The Challenges and Opportunities Facing Young Adults

Lowell R. Ricketts
Institute for Economic Equity
Federal Reserve Bank of St. Louis
May 23, 2024

The views expressed here are those of the speakers and do not necessarily represent the views of the Federal Reserve Bank of St. Louis or of the Federal Reserve System.
Advancing an economy where all can thrive: The Institute for Economic Equity

The Institute advances evidence-based ideas and policy analysis to foster a more equitable economy.

- Read essays on wealth, labor, childcare & more
- Explore the State of Economic Equity
- Attend Conversations on Equity, a speaker series

INSTITUTE FOR ECONOMIC EQUITY
www.stlouisfed.org/institute-for-economic-equity
Why young adults?

Unique Experiences

Two distinct economies early in life:

- A public health emergency and recession
- High inflation and the tightest labor market since World War II
Why young adults?

“... there is an increasing number of 18- to 24-year-olds that are not working. And that scares me because, if they’re not working, I can probably jump out there and say they’re not in training either.”

Springdale, AR
Regional Economic Development Council

Roundtables
CD conducted 16 discussions across communities within the Eighth District in 2023. Experts repeatedly shared their concerns about the structural hurdles that inhibit young adults from participating in and benefitting from today’s economy.
The State of Economic Equity:
Key Opportunities for Advancing U.S. Young Adults’ Economic Security

- U.S. young adults (ages 18 to 24) have experienced an economy disrupted first by a public health emergency and then by high inflation.
- Investments in young adults could increase their ability to interact with the economy, while enhancing productivity, innovation, and growth beneficial for fostering a healthy economy.

In 2022, more than 1 in 3 young adults reported having no wage or salary income, up from 1 in 5 young adults in 1990.

Mental health challenges can lead to absenteeism, job turnover, and lost productivity.

By 2022, young adults’ depression rate was 50% higher than it was among older adults.

In 2022, median young-adult household not worth = $11,200

WEALTH

Community Response

Beyond Today’s Financial Headlines

DISCUSSION WITH THE FED

Labor

Mental Health

Wealth

Community Response

FEDERAL RESERVE BANK OF ST. LOUIS
Disconnected youth are neither working nor enrolled in school.

In STL:
- 13% of young adults are disconnected
  - 37% are Black young adults
  - 62% are young men
From 2010-2017, self-reported depression rates did not differ between young adults and prime-age+ adults (25-64).

By 2022, depression rate was 50% higher for young adults (12%) versus older adults (8%).
Wealth inequities appear when looking by race and ethnicity.

Financial insecurity and less cash on hand for young adults.

- 13% of all adults wouldn’t cover a $400 emergency expense with cash
The Innovation Hub

- The Hub was established in 2019 with an investment of $24.3 million to help students explore careers in the traditional trades (e.g., carpentry), health care and technology.

- Learning is based on the five pillars of communication, teamwork, fluid intelligence, innovation and problem-solving.
Connect with the St. Louis Fed

Visit stlouisfed.org for:

- Research and analysis from experts
- Award-winning, free economic education resources
- FRED®, a trusted source for timely economic data
- Community development tools to support an economy in which all can benefit

Follow us on social:

Catch @stlouisfed on X, LinkedIn, Instagram and more

Explore the Economy Museum:

Learn about money, history and economics in person or online

Subscribe to email alerts:

Get timely info direct to your inbox