the decline in work has been for young people. High school dropouts (ages 19 to 25), those with a bachelor’s degree (ages 21 to 24), and young teenagers (ages 16 and 17) all show a significant decline in summer work, even before the current recession. Young teens, high school dropouts, and college graduates are different populations, but they all show a similar decline.

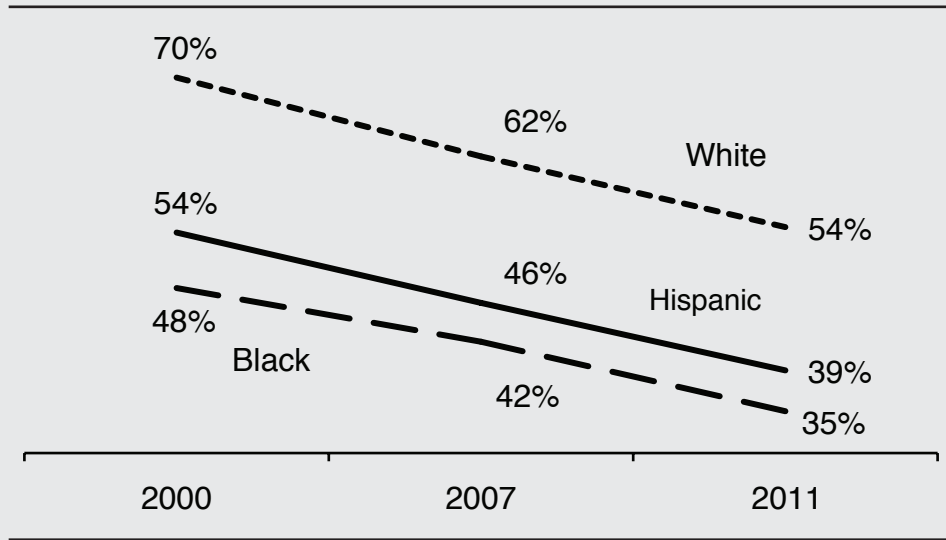
Tables 1 and 2 (available online at <http://www.cis.org/articles/2011/youth-employment.xlsx>) provide most of the numbers and percentages used in this report. The tables divide the youth population by age, race, education, and school enrollment. For those readers wanting more details, the tables can be used to make additional comparisons.

Why Teenage Employment Matters

The primary reason to be concerned about the decline in work among youths is the long-term negative consequences for the young people themselves and for society. Research shows that even after controlling for other factors, such as family background, those who work when they are young are more likely to be employed later in life. Those who work as youths also make more money and are employed in higher status occupations. The positive effects of work seem to last for many years.⁵ Working seems to shape young people in ways that make them much more competitive in the labor market.

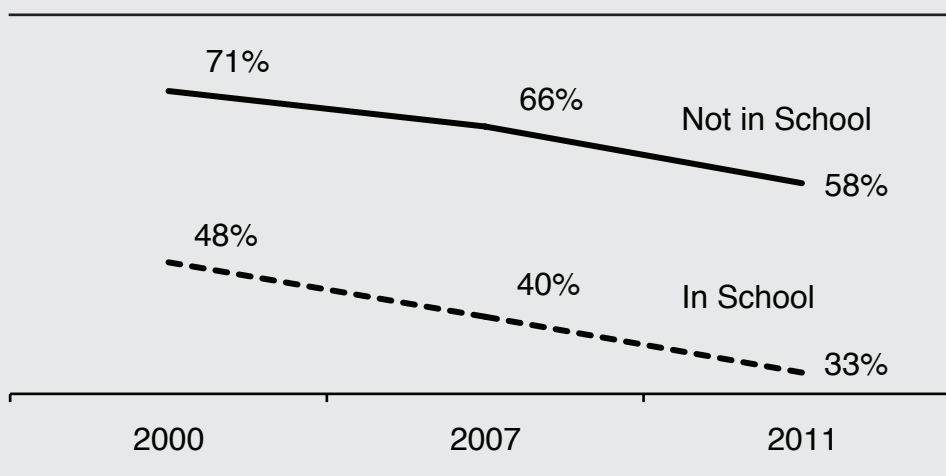
Holding a job instills the habits and values in teenagers during their formative years that are helpful in finding or retaining gainful employment later in life. This may include showing up on time, following a supervisor’s directions, completing tasks, dealing courteously with customers, and working hard. Learning good work habits and values

Figure 3. The share of native-born youths (16 to 24) holding summer jobs has declined for all major racial/ethnic groups.



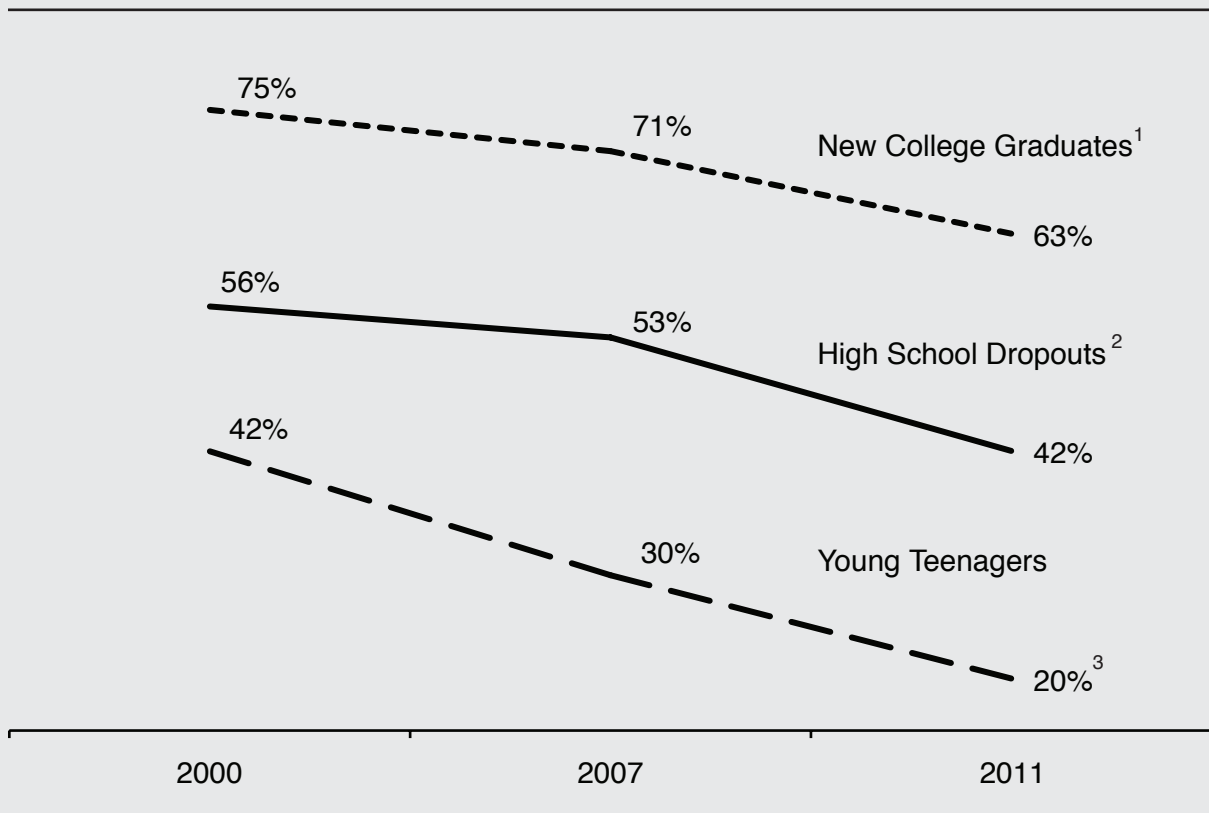
Source: Center for Immigration Studies analysis of the June, July, and August public-use files of the 2000, 2007, and 2011 Current Population Surveys. Figures are the share of each group holding a job.

Figure 4. The share of native-born youths (16 to 24) holding summer jobs has declined for both those in and out of school.



Source: Center for Immigration Studies analysis of the June, July, and August public-use files of the 2000, 2007, and 2011 Current Population Surveys. Figures are the share of each group holding a job.

Figure 5. The decline in youth summer employment is broad, affecting different types of young people.



Source: Center for Immigration Studies analysis of the June, July, and August public-use files of the 2000, 2007, and 2011 Current Population Surveys. Figures are the share of each group holding a job.

¹ Persons with at least a bachelor's degree ages 21 to 24.

² Persons ages 19 to 24 who have not completed high school and are not enrolled in school.

³ Persons ages 16 and 17.

seems to become much less likely without holding a job at a young age. Once a person who has little or no work experience reaches full adulthood, learning these skills seems to become more difficult.

Data and Methodology

The data for this study come primarily from the public-use files of the June, July, and August Current Population Surveys (CPS) collected monthly by the Census Bureau for the Bureau of Labor Statistics. Each month the CPS includes about 130,000 respondents, roughly half of whom are in the labor force. The CPS does not include persons in institutions, such as prisons and nursing homes. The government publishes employment statistics that are both seasonally adjusted and unadjusted from the survey. The figures in this report are unadjusted. There is little difference in the seasonally adjusted data compared to the seasonally unadjusted data when the same months are compared over different years as in done in this analysis. Not seasonally adjusting is computationally simpler and it makes it much easier for other researchers to replicate.

In this report we use the terms foreign-born and immigrant synonymously. The foreign-born are defined as persons living in the United States who were not U.S. citizens at birth. This includes naturalized American citizens, legal permanent residents (green card holders), illegal immigrants, and people on long-term temporary visas such as

students or guest workers. Prior research indicates that Census Bureau data like the CPS captures the overwhelming majority of both legal and illegal immigrants.⁶

Conclusion

The findings of this analysis indicate summer work among U.S.-born youths ages (16 to 24) has declined dramatically over the last decade. This decline pre-dates the current economic downturn. The decline in youth employment may not seem particularly worrisome to some. However, a large and growing body of research indicates that it is as young people that workers develop the skills and habits necessary to function in the labor market. Poor work habits and weak labor force attachment developed in youth can follow a person throughout life. Those who do not work in their youth earn less and work less often later in life than those who were employed when young. This is especially the case for those who do not go on to get more education after high school.

The decline in summer employment has impacted youths from every segment of society. The fall-off is similar for white, black, and Hispanic teens. It is similar for teens (16 to 19) and older youth (20 to 24). The decline has impacted high school dropouts and college graduates. The extremely broad nature of the decline has two important implications: First, it is clear that the decline was not due to youths from affluent families no longer working because their parents provide them with everything they need or want. Second, the broad nature of the decline makes it more likely that changes in the U.S. labor market rather than some change in the composition or characteristics of the young themselves has created this phenomenon.

Businesses have repeatedly argued that there are not enough seasonal workers. It is very difficult to reconcile the decline in youth employment with the contention that seasonal workers are not available. If seasonal workers are in short supply, as immigration advocates contend, the share of young people working should have increased significantly, not fallen dramatically. Perhaps the needs of seasonal employers have changed in some fundamental way that U.S.-born youths can no longer satisfy. But it is hard to see what changes have taken place since 2000 in the nature of seasonal food service, food preparation, cleaning, retail, construction, and other service sector jobs that traditionally have employed youths.

There is good evidence that immigration accounts for a significant share of the decline in youth summer employment. The decision to allow in large numbers of legal immigrants (temporary and permanent) and to tolerate large scale illegal immigration and turn away from employing U.S.-born youths may be seen as desirable by some businesses. However, this policy choice may have significant long-term consequences for American workers as they enter adulthood, especially those who do not go on to college. As non-work and idleness become more common for more young Americans, there may be significant negative consequences for society. The potential impact of continued large-scale immigration on teenagers is something that should be considered when formulating immigration policy in the future.

End Notes

¹ Between 1994 and 2008, an average of 914,000 green cards were issued each year. See Table 1 in *Yearbook of Immigration Statistics, 2008*, at http://www.dhs.gov/xlibrary/assets/statistics/yearbook/2008/ois_yb_2008.pdf. For estimates of the illegal immigrant population from 2000 to 2010, see Table 3 in the DHS publication: “Estimates of the Unauthorized Immigrant Population Residing in the United States: January 2010”, at http://www.dhs.gov/xlibrary/assets/statistics/publications/ois_ill_pe_2010.pdf.

² Responding to the demands of employer pressure groups, in 2005 Congress passed a temporary provision to allow returning H-2B workers to be exempt from the cap from March 2005 to September 2007, allowing the program to significantly exceed the cap originally placed on it.

³ Christopher Smith, “The Impact of Low-Skilled Immigration on the Youth Labor Market”, Finance and Economics Discussion Series, Federal Reserve Board, Washington, DC, 2010. Also see Sum, Harrington, and Khatiwada, “The Impact of New Immigrants on Young Native-Born Workers, 2000-2005”, Center for Immigration Studies, 2006, <http://cis.org/NewImmigrants-NativeBornWorkers>.

⁴ The Chamber’s position on immigration can be found in “Labor and Immigration Policy Positions and Activities 2011-2012”, at <http://www.uschamber.com/reports/labor-and-immigration-policy-positions-....> The policy positions of EWIC can be found at http://www.ewic.org//index.php?option=com_content&task=view&id=15&Itemid=52.

⁵ “The Projected Summer 2007 Job Outlook for the Nation’s Teens and the Implications of Summer Employment for Jobs for America’s Graduates’ Programs”, Jobs for America Graduates, Alexandria, Va., April 2007, p. 20, <http://www.skillscommission.org/wp-content/uploads/2010/05/Education-LaborMarketOutcomes.pdf>. For a more extensive review of many of the problems created by young people not working, see “Confronting the Youth Demographic Challenge: The Labor Market Prospects of At Risk Youth”, Sar Levitan Center for Social Policy Studies, Baltimore, 2000; Lauren M. Rich, “The Long-Run Impact of Teenage Work Experience: A Reexamination”, *The Review of Black Political Economy*, 25(2), pp. 11-36, 2006; T. Leventhal, J.A. Graber, and J. Brooks-Gunn, “Adolescent Transitions to Young Adulthood: Antecedents, Correlates, and Consequences of Adolescent Employment”, *Journal of Research on Adolescence*, 11(3), pp. 297-323, 2001; J.T. Mortimer, M. Vuolo, J. Staff, J., S. Wakefield, and W. Xie, “Tracing the Timing of ‘Career’ Acquisition in a Contemporary Youth Cohort”, *Work and Occupations*, 35(1), pp. 44-84, 2008; R. Carr, J.D. Wright, and C.J. Brody, “Effects of High School Work Experience a Decade Later: Evidence from the National Longitudinal Survey”, *Sociology of Education*, 69(1), pp. 66-81, 1996.

⁶ The Department of Homeland Security (DHS) Office of Immigration Statistics estimates that the undercount in Census Bureau data for immigrants is about 5.5 percent. Most of this undercount is of the illegal immigrant population. The undercount of illegal immigrants specifically is thought by DHS to be 10 percent. See Table 2 in “Estimates of the Unauthorized Immigrant Population Residing in the United States: January 2010”, at http://www.dhs.gov/xlibrary/assets/statistics/publications/ois_ill_pe_2010.pdf. DHS estimates use the American Community Survey, which like the Current Population Survey used in this report, is collected by the Census Bureau. The data in both cases are weighted in a similar fashion so the results are similar.