

## YOUNG WORKERS AND THEIR FAMILIES ARE BEING SQUEEZED

**With mounting job losses, stagnating wages, rising prices, and a collapsing housing market, most Americans are feeling the strains of a weak economy. For young families, these problems are compounded by high student loan debt, and the high cost of child care. Now more than ever we need a new direction in economic policy, aimed at restoring broad-based growth, reducing the high costs of energy and health care, improving retirement security, and increasing prosperity for all Americans.**

**Young Families Are Being Squeezed By Rising Expenses.** Median family income among young families is lower than median family income overall, so rising costs eat up a larger share of their budgets. Between 2000 and 2006, America's young families (headed by someone aged 25 to 34) saw median family income fall by 5.6 percent, down to \$51,560, a loss of \$3,080. Since 2000, the average price of gasoline has increased 145 percent to \$4.06 per gallon, the average family health insurance premium has jumped 41 percent to \$11,765, and the average cost of child care for two children is now \$1,041 per month. [U.S. Census Bureau, Current Population Survey, available [here](#); Energy Information Administration, available [here](#); U.S. Department of Health and Human Services, available [here](#); National Association of Child Care Resource & Referral Agencies, available [here](#).]

**Wage Growth Has Stalled For Young Workers.** During the 2000s economic recovery, inflation-adjusted wages of young workers (aged 25 to 34) fell at an annual rate of 0.4 percent, after having grown 0.5 percent per year during the 1990s recovery. For all workers, inflation-adjusted wages grew by 0.3 percent annually, far less than productivity, which grew by 2.6 percent per year. [Bureau of Labor Statistics, U.S. Department of Labor, available [here](#) and JEC analysis.]

**Young Workers Are Losing Jobs.** After years of lackluster employment gains, the economy is now shedding jobs: young workers between the ages of 20 and 34 have lost 127,000 jobs since December 2007. Unemployment among young workers aged 20 to 24 rose from 7.0 percent in 2000 to 10.1 percent in 2008, while for those aged 25 to 34, it rose from 3.7 percent in 2000 to 5.4 percent in 2008. There are now 3.3 million young workers unemployed (aged 20 to 34)—953,000 more than when President Bush took office. Job losses hurt young families, since among young families (headed by someone aged 20-34), three-quarters (74 percent) have children at home. [Bureau of Labor Statistics, U.S. Department of Labor, available [here](#) and [here](#).]

**Student Loan Debt Poses Large Burdens on Young Families.** On top of rising expenses, many young families have high student loan debt. The cost to attend private and public universities has risen 21 and 34 percent, respectively, from 2000 to 2007 and students increasingly rely on loans to pay for college. Approximately one-third (31.4 percent) of people between ages 25 and 34 have at least a bachelor's degree and of those nearly two-thirds have student loan debt. The average student with student loans now graduates with \$19,200 in student debt. [Center for Economic and Policy Research, available [here](#); The Project on Student Debt, available [here](#); College Board, available [here](#) and [here](#); Bureau of the Census, U.S. Department of Commerce available [here](#).]

**One-in-Five Young Families Were Living in Poverty in 2006.** Nationwide, 2 million young families with children and headed by someone aged 25 to 34 (19.6 percent) were living below the poverty line in 2006, up from 16.2 percent in 2000. [Bureau of the Census, U.S. Department of Commerce, available [here](#); JEC August 29, 2007 Fact Sheet on Poverty, available [here](#).]

**2.4 Million More Uninsured Young Workers in 2006.** In 2006, 10.7 million (27 percent) young workers (aged 25 to 34) had no health insurance. Across the country, the number of all Americans without health insurance totals 47 million (15.8 percent of the population), up 8.6 million since the current Administration took office. [Bureau of the Census, U.S. Department of Commerce, available [here](#); JEC August 29, 2007 Fact Sheet on Health Insurance Coverage, available [here](#).]

\* All dollars values (except gas prices, which are current) are in 2007 CPI-U-RS adjusted dollars.