

Comparing the labor market success of young adults from two generations

Contrary to the expectations of some labor market analysts, young adults born during the “baby bust” have thus far been less successful, in terms of earnings and other labor market measures, than their “baby-boom” counterparts

Kurt Schrammel

The post-World War II “baby boom,” characterized by high fertility rates from 1946 to 1964, put a stamp on the social, political, and economic landscape of the Nation that is likely to last well into the next century. Seventy-six million babies were born over the 19-year period, or about 4 million per year. Because the baby-boom generation is so large relative to the generations directly before and after it, as its members progress through the various life stages, demographers often compare it to watching a python eating a piglet—the bulge moves slowly through the system. Fertility rates declined in the subsequent period, however, and the average number of births dropped to about 3.4 million per year from 1965 to 1976. The resulting smaller generation is sometimes called the “baby bust.”¹

Throughout the 1970s and 1980s, the young adult labor force—defined here as workers aged 25 to 34—grew rapidly as successive waves of baby-boomers reached the age of 25. Employment among young adults grew nearly as rapidly during the period, but unemployment rates also were fairly high, prompting some analysts to argue that the size of the baby-boom cohort was responsible for some of its problems in the labor market. It also was noted at the time that the transition of the young adult work force from boomers to busters would occur during the 1990s. Some observers of labor market trends speculated that the resulting smaller cohort would lead to an improvement in the labor market conditions of young adults. The following prediction, quoted from a popular business magazine in 1979, is typical: “Over the next 25 years [the baby-bust gen-

eration] will enjoy better entry-level jobs, higher relative income, and faster promotions because of sparser numbers.”²

Using various measures derived from the Current Population Survey, this article compares the labor market experiences of young adult workers born during the baby boom with those of their counterparts born during the baby bust. It examines trends in the young adult labor force, including employment and unemployment, from the early 1970s to 1996. Trends in real median weekly earnings also are examined.³ Finally, occupational employment and earnings changes among young adults are analyzed. In general, the data show little evidence that the baby-bust generation has enjoyed greater labor market success than the larger baby-boom generation.⁴ In fact, according to some measures, young adults in the 1990s actually experienced less success in the labor market than did their counterparts in the 1970s and 1980s.

The young adult labor force

The baby-boom generation profoundly affected the young adult labor force during the 1970s and 1980s. Nearly a million persons per year were added to the 25- to 34-year-old cohort from 1970 to 1989—an average annual growth rate of 4 percent. In the subsequent period (1989–1996), by contrast, when members of the baby-bust generation began entering the cohort, the young adult labor force declined by nearly 300,000 persons each year, on average, or nearly 1 percent annually. And while part of that decline may be attributed to the 1990–91 recession, most of it is simply due to the smaller baby-bust

Kurt Schrammel is an economist in the Office of Employment Projections, Bureau of Labor Statistics.

Table 1. Employment status of 25- to 34-year-olds by sex and selected years

[Numbers in thousands]

Occupational category	1970	1971	1979	1989	1996
Total					
Population	24,435	25,337	35,261	42,845	40,252
Labor force	17,036	17,714	27,938	35,896	33,833
Participation rate	69.7	69.9	79.2	83.8	84.1
Employed	16,318	16,781	26,492	34,045	32,077
Percent of population	66.8	66.2	75.1	79.5	79.7
Unemployed	718	933	1,446	1,851	1,757
Percent of labor force	4.2	5.3	5.2	5.2	5.2
Men					
Population	11,750	12,227	17,193	21,080	19,775
Labor force	11,327	11,731	16,387	19,905	18,430
Participation rate	96.4	95.9	95.3	94.4	93.2
Employed	10,936	11,218	15,688	18,952	17,527
Percent of population	93.1	91.7	91.2	89.9	88.6
Unemployed	391	513	699	953	903
Percent of labor force	3.5	4.4	4.3	4.8	4.9
Women					
Population	12,684	13,110	18,070	21,765	20,477
Labor force	5,708	5,983	11,551	15,990	15,403
Participation rate	45.0	45.6	63.9	73.5	75.2
Employed	5,382	5,563	10,802	15,093	14,549
Percent of population	42.4	42.4	59.8	69.3	71.1
Unemployed	327	420	748	897	854
Percent of labor force	5.7	7.0	6.5	5.6	5.5

cohort size. (See table 1.)

One of the most significant effects that the baby-boom generation had on the young adult labor market was the dramatic increase in the number of young women working or looking for work. Over the 1970–89 period, the young adult women’s labor force grew at an annual rate of nearly 6 percent; the growth rate for young adult men over the period was about 3 percent. In the subsequent period, the women’s labor force declined by 0.5 percent per year, and the men’s by about 1 percent per year. In addition, the women’s share of the young adult labor force increased from about a third in 1970 to 45 percent in 1989. Since then, the share has change little, with women accounting for about 46 percent in 1996.

Employment. Much like the labor force, employment among young adults grew rapidly over the 1970–89 period, and declined in the subsequent period, beginning with the recession of 1990–91. As overall employment began to recover in 1992, young adult employment continued to decline. From 1989 to 1996, nearly 2 million jobs were lost. And while 80 percent of those losses occurred in the first 4 years of the period, the last 3 saw a net decline of more than 300,000.

One way of comparing the labor market success of young adults from the two generations is by examining trends in their employment–population ratios (the proportion of a given population that is employed). In 1970 (just before the baby-boomers began enter-

ing the young adult labor force), two-thirds of young adults were employed; by 1989, the ratio had risen to 80 percent. (For perspective, consider that from 1951 to 1970, the ratio went from 62 percent to 67 percent.) During the 1990s, on the other hand (when the baby-busters were entering the young adult work force), employment–population ratios were essentially flat—79 percent in 1990, 80 percent in 1996. Again, the effects of the 1990–91 recession must be considered, but overall employment had been growing robustly since 1992. Thus, while employment–population ratios are greater, on average, for baby-busters than for baby-boomers, most of the gains among 25- to 34-year-olds occurred before members of the baby bust had reached age 25.

Similarly, the gains in employment–population ratios for young adult women occurred over the 1970–89 period. In 1970, 42 percent of young adult women were employed; by 1989, the ratio had risen to 69 percent. From 1989 to 1996, the employment–population ratio for young adult women increased—but only to 71 percent. Among young men, the ratio declined slowly over the 1970–89 period (as it did for all men), from 93 percent to 90 percent. Since 1989, the proportion of young men that were employed has continued to decline, but at a slower rate than in the earlier period. (See table 1.)

Unemployment. Unemployment rates, which represent the

proportion of the labor force that looked for work but was unable to find it, fluctuate with the business cycle, increasing during recessions and decreasing during expansions. Nevertheless, among young adults, they have trended upward since the end of World War II. When the baby-boomers began entering the young adult labor force in 1971, overall unemployment rates were fairly high due to the recession of 1970. For the 25-to-34 year-old cohort, the unemployment rate was 5.3 percent in 1971. In 1989, overall unemployment rates were the lowest they had been in nearly 20 years. For young adults, however, the unemployment rate in 1989 (5.2 percent) was about what it had been in 1971 (5.3 percent). During the early 1990s, young adult unemployment rates rose due to the 1990–91 recession. And while they have declined in recent years, the rate in 1996 was still 5.2 percent. In terms of unemployment rates, then, while young adults born during the baby bust do not appear to be worse off than their baby-boom counterparts, they also do not appear to be any better off.

As with other measures, it is important to look at young adult unemployment rates for men and women separately. For young adult men, the rate was 4.4 percent in 1971, 4.8 percent in 1989, and 4.9 percent in 1996. Hence, unemployment among young adult men appears to thus far have been about the same

(or slightly higher) for members of the baby bust as it was for members of the baby boom. For young adult women, on the other hand, unemployment rates trended downward over the 1971–89 period, rose during the 1990–91 recession, and have been relatively flat in the last 2 years following the recession effects experienced earlier in the decade. Unemployment rates for both young adult men and women essentially mirrored the trends in overall unemployment over the period, suggesting that the rates for young adults did not change relative to other age groups. Nevertheless, by this measure, neither young adult men nor women of the baby-bust generation have experienced more favorable labor market conditions than their counterparts born during the baby boom. (See table 1.)

Median weekly earnings. In this section, median weekly earnings of full-time wage and salary workers are examined for 1979 (the first year for which earnings data are available from the CPS) and 1996, comparing the 25- to 34-year-old cohort over time and also relative to the total adult work force (aged 25 to 64). In 1979, members of the young adult cohort had been born from 1945 to 1954, making them almost exclusively baby-boomers; by 1996, most young adults had been born during the baby bust. Also, to make the comparison

Table 2. Median weekly earnings in constant (1996) dollars by occupation sex, and selected age, 1979, 1996

Occupational category	Both sexes			Men			Women		
	1979	1996	Percent change	1979	1996	Percent change	1979	1996	Percent change
25 to 34 years									
Total	\$545	\$463	-15.0	\$651	\$499	-23.3	\$435	\$415	-4.5
Executive, administrative, and managerial	692	599	-13.4	761	658	-13.5	545	545	.0
Professional specialty	649	628	-3.2	720	699	-2.9	545	582	6.8
Technicians and related support	590	536	-9.2	655	601	-8.3	499	493	-1.3
Sales occupations	595	476	-19.9	662	541	-18.2	389	394	1.2
Administrative support, including clerical	435	393	-9.6	612	438	-28.4	413	381	-7.7
Service occupations	357	310	-13.1	474	356	-24.8	292	272	-6.8
Precision production, craft and repair	659	498	-24.5	675	508	-24.7	435	374	-13.9
Machine operators, assemblers, and inspectors	480	361	-24.8	569	408	-28.3	350	296	-15.5
Transportation and material moving occupations	631	434	-31.3	642	446	-30.5	521	350	-32.8
Handlers, equipment cleaners, helpers, and laborers	493	347	-29.6	523	362	-30.8	368	298	-18.9
Farming, forestry, and fishing	387	305	-21.2	391	310	-20.8	305	264	-13.4
25 to 64 years									
Total	573	521	-9.1	692	600	-13.3	432	446	3.1
Executive, administrative, and managerial	809	725	-10.3	874	868	-.6	545	601	10.3
Professional specialty	703	748	6.4	865	880	1.7	588	664	12.9
Technicians and related support	649	597	-8.0	737	687	-6.8	495	512	3.4
Sales occupations	592	516	-12.9	722	624	-13.6	363	395	8.7
Administrative support, including clerical	448	424	-5.3	655	523	-20.2	424	406	-4.2
Service occupations	361	321	-11.1	487	395	-18.8	296	284	-4.1
Precision production, craft and repair	696	575	-17.4	701	590	-15.8	424	391	-7.7
Machine operators, assemblers, and inspectors	478	396	-17.1	597	464	-22.2	348	313	-10.1
Transportation and material moving occupations	653	494	-24.3	655	504	-23.1	454	357	-21.4
Handlers, equipment cleaners, helpers, and laborers	489	372	-23.9	541	393	-27.3	361	308	-14.7
Farming, forestry, and fishing	387	314	-18.9	394	322	-18.2	301	268	-10.8

Note: Earnings figures for 1979 were adjusted for inflation by dividing the Consumer Price Index for all Urban Consumers (CPI-U) average for 1996 by the CPI-U average for 1979, and then multiplying this ratio by the 1979 current earnings figures. (See text footnote 5 for more information on earnings figures.)

Table 3. Median weekly earnings of young adults (25 to 34 years) as a percent of earnings of all adults (25 to 64 years) by sex, 1979, 1996

Occupational category	Both sexes			Men			Women		
	1979	1996	Change	1979	1996	Change	1979	1996	Change
Total	95.1	88.9	-6.2	94.1	83.2	-10.9	100.5	93.0	-7.5
Executive, administrative, and managerial	85.6	82.6	-2.9	87.1	75.8	-11.3	100.0	90.7	-9.3
Professional specialty	92.3	84.0	-8.4	83.3	79.4	-3.8	92.6	87.7	-5.0
Technicians and related support	91.0	89.8	-1.2	88.9	87.5	-1.4	100.9	96.3	-4.6
Sales occupations	100.4	92.2	-8.1	91.6	86.7	-4.9	107.1	99.7	-7.4
Administrative support, including clerical	97.1	92.7	-4.4	93.4	83.7	-9.7	97.4	93.8	-3.6
Service occupations	98.8	96.6	-2.2	97.3	90.1	-7.2	98.5	95.8	-2.8
Precision production, craft and repair	94.7	86.6	-8.1	96.3	86.1	-10.2	102.6	95.7	-6.9
Machine operators, assemblers, and inspectors	100.5	91.2	-9.3	95.3	87.9	-7.4	100.6	94.6	-6.1
Transportation and material moving occupations	96.7	87.9	-8.8	98.0	88.5	-9.5	114.8	98.0	-16.7
Handlers, equipment cleaners, helpers, and laborers	100.9	93.3	-7.6	96.8	92.1	-4.7	101.8	96.8	-5.0
Farming, forestry, and fishing	100.0	97.1	-2.9	99.5	96.3	-3.2	101.4	98.5	-2.9

more meaningful, earnings figures are expressed in “constant” (1996) dollars, or in what are sometimes called “real” terms—that is, adjusted for inflation.⁵

An examination of the median earnings data by the 11 occupational groups for young adults and all adults shows little change over the 1979–96 period when compared with the median figure for all occupations. For example, the median earnings of workers in four occupational groups—executive, administrative, and managerial; professional specialty; precision production, craft, and repair; and technicians and related support—were consistently higher than the median earnings of employees in all occupations in both 1979 and 1996. Similarly, median earnings in five occupational groups—administrative support including clerical; service workers; machine operators, assemblers, and inspectors; farming, forestry, and fishing; and handlers, equipment cleaners, helpers and laborers—were lower than the median for all occupations in both of these years. In the remaining two groups—sales and transportation and material moving occupations—the earnings were about the same as they were for workers in all occupations 1979 and 1996. (See table 2.)

However, unlike employment, real median earnings for young adults decreased from \$545 per week in 1979 to \$463 per week in 1996—a 15-percent decline. Furthermore, real median weekly earnings declined in each of the 11 occupational groups. In transportation and material moving occupations, earnings in 1979 had been among the highest for young adults, but by 1996, they had dropped by 31 percent—more than in any other group. The decline in earnings was greater for men than for women in most occupations: men’s earnings declined by 23 percent over the period, while women’s declined by only 5 percent.

Relative earnings. Table 3 shows median weekly earnings for young adults in 1979 and 1996 as a percent of earnings for all

adults—termed here the *relative earnings ratio*. In 1979, young adults in general earned 95 percent of what all adults earned; by 1996, this ratio had declined to 89 percent. Like real earnings, the relative earnings ratios of young adults declined over the period in each of the 11 occupational groups, although the magnitude of the change varied considerably among the groups. Consequently, a major reason that young adults were earning relatively less in 1996 than their counterparts in 1979 can be determined by examining the occupational groups in which employment of these workers grew. (The impact of occupational employment changes is discussed later in the article.)

In 1979, the median earnings of young adults in four occupational groups were at least equal to the median earnings of all adults—that is, their relative earnings ratio was 100 percent or greater. To an extent, these groups—sales; machine operators, assemblers, and inspectors; handlers, equipment cleaners, helpers, and laborers; and farming, forestry, and fishing—are composed of occupations in which such things as advancement, seniority, and age typically provide less advantage in terms of earnings. One would not expect to find, for example, a great difference in the earnings of a 25- to 34-year-old laborer and a 35- to 64-year-old laborer. By 1996, there was not a single occupational group in which the young adults’ relative earnings ratio was 100 percent or more.

There also were differences among men and women in the decline in the relative earnings ratios over the period. For men, the greatest declines were among executive, administrative, and managerial and precision production, craft and repair occupations. For women, the ratio declined the most in transportation and material moving occupations; sales; and, like men, in executive, administrative, and managerial occupations. (See table 3.)

Occupational changes among young adults

A myriad of economic changes occurred over the period that

had profound effects on the occupational mix of the work force. Many of these changes also had an impact on the industrial distribution of the economy, which in turn affects the country's occupational distribution, due to differences in occupational staffing patterns among industries. In this section, changes in the occupational distribution of employment and earnings are analyzed for 1979 and 1996.⁶ Examining these changes may help explain why members of the baby bust have experienced more labor market difficulties than members of the baby boom.

One of the most important changes that took place during the period was the continuing shift of employment from goods-producing to service-producing industries. This change, which has been going on since the end of World War II, accelerated in the early 1980s, when the country endured back-to-back recessions and domestic heavy manufacturing industries began to feel pressure from increased foreign competition. Between 1979 and 1984 alone, the number of nonfarm employees

in goods-producing industries fell by 1.7 million. Manufacturing employment, hit particularly hard by the recessions, has yet to return to its prerecession level. As a result, many of the relatively high-paying precision production jobs held by young adults in 1979 were no longer available to their counterparts in 1996. Instead, more jobs were available in service-producing industries, which tend to provide jobs for young workers in occupations that typically pay less than manufacturing jobs. For example, the share of young adult employment in the service occupational group increased from 1979 to 1996, while it decreased over the period in precision production, craft, and repair occupations.⁷

Another factor affecting the distribution of jobs over the period was technological change. In general, occupational groups that are more vulnerable to advances in automation and computer technology lost employment share, while those less susceptible to such changes maintained or increased em-

Table 4. Percent distribution of employment by occupation, sex, and selected age group, 1979, 1996

Occupational category	25 to 34 years			25 to 64 years		
	1979	1996	Change	1979	1996	Change
Both sexes						
Total	100.0	100.0	---	100.0	100.0	---
Executive, administrative, and managerial	9.8	13.3	3.5	11.6	15.7	4.1
Professional specialty	16.1	15.4	-.7	13.9	16.3	2.4
Technicians and related support	3.6	3.9	.3	2.7	3.3	.6
Sales occupations	9.6	11.4	1.8	10.3	11.0	.7
Administrative support, including clerical	16.6	14.5	-2.1	15.9	14.4	-1.5
Service occupations	9.9	12.8	2.9	11.0	11.6	.6
Precision production, craft and repair	13.6	11.6	-2.1	13.6	11.5	-2.1
Machine operators, assemblers, and inspectors	9.9	6.6	-3.3	9.7	6.4	-3.3
Transportation and material moving occupations	4.5	4.2	-.3	4.7	4.4	-.4
Handlers, equipment cleaners, helpers, and laborers	3.9	4.0	.1	3.5	3.0	-.4
Farming, forestry, and fishing	2.5	2.4	-.1	3.1	2.5	-.7
Men						
Total	100.0	100.0	---	100.0	100.0	---
Executive, administrative, and managerial	11.8	12.5	.7	14.5	16.4	1.8
Professional specialty	14.0	12.9	-1.1	12.8	14.1	1.3
Technicians and related support	3.4	3.5	.1	2.7	2.9	.2
Sales occupations	9.9	10.9	1.0	10.1	11.0	.9
Administrative support, including clerical	5.7	6.1	.3	5.5	5.4	-.2
Service occupations	6.7	10.2	3.6	6.9	8.4	1.4
Precision production, craft and repair	21.9	19.5	-2.4	21.7	19.3	-2.3
Machine operators, assemblers, and inspectors	10.7	7.9	-2.8	9.5	7.2	-2.3
Transportation and material moving occupations	7.1	7.0	-.1	7.4	7.4	-.1
Handlers, equipment cleaners, helpers, and laborers	5.2	5.8	.6	4.4	4.3	-.1
Farming, forestry, and fishing	3.6	3.7	.1	4.4	3.6	-.7
Women						
Total	100.0	100.0	---	100.0	100.0	---
Executive, administrative, and managerial	6.9	14.2	7.3	7.2	14.8	7.6
Professional specialty	19.2	18.4	-.8	15.5	18.9	3.3
Technicians and related support	3.7	4.3	.6	2.7	3.8	1.1
Sales occupations	9.2	12.0	2.8	10.6	11.0	.3
Administrative support, including clerical	32.3	24.7	-7.6	31.1	25.0	-6.1
Service occupations	14.6	15.9	1.3	16.8	15.4	-1.5
Precision production, craft and repair	1.6	2.0	.4	1.8	2.2	.4
Machine operators, assemblers, and inspectors	8.9	5.0	-3.9	10.0	5.4	-4.6
Transportation and material moving occupations .....	.8	.9	.1	.8	.9	.1
Handlers, equipment cleaners, helpers, and laborers	1.9	1.7	-.2	2.0	1.5	-.5
Farming, forestry, and fishing	1.0	.8	-.1	1.3	1.1	-.2

ployment share. To illustrate, the proportion of young adult workers who were employed in precision production, craft, and repair occupations decreased from 14 percent in 1979 to 12 percent in 1996. Similarly, machine operators, assemblers, and inspectors dropped from 10 percent to 7 percent of employment. By contrast, the proportion of young adults employed in executive, administrative, and managerial occupations and in sales occupations increased over the period.

Because the majority of the baby-boomers were aged 35 to 64 in 1996, a large portion of the shifts in total adult employment over the 1979–96 period were due to changes that took place in this larger group. For example, the increased proportion of 25- to 64-year-olds employed in professional specialty occupations between 1979 and 1996 was largely due to a greater proportion of baby-boomers entering these occupations, since the share of young adults in them actually declined. On the other hand, some of the shifts in occupational structure of the adult work force were a function of the smaller baby-bust generation. Specifically, the slight increase in the proportion of adults employed in service occupations was due primarily to the large increase in the proportion of young adults employed in that group. (See table 4.)

Employment growth and earnings. Employment of all adult workers aged 25 to 64 increased by 31.3 million from 1979 to 1996, with the 25- to 34-year age group accounting for 5.8 million or 19 percent of the growth. (See table 5.) The employment growth of young adults relative to all adults was not evenly distributed between high- and low-paying occupational

groups. In fact, the largest share increases for young adults were in lower-paying occupational groups. There were six occupational groups in which the young adults' share of adult employment change was at least 19 percent and the change was positive. In four of these groups—handlers, equipment cleaners, helpers, and laborers; service workers; farming, forestry, and fishing; and sales—median earnings were lower than or close to the median for all occupations.

To further illustrate how young adults fared in relation to the entire adult work force, in terms of the occupations they entered, table 6 shows the *relative proportion* of employment in the 11 major occupational groups in 1979 and in 1996. This measure is the percentage of young adults employed in an occupational group divided by the percentage of all adults employed in the same occupational group in a given year. A number greater than 1.0 indicates that in that year, young adults were *more* likely to be employed in this specific occupational group than the adult work force as a whole. In contrast, a relative proportion of less than 1.0 indicates that young adults were *less* likely to be employed in that group. By examining changes in this proportion over time, conclusions can be drawn about the kinds of occupations in which young workers from the two generations were most likely to be employed.

With a relative proportion of 1.16 in 1979, the likelihood of young adults being employed in professional specialty occupations was 16 percent higher than it was for all adults in that year. By 1996, this proportion had fallen to 0.95—a decline of 21 percentage points. Similarly, the relative proportion of young adults employed in technicians and related support occupations declined over the period from 1.32 to 1.17. In contrast, young adults were more likely to work in service occupations in 1996 than in 1979. The relative proportion also increased over the period for handlers, equipment cleaners, helpers, and laborers (from 1.12 to 1.31); farming, forestry, and fishing occupations (from 0.81 to 0.97); and sales occupations (from 0.93 to 1.04). Thus, the decline in young adults' earnings over the period may be partly attributable to their increased likelihood of working in lower-paying occupations.

The table also shows that young men were less likely to work as managers, professionals, and technicians, and more likely to work in service occupations, in clerical occupations, and as laborers. Despite their relative gains in earnings, young women also were less likely to work in professional specialty occupations and as technicians. The relative proportion for young women increased in sales and service occupations, and among handlers, equipment cleaners, helpers, and laborers.

In 3 out of 4 of the occupational groups for which the relative proportion of young adults employed increased the most over the period—service workers; handlers, equipment cleaners, helpers, and laborers; and farming, forestry, and fishing—median earnings were lower than the median for all occupations. The one exception was sales, an occupation in which young adults enjoyed earnings parity with their older counterparts in 1979,

Table 5. Employment change for adults and young adults by occupation, 1979–96

Occupational category	Employment change, 1979–96 (in thousands)		Young adult share of adult employment change
	Adult work force	Young adult share of work force	
Total	31,290	5,776	18.5
Executive, administrative, and managerial	7,893	1,683	21.3
Professional specialty	6,846	708	10.3
Technicians and related support	1,475	305	20.7
Sales occupations	3,929	1,130	28.8
Administrative support, including clerical	3,452	298	8.6
Service occupations	4,086	1,501	36.7
Farming, forestry, and fishing	290	104	36.0
Precision production, craft and repair	2,018	129	6.4
Machine operators, assemblers, and inspectors	-436	-497	114.1
Transportation and material moving occupations	1,114	164	14.7
Handlers, equipment cleaners, helpers, and laborers	623	251	40.2

Table 6. Relative proportion for young adults by occupation and sex, 1979, 1996

Occupational category	Both sexes			Men			Women		
	1979	1996	Change	1979	1996	Change	1979	1996	Change
Executive, administrative, and managerial .....	.85	.85	.0	.81	.76	-.5	.96	.96	.0
Professional specialty	1.16	.95	-.21	1.09	.92	-.18	1.24	.98	-.26
Technicians and related support	1.32	1.17	-.15	1.29	1.22	-.8	1.37	1.14	-.23
Sales occupations .....	.93	1.04	.11	.98	.99	.1	0.87	1.10	.23
Administrative support, including clerical	1.04	1.01	-.4	1.04	1.13	.9	1.04	.99	-.5
Service occupations .....	.90	1.10	.20	.96	1.22	.26	.87	1.04	.17
Precision production, craft and repair	1.00	1.01	.1	1.01	1.01	.0	.87	.89	.1
Machine operators, assemblers, and inspectors	1.02	1.03	.1	1.12	1.09	-.3	.89	.93	.4
Transportation and material moving occupations .....	.95	.96	.1	.95	0.95	-.1	.95	.96	.1
Handlers, equipment cleaners, helpers, and laborers	1.12	1.31	.19	1.18	1.35	.17	.94	1.14	.20
Farming, forestry, and fishing .....	.81	.97	.16	.83	1.02	.19	.72	.76	.4

Note: The relative proportion is the percentage of young adults employed in an occupational group divided by the percentage of all adults employed in the same occupational group in a given year.

although they were less likely to be employed in this group than the adult work force as a whole. In 1996, their chances of being employed in sales had increased to the level at which they were slightly more likely than adults to work in these occupations, yet their relative earnings ratio had declined to 92 percent.

YOUNG ADULT WORKERS in 1996 found that, despite their smaller numbers, the economy did not provide them with the labor market benefits that some analysts had predicted earlier. Over the 1979–96 period, the greatest gains in terms of employment and earnings among young adults occurred when most members of the cohort were baby-boomers. In addition, for the most part,

young adults in 1996 were more likely than were their counterparts in 1979 to be employed in lower-paying occupational groups, and less likely to be employed in higher-paying occupational groups. Recent projections of employment and labor force growth for the 1996–2006 period are similar to trends for the 1979–96 period. For example, both professional specialty and service occupations are expected to account for more than half of all job growth. In addition, the young adult labor force is expected to decline, in absolute numbers and as a proportion of all adult workers.⁸ Therefore, if past is prologue, it should be interesting to see if young adults find themselves facing similar issues and discovering similar results in coming years. □

Footnotes

¹ Birth and fertility statistics, National Center for Health Statistics, home page (<http://www.cdc.gov/nchswww/mission.htm>), November 1997. For background on the baby boom and how it relates to the economy, see Louise B. Russell, *The Baby Boom Generation and the Economy* (Washington, Brookings, 1982).

² "Population Changes that Help for a While," *Business Week*, Sept. 3, 1979, pp. 180–187.

³ Data for 1996 are not strictly comparable with data for earlier years because of the introduction of a major redesign of the Current Population Survey questionnaire and collection methodology and the introduction of 1990 census-based population controls. However, the impact on comparability of data used in this analysis is not serious enough to distort the results. See Anne E. Polivka and Jennifer M. Rothgeb, "Redesigning the CPS questionnaire," *Monthly Labor Review*, September 1993, pp. 10–28, for an in-depth discussion of the CPS redesign.

⁴ Similar issues concerning labor market successes were studied by Thomas Nardone in "Decline in youth population does not lead to lower jobless rates," *Monthly Labor Review*, June 1987, pp. 37–41. His research examined the premise that with employment in industries that rely on the youth population (aged 16 to 24) expected to grow, and the number of such workers in decline, employment prospects for this age group should improve. Results showed, however, that youths were experiencing higher unemployment rates in 1986 than they were before the size of their age group began contracting.

⁵ Earnings figures for 1979 were adjusted for inflation by dividing the Con-

sumer Price Index for all Urban Consumers (CPI-U) average for 1996 by the CPI-U average for 1979, and then multiplying this ratio by the 1979 current earnings figures. Also, the current dollar figures for 1979 differ slightly from official published figures due to a somewhat different calculation methodology. The difference, however, is less than 2 percent in all cases. For example, the official figure for 25- to 34-year-olds in current dollars for 1979 is \$255; the figure used in this analysis is \$252. For young adult men, the official figure is \$295; the figure used here is \$301. For women, the two figures are \$199 and \$201. For more information on the CPS earnings figures, see *BLS Measures of Compensation*, Bulletin 2239 (Bureau of Labor Statistics, 1986).

⁶ Beginning in January 1983, the occupational data from the Current Population Survey were coded and published according to a new classification system. Thus, generally speaking, occupational data from prior to 1983 are not comparable with such data from 1983 forward. To help users bridge the gap created by the break in series, BLS published estimates for the 1972–82 period using a "crosswalk" methodology. (See Deborah Pisetzner Klein, "Occupational Employment Statistics for 1972–82," *Employment and Earnings*, January 1984, pp. 13–16.) A similar crosswalk methodology developed by the author was used in this article.

⁷ For more on this topic, see Joseph R. Meisenheimer II, "The services industry in the 'good' versus 'bad' jobs debate," in this issue of *Monthly Labor Review*, pp. 22–47.

⁸ Howard N Fullerton, Jr., "Labor force 2006: slowing down and changing composition," *Monthly Labor Review*, November 1997, pp. 23–38.