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Macro Roundup Artcile

Headline: Not Working, Out-of-School Young Adults in the U.S. by Race and Geography

Article Link: https://www.stlouisfed.org/on-the-economy/2024/aug/not-working-out-of-school-young-adults-us-race-geography

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Tweet: .@StLouisFed analysts find that from 2017 to April 2024, 16% of US 18-24-year-olds were "disconnected" from both the labor force and education, and argue that investing in disconnected young adults could further their contributions to US economic growth.

Summary: More than 1/3 of young adults reported having no salary or wages. Many of these young adults belong to a group known as "disconnected youth," meaning they are neither in school nor working. Even when excluding the summer months of June through August, 14% of young adults nationwide were disconnected in 2020, a record high. Excluding the summer months, the rate fell slightly to 13.3% in 2022. 1 in 5 rural young adults are disconnected, compared with 17.1% of young adults who live in principal cities and 15.6% of young adults in metro areas. Regardless of geography, young Black adults have the highest rates of disconnection: 29.1% (rural), 23.8% (city), and 20.9% (metro area). Compared with those in metro areas, larger shares of disconnected young adults in rural areas and cities come from families with income of less than \$50,000. Educational attainment plays a role in being disconnected; 80.2% of disconnected young adults in rural areas and 2/3 of disconnected young adults in cities have no more than a high school diploma.

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Primary Topic: Unemployment/Participation

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