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### **Economics column by Phyllis Pooley**

*Data suggest baby boomers aren't taking jobs from Pensacola millennials*

**Pensacola, Fla. – March 16, 2016** – In a new column, Phyllis Pooley, director of special projects with the University of West Florida Center for Research and Economic Opportunity, explores whether retirement-age Pensacola-area baby boomers who remain in the workforce are taking jobs that would otherwise go to millennials. Her article on the subject can be accessed below.

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### **Data suggest Pensacola baby boomers aren't taking millennials' jobs**

By PHYLLIS K. POOLEY | [ppooley@uwf.edu](mailto:ppooley@uwf.edu)

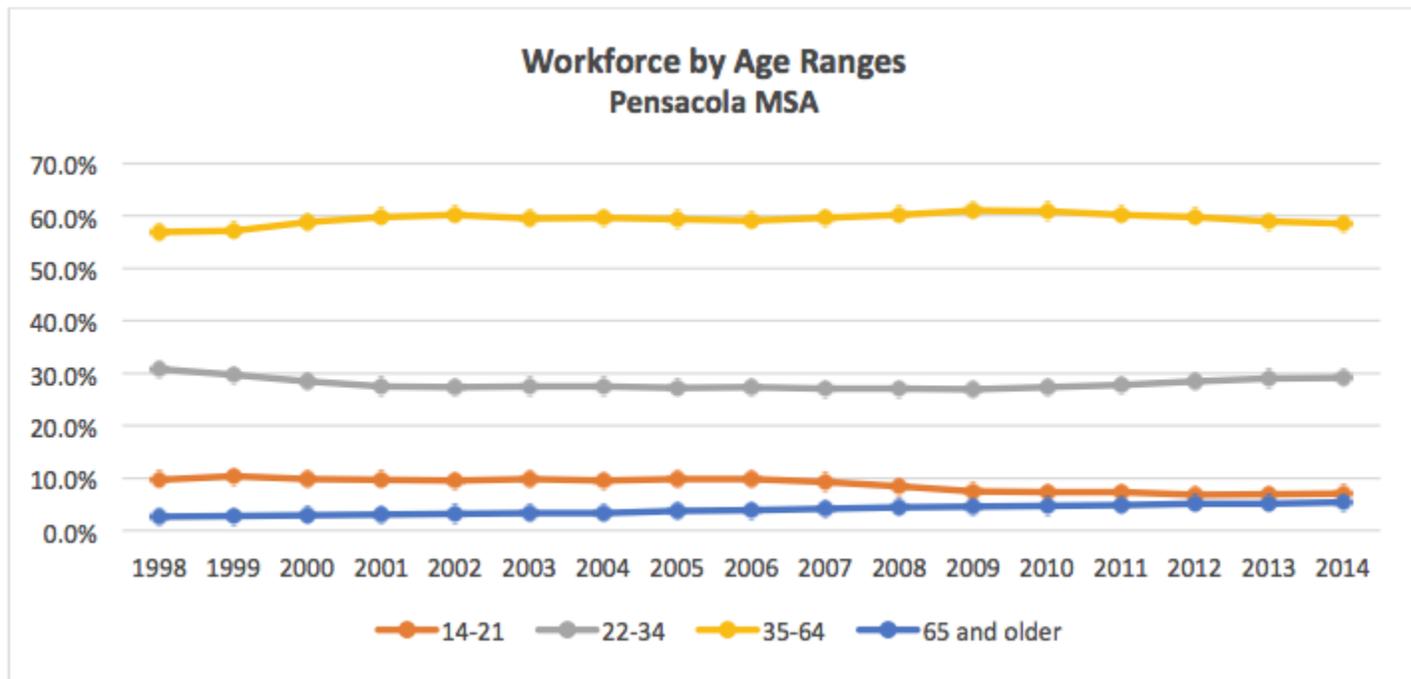
*Phyllis Pooley serves as director of special projects with the University of West Florida Center for Research and Economic Opportunity in Pensacola.*

With the movement of the baby-boom generation (i.e., those born between 1946 and 1964) through the workforce, much has been written regarding the aging of the workforce, the question of whether the baby boomers can afford to retire and even whether the baby boomers wish to retire at all. The natural worry accompanying these discussions is whether by remaining in the workforce the boomers are taking jobs that would otherwise be available to the younger workforce.

At the national level, most economists dismiss this notion. The assertion that it is so comes from the idea that the demand for labor is a fixed amount, and thus if the pattern of younger people entering the workforce is disrupted by someone older staying longer, then someone younger won't have an opportunity. Economists, however, view the economy differently. They note, for example, that when women entered the workforce, there were not fewer jobs for men; the economy simply expanded.

Labor demand is not considered a fixed pie by economists, but one that expands and contracts. So on the macroeconomic level, where economists roam, there is no evidence that an increase in labor force participation by older workers has any negative impact.

But what do the data for the Pensacola metro area show? The chart below illustrates the percentage of the total workforce in each age group from 1998 through 2014.



At first blush, this chart seems to support those who think that older workers are taking jobs from younger workers. While the percentage of workers from 22 to 64 has remained fairly constant, older workers as a percentage of the workforce has increased at the same time that younger people's has decreased. That suggests that younger workers are being supplanted by older ones.

But is it really saying that? In order to figure that out, more data and analysis are needed. First, one has to take into account the natural demographic changes. While on a national level, the baby boomers as the largest population cohort have been replaced by the millennials (i.e., born between 1981 and 1997), in Pensacola the population between ages 14 and 21 has decreased as a percentage of the total population from 16.3 percent in 2000 to 13.8 percent in 2015. At the same time, those 65 and older saw their percentage increase from 12.5 percent in 2000 to 17.9 percent in 2015. In real terms, the 14-21 population in Pensacola fell by 2,000 individuals, while the 65 and older population increased by 18,000 individuals during the 2000 to 2015 time period. That in and of itself could suggest why younger people represent a smaller portion of the Pensacola workforce – there are fewer of them.

Next, one has to examine the actual labor force participation rate – i.e., what percentage of people in the age ranges are actually looking for employment? The American Community Survey from the U.S. Census Bureau has produced two sets of estimates for labor force participation by age. Its 2005-09 estimates for the Pensacola area, which include Escambia and Santa Rosa counties, as compared to its 2010-14 estimates are below.

Population by Age Range	16 to 21		22 to 34		35 to 64		65+
	2009	2014	2009	2014	2009	2014	2009
Population	44,154	45,773	82,173	76,986	179,574	176,564	67,310
In labor force:	24,862	28,315	64,949	61,325	129,903	127,400	9,847
In Armed Forces	5,583	5,288	6,505	6,409	2,238	2,116	0
Civilian:	19,279	23,027	58,444	54,916	127,665	125,284	0
Employed	15,595	18,366	50,763	49,656	117,122	117,912	9,212
Unemployed	3,684	4,661	7,681	5,260	10,543	7,372	635
Not in labor force	19,292	17,458	17,224	15,661	49,671	49,164	57,463
<b>Percentage of Population</b>							
In labor force:	56.3%	61.9%	79.0%	79.7%	72.3%	72.2%	14.6%
In Armed Forces	22.5%	18.7%	10.0%	10.5%	1.7%	1.7%	0.0%
Civilian:	77.5%	81.3%	90.0%	89.5%	98.3%	98.3%	0.0%
Employed	80.9%	79.8%	86.9%	90.4%	91.7%	94.1%	n/c
Unemployed	19.1%	20.2%	13.1%	9.6%	8.3%	5.9%	n/c
Not in labor force	43.7%	38.1%	21.0%	20.3%	27.7%	27.8%	85.4%

Source: America Community Survey. Note that the ACS only provides labor force information starting at age 16.

This table reveals some interesting facts. Those between the ages of 16 and 21 have significantly increased their labor force participation from 2009 to 2014, while there has been a decrease over the same time in participation for those 65 and over.

Secondly, during this 5.6 percent increase in labor force participation, the unemployment rate for the 16-to-21-year-old age group only increased by slightly more than one percent. This fact also suggests that older workers are not having an effect on younger workers employment as the unemployment rate would be much higher as participation increased if younger people were finding no job opportunities.

So what are the causes of youth unemployment in Pensacola? While a full analysis of the topic is considerably well beyond the scope of this article, a possible explanation could involve a lack of necessary skill sets either being acquired in that age group or even being able to be acquired by those in that age group who stop at a high school education. Or, there is possibly still a problem with this age group to finishing their education and sufficient numbers moving on to acquiring post-secondary degrees or certificates. While it is clear from the data that other age groups saw their unemployment decrease with the passing of the Great Recession, Pensacola's youngest members of the workforce are still apparently lacking opportunity.

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