

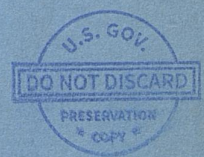
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DISADVANTAGED YOUTH on the LABOR MARKET



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DISADVANTAGED YOUTH ON THE LABOR MARKET

by

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Washington

1940

This report has been prepared at the request of the American Youth Commission of the American Council on Education for use in its forthcoming report on problems of youth employment and unemployment. Further and more comprehensive reports based on the Survey of Youth in the Labor Market are in preparation in the Division of Research of the Work Projects Administration.

DISADVANTAGED YOUTH ON THE LABOR MARKET

The young and the old worker are much more subject to unemployment than is the worker of middle years. This selective feature of unemployment has become almost axiomatic. The young worker is handicapped by his lack of experience; while the old worker finds that experience does not always offset his handicap of advancing age. In addition to age, there are other selective factors such as occupation, color, and sex, that come into operation when there are more job seekers than jobs.

A highly important outcome of these selective processes, when long continued, is the segregation of one group of unemployed by reason of the fact that they are passed over again and again when jobs are filled. The duration of their unemployment increases, and the likelihood of their finding work decreases, with the passage of time.

This segregated group is frequently referred to as the "hard core" of unemployment. The aptness of this designation needs no discussion; its accuracy does. More or less by default, it has become a synonym for "long-time" unemployed. But the two terms are not so readily interchangeable. It is generally true that the "hard core" unemployed are to be found among the long-time unemployed; but the long-time unemployed are not necessarily "hard core". More than long duration of unemployment is involved in the overtones of meaning surrounding the term; there is a clear implication of worker deterioration and demoralization, both as cause and effect. Furthermore, the probability of continued unemployment, at least as long

as general employment conditions remain unchanged, is understood in this term, but it is not necessarily true of all the long-time unemployed.

The dangers inherent in this confusion of terms are nowhere more apparent than among new workers. Each year somewhere in the neighborhood of two million youth enter the labor market for the first time. Their "exposure" to unemployment begins with their entrance. Not until their labor market participation had lengthened into years would it be possible to distinguish a "hard core" among them. By that time they would no longer be new workers.

Leaving aside, then, the question of "hard core," the fact remains that among the new worker group some youth have much more difficulty than others in finding employment. This disadvantaged group can be identified by the high amount of unemployment they have experienced in relationship to the length of time that they have been in the labor market.

The fact that such a group exists tells nothing about their characteristics in comparison with new workers who apparently find little difficulty getting started in productive activity. It is the purpose of this report, therefore, to inquire into the characteristics of the disadvantaged new worker, that is, the relatively long-time unemployed.

Source of Information. In the summer and fall of 1938 in seven widely scattered cities 1/ more than 30,000 youth whose names had been selected at random from lists of eighth grade graduates of 1929, 1931,

1/ Binghamton, New York; Birmingham, Alabama; Denver, Colorado; Duluth, Minnesota; St. Louis, Missouri; San Francisco, California; and Seattle, Washington.

and 1933, were interviewed in a survey conducted by the WPA Division of Research. In July 1938 the average ages of the youth in these three classes were approximately 23 years, 21 years, and 19 years, respectively.

Employment and Unemployment. A large majority of the youth from each of the three eighth grade classes were in the labor market on July 1, 1938, the last date included in the survey: almost 21,000 of the 30,000 youth interviewed either held jobs or were making active efforts to find work on that date. All degrees of labor market participation were represented - from those older individuals who had set out to find work as soon as they completed the eighth grade in 1929 to those youth of all ages who had remained in school and had not joined the labor supply until as late as June 1938.

About 4,000, or 19 percent, of these 21,000 urban youth were unemployed on July 1, 1938. Most of the 4,000 without private employment were making an active search for work; a few had jobs from which they were temporarily laid off.

But the fact that they were unemployed on this one date does not mean that all of these youth are to be included in what, for want of a better term, will be called the "disadvantaged" group. Some who had just recently entered the labor market, for example, had scarcely had a chance to look for work. Others had fairly long records of employment behind them and could hardly be considered disadvantaged by reason of unemployment at the moment.

Nor should all the youth who were employed on this one date be assumed to be without disadvantages. Some who happened to be at

work on July 1 had been unemployed throughout most of their labor market lives - they had found occasional jobs but had never found steady employment. Others after unusually long periods of seeking work had only recently found the jobs on which they were employed. Although they were working at the moment, they had clearly been at a disadvantage in finding that work.

Youth who had spent several months or years in the labor market most of the time without work had shown themselves to be at a disadvantage. Whatever their employment status on a given date may have been, they had had a disproportionate share of unemployment over a long period.

Disadvantaged Youth. To make certain that only youth who were truly disadvantaged would be included in the "disadvantaged group" this strict definition was adopted: The "disadvantaged group" is made up of those young workers who by July 1938 had been unemployed at least 50 percent of their total time in the labor market and who in addition had a minimum amount of unemployment of 12 months.^{2/}

This definition includes some youth who got their first jobs immediately on entering the labor market but who had later been unemployed for a considerable period as well as some who never had found a job at all. It includes young workers who had steady employment on July 1, 1938 but who had earlier been unemployed for long

^{2/} This means of course that one year in the labor market was also a minimum requirement. Actually, most of the youth included had more than one year's labor market status. The one year minimum of unemployment was adopted to exclude youth who had been unemployed 50 percent or more of their time but who had been in the labor market too short a time for the percentage to be significant.

periods; and it includes youth who had been employed off and on since they left school but who had never found steady work. The strictness of the definition insures that only youth who for one reason or another had had markedly less than average success in finding employment were included.

Under this definition 2,096 youth were included in the disadvantaged group making up approximately 10 percent of the 20,947 youth who were in the labor market at the end of the survey in these seven cities. This proportion of 10 disadvantaged youth in every 100 youth in the labor market may be kept in mind as a reference point in many comparisons that follow in this report.

The extent of the handicaps of the disadvantaged group may be seen in the amount of time they had spent in the labor market:

<u>Among disadvantaged youth who were members of the:</u>	<u>The average (mean) time spent in the labor market by July 1, 1938, was:</u>
Oldest class (1929)	64 months
Middle class (1931)	47 months
Youngest class (1933)	33 months

One of every four disadvantaged youth in the three classes combined had been in the labor market 5 years or longer. As all these youth had been without work at least half of the time, the unpropitious beginnings of their labor market careers are clearly evident.

Types of Disadvantage. About 18 percent of the youth in the disadvantaged group had never had a job involving as much as 30 hours

work in one week. Yet, these young people had spent many months in the labor market. The ones who were members of the 1933 class had been in the labor market on the average 23 months; those of the 1931 class, 41 months; and those of the 1929 class, 48 months.

About 36 percent of the disadvantaged group had worked at full-time jobs but not until they had spent more than a year in search of work. The remaining 46 percent had found full-time jobs within their first year in the labor market but their total periods of unemployment amounted to at least a year and outweighed their periods of employment.

City Variations. The disadvantaged group came from all parts of the youth population included in the survey, but it drew more heavily from some parts of the population than from others. For example, there were considerable differences in the proportions of disadvantaged youth in the seven cities:

<u>Of every 100 youth in the labor market on July 1, 1938, in:</u>	<u>The disadvantaged group included:</u>
Denver, Colorado	7
Binghamton, New York	7
Seattle, Washington	8
San Francisco, California	9
St. Louis, Missouri	12
Duluth, Minnesota	12
Birmingham, Alabama	14

In part, this variation among the cities is attributable to differences in the economic activity of their principal industries. In Birmingham, a city largely dependent upon the iron and steel industry, the mills were operating at only half capacity as late as the summer of 1938, when the survey ended. In Binghamton, where the manufacture of shoes is the leading activity, practically all the

factories were operating.

In none of these seven cities were youth so hard hit by unemployment as were those in a truly depressed coal mining area in southern Illinois reported in another survey.^{3/} There, even during the winter months of peak activity in 1938-39, it was found that 58 percent of all workers under 25 years of age were unemployed. To emphasize the seriousness of their position, it was shown that 38 percent of all the young workers in these coal towns had never held a job in private employment. In comparison with such an extreme situation the results from the seven youth survey cities provide a range in local conditions from fairly good to moderately poor.

Age as a Factor. In the seven cities the members of the class that completed the eighth grade in 1929 had a lower representation of disadvantaged youth than those of the other two classes. In effect this means that the class whose members averaged 23 years of age in July 1938 included fewer disadvantaged youth than the class averaging 21 years of age or the class averaging 19 years of age.

<u>Of every 100 youth in the labor market on July 1, 1938, who were members of the:</u>	<u>The disadvantaged group included:</u>
Oldest class (1929)	8
Middle class (1931)	11
Youngest class (1933)	11

Two reasons may be advanced for the better showing of the 1929 class. First, a larger proportion of them than of the later

^{3/} Webb, John N., Unemployment in a Depressed Coal-Mining Area, Monthly Labor Review, Bureau of Labor Statistics, U. S. Department of Labor, December 1939.

classes entered the labor market before the full effects of the depression were felt, and therefore had an advantage in establishing themselves in the labor force. Second, and of more importance, members of the 1929 class, having an average age of about 23 years, were entering the period of their most productive years. Other things being equal, workers in the age range beginning at about this point and continuing upwards to 35 years are the cream of the labor supply and have the lowest incidence of unemployment.

Sex and Color. Not much difference is observable between the proportions of young men and young women who were in the disadvantaged group.

<u>Of every 100 youth in the labor market on July 1, 1938, who were:</u>	<u>The disadvantaged group included:</u>
Males	9
Females	11

Within cities there were other factors contributing to disadvantage that were more serious even than the differences between cities. Color was the most important of all factors in its effect on the relative proportions of disadvantaged youth. In two cities, Birmingham and St. Louis, there were sizeable Negro populations. In these two cities Negro youth bore a disproportionate share of the types of unemployment that identified the disadvantaged.

<u>Of every 100 youth in the labor market on July 1, 1938, who were:</u>	<u>The disadvantaged group included:</u>
Birmingham white youth	11
Birmingham Negro youth	21
St. Louis white youth	10
St. Louis Negro youth	31

Twice as high a proportion of Negro youth as of white youth in Birmingham were in the disadvantaged group, while in St. Louis the proportion was three times as high among the Negro youth.

Economic Level of Family. Another factor beyond the youth's control but one that is clearly related to his chances of finding steady work is the occupational level of his father. Each youth in the survey was asked the occupation at which his father worked longest during the 10 years preceding the interview. Even when generous allowances are made for rough classifications required in condensing this information, there can be no doubt that disadvantaged youth come much more frequently from families at the lower than at the upper economic levels.

Of every 100 youth in the labor market on July 1, 1938, whose fathers were:

The disadvantaged group included:

White collar workers	7
Skilled workers	10
Semiskilled workers	11
Unskilled workers	16

So pronounced is this relationship between economic level and disadvantage that it persists even when important contributory factors such as race are eliminated. Thus, the differences in proportions of disadvantaged youth according to occupations of their fathers follow the same general order as that shown above when white and Negro youth are examined separately.

An incidental disclosure of this inquiry into the usual occupation of the father was the fact that about one out of every

11 youth had lost his father by death, divorce, or other reasons before leaving grade school. The question immediately arose as to whether this loss tended to impose a special handicap on the youth's later adjustment to gainful activity. From the evidence available this was not the case, since only 11 out of every 100 youth who had lost their fathers were included among the disadvantaged as defined in this study, a proportion only slightly higher than the proportion for all youth.

Home Location. The section of the city in which a youth lives is largely, but not entirely, determined by his race and by the occupation and the income of his father. Even disregarding the first two of these relationships, it is not surprising to find that low rental areas furnished higher proportions of disadvantaged youth than did medium or high rental areas. ^{2/}

<u>Of every 100 youth in the labor Market on July 1, 1938, from:</u>	<u>The disadvantaged group included:</u>
High rental areas	7
Medium rental areas	10
Low rental areas	13

Education. Another factor in the relative proportions of disadvantaged youth is their educational attainments. It would seem that the youth himself is not entirely responsible for the amount of education he acquires; some differences in educational achievements can be traced to each of the other background factors already mentioned. The average education of youth in some of the seven cities was higher than in others. About the same proportions of girls and boys completed high school, but more of the boys went on to college. White youth

^{2/} Home addresses during the time when the youth were attending the eighth grade were classified by average rental values in the vicinity. The youth were then divided into three grades so that high rental areas included about a fourth of them, medium rental areas about a half, and low rental areas the remaining fourth.

received more education than Negro youth within the same city. Sons and daughters of white collar workers went further in school than did children of unskilled workers. Youth from high rental areas also continued further in school than did those from medium or low rental areas.

In any case, it appears that better education, in general, tends to reduce the proportion of disadvantaged youth. However, consideration should always be given to the possibility that youth who may have been more capable from an employment standpoint were also the ones who advanced furthest in school. In other words, they might have had less disadvantage even without the additional education.

In analysing the relationship of educational achievement to labor market handicaps, the factor of age must be held constant. This may be done by examining each of the three groups of eighth grade graduates separately.

Of every 100 members of the 1929 eighth grade class in the labor market on July 1, 1938, who had completed only the:

The disadvantaged group included:

8th grade	8
9th grade	10
10th grade	11
11th grade	11
12th grade	8
1st year of college	5
2nd year of college	6
3rd year of college	6
4th year of college	2

Among this oldest of the three classes included in the study youth with only eighth and ninth grade educations were less frequently found in the disadvantaged group than were those who left

school after completing the tenth or eleventh grade. In part, this is due to the fact that these youth left school in 1929 and 1930 before the labor surplus had reached the staggering proportions of the worst depression years. Members of the 1931 and 1933 eighth grade classes who went no further in school than the eighth and ninth grades felt the full effects of mounting unemployment and accordingly show more distinctly the relationship between education and unemployment.

Of every 100 members of the 1931 eighth grade class in the labor market on July 1, 1938, who had completed only the:

The disadvantaged group included:

8th grade	15
9th grade	15
10th grade	14
11th grade	12
12th grade	9
1st year of college	5
2nd year of college	3

And:

Of every 100 members of the 1933 eighth grade class in the labor market on July 1, 1938, who had completed only the:

The disadvantaged group included:

8th grade	20
9th grade	22
10th grade	18
11th grade	14
12th grade	6

A further word of caution in interpreting these figures: -

In all three classes the low proportions of disadvantaged youth among those with the highest educations may be understatements.

The definition of disadvantaged youth includes a minimum unemployment duration of 12 months, which may be longer than some youth with the

better educations had been in the labor market. In other words, some of the better educated youth may not have been in the market long enough for any disadvantages to demonstrate themselves under the terms of the definition used here.

Eighth Grade Age. The proportion of disadvantaged youth is also related to the youth's age when he completed the eighth grade. Most youth enter school at the age of six years and complete the eighth grade at an age of 14 years. If 14 years, then, is taken as the normal age at eighth grade graduation, those youth who completed the eighth grade when only 12 years of age were advanced students while those who completed the eighth grade after their sixteenth birthdays were retarded students. School advancement and retardation show marked relationships to the proportion of disadvantaged youth.

<u>Of every 100 youth in the labor market on July 1, 1938, who completed the eighth grade at the age of:</u>	<u>The disadvantaged group included:</u>
12 years or under	7
13 years	8
14 years	9
15 years	13
16 years or over	16

Disadvantage a Composite Result. A number of factors have now been pointed out, all of which seem to have some bearing on the chance of youth's being at a disadvantage in finding steady employment. None of the favorable background factors that have been investigated insures freedom from unemployment; none of the unfavorable ones establishes the certainty of unemployment; but some appear more likely to result in long unemployment than others.

Youth against whom several unfavorable factors have conspired - local conditions, race, father's occupation, retardation in school - are much more likely to be long unemployed than are youth more favorably situated. When employment is so essential to all these youth it is unfortunate that some of them, apparently without fault of their own, face greater difficulties in securing steady full-time work than do others.

DIFFICULTIES IN FINDING JOBS

Despite their disadvantage, these youth were not complaining. Two out of every five youth in the disadvantaged group said that the only difficulties they had experienced in finding employment were those experienced by all youth who were trying to find work during this period. In this connection, they were asked not to report difficulties common to all youth, but only those they thought peculiar to themselves. Most surprisingly, 85 percent of the Negroes in the disadvantaged group said they had no special difficulties.

Inexperience. The most common difficulty the disadvantaged group said they had encountered was inexperience.

<u>Of every 100 youth in the disadvantaged group, this number:</u>	<u>Stated that the outstanding special difficulty encountered was</u>
31	Lack of experience
6	Lack of general training
5	Lack of specialized training
4	Lack of union membership
3	Insufficient education
2	Lack of "pull"
2	Physical defects
1	Too young
3	Other difficulties
43	No special difficulty

Youth takes the criticism of its inexperience very seriously. "How do they expect us to get experience if they won't give us work?" is a sentiment frequently expressed by the new worker. It may be conjectured, however, that when an employer cites a youth's inexperience as the reason for not hiring him he is sometimes using this stereotyped statement as a convenient alternative to the real reason for refusal.

Need of Training. About 14 percent of the disadvantaged group reported difficulties connected with insufficient preparation, some having found that they lacked training in particular skills, others that they needed more general training. It is interesting to note that youth themselves show no more unanimity of opinion in the debate on general versus specific training than do educators. Perhaps neither type of training should be made to suffer at the cost of the other.

Union Membership. One of the basic principles of trade unionism is the maintenance of a balance between qualified workers in the trade and job opportunities. When a surplus of workers threatens in any craft, steps are taken to limit new membership until the surplus is absorbed. It is scarcely surprising then that during a period of long continued surplus of workers in all lines of work, unions, particularly in the skilled crafts, should place restrictions on the admittance of new members. It is this situation that gives rise to the report by some youth that lack of union membership has been their principal difficulty in finding work. Although 4 percent

of all the disadvantaged youth in the seven cities reported this difficulty, the proportion was higher in such cities as Seattle and San Francisco than in cities like Birmingham, where the union movement was not so strong.

It should be noted here that progressive unions are keenly aware of the difficulties of youth who wish to join their craft. Much thought is being given to the problem of how to provide adequate protection for their membership without at the same time placing too great an obstacle in the way of new workers seeking affiliation.

Other Difficulties. The other difficulties were infrequent, but nonetheless real to those youth encountering them. "No pull" may be merely an excuse for personal failure or it may be an accurate statement backed up by real experiences. A physical defect is a handicap that requires no discussion. And finally, youth who are told they are too young are in much the same situation as those who are told they lack experience.

THE TOTAL GROUP

This report represents an attempt to isolate for study those youth hardest hit by unemployment. It has dealt only with the 10 percent of the youth who appeared at a distinct disadvantage in finding or in holding steady employment. These disadvantaged youth, while they were not so handicapped as some who might be found elsewhere, were far from being a representative cross-section of all youth in the seven survey cities. More comprehensive discussions of the larger group of youth will appear in forthcoming bulletins of the WPA Division of Research.

However, to avoid the impression that disadvantage was the unavoidable lot of all youth who graduated from school into the labor market during the depression years, brief reference will here be made to the total group of youth included in the survey. In the light of the experiences of all these youth, the disadvantaged group may be seen in clearer perspective.

Full-Time Employment. At the beginning of this report it was noted that the disadvantaged group included some youth who were employed at the end of the study (July 1, 1938), and it was argued that disadvantage could not be determined according to the situation obtaining at a particular point in time. As a matter of fact, taking all unemployed youth in the seven cities it was found that most of them had been employed at some time since leaving school. More than three-fourths of them had worked at full-time jobs of 30 or more hours a week. This gave no assurance that they would find other full-time jobs, but at least it did show that they had not been doomed to unemployment from the beginning.

Unemployment and Part-Time Employment. Only about 7 percent of all youth who were in the labor market on July 1, 1938 had never held a full-time job. It would have been a mistake to call all of these youth "disadvantaged" because some had not long been in the labor market and others had held, or were holding, part-time jobs. Only 4 percent of the youth in the market at the end of the survey had been there 12 months or more and had never held a full-time job; and about half of this small group had been employed in part-time

work a longer time than they had been unemployed.

Finding Full-Time Work. Full-time jobs did not come quickly to all the youth who had held them, although nine out of every ten had found their first full-time jobs within less than a year after they had begun searching for work:

<u>Of every 100 youth who had held full-time jobs this number:</u>	<u>Obtained their first full-time jobs in their:</u>
90	First year in the labor market
6	Second year in the labor market
3	Third year in the labor market
1	Fourth or later years in the labor market

The youth who did not find their first full-time jobs until their third year in the labor market could certainly be considered disadvantaged even though they may have been employed at the end of the survey. Yet, the very fact that they finally did obtain full-time employment urges caution in assuming that other youth long in finding work would never find it. For example, it would be unwise to say that those youth who at the end of the study had not found full-time work after more than two years' search would never find a full-time job, when in the same study twice as many youth previously in the same predicament finally had found jobs.

Unemployment Duration. Conversely, some youth who found their first jobs very soon after they entered the labor market were later unemployed for long periods. It will be recalled that 19 percent of the labor market youth were without work at the end of the study.

More than three-fourths of these had been unemployed less than a year:

<u>Of every 100 youth unemployed on July 1, 1933, this number:</u>	<u>Had been continuously unemployed for:</u>
21	Less than 1 month
29	1 month to 6 months
28	6 months to 1 year
13	1 year to 2 years
4	2 years to 3 years
3	3 years to 4 years
1	4 years to 5 years
1	5 years or more

Half of the unemployed youth had been without work less than six months. Such relatively short periods of unemployment by themselves certainly did not establish disadvantage. But other youth had been jobless for a matter of years: there can be little question that they were disadvantaged.

Summary. To avoid possible overemphasis placed on the disadvantaged group it has been shown that all but seven percent of the youth in the labor market at the end of the survey had held full-time jobs at some time since entering the labor market. Of every 10 youth who had worked full-time, nine obtained their jobs during the first year in the labor market. Of the youth who had not yet found full-time work, most had held part-time jobs or had not long been looking for work. Of every 10 youth in the market at the end of the survey, two were unemployed; but one of these had been unemployed less than 6 months.

If these statements concerning all youth in the study appear at all optimistic, it is for two reasons. In the first

place, they do not include youth who left school before the eighth grade. In the second place, the comparison is made with a disadvantaged group, whose condition throughout this period was much worse. A year without a single week of full-time work is a discouraging situation, particularly for new workers. Even 6 months of unemployment can be disastrous, while at the extreme, 5 or more years without work is tragic both to the individual and to the Nation. Too much work remains to be done to warrant such wastage of manpower.

It seems fair, then, to have talked about disadvantaged youth among the new labor supply. At the very outset of their labor market careers they ran into strong job competition heightened by the depression. With far more workers than jobs, some were certain to fail, and it was then that such selective factors as color, home location, social and economic level of their families, education, and their ages in comparison to their classmates came into full play. Whether these handicaps can be overcome remains to be seen; certainly their very existence as handicaps is a challenge to all who realize that tomorrow's workmen are being made or marred today.



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