

The Challenges and Opportunities Facing Young Adults

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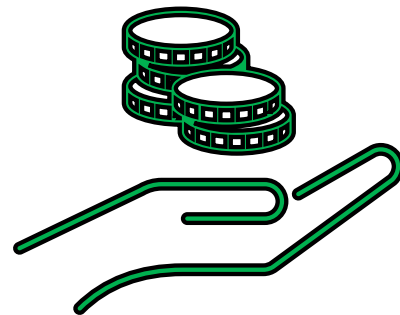
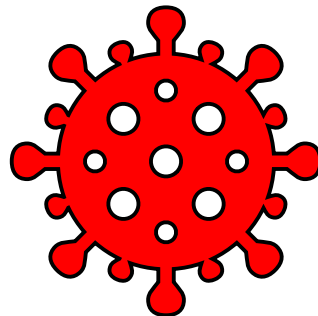
Why young adults?



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

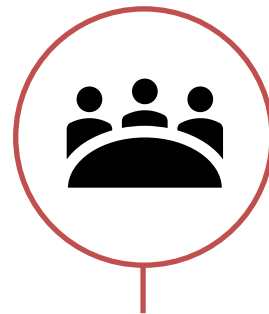


Why young adults?



"... 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.



LABOR



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

Since 2017, the share of young adults reporting depression has both risen and diverged from the share of older adults reporting depression.

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

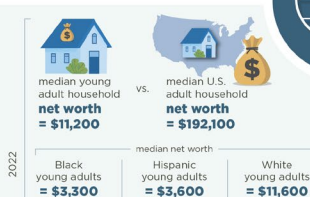


MENTAL HEALTH

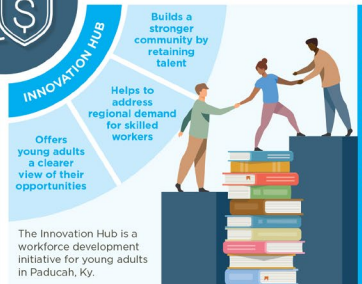


The emergence of telepsychiatry has expanded access to mental health care providers.

WEALTH



% of young adults unable to cover a \$400 emergency expense	
Black	33%
Hispanic	27%
White	15%



COMMUNITY RESPONSE



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SOURCE: Federal Reserve Bank of St. Louis, The State of Economic Equity (2024).

- Labor
- Mental Health
- Wealth
- Community Response

LABOR



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.



disconnected youth = 14%

of all young adults in 2020



Interventions to reduce the skills gap and enhance access to community college could help improve young adults' weaker labor force involvement.



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

Mental Health

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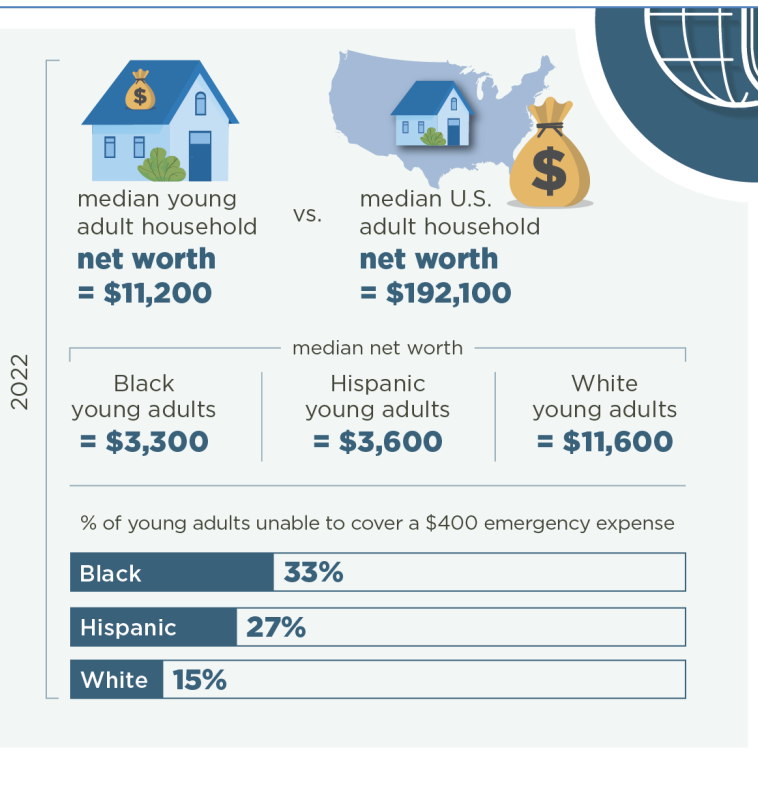


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MENTAL HEALTH

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.

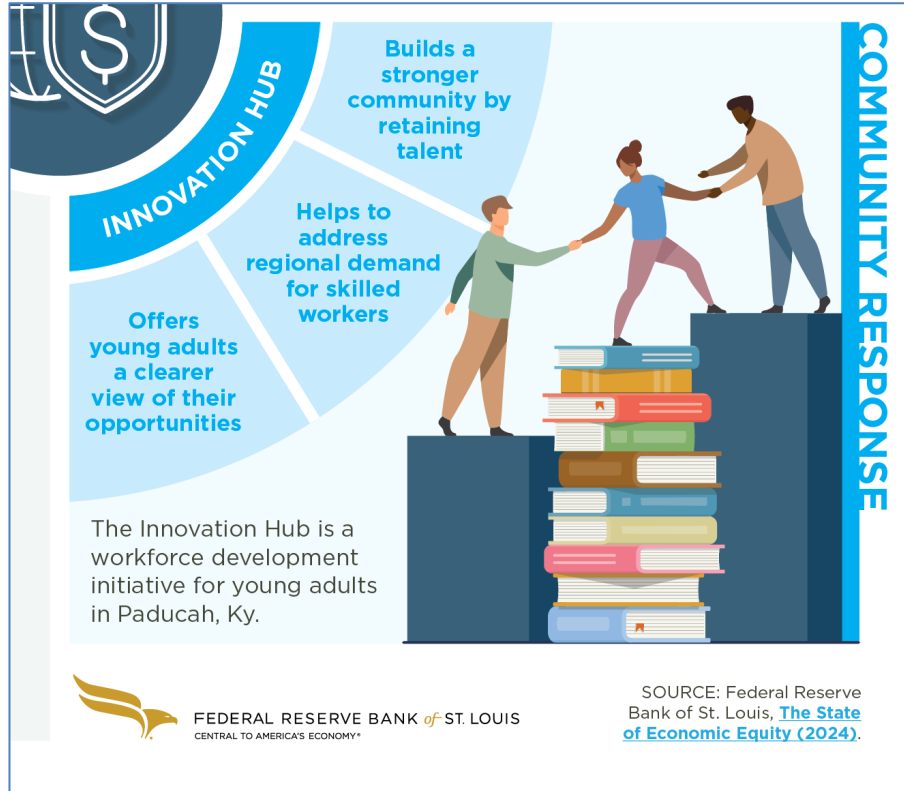
- 13% of all adults wouldn't cover a \$400 emergency expense with cash

Community Response



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.



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