



Challenger, Gray & Christmas, Inc.
The original outplacement company

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FOR IMMEDIATE RELEASE

Fewer Teens Working This Summer **AFTER STRONG START, TEEN HIRING DIPS** **IN JUNE AND JULY**

CHICAGO, August 5, 2013 – After getting off to its strongest start in seven years, the pace of teen hiring in June and July declined from last year's levels, as a slowdown in economic activity provided little reason to grow payrolls. Overall, teen employment gains during the three-month summer hiring season were down 3.0 percent from 2012, according to an analysis of government employment data by global outplacement consultancy Challenger, Gray & Christmas, Inc.

A Challenger analysis of just-released data from the Bureau of Labor Statistics found that employment among 16- to 19-year-olds grew by 1,355,000 between May 1 and July 31. That was 3.0 percent lower than the 1,397,000 teenagers finding employment during the same period a year ago. Last year's teen job gains were the strongest since 2007, when employers hired 1,635,000 teenagers during the summer months.

This year, teen hiring started strongly, with 215,000 16- to 19-year-olds finding jobs in May. That was the largest number of teens hired in May since 2006, when 230,000 teenagers were added to payrolls in the first month of the summer hiring season.

In June, employment among teens grew by 779,000, down 9.2 percent from June 2012, when teen job gains reached 858,000, the highest June figure in five years. Last month, teen employment grew by 361,000, which is 5.5 percent fewer than the 382,000 teen workers hired the same month a year ago.

After adding in the summer job gains, a total of 5,504,000 teenagers were employed as of the end of July, which is typically when teen employment reaches its annual peak. That is up nearly 6.0 percent from 2011, when teen employment in July totaled 5,193,000, the lowest July teen employment level since 1959. However, the number of employed teenagers is still well short of a pre-recession peak of 7,494,000, recorded in July 2006. The largest number of teenagers working at one time was in July 1978, when 10,033,000 16- to 19-year-olds were employed.

“The economy slowed a bit as the summer got underway. Retail sales were particularly anemic in May and June, which is when decisions regarding the need for additional summer hiring were being made. Meanwhile, other traditional summer employment venues for teens, such as movie theaters, pools, camps and amusement parks, are likely to have completed the bulk of their hiring in May, only hiring additional workers if it was necessary to replace someone who left or was dismissed,” said John A. Challenger, chief executive officer of Challenger, Gray & Christmas.

“Teenagers also faced more competition from older, more experienced job seekers, such as recent college graduates and recent retirees. Throughout most of the country, the market for higher-paying, salaried positions is still very tight. Those in their early 20s, who are still in college or who recently graduated are taking jobs in retail, food service and other areas where teens once represented the bulk of the labor force. Perhaps as a result of this shift or maybe due to changing attitudes about employment, in general, a growing number of teenagers appear to dropping out of the labor market, entirely,” noted Challenger.

According to the Bureau of Labor Statistics, of the 16,795,000 civilian, non-institutionalized 16- to 19-year-olds in the United States, only 7,264,000, or just about 43 percent, are employed or actively seeking employment. Of the 9,530,000 remaining teenagers who are not considered part of the labor force (because they did not actively seek employment during the four weeks prior to survey), only 1,254,000 want a job. Even fewer (482,000) actually searched for employment over the past 12 months or since the end of their last job.

“In all, there are nearly 8.3 million teenagers who simply do not want a job or, at least, are making no concerted effort to find a job. This represents a major shift in teen employment trends. In 1980, for example, nearly 71 percent of teenagers were employed or looking for employment in July,” said Challenger.

“These figures do not necessarily mean that all of these non-working teens are sitting around idle. Many may be falling under the employment radar. Some may be taking a more entrepreneurial path, earning money through a variety of odd jobs, such as lawn mowing and babysitting. Others may be volunteering or working without pay for a family business. More may be taking summer classes or participating in organized sports that don’t allow enough time for summer jobs. Today’s teenagers have far more options than previous generations and jobs at the local mall or in a fast-food restaurant are perhaps being shunned,” Challenger concluded.



**SUMMER EMPLOYMENT GAINS AMONG 16- TO 19-YEAR-OLDS
2003-2013**

Year	May	June	July	Summer Jobs Gained	Change from Prior Year
2003	152,000	859,000	458,000	1,469,000	-11.3%
2004	168,000	827,000	597,000	1,592,000	8.4%
2005	183,000	1,007,000	546,000	1,736,000	9.0%
2006	230,000	1,033,000	471,000	1,734,000	-0.1%
2007	62,000	1,114,000	459,000	1,635,000	-5.7%
2008	116,000	683,000	355,000	1,154,000	-29.4%
2009	111,000	698,000	354,000	1,163,000	0.8%
2010	6,000	497,000	457,000	960,000	-17.5%
2011	71,000	714,000	302,000	1,087,000	13.2%
2012	157,000	858,000	382,000	1,397,000	28.5%
2013	215,000	779,000	361,000	1,355,000	-3.0%

Source: Challenger, Gray & Christmas, Inc. with non-seasonally adjusted data provided by the U.S. Bureau of Labor Statistics