

Study: Unemployment dynamics among Canada's youth, 1977 to 2012

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In 2012, the unemployment rate of youths aged 15 to 24 was 14.3%, compared with a rate of 6.0% for core-age adults aged 25 to 54. A significant gap between the unemployment rates of youths and adults have been observed every year since 1977.

Most of the gap between the unemployment rates of youths and adults is the result of higher unemployment inflows among youths. In 2012, 2.6% of youths aged 15 to 24 who were working in a given month became unemployed the next month. In comparison, the corresponding proportion among workers aged 25 to 54 was 1.1%. Inflows to unemployment have been higher among youths than among adults every year since 1977.

Most workers who become unemployed do so as a result of a layoff. In 2012, the average monthly layoff rate among those aged 15 to 24 was 3.5%, more than double the rate of 1.3% recorded among working adults aged 25 to 54. Part of this difference can be attributed to the lower seniority of younger workers on average. Among a sample of workers of all ages with less than one year of seniority with an employer, the gap between the layoff rates of youths and adults was smaller.

Although younger workers are more likely to become unemployed than adults, unemployment spells among youths are, on average, shorter than among adults. In 2012, 79.4% of youths aged 15 to 24 who had become unemployed were no longer unemployed less than three months later. In comparison, that proportion was 67.6% for adults aged 25 to 54.

Outflow rates within three months of new unemployment spells have been higher among youths than among adults every year since 1982. The gap can be explained in part because younger unemployed were more likely to find work in a shorter period of time than core-age adults. Younger people were also more likely to leave the labour force, most often to attend full-time education.

Even when outflows from unemployment that result in leaving the labour force are excluded, outflow rates within three months of new unemployment spells are higher among youths than among adults. In 2012, 67.6% of youths aged 15 to 24 who had become unemployed and who did not subsequently leave the labour force found a job in less than three months. For adults aged 25 to 54, this proportion was 58.0%.

Note to readers

This article reports on differences between youths and adults in terms of unemployment inflow and outflow rates, factors that contribute to a better understanding of the gap between the unemployment rates of youths and adults. Unemployment inflow rates provide information on the incidence of unemployment, while unemployment outflow rates provide information on the duration of unemployment. Data from the Labour Force Survey from 1977 to 2012 are used for this analysis.



Definitions, data sources and methods: survey number 3701.

The study "Unemployment Dynamics Among Canada's Youth", part of the *Economic Insights* series (11-626-X), is now available from the *Browse by key resource* module of our website under *Publications*.

For more information, contact us (toll-free 1-800-263-1136; infostats@statcan.gc.ca).

To enquire about the concepts, methods or data quality of this release, contact André Bernard (613-951-4660), Analytical Studies Branch.