CPA Practice **Advisor**

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

young adults in the 20-24 age group. Their unemployment rate rose slightly to 13.2 percent from 13.1 percent and remained considerably higher than the national average.

Jun. 11, 2013

U.S. employers added 175,000 jobs in May and the national unemployment rate was "essentially unchanged," the U.S. Bureau of Labor Statistics said Friday.

The jobless rate actually ticked up slightly to 7.6 percent from 7.5 percent as more people entered the labor market. But the number of unemployed, 11.8 million, also was "essentially unchanged," the bureau said.

"One of the good things in the report was that the labor force participation rate went up," said Daniel Heckman, national investment consultant for US Bank Private Client Reserve. "That's an indication people are becoming more confident. They're seeing it as a good time to venture into the labor market."

The payroll employment growth, even with a downward revision of 12,000 from previous job growth estimates for March and April, was better than most economists expected. The consensus outlook had expected more of a summer slump.

Job growth has slowed over the last three months to an average of 155,000 a month from the 207,000-a-month average gain in early 2013.

A big force behind the decline: Government job cuts.

"The impact of sequestration is in the decline of 14,000 in federal government payrolls and perhaps in the flat workweek and weekly earnings as workers are forced take furloughs," said Sophia Koropeckyj, managing director at Moody's Analytics. Turtle-paced job growth was widespread across the private sector, though. Some of

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

job market is getting better, but slowly. "Two years ago, it was really tough. Last year we saw a good improvement. This year we saw better improvement. But it's still tough out there," he said.

Persistently high joblessness among young adults is particularly worrisome given that the age group includes recent college graduates who are trying to kickstart their careers, pay off college loans and establish separate households. It also includes young people with less education who may not be equipped to meet the skill demands of available jobs.

Bloomberg senior economist Joseph Brusuelas calculates that, conservatively, the nation will lose about \$18 billion in wages over the next 10 years because of youth unemployment.

According to his research, six months of joblessness at age 22 results in an 8 percent lower wage at age 23, 6 percent lower at age 26, and 4 percent lower at age 30. In other words, it's hard to catch up to what earnings might have been.

And there's the related problem of underemployment. Stories abound of young college graduates who haven't landed professional jobs in their major field of study and instead are working part-time waiting tables.

Even for those lucky enough to have found jobs, the search is often grueling and full of rejection.

Max Miller, a Park University graduate, started his job search six months before graduating. He'd already worked two internships during his schooling and tailored his resume to look like a fit for each job. After applying to about five jobs every day for several months, only about 10 percent of companies called him back. "It was a very long process. I had an expectation that all you needed was a bachelor's

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

According to the labor department, whose household and employer surveys provide the unemployment and employment data, about 15.46 million Americans age 20-24 are members of the labor force, which means they're either working or looking for work.

That compares to about 6.6 million of that age group who are not in the labor force; they're full-time students, home makers or others who aren't holding a job and aren't trying to find one.

Generation Opportunity, a conservative youth advocacy organization, estimates that the "effective" unemployment rate for young adults is 16.1 percent, largely because of the number who aren't even trying to find a job.

The labor department said the 20-24 group had an employment-to-population ratio of 60.8 percent in May. Like all age groups, that ratio has fallen considerably in the last decade, although it has risen slightly since a low of 59.7 percent in January 2010.

Generation Opportunity, a conservative youth advocacy organization, estimates that the effective jobless rate for young people between ages 18 and 29 is more than 16 percent. It hits that rate by including young people who have simply dropped out of the job market, disillusioned about their abilities to find work.

The situation is especially bleak for young blacks and Hispanics.

Copyright 2013 – The Kansas City Star

Accounting • Payroll • Staffing

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us