THE IMPACT OF YOUTH UNEMPLOYMENT

Economic Impact

- High youth unemployment levels affect more than youth alone; the impact is felt by the older generations and the overall economy
- The boomer generation is relying on the younger generation to purchase their homes when they are ready to downsize, and to pay taxes that will cover their old age security and health care benefits
- Youth are suffering financially, and as a result they are renting longer and delaying the purchase of a first home
- With youth out of work or in lower paying jobs, the economy suffers by a loss in production of goods and services; other costs come from deterioration of health standards and an increase in crime, both impacted by higher unemployment levels

Scarring

- Scarring impacts include being stuck in low wage jobs, or suffering from continuous joblessness over a long period of time
- Unfortunately, scarring effects can last for a long time, well after the economy recovers and even after a person finds work
- For example, it is common to have a wage penalty up to 20% that lasts approximately 20 years for those who struggle to find work at a young age
- Scarring also impacts the type of jobs people are able to obtain, not just salaries
- 43% of people who started in lower level jobs remained at the bottom as adults

Additional impacts of youth unemployment include:

- Unemployed youth miss out on crucial skill development
- Youth become demotivated and have a distrust of the economy and labour force
- Increase in violent crime
- Riots and protests
- Emigration and working abroad
This research snapshot is part of a comprehensive literature review completed by The YOUTHOUGHT RIGHT project.

YOUTHOUGHT RIGHT: Making ES Work for Youth, is a project led by Peel-Halton-Dufferin Adult Learning Network (PHDALN) in partnership with The Centre for Skills Development & Training (The Centre). The project was funded by the Ontario Government’s Ministry of Training, Colleges & Universities (MTCU) in 2013 - 2014.

The goal of the project is to understand the reasons why youth (ages 15 – 24) are not accessing the Employment Ontario employment service as regularly as could be expected, and to recommend courses of action for service providers to take in order to attract, engage and serve more youth clients.

For more information, visit our website at www.youthoughright.ca or email Laura Dutton, Project Coordinator, at duttonl@thecentre.on.ca

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