

Features

November/ December 2013

The Living-in-the-Basement Generation

How young adults are faring in America's twenty-five biggest metro areas.

By Richard Florida

With housing prices and job numbers rising, many commentators have begun to talk about the “recovery,” with the “crisis” relegated to the past. But a crisis certainly remains, according to new research by the Social Science Research Council’s Measure of America project, for our nation’s 5.8 million “disconnected youth”—the one in seven Americans between the ages of sixteen and twenty-four who are neither working nor enrolled in school. This cohort, whose numbers were stable for a decade, surged by 800,000 after the Great Recession and includes not only children from poor and minority families but significant numbers of white, middle-class youth as well.

The consequences are dire for these young Americans. They’re not only more likely to have a hard time in the job market; researchers have found that disconnection has scarring effects on health and happiness that endure throughout a lifetime. Unemployed, uneducated youth are at greater risk for criminality and incarceration, and they often go on to become unreliable spouses and improvident parents.

The costs to society are also considerable. The direct support expenses and lost tax revenues associated with disengaged young people cost U.S. taxpayers \$93 billion in 2011 alone—a bill that will only compound as the years progress.

But youth disconnection differs substantially across the country. The table below, based on data from the [Measure of America report](#), shows the shares of disconnected youth for America’s twenty-five largest metro areas. Eight of the ten areas with the highest levels of disconnected youth are in the Sun Belt, including Charlotte, Atlanta, Tampa, Phoenix, and Riverside-San Bernardino in Southern California. These cities’ economies were focused on suburban sprawl and thus were especially hard hit by the housing collapse. But that isn’t the only, or even the biggest, reason for their high levels of youth disconnection.

Share of Youth Not Working and Not in School in the 25 Largest Metro Areas

RANK	METRO AREA	DISCONNECTED YOUTH (%)				
		ALL	AFRICAN AMERICAN	ASIAN AMERICAN	LATINO	WHITE
	National Average	14.8	22.5	7.6	17.9	11.7
1	Boston	9.2	14.2	...	18.6	7.2
2	Minneapolis	9.5	20.2	...	...	7.2
3	Washington	11.3	19.6	...	11.2	7.4
4	San Diego	12.2	19.0	...	16.1	8.2
5	San Francisco	12.3	19.4	8.5	14.3	11.0
6	Pittsburgh	12.6	24.8	...	...	10.3
7	Denver	13.0	...	...	18.2	10.0
8	Seattle	13.2	21.2	9.3	18.3	12.1
9	Chicago	14.1	24.9	...	15.6	9.2
10	Houston	14.1	16.5	7.6	16.2	11.2
11	St. Louis	14.2	24.9	...	...	10.3
12	Philadelphia	14.3	25.2	...	24.0	8.9
13	Baltimore	14.3	22.4	...	...	10.7
14	New York	14.5	23.3	6.5	18.5	9.8
15	Los Angeles	14.6	22.5	7.8	17.2	10.5
16	Dallas-Fort Worth	14.9	19.3	...	17.6	12.4
17	San Antonio	15.6	...	...	17.2	12.0
18	Tampa-St. Petersburg	15.8	22.3	...	18.6	13.2
19	Miami	16.0	21.0	...	16.6	10.8
20	Atlanta	16.8	21.1	...	16.5	14.1
21	Portland	17.0	...	...	20.2	16.0
22	Phoenix	17.2	22.5	...	22.3	12.2
23	Charlotte	17.3	21.4	...	...	16.7
24	Detroit	17.4	26.9	...	19.5	12.8
25	Riverside-San Bernardino	18.8	24.5	...	19.4	17.5

[Click to enlarge](#). “...” Means data unavailable because there are too few 16- to 24-year-olds to allow for reliable calculations. Youth disconnection rates have been rounded to one decimal place. In several instances, the values may therefore appear to be tied but the rankings reflect the original values that result from calculation of the rate. Source: [Measure of America](#)

There is a close connection between youth disconnection and education levels or human capital, according to the study. Sun Belt metro areas have fewer highly educated adults and have tended historically to attract people with relatively lower levels of education. In contrast, the metro areas with the highest percentage of college-educated adults—places like Boston, Washington, D.C., Denver, and San Francisco—have smaller shares of disconnected youth.

This positive association between low human capital and youth disconnection stems from several mechanisms. Adults with college degrees are better able to contribute to their children’s success. College-educated parents not only provide positive role models, they also earn more money than non-college-educated parents on average. Public schools tend to be better funded in more affluent neighborhoods, and parents can afford to invest in enrichment activities outside of school. Parents with high human capital exert indirect effects on their local economies, too. Because degree holders earn more, they tend to spend more in stores, restaurants, and other businesses and thus support entry-level jobs in the local community.

Youth disconnection varies considerably by race and ethnicity, according to the report. Overall, African American youths are roughly twice as likely to be disconnected than whites, with Latinos somewhere in the middle. Asian Americans are the least disconnected.

Again the pattern varies considerably by metro area. For instance, black youth in Boston are less disconnected (14.2 percent) than white youth in San Bernardino (17.5 percent), Charlotte (16.7 percent), and Portland, Oregon (16 percent). The geographic variation in youth disconnection rates is associated with a range of factors, according to the report, including the levels of unemployment and poverty experienced by adults and the degree to which poorer neighborhoods are isolated from key institutions of mainstream society. Again, human capital or education levels play a key role.

Take Seattle and Boston, for example. Both are hotbeds of innovative industries and magnets for talent. Both have relatively low unemployment rates—Seattle is at 5.8 percent, Boston at 6.6 percent (the national rate is 7.4 percent). Both have relatively modest-sized black populations—Boston's is 7.4 percent and Seattle's is 6.8 percent, versus a national average of 13.1 percent. But Seattle's overall youth disconnect rate is nearly 4 percentage points higher than Boston's, and its disconnect rate for blacks is 7 points higher.

Though it holds its youth to some of the nation's toughest education standards, Massachusetts does a better job of keeping its students from dropping out of high school than Washington State does. And according to Measure of America codirectors Sarah Burd-Sharps and Kristen Lewis, greater Boston has one of the nation's highest rates of school enrollment—81.4 percent—for the population aged three to twenty-four. Seattle's school enrollment for that group is just 75.5 percent, almost 6 percentage points lower. The gap is even larger if we look at just the African American populations in the two metro areas: 83.4 percent of African American children and young adults are enrolled in school in Boston, compared to 69.2 percent in Seattle.

What can be done? One strategy that offers considerable payback is early childhood education. Creating better entry-level jobs is also important. For that, we need to upgrade low-skill, low-wage service work. The fastest-growing job categories—and the jobs that are the most available to young people, especially those with limited education—are low-pay, low-skill service jobs, in food preparation, retail sales, and the like. Those jobs can be made better—not just by mandating higher minimum wages, but by harnessing the creativity, knowledge, and initiative of workers to boost productivity and hence wages. We also need policies that are directly targeted at youth entering the job market. The more marketable skills young people have and the more practical experience they have accumulated in actual workplaces, the better their chances of finding and keeping work over the long term.

That's an initiative that would benefit all workers, not just young ones—and their employers as well.

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