

# NewsBank SPECIAL REPORT! World Economics

## Experts: Young people face tough fight on jobs

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Shortly before his college graduation last year, Robert Shore had a heart-to-heart with his father, Emory University professor Bradd Shore.

The conversation turned somber as the younger Shore pondered his future.

"He was contemplating graduation: 'What am I going to do?,' " Bradd Shore recalls. "He had taken for granted that life would go on as it had. Suddenly it occurred to him that there was no guarantee he would be moving onward and upward."

Shore has spent his career studying middle-class and working families, but what his son said next surprised him: "'You set a level of expectation and standard which I'm not sure we'll be able to do with our kids.'"

Generations of American workers grew up with the notion that if they worked hard, they were all but assured better jobs and pay and overall better lives than their parents and grandparents.

That may not be the case anymore.

Young workers face the prospect of not doing as well as their parents, some experts say. A fast-growing and competitive global job market and comparatively smaller paychecks are partly to blame.

"Young workers' prospects are a barometer of the strength of the labor market," the Economic Policy Institute said in its latest "State of Working America" report released for Labor Day. "Not surprisingly, the recession, jobless recovery, and then weak job growth of the last five years have sharply reversed the progress young workers and their families were making in better times."

A series of similar Labor Day studies also point to a decline in upward mobility, that is, the nearly mythical ability of hard-working Americans to boost themselves higher on the income ladder.

A Federal Reserve Bank of Chicago study going back to 1940 shows several decades in which many adult children out-earned their parents, said one study's co-author, Daniel Aaronson, senior economist at the Chicago Fed.

"The big change happens after 1980 or so, when mobility goes down quite a lot," Aaronson said.

Of course, some people do leap well above where they started. But the odds are increasingly against them, Aaronson said.

"Basically, it's taking longer for a family in poverty to move up to median income than it did 25 years ago. And based on our findings, a middle-class family also has less of a chance to move up."

Labor relations expert W.J. "Bill" Usery Jr. agrees.

"It's going to be more and more difficult for young people as they come out of school to find the kinds of jobs we've had before," said Usery, former secretary of labor under President Gerald Ford. Usery also is founder of the Center for the Workplace at Georgia State University.

Among the challenges cited by the Economic Policy Institute and others:

- **Wages.** Entry-level workers saw big pay gains between 1995 and 2000. That hasn't been the case during the past five years. They're earning less on their first job and getting skimpier raises.

"They're not able to get a [higher] wage than what their older brother or sister got in the 1990s or late 2000," said Lawrence Mishel, president of the Economic Policy Institute. "If you start out lower and it rises more slowly, you end up at a lower rung on the ladder."

- **Benefits.** College graduates today are less likely to have health insurance than college graduates in 2000. It's worse for high school grads: Only a third have health insurance now; in 1979, it was two-thirds.

- **Jobs.** Employment among 25- to 34-year-old workers with high school diplomas grew 2 percent in the late 1990s but fell between 2000 and 2005. During the 1990s boom, 88 percent of college grads were working. That dipped to about 84 percent in 2003-2004.

- **Global competition.** In the past 15 years, the number of people in the global work force has doubled because of the emergence and increased competition from workers in China, India and the former Soviet bloc countries, Harvard University economist Richard Freeman told an Atlanta audience last year during a lecture on the American workplace. Many of those workers are surpassing Americans in science, engineering and technology.

"You've got engineers coming out of engineering school at a top university who could demand \$100,000 starting off," said Richard Ray, president of the Georgia State AFL-CIO. "You could get five engineers starting off in India for \$20,000 apiece."

- **Weaker worker protections.** Membership in unions is down. And critics say laws aimed at protecting workers' rights have been weakened in recent years. "It's very difficult in this day and time to organize in the workplace," Ray said.

The challenges are particularly interesting to Bradd Shore, the Emory anthropologist.

"In a sense, the values we had about moving on and becoming independent were based on an aspirational society," said Shore, director of the Myth and Ritual in American Life center at Emory. His son, Robert, is now in the Peace Corps.

"So when the economy doesn't allow [that] to happen, it becomes a serious psychological and financial problem."

How young workers adjust to the challenge remains to be seen.

"I don't think we're seeing the end of the middle class," Mishel said. "But it's become a lot more challenging to get into and stay in the middle class than ever."

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