



The U.S. Urban Youth Market: Targeting the Trendsetters

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ABSTRACTS

Introduction

Background

This Packaged Facts report provides an in-depth analysis of the demographic characteristics, spending power, and strategic significance of the U.S. Urban Youth Market, which potentially includes the more than 40 million 12- to 24-year-olds living in metropolitan areas of the United States. This rapidly growing market is vitally important in its own right because of the expanding purchasing power of these urban teens and young adults. The urban youth market also is significant because it is

driven by trendsetters who have a major impact on the consumer preferences of teens and young adults in the general market in the United States and worldwide. The influence of urban youth trendsetters extends across a broad range of industries, including apparel, footwear, beverages, consumer electronics, and all facets of the entertainment industry.

The urban youth market also is of critical importance because it is a multicultural market. Current population projections of the U.S. Census Bureau indicate that over the next two decades multicultural teens and young adults will come close to being a majority in their age group. Thus, consumer-products companies that are able to succeed in the urban youth market of today will be prepared to compete in the mainstream market of the future.

Overview of Report

The report begins with an assessment of how hip-hop culture drives the urban youth market and an analysis of the demographic characteristics of teens and young adults in the market. Factors affecting growth of the market are evaluated and estimates of the spending power of teens and young adults in the urban youth market are provided. Media geared toward the urban youth market are then discussed. The report continues with an overview of marketing and promotional strategies and detailed case studies of companies targeting the urban youth market. The report concludes with individual chapters on the teen and young adult segments of the market. Appendices provide examples of advertising designed for the urban youth market and information about urban youth market resources.

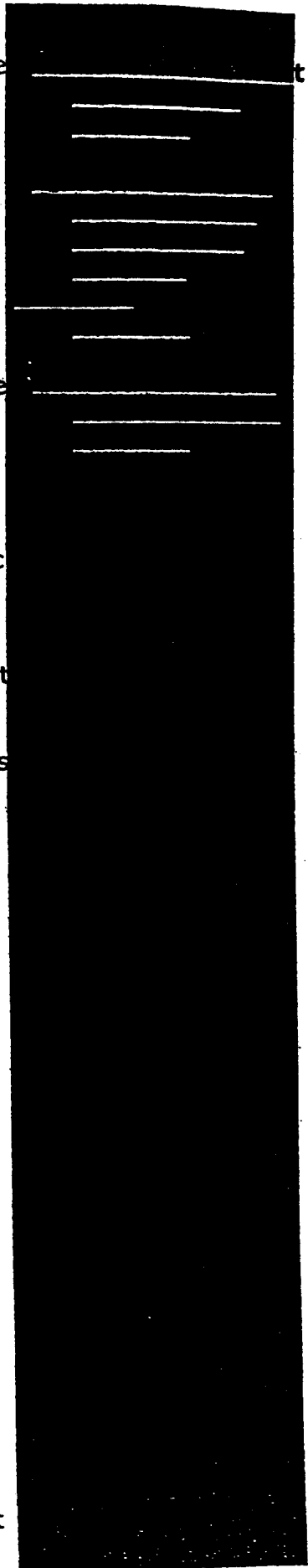
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Scope and Methodology

Scope of Report

This Packaged Facts report analyzes the urban youth market, which potentially includes the more than 40 million teens and young adults between the ages of 12 and 24 who live in metropolitan areas of the United States. The two age groups analyzed by this report are 12- to 17-year-olds and 18- to 24-year-olds.

Packaged Facts defines the urban youth market in terms of two key segments. The first is the **primary** segment of the urban youth market, which consists of the purchasing power directly controlled by "**Leaders**," a population group composed of urban youth who affiliate most actively with hip-hop culture. African-American youth living in central cities have been the most influential Leaders in the primary segment of the urban youth



market, while other multicultural central-city and suburban youth are also significant.

The Leaders in the primary segment of the market are trendsetters who, in addition to setting the tone for their own segment of the market, have a major impact on the consumer preferences of teens and young adults in the general market in the United States and worldwide. Their influence extends across a broad range of industries, including apparel, footwear, beverages, consumer electronics, and all facets of the entertainment industry.

As a result of the impact of Leaders setting trends in the primary market segment, the urban youth market also has a major **secondary** segment that comprises spending by **Followers.** These consumers are defined as other teens and young adults who are influenced, either directly or indirectly, by Leaders in the primary segment of the market. Teens and young adults can be influenced by trendsetting Leaders regardless of their ethnicity or place of residence, whether they are non-Hispanic whites living in rural areas of the United States or youths living in major urban centers in Europe and Asia. However, for purposes of this Packaged Facts analysis, the secondary segment of the urban youth market is defined as including 12- to 24-year-old Followers living in metropolitan areas of the United States.

Key Terms Defined

The term "hip hop" refers to the culture that infuses the society of urban youth. The basic components of hip-hop culture include rap music, breakdancing, graffiti art, a unique slang vocabulary, and a distinct sense of fashion and style.

"Hip hop" also can be used more narrowly to refer to the music that backs rap. Rap or rap music is a form of rhythmic rhyme backed by electronic drum beats combined with "samples," or sound bites isolated from other recordings. A rap group normally includes two or more rappers who alternate lines and verses in a call-and-response format found in many segments of African-American music.

Methodology

This report is based on information collected directly from marketing and advertising executives, a comprehensive review of print media and Web sites geared toward urban youth, and an extensive survey of published materials. U.S. government sources included data from the U.S. Census Bureau, National Telecommunications and Information Administration, and the U.S. Department of Labor. Other sources include a wide range of journals covering the marketing and advertising fields.

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Evolution of The Urban Youth Market

Hip Hop Becomes The Anthem of American Youth

In 1979 an underground musical form created at block parties on the streets of New York began to be picked up and recorded by small, independent record labels with a following in the African-American community. The opening words of the first big hit by the Sugarhill Gang-"I said a, hip, hop"-gave the name "hip hop" to the new form. With the 1986 release of a record by a white rap group, the Beastie Boys, hip hop transcended the inner-city community and became widely embraced by the youth culture at large.

Controversy engendered by hip-hop artists appealed to the rebellious side of youth in the United States and around the world. Rap became thoroughly integrated into the culture of African-American youths because it gave them a voice, inspired pride, communicated a positive view of African-American history, and taught them to aspire to material success. Other teens and young adults seized upon rap as a way to make a statement and differentiate themselves from their elders.

Hip Hop Spawns a Market and Creates an Industry

In the early 1990s hip hop became a major economic force ranging far beyond the music and entertainment industries. The fashion industry was the first to be influenced by hip-hop culture. Young designers with roots in urban neighborhoods began to create fashions inspired by the hip-hop scene. "Streetwear" was initially bought by African-American and Hispanic youths in central cities, but it eventually became wildly popular among white teens in the suburbs.

The final stage in the evolution of the urban youth market came in the mid 1990s as mainstream consumer products companies sought to affiliate themselves with the styles and attitudes engendered by the hip-hop culture. Grass roots marketing approaches pioneered by rap-music marketers began to be applied broadly by marketing executives in a variety of industries, and mainstream advertising agencies began to create units specializing in urban marketing strategies.

Hip-Hop Culture Defines Urban Youth Consumers

The characteristics of urban youth consumers that have been affected by hip hop culture include the following:

- Hip-hop music was not imposed on listeners and buyers from the top down by the entertainment industry, but began on

the streets as a grass roots movement. Urban youth consumers expect companies to prove their legitimacy by showing that their products are authentically connected to the streets.

- Rap goes against the grain of society at large. Urban youth affiliate with the defiant, anti-authoritarian vision of rap lyrics, and marketing messages appeal when they reflect the same edgy attitude and content.
- Hip-hop culture is aspirational. Urban youth look to rap for visions of achievement and turn to its performers as models of success. Thus, rap music celebrities play a vital role in marketing strategies in the urban youth market.

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Key Demographic Features of Urban Youth

Metro Area Youth Population Will Become More Diverse

Packaged Facts estimates that there are 40.5 million individuals between the ages of 12 and 24 who live in metropolitan areas. As a result of population shifts projected by the U.S. Census Bureau, non-Hispanic whites will become a smaller percentage of the metropolitan area youth population between 2000 and 2005, and multicultural population segments will increase to nearly 40% of the youth population in metropolitan areas.

Most Youths Have Incomes

The most recent available data from the Census Bureau indicate that approximately 74% of males and females between the ages of 15 and 24 have money incomes. (Data are not compiled for those under the age of 15.) Approximately one in four males and one in six females in this age group work year-round on a full-time basis. The number of 15- to 24-year-olds working year-round on a full-time basis exceeds 7 million.

Mean Income of Young Males Exceeds \$12,000

The young age, lack of work experience, and continuing involvement in formal education of 15- to 24-year-olds result in relatively low incomes in this age group. However, compared to the population as a whole, nearly as many 15- to 24-year-old males have incomes ranging between \$10,000 and \$24,999 (32.8% vs. 28.7%). With a mean income of \$12,343, the 14 million males in this age group have substantial purchasing power.

One in Five Young Male Workers Earn \$35,000+

The incomes of full-time, year-round workers in the 15- to 24-year-old age group can be substantial. Approximately 37% of male workers earn \$25,000 or more, and 20% earn \$35,000 or more. A surprising 11.4% have incomes of \$50,000 or more. The mean income of all full-time, year-round male workers in this age category exceeds \$22,000.

Urban Youth Consumers Are Highly Brand-Conscious

Research indicates that Leaders in the urban youth market are heavily oriented toward brand awareness and that they derive great satisfaction from owning the right brands. In addition, they like to try new products before others try them and feel the need to keep up with the latest styles.

Consumers Under 25 Spend Differently

Data from the Consumer Expenditure Survey indicate that consumers under the age of 25 have expenditure patterns that differ noticeably from those of other age groups. For example, they devote a significantly higher proportion of their expenditures to food away from home, alcoholic beverages, telephone services, apparel, footwear, used motor vehicles, tobacco, personal-care products, and consumer electronics.

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Survey of The Market

Number of Leaders Is Key to Size of Market

This Packaged Facts analysis assesses the urban youth market in terms of two segments-primary and secondary. The fundamental dynamic of the urban youth market is that it is driven by its primary segment, which consists of a core group of trendsetting Leaders who are actively involved in hip-hop culture. Their tastes and preferences are copied by Followers in the larger secondary market segment who look to Leaders to determine what is cool and what is not at any given time.

More than 9 Million Leaders and Followers in Urban Youth Market

Packaged Facts estimates that there are 4.6 million Leaders in the primary segment of the urban youth market. An estimated 75% are from multicultural demographic segments, and nearly 40% (approximately 1.8 million) are non-Hispanic blacks. Followers in the secondary segment of the market are estimated to total

approximately 5.1 million. An estimated 51% of Followers are non-Hispanic whites.

Urban Youth Market Reflects Mainstream Market of the Future

Current population projections of the U.S. Census Bureau indicate that over the next two decades multicultural teens and young adults will come close to being a majority in their age group. By 2020 they are expected to make up nearly 44% of the population of 12- to 24-year-olds. This means that consumer-products companies that succeed in the urban youth market-which is driven by multicultural youths-are preparing themselves to succeed in the mainstream market of the future.

Teens in Urban Youth Market Spend \$15 Billion

Packaged Facts estimates that the 4.9 million teens in the urban youth market in 2000 spent approximately \$15 billion. They are projected to spend approximately \$19.4 billion in 2005, an increase of nearly 30% during the forecast period.

Spending by 18- to 24-Year-Olds in Urban Youth Market Totals \$55.3 Billion

Packaged Facts estimates that the approximately 4.8 million young adults in the urban youth market spent a total of \$55.3 billion in 2000. This figure is projected to grow 26% and reach nearly \$70 billion by 2005.

Leaders in Urban Youth Market Spend \$34 Billion Annually

Aggregate expenditures by the approximately 4.6 million 12- to 24-year-olds in the primary segment of the urban youth market are estimated at \$34 billion. The relatively fast growth rate among the multicultural youth who make up the majority of the primary segment of the market will contribute to a cumulative growth of 28.5% in annual expenditures by 2005.

Total Spending in Secondary Segment of Market Exceeds \$36 Billion

The 5.1 million 12- to 24-year-olds who look to the Leaders in the urban youth market for clues about style and fashion spend an estimated \$36.3 billion annually. Total expenditures by this segment of the market are expected to reach \$45.4 billion by 2005, representing an increase of 25.2% during the forecast period.

Total Spending Will Reach \$89.1 Billion in 2005

With nearly 10 million 12- to 24-year-olds in 2000, spending in the urban youth market is estimated to total \$70.3 million in 2000. By 2005 Packaged Facts projects that total spending by teens and young adults in the urban youth market will reach \$89.1 million.

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Urban Youth Media

Hip Hop Inspires Television Programming

Both broadcast and cable television networks look to hip hop as the basis for programming designed to reach the teen and young adult market.

- In order to reach its core audience of 18- to 24-year-olds, the MTV channel of MTV Networks, based in New York, New York, has made hip hop the central thrust of its music video programming. According to the CEO of MTV, "hip hop and rap music are king today and will probably remain so."
- For the second year in a row, UPN tied the launch of its new fall season in 2000 to its presentation of "The Source Hip-Hop Music Awards" show. First aired in 1999, the show played a significant role in sparking new interest by advertisers and providing a platform to promote its new fall programming.
- In view of the fact that most viewers of boxing are 50 years of age or older, HBO recognized that it needed to take steps to develop the next generation of boxing fans. In order to reach out to the 15- to 35-year-old demographic segment, HBO launched a new boxing show called "KO Nation." This show features young contenders and incorporates hip-hop music presentations that include a DJ and breakdancers who perform between and after fights.

Urban Radio Format Leads in Top Urban Markets

The significance of hip hop as a broader cultural phenomenon became evident in 1998 and 1999 when radio stations with an urban format-which includes hip-hop and R&B music-overtook country music and achieved the second largest audience share nationally. According to Arbitron data, in 1999 in four of the top ten markets in the country, an urban station was the number-one station.

Advertisers Turn to Key Hip-Hop Magazines

Several influential magazines serve as important destinations for

advertisers seeking to raise their profile in the urban youth market.

- With a total average paid circulation of more than 445,000 and an estimated three million readers per month, *The Source* has evolved into the most widely circulated print publication devoted exclusively to hip-hop music and culture. In 1999 *The Source* became the best-selling music magazine at newsstands and in 2000 it placed among the top 15 best selling titles in campus bookstores.
- With a circulation of approximately 600,000, *Vibe* has a broad focus on urban culture that includes a heavy emphasis on hip hop. The title is another important destination for advertisers seeking to reach the urban youth market, and many campaigns routinely place advertisements in *Vibe* as well as *The Source*.
- A number of magazines, including *Slam*, *Strength*, and *Source Sports*, are targeting young urban males in the 14- to 24-year-old age bracket by focusing on their combined interest in sports, hip-hop music, and fashion.
- Launched in 1999, *Honey* is an urban lifestyle magazine geared toward young women whose fashion tastes and lifestyle are influenced by hip-hop culture. The editorial content of *Honey* is geared toward a multicultural audience.

Internet Companies Compete for The Urban Youth Market

Companies both large and small are developing Internet products to attract the young, lucrative, multicultural, urban audience. Since 1997 a number of companies such as Platform.net, AKA.com, Hookt.com, and 360HipHop.com have all launched Web portals. However, some sites that feature entertainment and lifestyle-related content aimed at a young, urban, multicultural audience are struggling. Analysts observe that these companies are suffering from some of the same problems faced by general-market dot-com companies and they are experiencing problems because it has proven difficult to estimate the size of the urban youth market.

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Marketing, Promotion, and Advertising Strategies for The Urban Youth Market

Street Marketing Teams Are Vital

Hip-hop music left the underground in the late 1970s under the aegis of small, independent record companies that lacked marketing resources. Their best available strategy was to build word-of-mouth support for new releases by sending teams of teens and young adults out onto the streets to let their peers know about and encourage them to buy new recordings. Companies in a range of industries now routinely use street marketing teams composed of key figures in local communities who claim to know who the trendsetting Leaders are in their area. Street marketing teams place posters and stickers and distribute product samples at mom-and-pop stores, barbershops, high schools, night clubs, and other hangouts.

Product Placement on Celebrities an Important Tool

In order to elevate their brands in the urban youth market, apparel and footwear marketers depend upon promotional affiliations with celebrities who then wear their products during their performances. For example, FUBU's rise to prominence depended heavily on LL Cool J's endorsement of its fashions.

Hip-Hop Celebrities Used in Advertising

Brands as diverse as AT&T, VISA, and Sprite have used hip-hop artists and themes in their advertising to attract urban youth. For example, in Summer 2000 the Sprite brand of the Coca-Cola Company launched an advertising campaign that featured hip-hop artists Beanie Sigel, Mos Def, Pharoahe Monch, and Lord Finesse. The commercials continued to use Sprite's long-lived "Obey your thirst" theme, but the new "What are you thinkin?" spots also raised issues associated with race and class. The objective was to communicate with urban youth consumers in a reality-based way.

Dr. Pepper Takes On Sprite in Urban Youth Market

In order to develop a strategy to enable Dr. Pepper to compete against Sprite in the urban youth market, Shift Advertising, a subsidiary of the Dallas-based advertising agency The Richards Group, carried out a field study in four trendsetting markets-Dallas, New York, Chicago, and Los Angeles. One finding was that urban teens are filled with contradictions. For example, urban teens think about the fact that they might die tomorrow, so they better have some fun today. At the same time, they have success dreams that include the reality of facing adult responsibilities in the future. As a result, two TV spots designed for the campaign were built around the theme that life's responsibilities and successes are still ahead, and that while they are young, urban teens should take life "one swig at a time" and enjoy a Dr. Pepper.

Courvoisier Targets Young Urban Adults

Allied Domecq Spirits USA believes that the future of its Courvoisier brand lies with "young, urban adults who subscribe to hip-hop culture, the vast majority of whom are African American." Accordingly, a print and broadcast campaign was launched in 2000 to appeal to "urban influential trendsetters." Print ads appeared in Vibe and XXL as well as in mainstream publications such as Vogue and GQ. The ads suggest that Courvoisier be drunk with ice or mixed with pineapple and orange juice. This is a dramatic departure from the traditional image of cognac as an after-dinner drink but reflects the way young urban consumers are actually drinking the liqueur.

Sony's Walkman Seeks Hip New Image

Sony launched a campaign in 2000 to give its Walkman brand a hip new image. In order to reach an ethnically diverse teen population, the campaign featured Plato, a four-foot alien because "an alien is no one, so an alien is everyone." In the TV spots, Plato comes to Earth in a jalopy-like spaceship, enrolls in a West Coast college, and impresses everyone as a trendsetter. He wears a Sony Walkman, and according to Young & Rubicam, the agency responsible for the campaign, "always looks like he knows the secret. He's the one . . . guys try to be like." To reach teens who are part of hip-hop culture, print ads featuring Plato appeared in The Source, and a special Internet Site called "The Walkman Has Landed" features rap music.

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Case Studies of Companies Marketing to Urban Youth

FUBU Becomes a Legendary Marketing Force

FUBU (an acronym for the slogan "For Us, By Us" originated by one of its cofounders) has maintained its countercultural image as it has grown into a \$350 million-a-year urban fashion company with customers from a wide range of backgrounds. Much of FUBU's success can be attributed to a marketing strategy that incorporates a range of urban marketing tools including an important association with rap star LL Cool J, street marketing tactics, and an affiliation with the NBA.

Urban Youth Vital to Soft Drink Brands

The Coca-Cola Company views the urban youth market as a key segment in its strategy to revitalize its brands among teens. Surge, Sprite, Minute Maid Soda, and the flagship Coke brand all have used a combination of street marketing and edgy advertising to increase market share among urban teens.

Pepsi-Cola Company also sees the urban youth market as a critical element in its overall corporate strategy. According to a senior vice president of the company, "Cultural trends (such as fashion and music) all start in urban areas...To be relevant and with it, you've got to know what's going on in the urban, ethnic landscape. The ethnic market is the mainstream market for youth in the future."

Reebok and Nike Use Diverse Tactics

National footwear brands Reebok and Nike have depended upon a wide variety of approaches in the urban youth market. Reebok's marketing tools have included endorsements from athletes and the use of street marketing teams. Nike was an early proponent of urban marketing. The company's "city attacks" included high-profile billboard advertising with prominent local sports heroes and provided substantial support for grass roots events.

Ford Designers Focus on Urban Trendsetters

The oldest of the 80 million or so Echo Boomers, who were born after 1977 and include young adults in the urban youth market, have become prime targets for automakers needing to establish brand loyalty among this important demographic segment. To help design the Ford Focus, a model meant for Echo Boomers, the company engaged the services of an urban youth culture consultant to teach Ford executives "how to think hip." The marketing campaign designed for the Ford Focus also has depended heavily upon promotion tools and marketing techniques developed by urban youth marketers. For example, in order to create buzz for the new car, Ford loaned "tricked-out" (fully loaded) versions of the Focus to each of 120 trendsetters in five major urban markets.

SkyTel Affiliates with Hip-Hop Music Awards

SkyTel, a unit of Clinton, Mississippi-based WorldCom, has moved into the consumer market by placing its two-way alphanumeric pagers with urban trendsetters, who are early adapters of paging technology. Another component of its urban marketing strategy has been to sponsor *The Source's* hip-hop music awards show. As part of its sponsorship, SkyTel's technology was spotlighted during the show. Instead of opening envelopes to read the award-winners' names, presenters flipped open a SkyTel-branded pager.

Urban Marketing Vans Expand Customer Base for Sony Headphones

In order to expand the market for its "Street Style" headphones, Sony targeted urban youth because, according to a marketing executive involved with the program, "African-American and Hispanic inner-city kids tend to be the trendsetters, the

influencers, then it spreads to the 'burbs.'" The core of the Sony marketing program consisted of a fleet of vans that toured basketball courts and dance clubs in five key urban markets-New York, Los Angeles, Chicago, Atlanta, and Detroit. The vans offered listening stations that allowed kids to try out the headphones along with other Sony products such as MiniDiscs. The campaign also included a giveaway CD with performances by up-and-coming rap artists.

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The Teen Segment of The Urban Youth Market

Most Teens Live in Metropolitan Areas

Packaged Facts estimates that approximately 6.9 million teens (30%) live in central cities, 12 million (51%) live in suburban areas, and 4.5 million (19%) are in rural areas of the United States. By 2005 it is estimated that the percentage of central-city teens will increase slightly due to faster population growth among multicultural teens, who are more likely than non-Hispanic whites to live in central cities.

Most Suburban Teens Are Non-Hispanic Whites

Packaged Facts estimates that approximately 73% of suburban teens are non-Hispanic whites compared to only 45% of central-city teens. However, the teen population of the suburbs will gradually have a more multicultural dimension. In 2005 nearly 30% of the suburban teen population will have a racial or ethnic identity other than non-Hispanic white, compared to approximately 27% in 2000.

More than Half of Population of 14-Year-Olds Hold Paying Jobs

According to the National Longitudinal Survey of Youth that was conducted in 1997 and cited in a report issued by the U.S. Department of Labor in June 2000 entitled "Report on the Youth Labor Force," 14-year-olds are quite likely to hold paying jobs. The survey found that 57% of interviewed youths reported having held some type of job when they were aged 14.

Most Teens Earn More than Minimum Wage

The stereotype of teens working for the minimum wage is not supported by data from the U.S. Department of Labor. Only 29% of 15-to-17-year-olds earn the minimum wage or less, while the hourly earnings of 71% of those employed in this age group

exceed the minimum wage.

Teens with Year-Round Jobs Earn More than \$5,000 Annually

Assuming that a teen working during the school year is employed for an average of 35 weeks and that a teen with a summer job works for 11 weeks, working teens can earn a relatively substantial sum in the course of a year. If a teen works throughout the year, he or she earns more than \$5,000 on average, regardless of race and ethnicity.

Multicultural Teens Earn More than Non-Hispanic White Teens

Although the average hourly wage of white teens is higher than that of their black and Hispanic counterparts, their weekly earnings are lower. Black and Hispanic 15- to 17-year-olds work more hours per week than white teens with jobs. Lower family incomes place a greater burden on multicultural teens to earn their own money to buy clothes, pay for entertainment, and save for college.

More than 2 Million Metro Area Teens Have Jobs During School Year

Packaged Facts estimates that there are more than 2 million 15- to 17-year-olds in metropolitan areas who have jobs during the school year. More than 1.8 million are non-Hispanic whites, most of whom live in suburban areas, while more than 500,000 are multicultural youths, the majority of whom live in central cities. Employment during the summer months increases substantially, when more than 3 million youths in this age group are employed. More than 800,000 of these are multicultural teens, while 2.4 million are non-Hispanic whites.

Annual Earnings of Employed Metro Area Teens Exceed \$22 Billion

Packaged Facts estimates that 15- to 17-year-olds living in metropolitan areas who are employed during the school year earn a total of \$8.7 billion, while metro-area teens in this age group with summer jobs* earn a total of \$13.8 billion. The total amount earned by teens from jobs during the summer and the school year is estimated at \$22.4 billion...

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The Young Adult Segment of The Urban Youth Market

Metro Area Young Adult Population Tops 21 Million

Packaged Facts estimates that approximately 7.8 million 18- to 24-year-olds live in central cities and that 13.7 million reside in suburban areas. Key demographic trends in this population group include the following:

- African-American, Hispanic and Asian-American young adults make up 55.4% of the young adult population in central cities. By 2005 it is estimated that multicultural young adults will comprise nearly 57% of the population in their age group.
- The rate of growth among multicultural 18- to 24-year-olds living in suburbs will be substantially higher than that of all suburban young adults and non-Hispanic whites in this age category. The multicultural young adult urban population will increase 12.2% during this period, compared to 5.1% for non-Hispanic whites in the 18- to 24-year-old age group who are living in the suburbs.

Employment Rises among Metro Area 18- to 24-Year-Olds

The number of employed young adults increased by approximately 3% from 1998 to 1999. Employment among Hispanics in this age group increased most rapidly (3.6%), while the employment rate of African-American young adults increased the least (1.3%). As a result of this trend, Packaged Facts estimates that in 1999 there were approximately 15.8 million employed 18- to 24-year-olds living in metropolitan areas.

Booming Economy Boosts Employment of Young Black Men in Urban Areas

In general terms, younger black men, who historically have faced significant difficulties in obtaining employment, have benefited from the prosperity experienced in the United States in the late 1990s. On a national basis, according to the Bureau of Labor Statistics, the percentage of black 16- to 24-year-olds who are employed increased from 47.3% in July 1997 to 49.4% in July 2000. Moreover, research suggests that in individual metropolitan areas the employment-population ratio of younger black males can be substantially higher than indicated by national averages.

Earnings of Young Adults Working Full Time Unaffected by Race, Ethnicity, or Education Levels

In older population groups, non-Hispanic whites make substantially more as a group than non-Hispanic blacks and Hispanics. However, when the population of full-time young adult workers is segmented

by race and ethnicity, the aggregate earnings of each demographic segment correlate closely with its relative size. For example, non-Hispanic whites make up 69% of the population of full-time young adult workers, and they are responsible for 69.9% of the aggregate earnings of this group.

In older age groups the job market rewards those with a high level of educational achievement and penalizes those without one. However, although non-Hispanic white young adults working full-time are twice as likely as Hispanics and non-Hispanic blacks to have an associate's degree, they do not earn substantially more than these other population segments. This suggests that earnings patterns among young adults do not appear to be influenced by the education premium that operates within older age groups.

Young Adults in Metro Areas Earn More than \$200 Billion

Packaged Facts estimates that young adults living in metropolitan areas have aggregate earnings that exceed \$200 billion.

Multicultural 18- to 24-year-olds are responsible for 31.7% and non-Hispanic whites account for 68.3% of aggregate earnings in this age group.

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