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

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Who We Are

The Division of Consumer and Community Affairs (DCCA) ensures that the voices and concerns of consumers and communities are represented at the Central Bank of the United States.

The Community Development function promotes economic growth and financial stability for low- and moderate-income communities and individuals through a range of activities, including convening stakeholders, conducting and sharing research, and identifying emerging issues.
Survey Methods

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

Survey was fielded in December 2013.

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

Total of 2,097 respondents.
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.
Why Survey Young Adults?

20-year trend of high unemployment and low participation

Note: shaded areas denote recession. Source: Bureau of Labor Statistics. EPI, see http://www.epi.org/publication/bp258/.
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Source: Author’s analysis of Bureau of Labor Statistics data. EPI, see http://www.epi.org/publication/bp258/.
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Research Questions

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?
TOP TAKEAWAYS

63% of high school students said they received information about jobs and careers

42% of workers have a job that is closely related to their field of study

37% have the education needed for the type of job they would like to hold in the next five years
More Students Need Information on Careers and Jobs

About a third of students don’t receive helpful information in school.

During high school or college, did you receive information about jobs and careers?

- High School: 63% Yes, 36% No or don't know
- College: 66% Yes, 32% No or don't know
Education Increases Likelihood of Working in Field of Study

Percent of respondents working in field of study

<table>
<thead>
<tr>
<th>Education Level</th>
<th>Percent Working in Field of Study</th>
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</thead>
<tbody>
<tr>
<td>Less than high school</td>
<td>9%</td>
</tr>
<tr>
<td>High school diploma or equivalent GED</td>
<td>26%</td>
</tr>
<tr>
<td>Some college, no degree</td>
<td>29%</td>
</tr>
<tr>
<td>Associate degree</td>
<td>51%</td>
</tr>
<tr>
<td>Bachelor’s degree</td>
<td>67%</td>
</tr>
<tr>
<td>Master’s, Professional, or Doctorate degree</td>
<td>84%</td>
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</tbody>
</table>
A Post-secondary Degree Is More Likely to Lead to a Career

Do you consider your main job to be a career, a stepping stone to a career, or just a job to get you by?

Post-secondary degree

- Career: 38%
- Stepping stone to a career: 23%
- Just a job: 37%

No post-secondary degree

- Career: 48%
- Stepping stone to a career: 15%
- Just a job: 34%
More Students Are Getting Degrees

Students are responding to the demand for post-secondary education

CONNECTING EDUCATION AND THE LABOR MARKET

Full-time students, n=475; part-time students, n=170.
Educational Attainment Differs Across Race/Ethnicity
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Current Enrollment of Respondents with "Some College, No Degree"

- **White**: 43% Enrolled full-time, 10% Enrolled part-time
- **Black**: 26% Enrolled full-time, 10% Enrolled part-time
- **Hispanic**: 24% Enrolled full-time, 13% Enrolled part-time
Finances Keep Students from Additional Education

Please indicate whether each of following reasons describes why you are not enrolled in additional education or training:

- Don't want to borrow money/can't afford: 70%
- Concerned I will not land a job: 67%
- Schedule does not work: 34%
- Don't know where to enroll: 26%
- Concerned program will be too challenging: 19%
- Program not offered locally: 19%
- Don't meet requirements: 16%
TOP TAKEAWAYS

Upward Mobility

28% of working respondents of people without a post-secondary degree said they are overqualified for their current job.

48% say they have "just a job," not a career.

54% of full-time workers had a promotion in the last year, compared to 38% of part-time workers.
Full-time Workers Have More Upward Mobility

- Full-time workers: 54% opportunity for advancement, 55% promotion in the past year
- Part-time workers: 31% opportunity for advancement, 38% promotion in the past year
Many Workers Feel Overqualified

How qualified would you describe yourself for performing the tasks required of your main job?

- 28% Overqualified
- 62% Adequately qualified
- 8% In need of additional training
Early Work Experience Leads to Upward Mobility

- Worked while attending High School
  - White
  - Black
  - Hispanic

- Worked while attending College
  - White
  - Black
  - Hispanic
Young Workers’ Outlook

TOP TAKEAWAYS

69% of young workers prefer steady employment to higher pay

45% of young workers are optimistic about their job futures

19% believe that the costs of education outweigh the benefits
Student Views on the Benefit of Education Vary

How would you say the lifetime financial benefits of your most recent educational program compare to the financial costs of this education?

- Costs outweigh benefits: 19%
- Benefits and costs about the same: 15%
- Benefits outweigh costs: 44%
Young Workers Value Job Stability

Young workers prefer steady employment to higher pay

- 69% prefer steady employment
- 31% prefer higher pay
Young Workers Are Generally Optimistic About Job Future

Would you say your expectations about future job opportunities are:

- Optimistic: 45%
- Pessimistic: 21%
- Not sure: 34%
Moving Forward

Need to identify meaningful ways to help young people connect to job information and networks.

Need to provide information that aids young people in selecting appropriate education and training to meet their goals.

Need to aid young adults adjust to a changing labor market.

2015 Survey of young workers will be conducted this year.