The urgent need to prioritize young people in economic recovery

COVID-19 has drastically altered young people’s employment trajectories.
Young people have been disproportionately affected by the labor market disruptions caused by COVID-19, widening the longstanding disparities between youth and the rest of the labor force.

They were hit the hardest.
A month after the pandemic hit, the youth unemployment rate was a staggering 27%, compared to the overall unemployment rate of 13%.

The industries that typically employ them are struggling the most.
Before the onset of the pandemic, nearly a quarter of young people worked in hospitality and leisure—the industry that suffered the greatest job loss in 2020.

Recovery has not been even across race and gender.
Unemployment data show that white male workers have recovered more quickly than any other racial or gender group.

To better understand young people’s perspectives on their employment experiences during this challenging time, America’s Promise Alliance asked more than 3,500 people age 16-24 about the ways in which the COVID-19 pandemic and ongoing systemic inequities have been affecting their work lives.

Here is some of what we learned:

Young people are financially strained.

More than one-third of young people reported experiencing some form of financial hardship due to COVID.

- 40% I am barely surviving financially
- 39% I have a difficult time making ends meet
- 34% I do not have enough money for the bare essentials

Young people are emotionally drained.

More than half of young people assessed their mental health as “average” or below.

- 49% Very good or excellent
- 23% Poor or fair
- 29% Average

More than two-thirds reported experiencing a state of heightened stress at least half the time.

- 36% Never or rarely
- 34% Most of the time or always

SOURCE: Inanc, 2021
Young people are greatly concerned about how COVID-19 will impact their futures. Young people report worrying “a lot” or “a great amount” about:

- 50% Ability to pay the bills
- 46% Providing for self and family
- 41% Ability to pay for education and training
- 41% Losing current or future job
- 36% Industry will not recover

Young people who are unable to access consistent work before age 25 will earn 44% less over the course of their lives. Source: Belfield, Levin, & Rosen, 2012

COVID-19 has disproportionately affected the work experiences of young people of color. Latinx, Black, and Asian youth generally reported experiencing work-related disruptions as a direct result of COVID-19 at higher rates than their white counterparts.

- 40% STOPPED JOB SEARCH ALTOGETHER DUE TO COVID-19
- 35% Asian
- 32% Black
- 27% Latinx
- 27% White

**CHANGES TO JOB STATUS**

- 38% 36% 29% 27% Lost paid job (i.e. was fired, laid-off, dismissed)
- 27% 27% 24% 19% Had a job revoked
- 33% 29% 23% 14% Had to stop or close personal or family business

**CHANGES TO HOURS AND PAY**

- 42% 41% 37% 32% Received less pay than usual
- 32% 37% 37% 25% Left or reduced hours for family care responsibilities
- 43% 40% 39% 31% Left or reduced hours for own illness or fear of getting sick

• The **American Jobs Plan** proposed by President Biden represents a strong initial investment but must do more to prioritize young people. Congress should build on the subsidized employment program outlined in the American Jobs Plan to **go big for youth jobs** as well as **prioritize young people** for job training.

• The **Jobs for Economic Recovery Act** would create a permanent, national subsidized employment program focused on those who face barriers to employment. Congress should add a **focus on youth employment pathways**.

• The **Relaunching America’s Workforce Act** would support millions of workers who have lost their jobs or are under-employed due to COVID-19. Congress should utilize this opportunity to invest in workforce training programs to help workers improve their skills and transition into new jobs in high-demand industries.

• The **Connecting Youth to Jobs Act** prioritizes historically disadvantaged youth, addressing barriers to employment and creating living-wage employment opportunities. Congress should **include this legislation in its infrastructure package**.

• Wellbeing is an important precondition to being able to show up fully at work. The **Pursuing Equity in Mental Health Act** would provide supports for youth encountering mental health challenges, with a particular **focus on youth of color**. The Senate should advance this legislation to fund research, address barriers to accessing mental health services for youth of color, and position youth to thrive.

Many organizations, including the **American Youth Policy Forum**, the **Center for Law and Social Policy**, the **Forum for Youth Investment**, **Heartland Alliance**, the **National Network for Youth**, and the **National Youth Employment Coalition**, are working to advance proposals that will support economic recovery for young people. The proposals listed here can be advanced individually and/or folded into broader recovery efforts.