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Total Wages Tend to go up With Age

In responses to the American Community Survey (ACS) for the timeframe 2013 through 2017, individuals age 16 in the state reported an average annual earnings of \$1,899. Those wages climb to \$2,744 at age 17 and nearly double to \$5,033 at age 18. After age 18 the wages continue to climb to \$7,115 at 19.

The ACS does not ask about hourly wage rate but does ask about total earnings, so it is not possible to determine if those age 16 are being paid at the minimum wage or if that rate increases with age. However, given the increase in total earnings this would seem probable that their hourly earnings increase.

Source: Census Bureau ACS 5-Year Data 2013-2017 PUMS data.

Teenagers Balancing School and Employment in North Dakota

For the five-year timeframe 2013-2017, North Dakota has held the highest overall labor force participation rate and smallest unemployment rate of all 50 states. In all states, labor participation by teenagers is lower than the population of primary workforce age (ages 18-64) and the unemployment rate is higher as this population is venturing into employment with generally no previous experience yet contribute to the overall labor participation rate.

This cohort is attending school and must balance work and education. Nearly all 16- and 17-year-olds, 85 percent of those 18 and 71 percent of those 19 are in school.

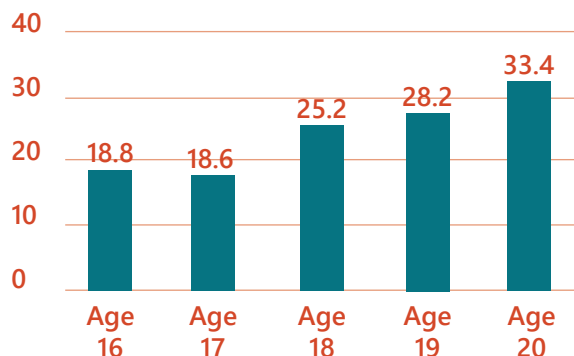
Between 2013 and 2017, North Dakota's teenagers had a labor force participation

rate of 51 percent compared to 38 percent nationally, according to Census data. This means approximately 20,200 teenagers in North Dakota contributed to the state's workforce on average during this timeframe. While this rate was estimated to be lower than five nearby states (South Dakota, Iowa, Minnesota, Nebraska and Wisconsin), teenagers in the North Dakota labor force were either working or seeking work and were more likely to find work at a rate far higher than in most other places in the nation.

Teenage unemployment in the state was estimated to be only 9 percent during this timeframe. North Dakota is the only state with an unemployment rate in this age range of less than 12 percent found

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Usual Number of Work Hours by Age in North Dakota from 2013 to 2017



When teenagers in North Dakota work, they tend to work fewer hours on average at first but as time goes on, the number of hours increase. At 16 years of age, 15 percent of those who work report working 35 hours or more. By age 20, that figure has climbed to 52 percent. The figures do not reflect the cyclic nature of teenage employment where teenagers are far more likely to work during the summer months and less likely to work during the winter months during the core timeframe they are likely to be focused on their education. Males also report working more hours than females. For example, among 16-year-olds, males report working on average 21 hours per week, while females of the same age report working an average of 16.3 hours.

Source: Census Bureau ACS 5-Year Data 2013-2017 PUMS data.

Teenage Employment by County

Statewide, an estimated 46 percent of individuals ages 16 to 19 work. In Divide and Slope counties, the estimate was 100 percent. Several other more rural counties followed closely. These include Bowman, Ransom and Griggs, each with more than 60 percent of teenagers working. For larger counties, Morton was estimated to have 62 percent of this cohort working, followed closely by Burleigh with 58 percent.

At the other end of the scale, Emmons is estimated to have only 13 percent of its teenagers working, followed by Golden Valley and Benson counties.

The reason for the large variation between counties is clear. Availability of teenagers may play a role in the labor participation rate. For example, in Divide County, one of the counties with an estimated 100 percent labor participation rate for the age group 16 to 19 has the second-lowest percentage of its total population in the age group 15-19 years of age. It may also be that in some of these counties, teenagers are more likely to participate in working on the family farm than being employed elsewhere.

Source: Census Bureau ACS 5-Year Data 2013-2017 Table S2301

Where Teenagers are Employed

Data from the Census Bureau's Local Employment Dynamics Program indicates that in North Dakota food service, grocery stores, recreation outlets, elder care facilities, general merchandise stores and gas stations are the most likely employers of teenagers. Teenagers make up the highest percentage of employees in movie theaters, food stores, restaurants and clothing stores. In movie theaters, more than a

quarter of employees are less than age 18.

As the jobs teenagers are employed in can best be referred to as "entry level," it is not surprising to see individuals in the age group have by far the highest rate of turnover. Many are entering and leaving the work force to focus on education. An annualized turnover rate of 30 percent is common and

may be much higher as the available data only reports "stable employment," or those individuals who remain with an employer over an annual quarter timeframe of the year, such as March until April. As a result, individuals who jump from job to job tend not to be counted.

Source: Census Bureau LEHD Quarterly Workforce Indicators, Q1 2018

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in these data. Nationally the rate of unemployment from 2013-2017 is estimated to be 21 percent.

Available data suggest that teenage employment tends to be seasonal with higher participation and higher overall earnings in the third and fourth quarters of the year. Teenagers needing to combine education with work drives the seasonal pattern of work, and in turn, earnings they receive. Data from Local Employment Dynamics shows that 9,690 individuals under age 18 in North Dakota were considered "stable employee" in the first quarter of 2017. The figure drops by nearly 2 percent to 9,512 in the second quarter, but then increases by nearly 34 percent to 10,491 in the third quarter only to drop back down to 9,837 in the fourth quarter.

Similarly, total earnings change quarterly as well. On average, these individuals in the state earned \$585 per month in the first quarter of 2017. That figure climbs to \$661 in second quarter and \$800 in third quarter. However, in the fourth quarter of 2017, the monthly earning of this group drops to \$666. Previous years, prior to 2000, show a similar pattern.

Available data in the American Community Survey suggests that work habits of teenagers change as they age. Forty-nine percent of 16-year-olds in the state indicate they have worked in the past year. That figure grows to 68 percent for respondents age 17, and 78 percent for those age 18. The data also shows that the number of hours worked also increases with age. Respondents ages 16 and 17 reported working on average 19 hours per week. At 18, that figure increased to 25 hours per week on average throughout the year and by 19, the average climbed to 28. For the last two groups, many individuals are leaving school and entering the work force full-time.

Similar to what is found in the range of primary workforce age, males also report working more hours and earning more than females. For individuals under age 19, males that work report working 24 hours per week, while females report working on average 19 hours.

Source: Census Bureau ACS 5-Year Data 2013 - 2017, Table S2301 and PUMS data. LEHD Quarterly Workforce Indicators Q2, 1998 through Q1, 2018

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