



**Youth unemployment** has been a persistent and growing problem in the United States for decades, reaching a more than 50-year high in the wake of the Great Recession. At the end of 2013, the unemployment rate for 16-24 year-olds was over 13 percent, more than 5.5 million young people were both not in school and out of work, and millions more were unable to find full-time positions or opportunities that matched their skills or drew on their formal job training or education. These challenges jeopardize the lives and livelihoods of individuals and put the social and economic future of an entire generation—and the nation as a whole—on the line.

## THE OPPORTUNITY AND THE CHALLENGE

In today's fast, complex world, technology and greater interconnectedness have accelerated change and altered the way people live and how business operates. To realize the potential of this globalized world, while at the same time combating the dual challenges posed by rising income inequality and growing productivity abroad, the United States must integrate and leverage the talent of its young workers.

The challenge of youth unemployment is devastating for individuals and the communities where they live – with disproportionate impacts on low-income communities and communities of color – and for the economy as a whole, perpetuating cycles of poverty and inequality. Consider these illustrative statistics:

- On average, youth unemployment has been about eight percentage points higher than adult unemployment over the last two decades.
- Research indicates that 66 percent of lifetime wage growth occurs in the first ten years of one's career. Students graduating from college in a recession suffer from wage loss for more than a decade after graduation.
- Forty-three percent of Americans born into the bottom fifth of earners remain at the bottom of the income ladder and 70 percent never make it to the top half.

Young people who are unable to transition to stable jobs by their early 20s are at risk of more frequent and prolonged spells of joblessness, permanently lower earnings over a lifetime, and greater difficulty building a secure financial future for themselves and their

families. Access to more opportunities early in their careers would help young people break the cycle of poverty and reduce the growing trend towards vast economic inequality in the U.S.

## **THE ROCKEFELLER FOUNDATION'S APPROACH**

Through its U.S. Youth Employment initiative, The Rockefeller Foundation seeks to create a more inclusive economy that employs more youth in career-building jobs, especially the poor or vulnerable who are often hit the hardest by economic shocks and stresses.

The Foundation believes that to address the youth employment crisis at scale requires the engagement of employers, who have an important role and responsibility in supporting young Americans' entry into the workforce. By creating more meaningful career opportunities for young adults, employers have the potential to meet their business needs while also improving the resilience of individuals and communities and reinforcing

the shared prosperity that contributes to a more inclusive economic system.

To achieve this, the Foundation will:

- Surface and test social innovations to address critical barriers within the employment system,
- Support and scale promising employer-focused interventions that expand employment opportunities for youth, and
- Raise the profile of the issue among employers and collaborate with employers to identify and implement solutions.

By helping young people access stable employment and careers, we can improve their chances of leading healthy and productive lives, while building a stronger and more resilient workforce – a critical part of ensuring the long-term success of the U.S. economy and our communities nationwide.

For more information, contact [usyouthemployment@rockfound.org](mailto:usyouthemployment@rockfound.org).

## **WHAT IS AN INCLUSIVE ECONOMY?**

As The Rockefeller Foundation enters its second century, one of our dual goals is to advance inclusive economies that expand opportunities for more broadly shared prosperity, especially for those facing the greatest barriers to their well-being, including the young and vulnerable.

The Foundation's work to further inclusive economies ultimately aims to:

- Expand economic opportunities for more people by removing barriers, promoting innovation and increasing access for people currently excluded from fully participating in the modern economy, including communities affected by low-growth, rapidly restructuring industrialized economies.
- Enable better accounting of progress by ensuring that economic, health, urban, and ecological systems are properly valued and structured to create inclusive and equitable access and opportunities.
- Ensure society's assets and resources create access to opportunities for advancement of all parts of society and support an effective response to global change—environmental, economic, and social.
- Improve the living standards and economic security of poor and vulnerable people.