



2022 Youth Employment Report

Introduction

Washington's young people play a critical role in our state's long-term success. Our economic vitality, community health, and quality of life depend in large part on a strong and diverse workforce. The successes and failures of young people in the labor market will impact our state for decades to come.

The Legislature has tasked the Workforce Training and Education Coordinating Board to report on the state of youth employment every two years. This report explores the current challenges and opportunities related to youth employment in Washington. The agency's work on this issue is guided by our vision: Every Washington community is thriving, inclusive, and economically resilient.

The state and national perspective

This vision is challenged by three major issues facing our state and nation today.

The first is that there are nearly two jobs open for every unemployed worker in America, as reported by the U.S. Bureau of Labor Statistics. Employers sought to fill about 10.7 million jobs in September. Unfilled jobs limit the ability of businesses to expand and grow, and stifle personal and professional growth for workers.

The second issue is that a significant portion of our state's youth are disconnected from both jobs and education. In 2020 more than 13 percent of Washington youth ages 25-29 were neither working or in school, Census data shows. Eleven percent of youth ages 20-24 were disconnected from jobs and education, as were more than 5 percent of youth ages 16-19. This translates to thousands of unfilled jobs, empty classroom seats, and wasted potential. This disconnection between what our economy needs – and what our young people are doing – has already contributed to worker shortages in several critical industries. Governor Inslee, the Legislature, and leaders from business, labor, and education have brought much-needed attention to this challenge. Notably, these numbers are relatively consistent over the past decade.

Finally, the U.S. Surgeon General issued an advisory in December 2021 highlighting the mental health crisis among the nation's youth. Up to 20 percent of children ages 3-17 experienced mental health disorders leading up to the pandemic. The share of high school students reporting persistent sadness or hopelessness increased to more than 1 in 3 students from 2009-19. Disruptions from the pandemic added to these challenges, "...and most heavily affected those who were vulnerable to begin with," including youth with disabilities, racial and ethnic minorities, and youth in rural areas, among others, the advisory shows.

These challenges highlight the continued need to invest in effective youth employment policies and programs. And this report aims to clarify the latest available administrative data on Washington youth employment so policymakers can make informed decisions.



Key findings

In summary, our research shows that youth employment is recovering overall from the impact of the Covid-19 pandemic. However, this recovery does not apply to all demographic groups equally, and there is much room for improvement. Additionally, the rate of disconnected youth in Washington is increasing.

Additional findings include:

- While overall youth employment rates have returned to pre-pandemic levels, these rates fluctuated by race, ethnicity, and gender.
- Earnings recovered for older workers faster than for youth. Youth wages show gaps between racial and ethnic groups, although the gaps are less pronounced than for older workers. To raise the wages of youth they must be connected with high-demand industries, which usually call for a higher level of education. Youth workers are less likely than their older counterparts to have these credentials.
- Although high school graduation rates in Washington are near their highest point in a decade, the state still lags behind the national average.
- Washington has seen a shift away from two-year colleges over the last decade. During the pandemic Washington's community and technical colleges experienced an enrollment drop of more than 15 percent.
- The disconnected youth rate for those 20-24 -- youth who are not participating in the workforce or education -- dropped in 2019 and then saw a steep rise 2020 due to the pandemic. Youth aged 25-29 and 16-19 also saw increases.

A spotlight on two successful state initiatives

The good news is Washington lawmakers have embraced innovative strategies to create new opportunities for young people and support the long-term health of Washington's workforce. Two examples from many initiatives are highlighted below.

- The Career Connect Washington initiative has generated significant progress in just a few years. This program creates opportunities to help Washington students find work-based and academic opportunities that enable students to earn good wages and complete college level credit. Since its launch in 2019, officials with Career Connect Washington have created an online directory of learning opportunities and enrolled nearly 15,000 people in Career Launch opportunities, of which nearly 13,000 are registered apprenticeships. The program also includes more than 4,000 Career Launch completions, which "combine meaningful, supervised, paid, on-the-job experience with aligned academic instruction."
- The Washington College Grant program guarantees financial aid for all eligible students to attend college and registered apprenticeships. Washington is a national leader on supporting financial aid for student costs related to apprenticeships. Nearly 100,000 students benefitted from the College Grant



program in the 2020-21 school year. Continued support for innovative programs like this can help ensure Washington youth remain connected to trades and industries that continue to struggle to hire and retain enough qualified workers.

Moving forward

Youth employment will be a major focus of the state's next workforce development plan, Talent and Prosperity for All. This comprehensive report will be developed with extensive stakeholder input over the next two years. Public outreach and community connections with employers, workers, educators, and families are crucial strategies to learn what's necessary to improve youth employment outcomes in Washington.

Additional research will be posted to the agency's website as it becomes available, and readers are encouraged to learn more.

Thank you for your time and attention to support a thriving youth employment sector in Washington.



Washington Youth Employment

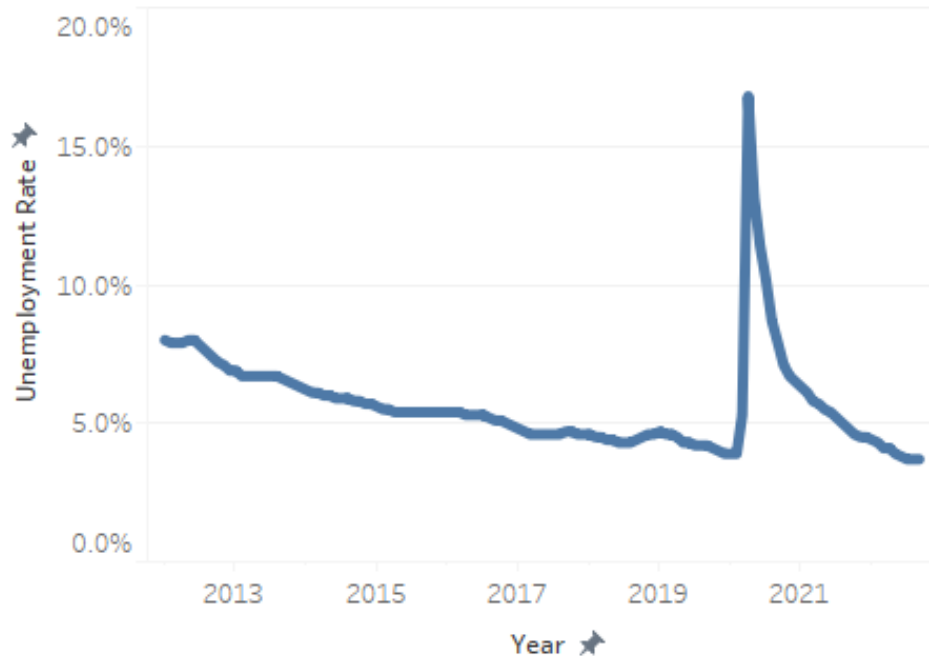
Unemployment rates

Washington's unemployment rate has decreased to less than 4 percent; lower than the months leading up to the start of the Covid-19 pandemic (March 2020.) The unemployment rate reached a peak of 16.8 percent in April 2020, and as of September 2022 it stands at 3.7 percent.

Youth between the ages of 16-24 have traditionally faced higher unemployment rates compared with older working-age adults. Economic downturns tend to reinforce this existing employment imbalance. The pandemic presented additional challenges for young Washingtonians as they disproportionately work in industries where remote work is not an option, shutting off traditional employment opportunities during the bulk of the pandemic.

The pandemic caused a drastic, rapid decline in youth employment, across the nation and here in Washington.¹ However, since then, national overall youth unemployment rates have returned to pre-pandemic levels.² However, 20 percent of youth (18-24) were without employment during the pandemic for a reason related to Covid-19 (either due to a Covid job loss, those who were sick with Covid-19, taking care of a family member with Covid-19, or concerned about getting Covid-19 at work), a higher percentage than other age groups.³ During 2021 youth unemployment trends fluctuated by race, ethnicity, and gender more so than the trends of older workers.⁴

Washington unemployment rate, 2012-2022



Source: U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics, 2022
Civilian laborforce, seasonally adjusted

¹ Inanc, H. (2020). Breaking Down the Numbers: What Does COVID-19 Mean for Youth Unemployment? *Mathematica Policy Research*.

² Assistant Secretary for Planning and Evaluation (ASPE), U.S. Department of Health and Human Services.

³ Assistant Secretary for Planning and Evaluation (ASPE), U.S. Department of Health and Human Services tabulations from PULSE survey covering the period from 12/9-12/21, 2020.

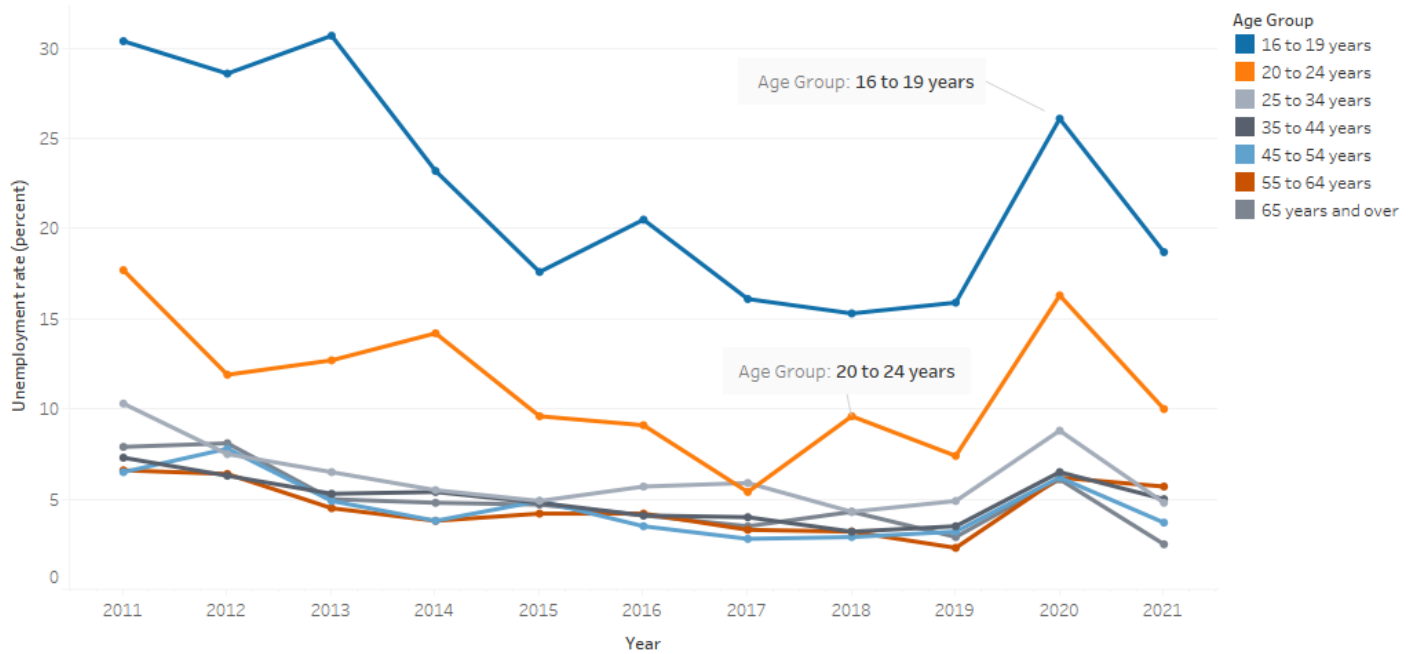
⁴ Inanc, H. (2022) Youth Unemployment in the Second Year of the COVID-19 Pandemic. *Mathematica Policy Research*.



Unemployment by age group

The following chart shows Washington's young people consistently experience higher unemployment rates than older age groups, and the fall and rise of the labor force in 2020 due to the pandemic.

Average annual unemployment rates in Washington by age group, 2011-2021



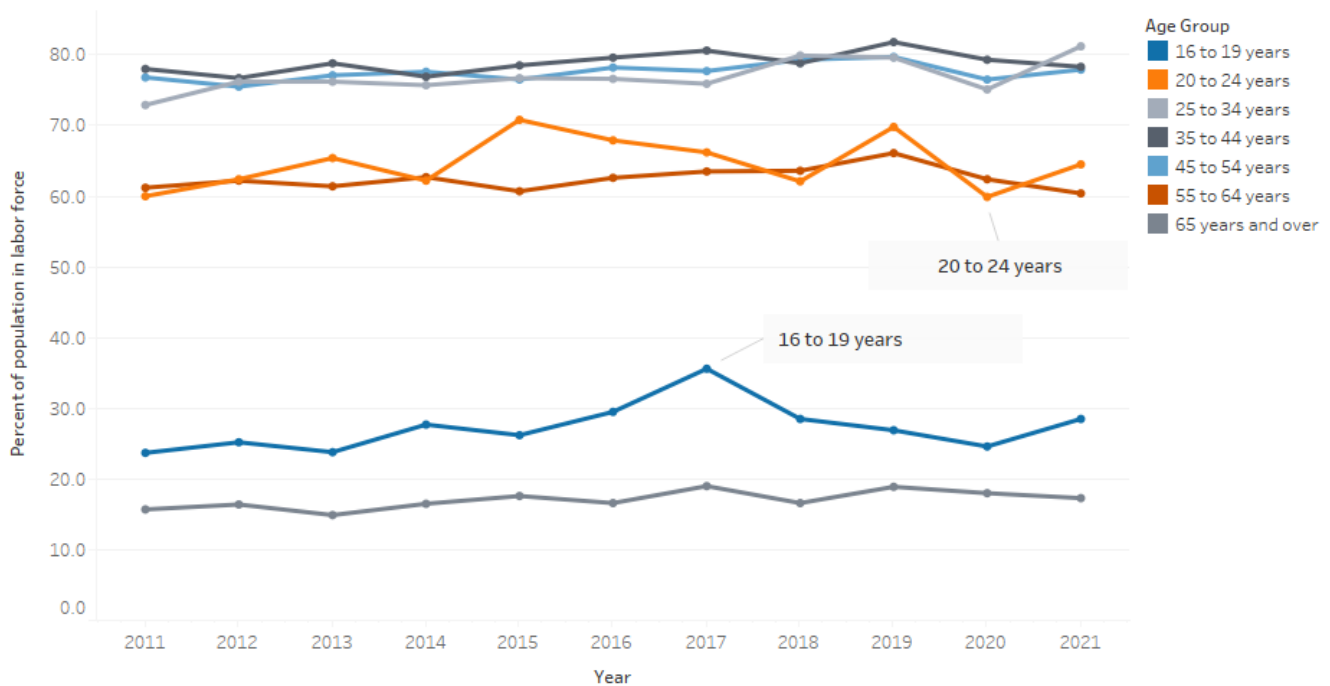
Source: U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics: Expanded State Employment Demographics, 2021



Labor force participation

The Covid-19 pandemic left thousands of Washington workers without jobs. As these workers reconnect with the labor force, there may be a strong incentive for youth to consider in-demand, higher-paying industries that lead to more secure economic futures. Programs geared to improving youth employment need to be oriented towards steering young Washingtonians toward these promising career paths. Failure to connect youth with these opportunities can result in an ongoing struggle to obtain livable wage jobs and maintain a solid income.⁵

Annual average labor force participation rates in Washington, by age group, 2011-2021



Source: U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics: Expanded State Employment Demographics, 2021.

⁵ Inanc, H. (2020). Breaking Down the Numbers: What Does COVID-19 Mean for Youth Unemployment? *Mathematica Policy Research*.
<https://www.mathematica.org/publications/breaking-down-the-numbers-what-does-covid-19-mean-for-youth-unemployment>

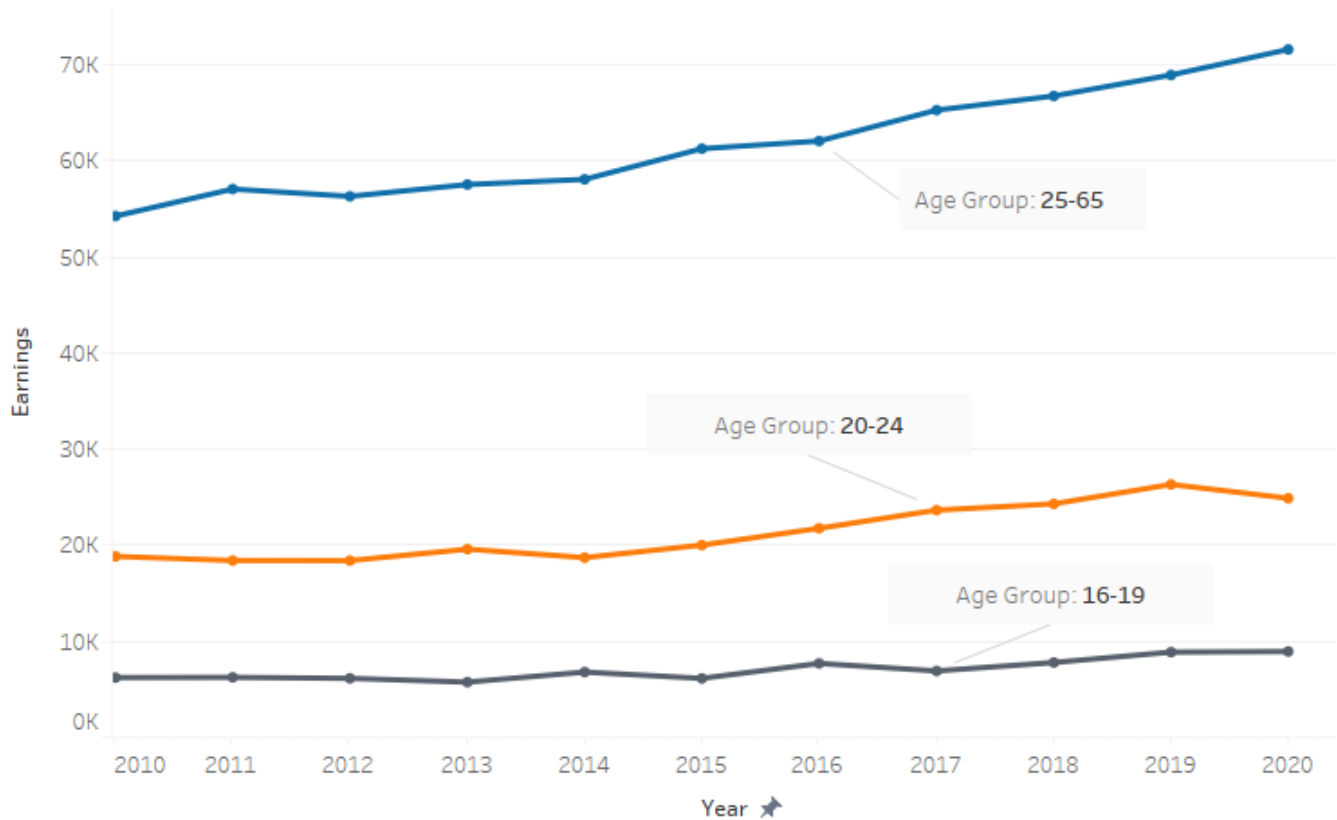


Earning power

The earning power of Washington workers is influenced by many factors—including education, experience, skill, and age.⁶ It isn't surprising that wage levels rise with age, since younger cohorts will likely be in school and working only part time. Youth often work within industries that include more entry-level jobs and pay less than a living-wage. Opportunities such as internships and registered apprenticeships can help youth move into viable and secure positions at earlier ages.

Average annual earnings by age group in Washington, 2010-2020

Inflation adjusted to 2021 dollars



Source: U.S. Census Bureau, 1-year American Community Survey. 2010-2020

⁶ Raurich, X., & Seegmuller, T. (2017). Income distribution by age group and productive bubbles [WP-Eco]. *UB Economics—Working Papers*, 2017, E17/367.

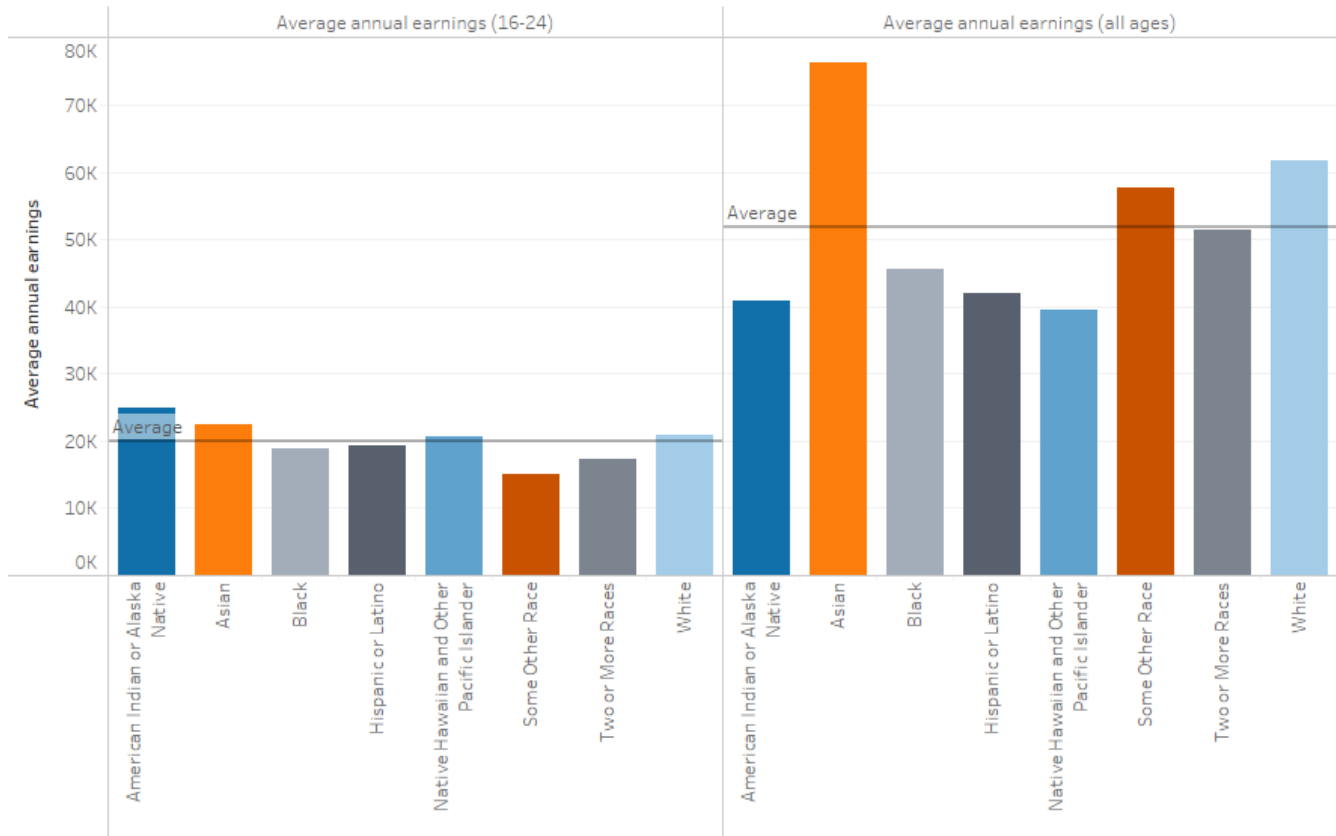


Earning gaps

Washington also faces earnings gaps between racial and ethnic groups, although these gaps are less pronounced for youth.

Average earnings by race and ethnicity in Washington

Inflation adjusted to 2021 dollars



Source U.S. Census Bureau, 5-year American Community Survey, 2020

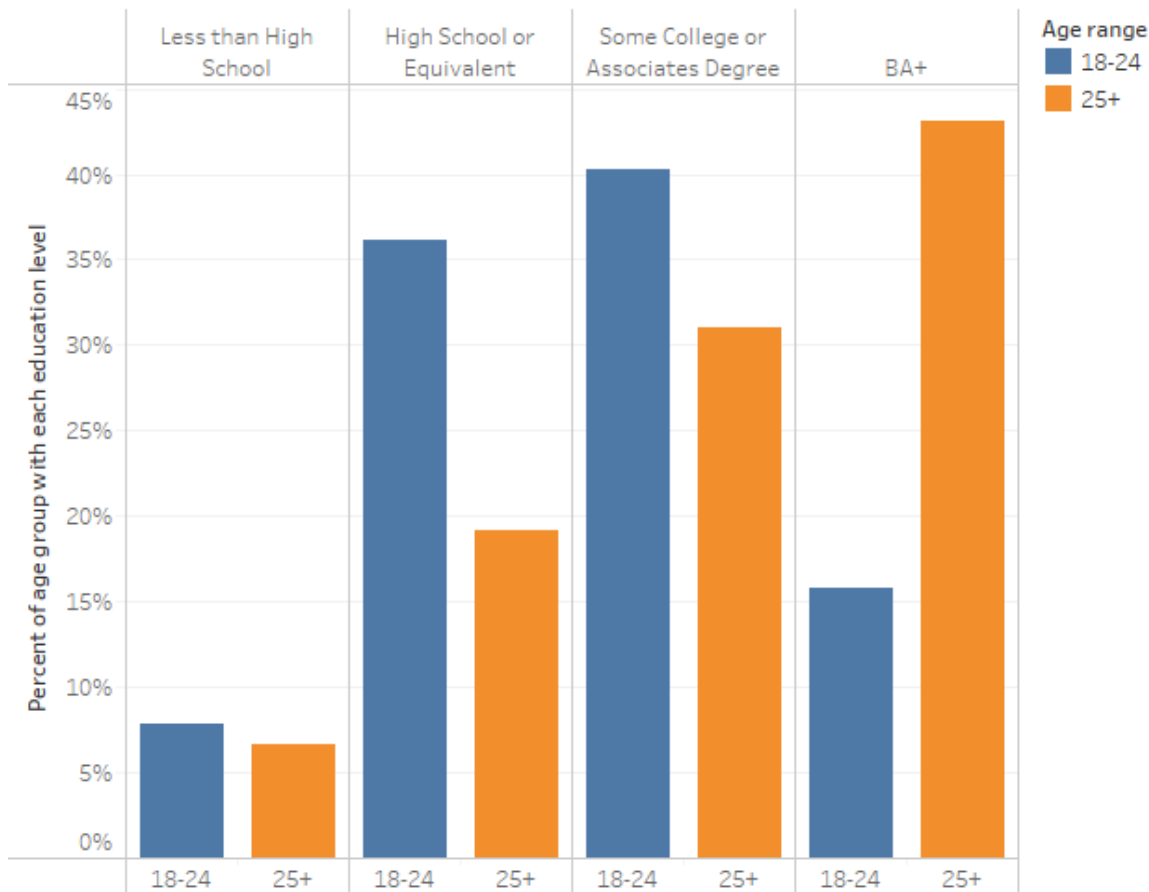
Young people from marginalized and under-represented races and backgrounds have tremendous assets to support Washington’s economy and its communities. But structural barriers, multi-generational poverty, and systemic disenfranchisement and disempowerment have resulted in numerous challenges to educational and economic success for these young people. Helping all of Washington’s youth overcome these challenges isn’t just the right thing to do; it’s the financially responsible thing to do. This work can boost economic vitality in every corner and population in the state.



Education

High-demand industries typically call for a higher level of education.⁷ Employers often prefer job candidates to have completed some form of higher education and training.⁸ A higher proportion of youth work in frontline, entry-level jobs in industries where the education level does not affect how much they are paid. Even so, most young people aged 18-24 have completed high school, and some have some college credits or associate degrees. However, relatively few have bachelor's degrees or higher-level degrees. Generally, those with more education have higher earnings.⁹

Highest education level of labor force by age group



Source: U.S. Census Bureau, 1-year American Community Survey, 2020

⁷ Khurtsia, L., & Gaprindashvili, G. (2018). Education as a Factor of Employment and Income. *Globalization And Business*.

⁸ Ross, M., & Holmes, N. (2019). Meet the millions of young adults who are out of work: local profiles of jobless young adults and strategies to connect them to employment.

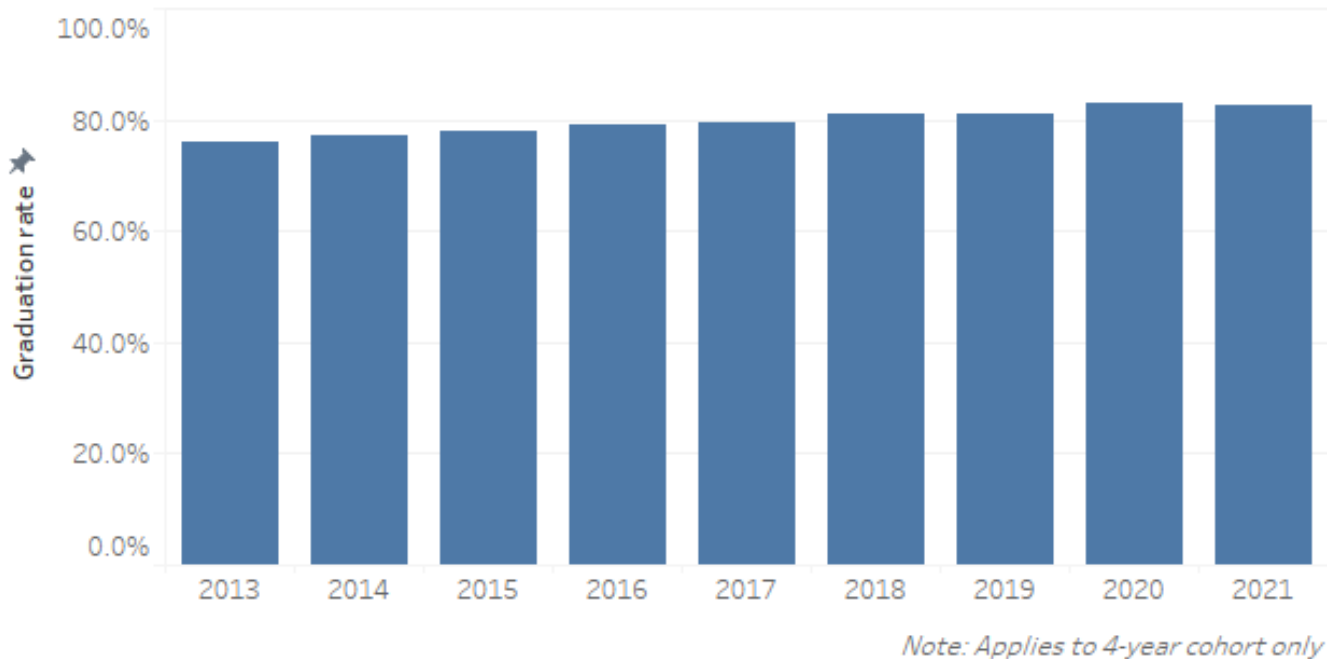
⁹ Employment Projections. 2022. *Unemployment Rates and Earnings by Educational Attainment*. <https://www.bls.gov/emp/chart-unemployment-earnings-education.htm>



High school graduation

High school graduation is the biggest challenge when it comes to employment opportunities. The graduation rate of youth in Washington public schools has increased over the last decade, with little difference between 2020 and 2021. The Washington graduation rate is 83 percent compared to the national graduation rate for public high school students, which was 86 percent in 2019.¹⁰

Public high school graduation rates in Washington, 2013-2021



Source: Office of Superintendent of Public Instruction/Washington State Report Card.

Washington is finding new ways to reconnect with out-of-school youth and attempting to keep youth from leaving school. The Office of Superintendent of Public Instruction (OSPI) created the Open Doors youth reengagement program in 2011, and by 2016 it was serving 93 school districts and over 8,000 students. Open Doors offers multiple pathways to demonstrate career and college readiness and helps students who are often unsuccessful in the traditional K-12 system. In 2021 ERDC evaluated the 2017 cohort of Open Doors students, their education, and workforce participation. The report looked at high school graduation rates and equivalencies, postsecondary outcomes, and employment. Overall, 41 percent of Open Doors students earned a high school diploma or an equivalent after 3 years and 53 percent of Open Doors students were employed at some point between 2017-2019.¹¹

¹⁰ National Center for Education Statistics. Public High School Graduation Rates. 2021.

<https://nces.ed.gov/programs/coe/indicator/coi/high-school-graduation-rates>

¹¹ ERDC. Outcomes of the Open Doors Youth Reengagement Program.

<https://erdc.wa.gov/publications/student-outcomes/outcomes-open-doors-youth-reengagement-program>

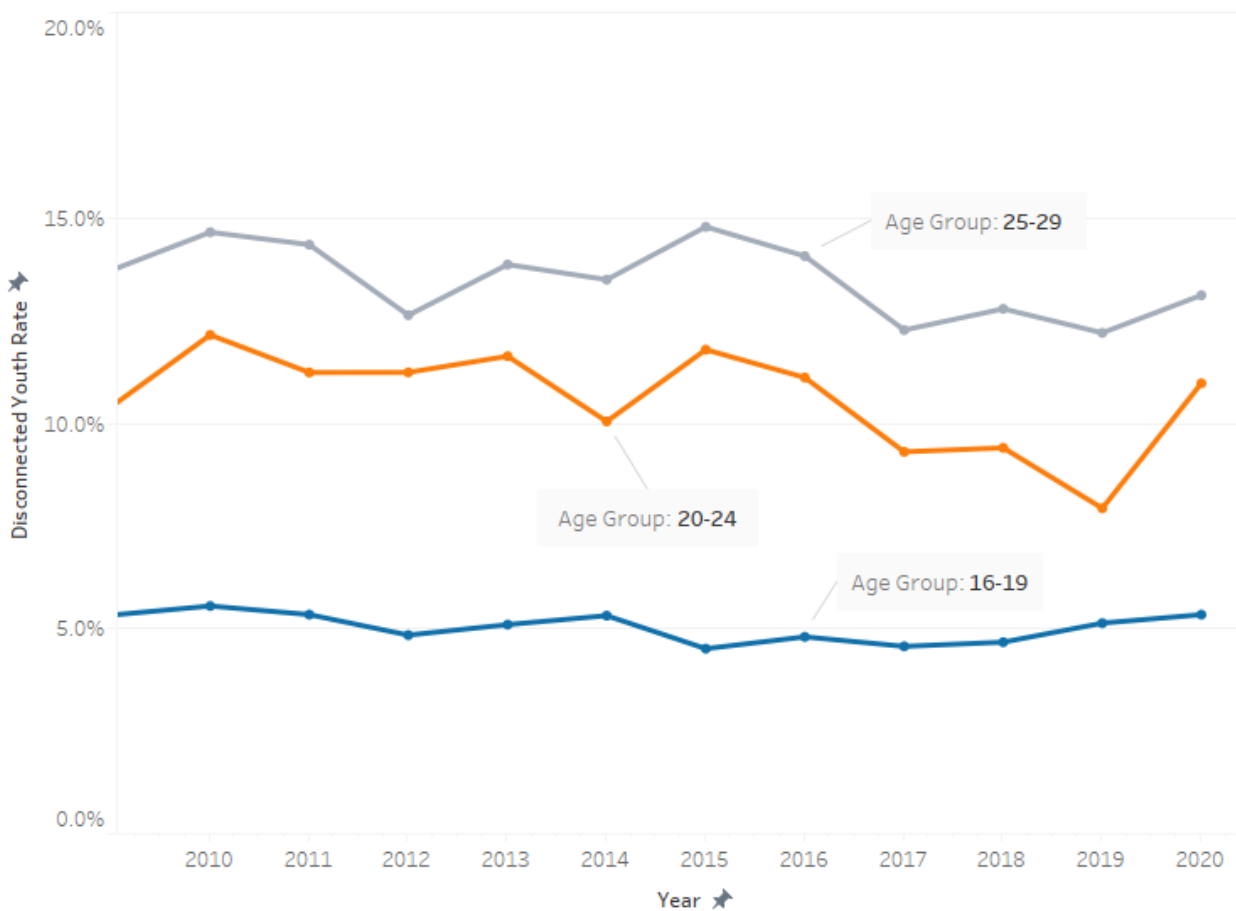


Disconnected youth in Washington

Disconnected youth are those between 16 and 29 years old who are not participating in the workforce or in school (high school or postsecondary). The Education Research and Data Center reported in 2021 that the rate of disconnected youth is higher for American Indian/Alaska Natives, Black, Hispanic, and Native Hawaiian and lower for Asian, Multiracial, and white youth.¹² Washington has struggled with reaching disconnected youth. Several programs have been developed to reach out to these youth and encourage education and career development, but the numbers are relatively stable over the past decade. However, there is some variability between distinct age groups and recent years show a rise in disconnected youth.

Disconnected youth in Washington

Non-institutional civilian population* that are not participating in the labor force or in school, 2010-2020



Source: U.S. Census Bureau, 1-year American Community Survey, 2010-2020

¹² Education Research and Data Center. *Young Adults and Teenagers who are Disconnected from School and the Workforce in Washington. 2021*
<https://erdc.wa.gov/node/882>



Disconnected youth (continued)

Youth ages 20-24 have the most volatile rate of disconnection over the past decade ending with a three-percentage point increase between 2019 and 2020. The 25–29-year-old age group also saw a 1 percent rise between 2019 and 2020. Youth between 16-19 have had the most stable disconnection rate during the last decade.

This increase in disconnected youth coincides with a drop in community and technical college enrollment. Data from the State Board for Community and Technical Colleges shows that full-time equivalency enrollment (FTE) at community and technical colleges dropped from 51,000 FTE in 2019 to 42,000 FTE in 2021.¹³

Disconnected youth are a lost asset for Washington. Ensuring that all of Washington’s young people are engaged with good jobs and ongoing learning opportunities will pay enormous dividends for our state’s future.



¹³ Education Research and Data Center. *Young Adults and Teenagers who are Disconnected from School and the Workforce in Washington. 2021*
<https://erdc.wa.gov/node/882>