

Chronic Unemployment and Workforce Development

1

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Disclaimer

2

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Federal Reserve Chronic Unemployment and Workforce Development Initiative

3

- **Goals:**
 - Develop a deeper understanding of local and regional factors impacting chronic unemployment and workforce development to inform policy makers
 - Identify gaps and opportunities within localities to address chronic unemployment and workforce development to catalyze more effective and efficient strategies and processes
 - Inform bankers about local issues and challenges related to chronic unemployment and workforce development and to improve their understanding of how CRA can be used as a tool to address these issues
 - Catalog and share best practices and information on resources related to chronic unemployment and workforce development

Initiative Overview

4

- **Resource development**
- **Facilitated meetings**
Events organized by Atlanta Fed and the system
- **Summary document**
To be developed by Atlanta Fed with Richmond, KC and the Board
- **KC Workforce Development Conference**
Academic/practitioner focus
Cosponsored by Center for Human Capital Studies at Atlanta Fed

Workforce Development Round Tables - Locations



Employment Outlook

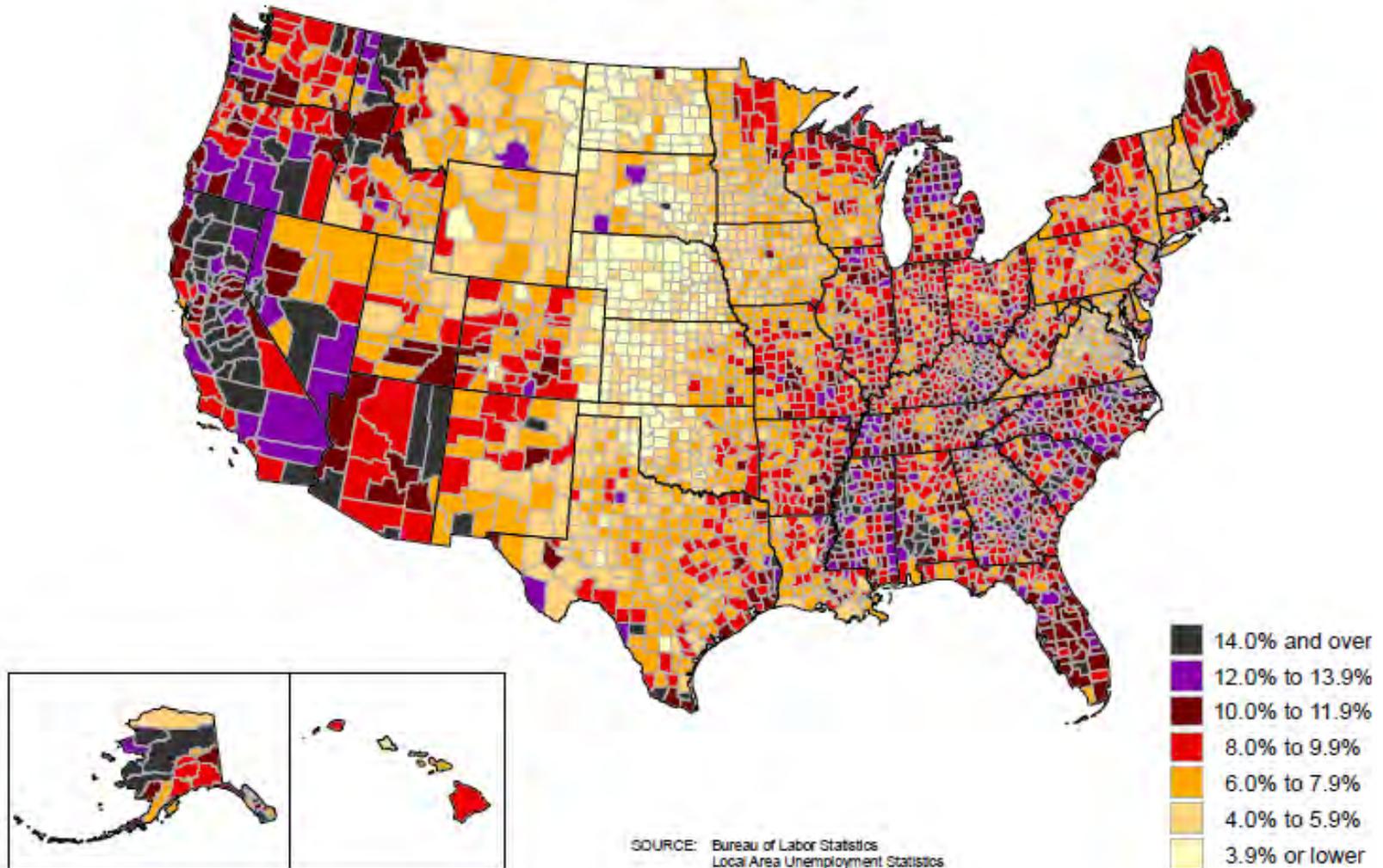
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Unemployment rates by county, March 2011 – February 2012 averages

(U.S. rate = 8.8 percent)

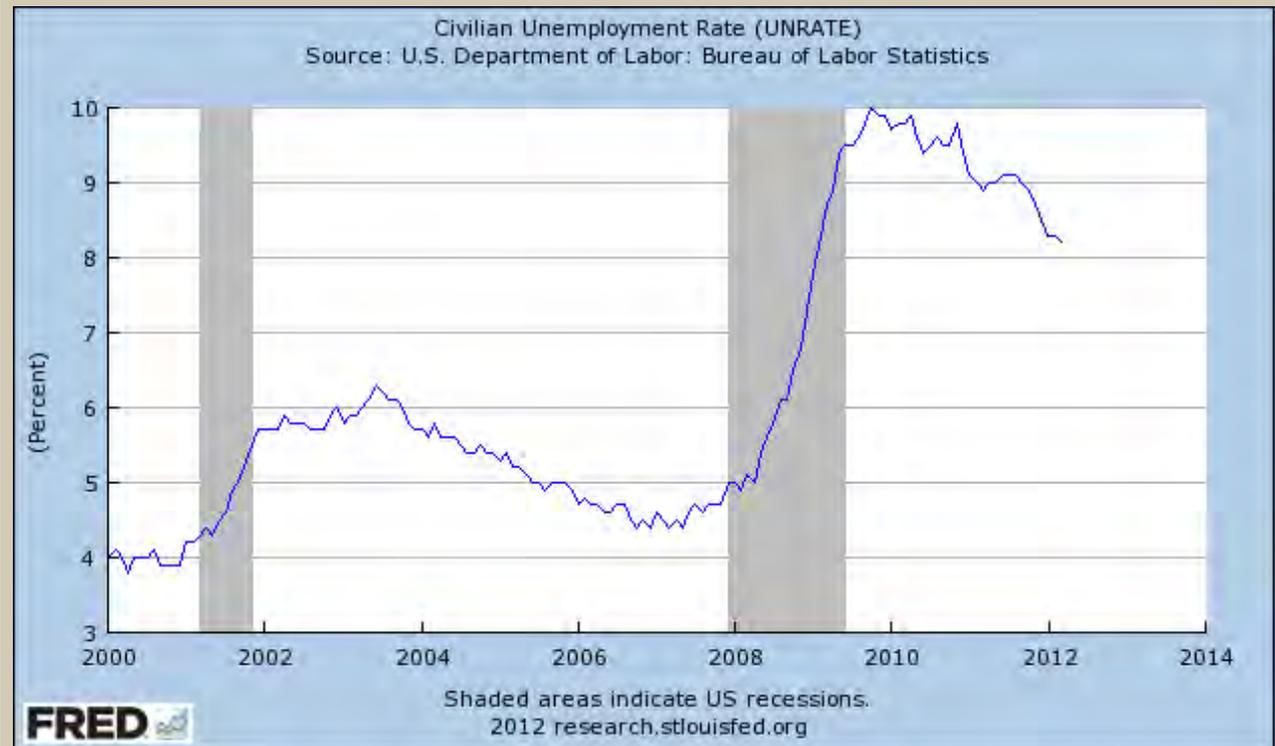


Pre-2001 recession unemployment rate was the lowest during the time period considered.

This recession is different.

We have not experienced a significant drop in unemployment during recovery as we have had in previous recessions.

Unemployment Rate in the United States

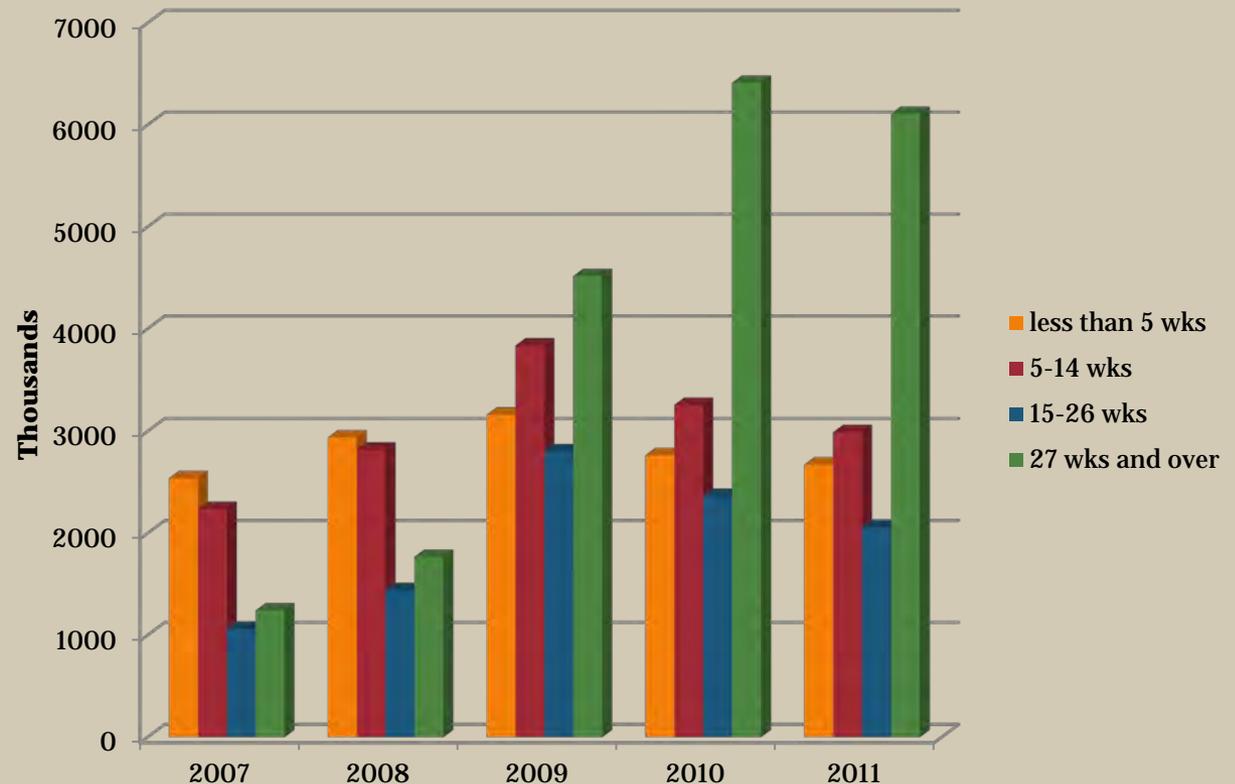


People are unemployed longer.

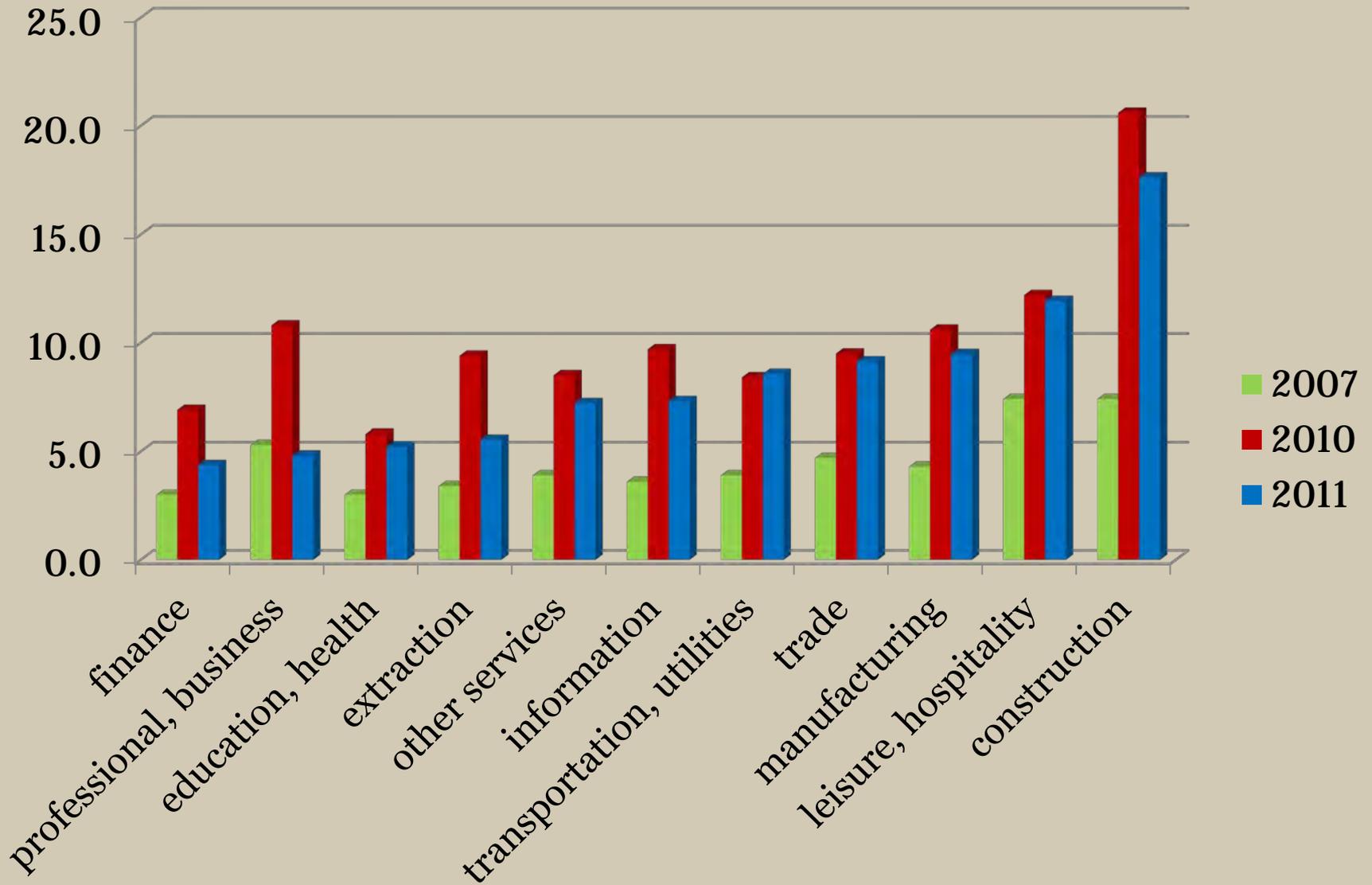
In 2011, 6 million people were chronically unemployed (27 weeks or over), slightly lower than 2010.

Some may have gone back to school or are doing something else while waiting for the job market to improve.

Unemployed Persons by Duration of Unemployment



Unemployment Rate by Industry

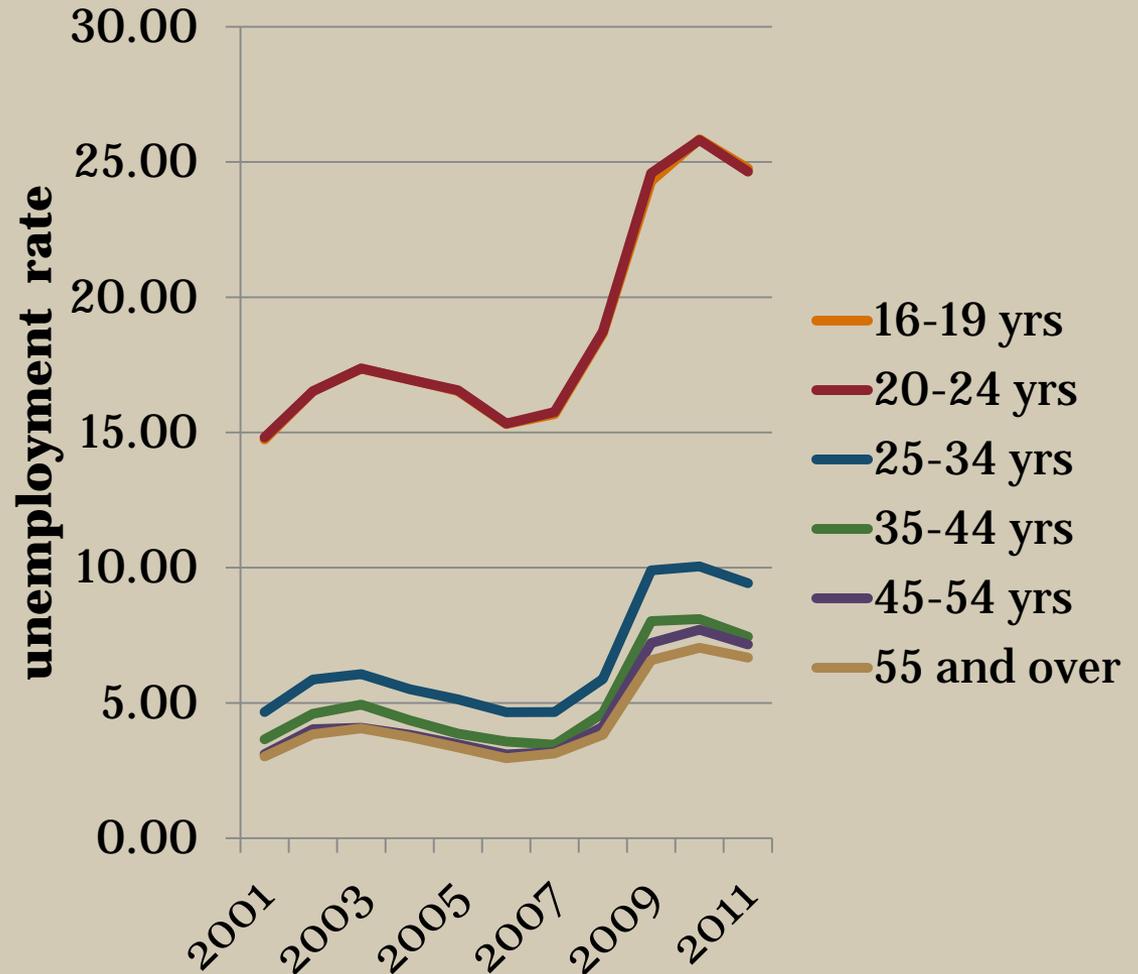


Not all age groups have felt the recession equally.

Younger groups have noticeably higher unemployment rates than older groups.

One in every four young adults seems to be unemployed in recent years.

Unemployment Rate by Age Groups

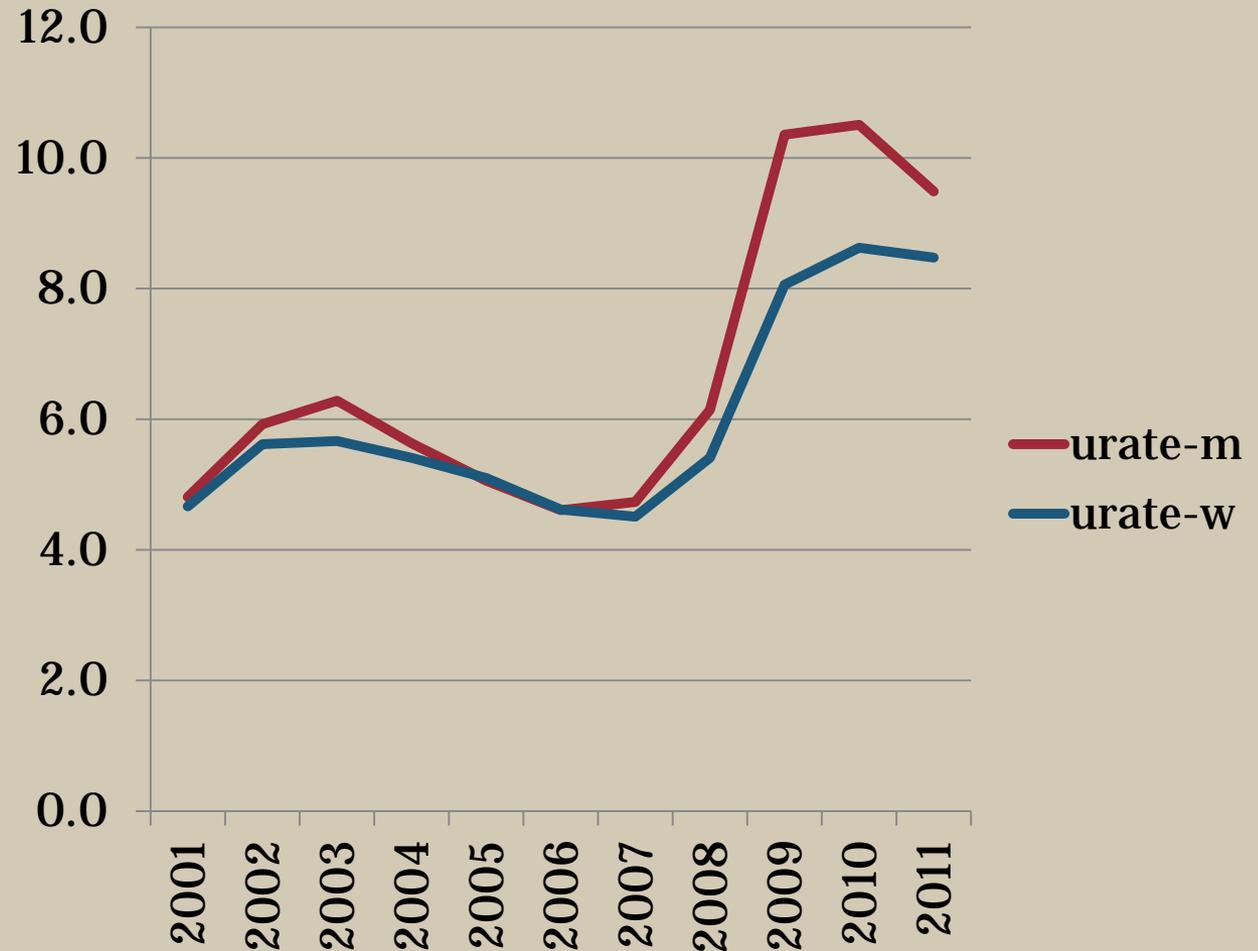


We heard a lot about men vs. women (so-called 'man-cession').

Jobs in fields where men are disproportionately represented have been hit harder.

The gap started to converge as the unemployment rate started to decline in recent months harder.

Unemployment Rate by Gender

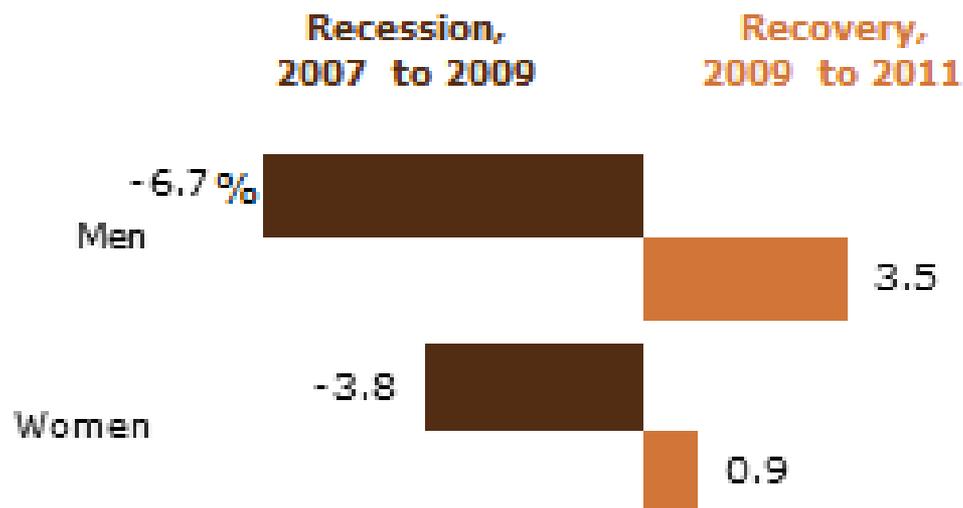


Now lets turn our attention to what has happened since the recovery for each gender.

Women, who fared better than men in the recession, have not done as well in the recovery.

Percent Change in Employment in the Recession and the Recovery, by Gender

(fourth quarter of each year)



Notes: Data are nonseasonally adjusted. Estimates are adjusted to account for the effects of annual revisions to the CPS.

Source: Pew Hispanic Center tabulations of Current Population Survey data

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Now let's look at the race

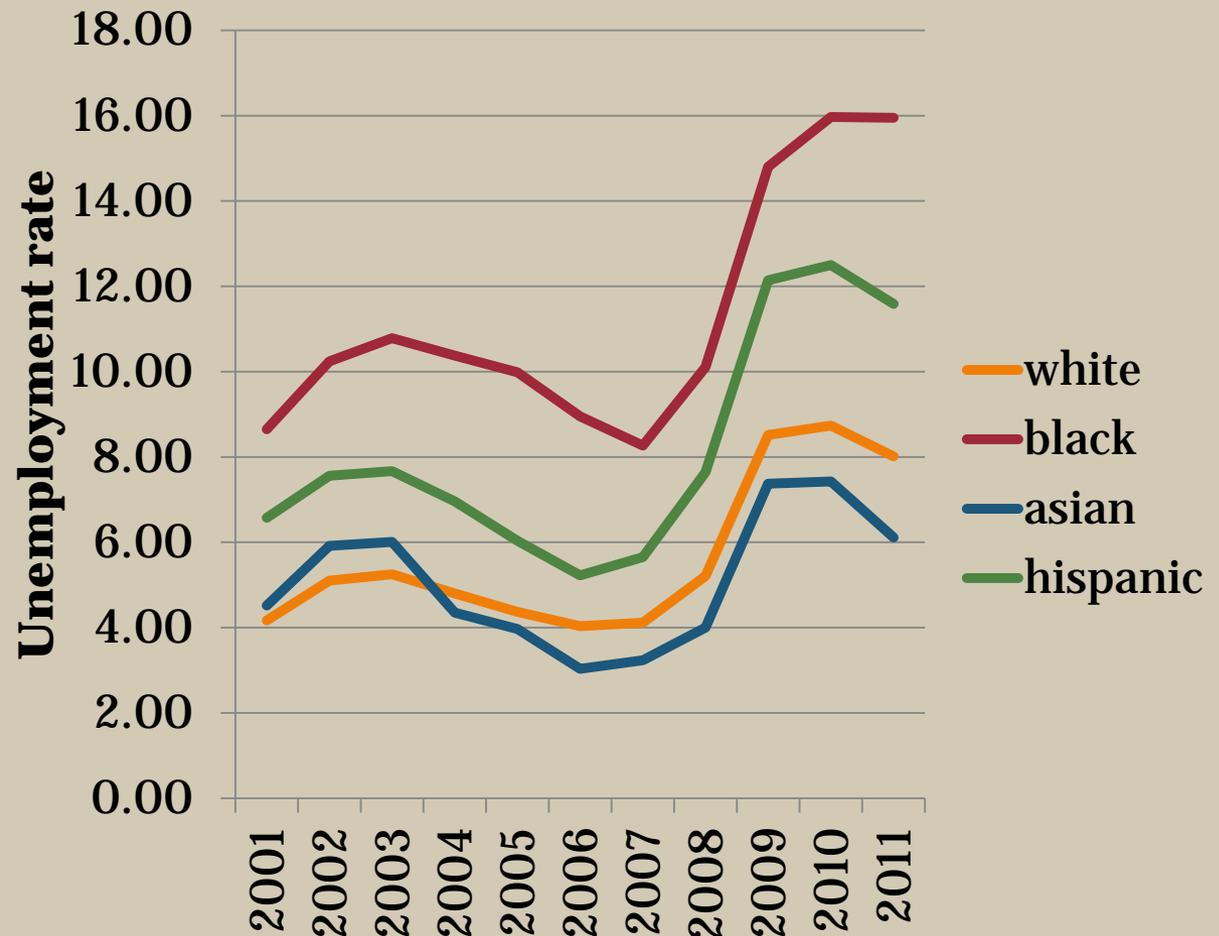
Recession impacting different races differently.

Unemployment rate has almost doubled for every racial category since the beginning of the recession.

Unemployment rate for Blacks is twice as high for Whites.

For non-Black races, the unemployment rate has begun to decline.

Unemployment Rate by Race



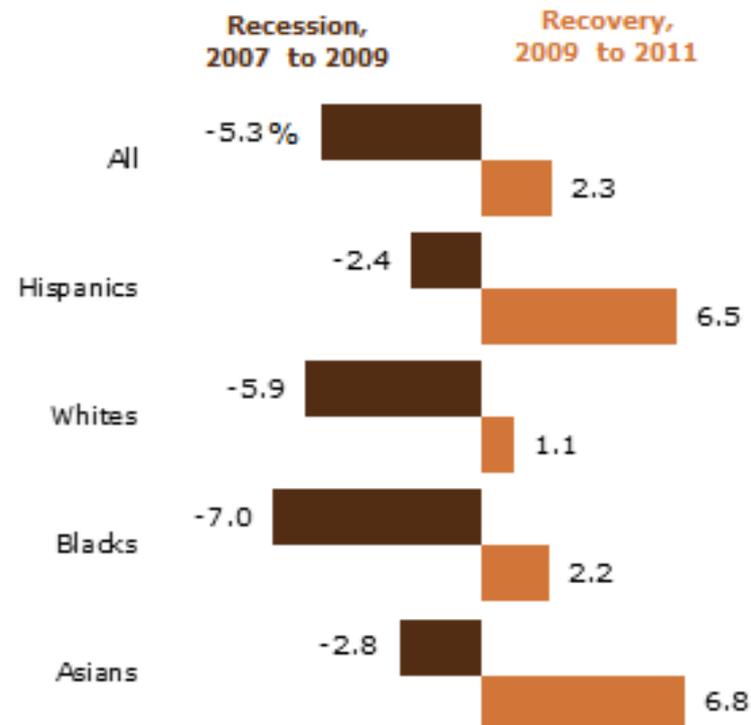
What has happened since the recovery for each race/ethnicity?

Steady but uneven gains in employment for all groups of workers.

Hispanics and Asians experiencing a faster rate of growth in jobs than other groups.

Percent Change in Employment in the Recession and the Recovery, by Race and Ethnicity

(fourth quarter of each year)



Notes: Data are nonseasonally adjusted. Estimates are adjusted to account for the effects of annual revisions to the CPS.

Source: Pew Hispanic Center tabulations of Current Population Survey data

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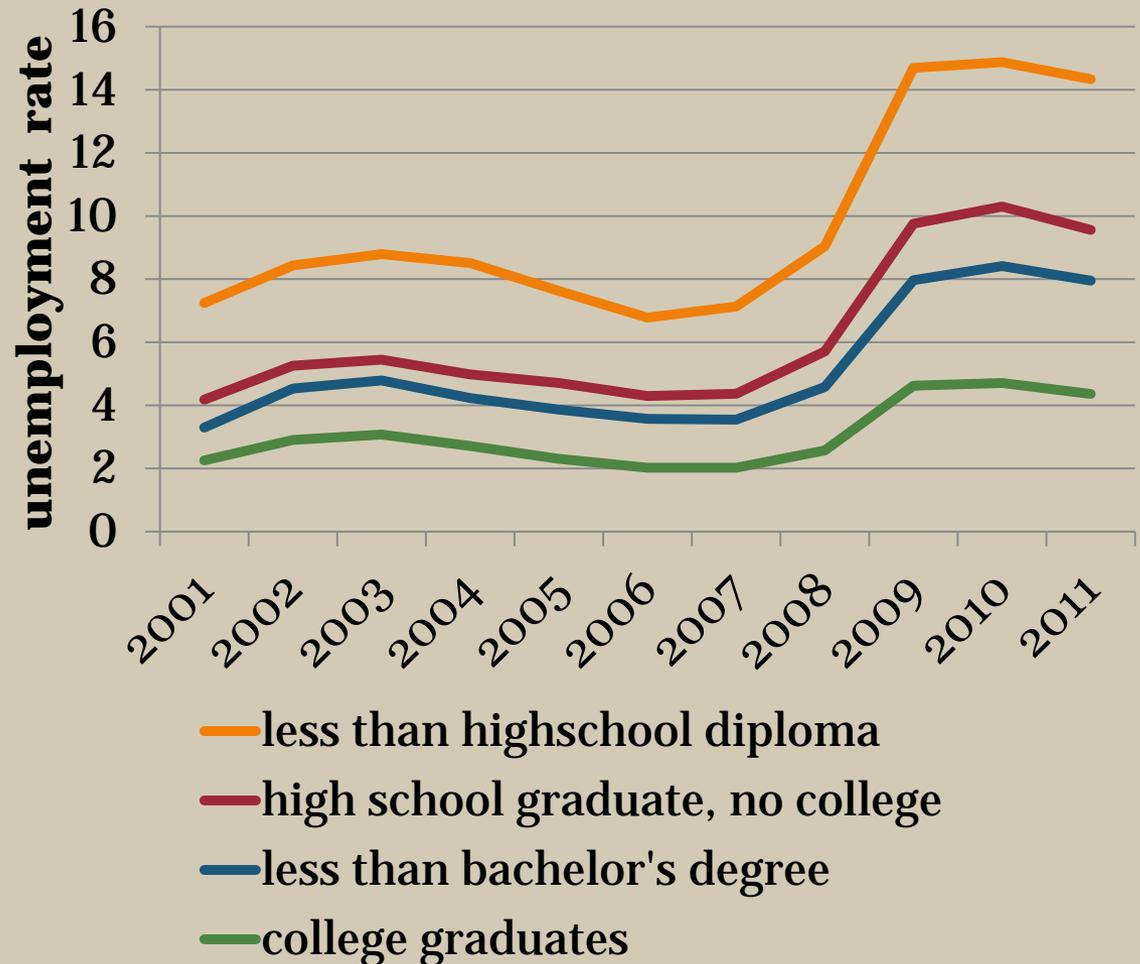
Education attainment has become more important in employed status.

The unemployment rate for those that have obtained a bachelor's degree or greater currently stands around 4%.

Unemployment rate for those who have not completed high school currently stands at extremely high.

The unemployment rate for each level of educational attainment has stabilized or started to go down recently.

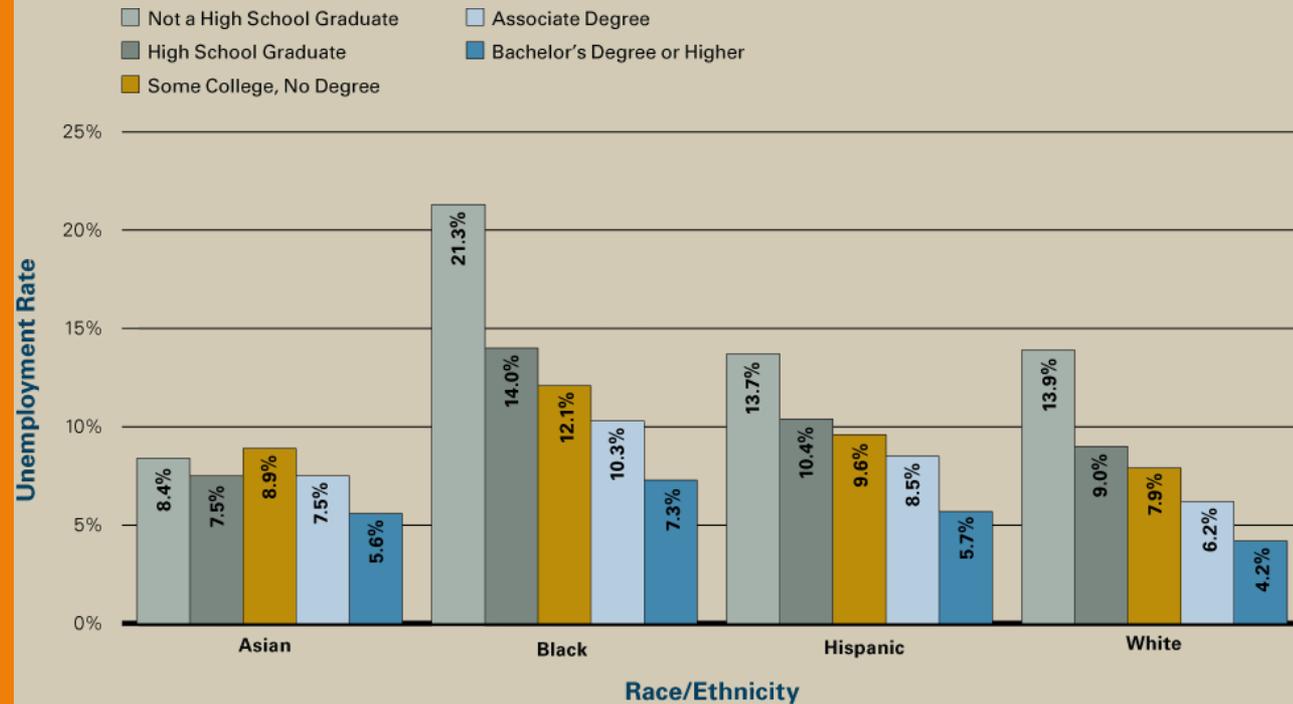
Unemployment Rate by Educational Attainment



High variability in unemployment within racial groups by education levels.

At each level of educational attainment, the unemployment rate of Blacks is higher than that of Whites, Asians, or Hispanics.

Unemployment Rates of Individuals Ages 25 and Older, by Education Level and Race/Ethnicity, 2009



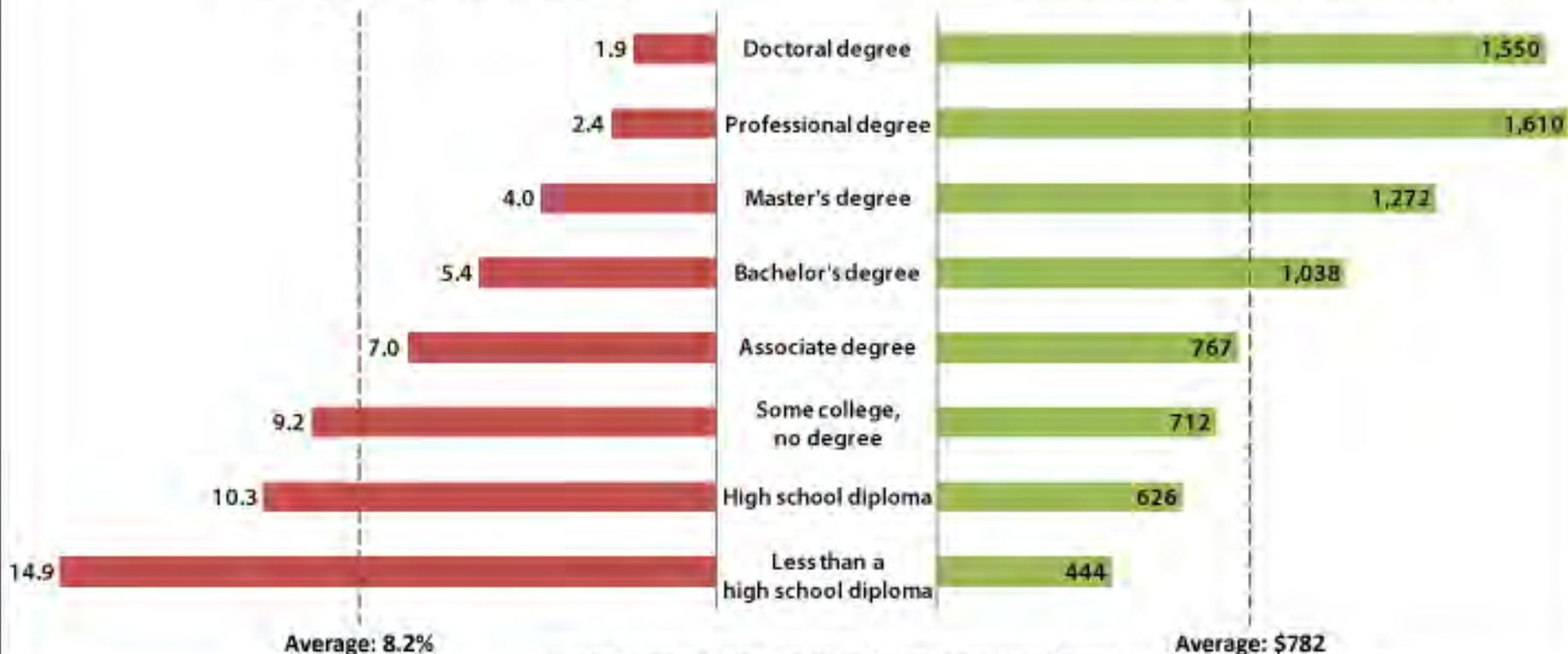
Sources: The College Board, *Education Pays 2010*, Figure 1.10b; Bureau of Labor Statistics, 2010c

Studies show... Education not only lessens unemployment, but also improves earnings

Education pays:

Unemployment rate in 2010 (%)

Median weekly earnings in 2010 (\$)



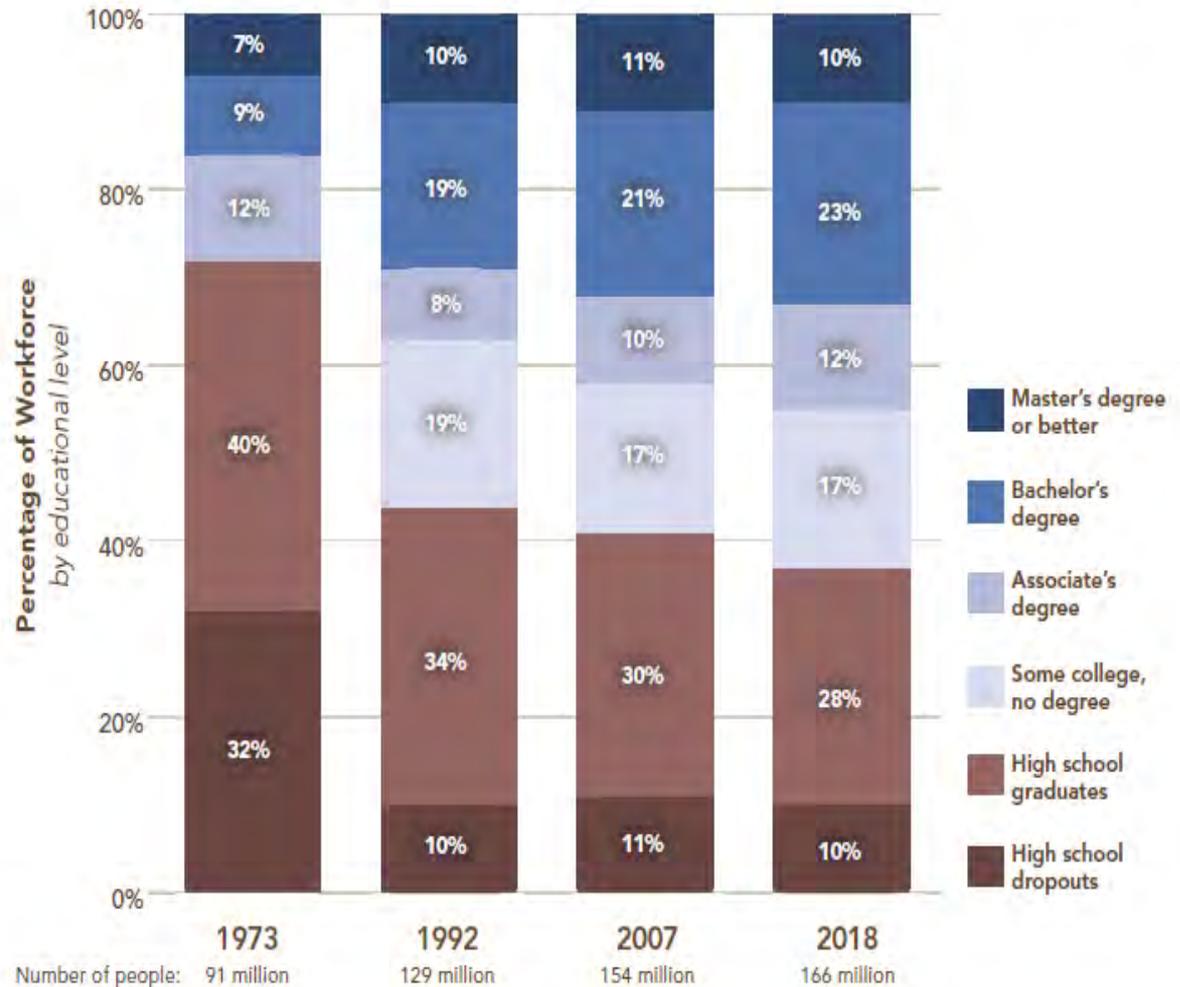
Demand for Higher Education: Projections

Between 1973 and 2008, the share of jobs in the U.S. economy which required postsecondary education increased from 28 percent to 59 percent.

The future promises more of the same. The share of postsecondary jobs will increase from 59 to 63 percent over the next decade.

Between 1973 and 2018, our projections show that jobs available for workers with postsecondary education are projected to increase from 28 percent to 63 percent of all occupations.

Source: Authors' analysis of March CPS data, various years; Center on Education and the Workforce forecast of educational demand to 2018



Hispanics have the highest percentage of individuals without a high school diploma and Asians have the lowest.

80.8 percent of Latino young adults ages 25–34 in the United States did not have a college degree.

Associate degree or higher:

Asian 69.1%

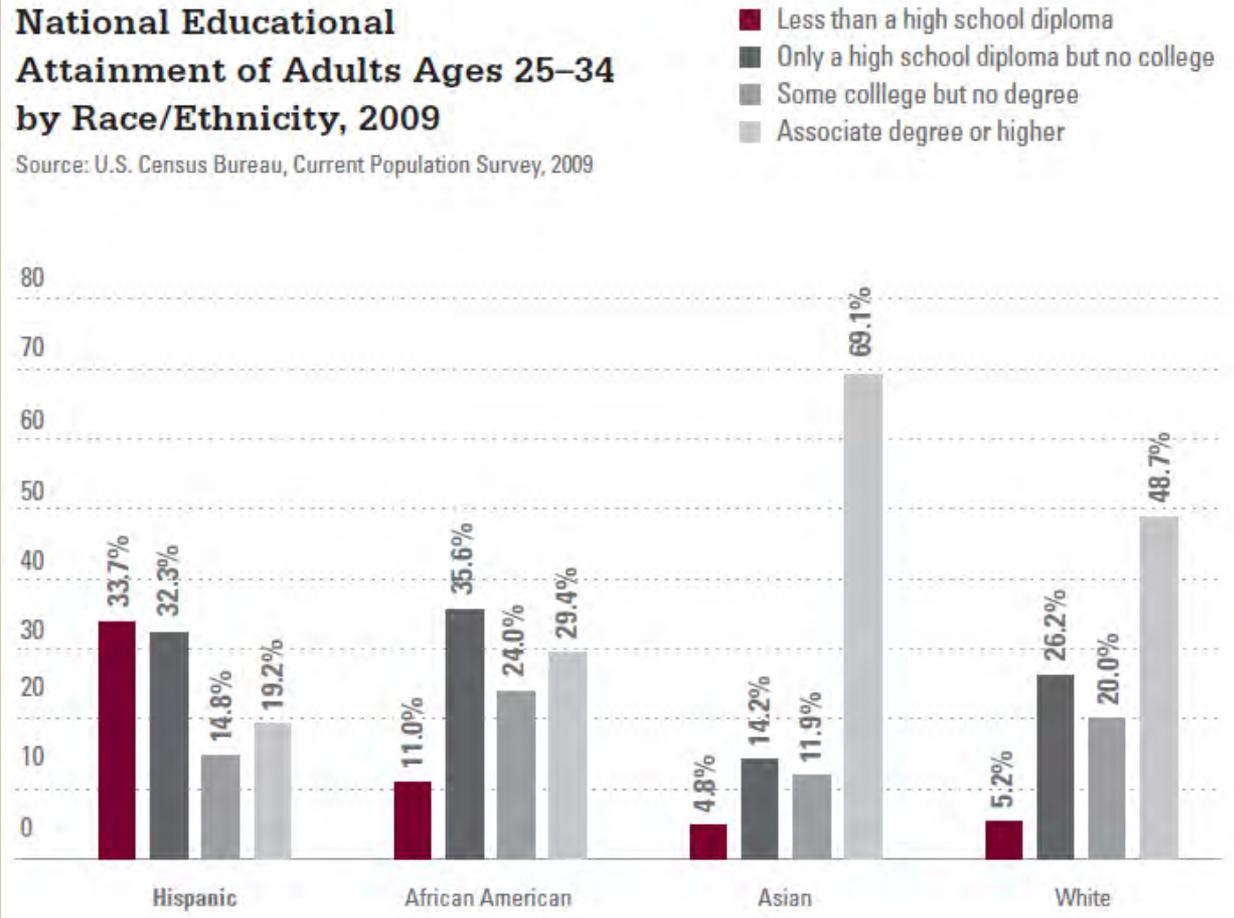
White 48.7%

Black 29.4%

Latino 19.2%

National Educational Attainment of Adults Ages 25–34 by Race/Ethnicity, 2009

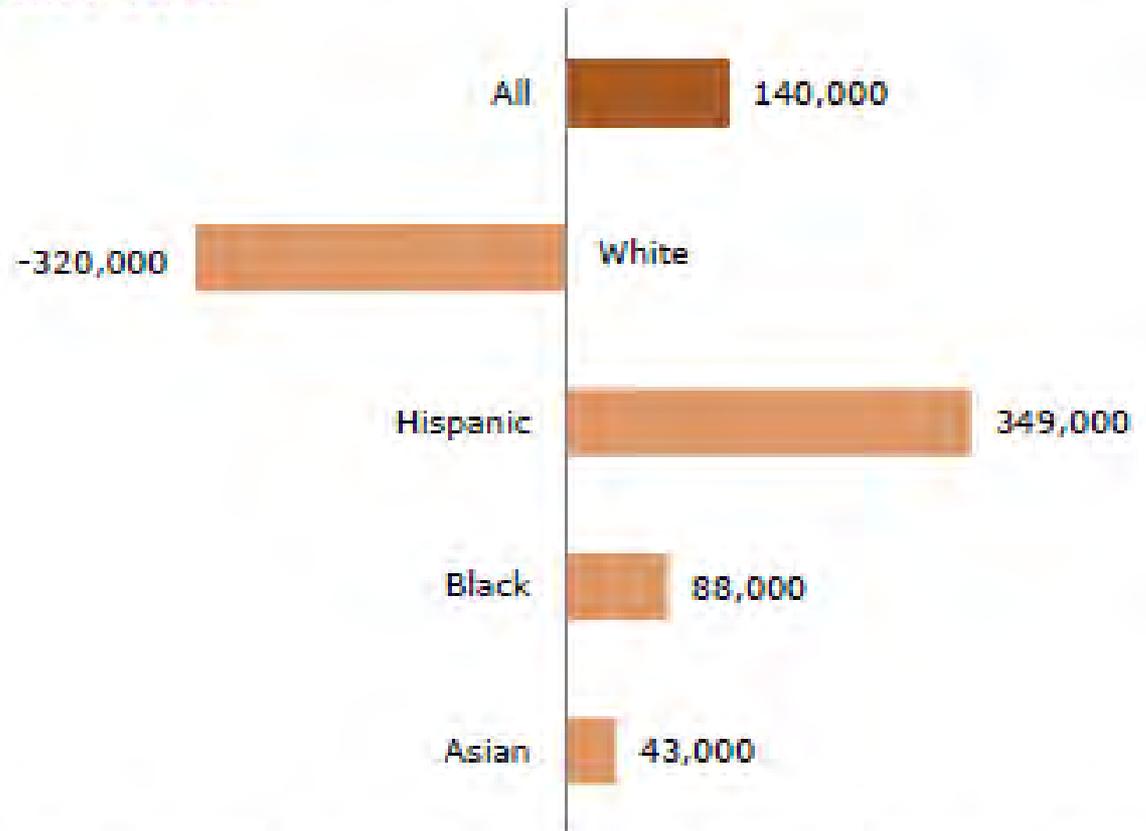
Source: U.S. Census Bureau, Current Population Survey, 2009



Things may be changing for Latinos.

From 2009 to 2010, the number of Hispanic young adults enrolled in college grew by 349,000, compared with an increase of 88,000 young blacks and 43,000 young Asian Americans and a decrease of 320,000 young non-Hispanic whites.

Change in 18- to 24-Year-Old College Enrollment, 2009-2010

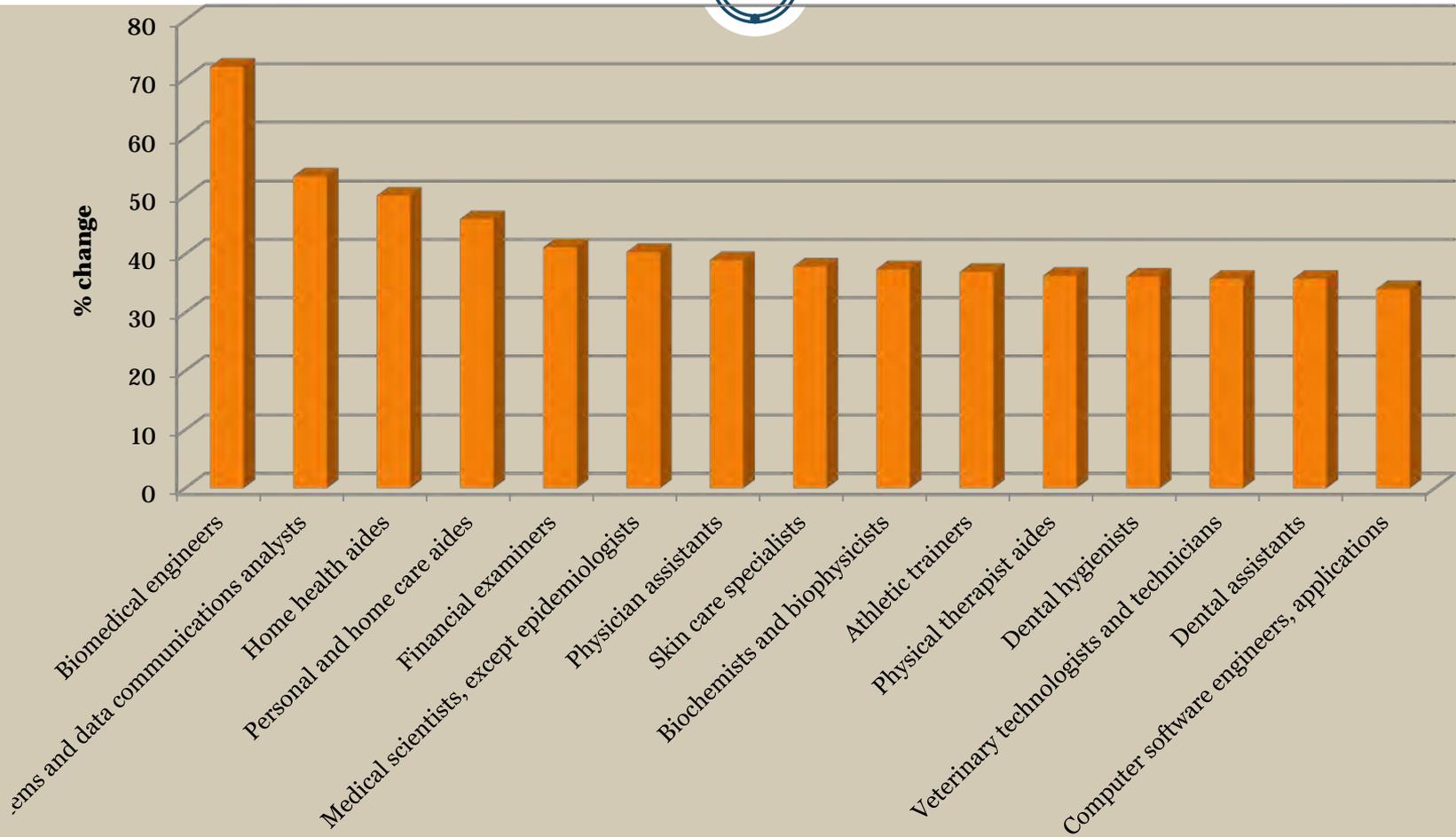


Notes: White includes only non-Hispanic whites. All includes persons of other racial and ethnic groups not separately shown.

Source: Pew Hispanic Center analysis of the October 2010 Current Population Survey and U.S. Census Bureau, Current Population Survey, 1967 to 2009, <http://www.census.gov/hhes/school/data/cps/historical/index.html>

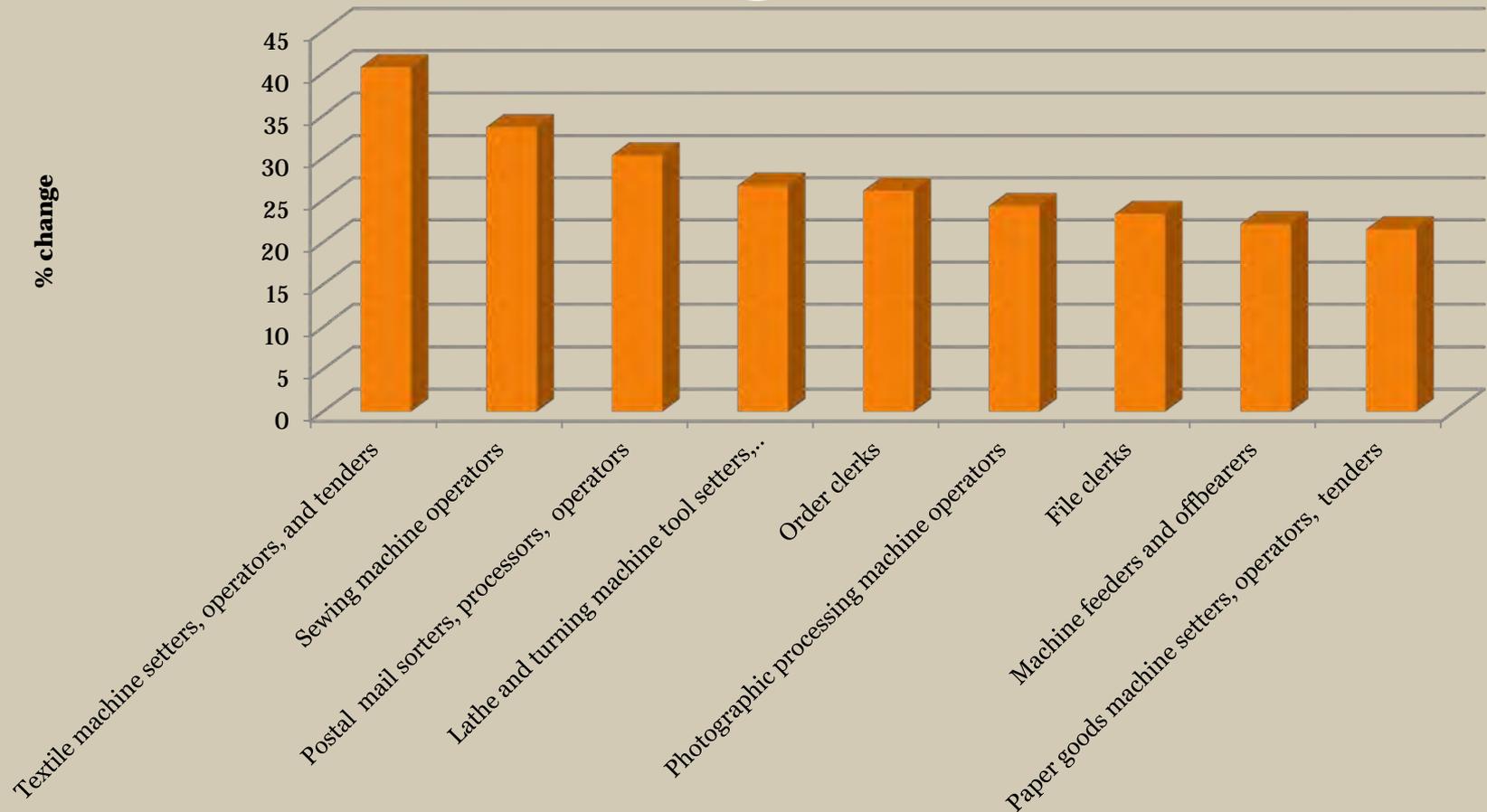
Fastest Growing Occupations, Projected from 2008 to 2018

22



Occupations with the Largest Job Declines, Projected from 2008 to 2018

23



Thank You!



- **News You Can Use from the Atlanta Fed:**
 - ***Partners Update***...the latest new from the Federal Reserve System and community and economic development efforts in the southeast...www.frbatlanta.org/pubs/partnersupdate/
 - ***The Human Capital Compendium***...a collection of all resources from the Federal Reserve System on employment and workforce development...www.frbatlanta.org/chcs/compendium/
 - **Podcasts**...hear from national experts on what's working in economic development, foreclosure response, and other topics...www.frbatlanta.org/podcasts/
 - **Quarterly Mortgage Delinquency and Foreclosure Trend Reports**...a state and county look at foreclosure...www.frbatlanta.org/pubs/mdft/