

▶ Global Employment Trends for Youth 2020: Americas

In 2020 the NEET rate in the Americas is projected to be 19.2 per cent; a little below the Global rate (table 1). There has been only marginal improvement since 2012 with a reduction of 0.5 of a percentage point over these eight years, although this contrasts positively with the overall increase in the NEET rate witnessed in the world as a whole over the same time-span. In common with much of the rest of the world, there is considerable gender disparity in the NEET rate; at 24.5 per cent the female NEET rate is more than ten percentage points higher than the male rate.

On the positive side, the gender disparity has fallen somewhat. Between 2012 and 2020, the female NEET rate in the region fell by one percentage point. Whilst the male rate remained practically unaltered, increasing very slightly from 14.0 to 14.1 per cent. Thus, the entire reduction in the overall NEET rate between 2012 and 2020 can be attributed to the fall in the female NEET rate.

Table 1: NEET, unemployment and labour under-utilization (LU3) rates for young people, Americas, 2012-2021.

			2012	2018	2019	2020	2021
NEET rate	World	Total	21.6	21.9	22.2	22.3	22.5
		Total	19.7	19.0	19.1	19.2	19.4
	Americas	Male	14.0	13.8	14.0	14.1	14.3
		Female	25.5	24.3	24.3	24.5	24.6
Youth unemployment rate	World	Total	13.4	13.5	13.6	13.7	13.8
		Total	14.4	15.0	15.0	15.1	15.3
	Americas	Male	13.1	13.7	13.7	13.7	13.9
		Female	16.1	16.7	16.7	16.9	17.2
LU3	World	Total	19.6	20.1	20.2	20.4	20.5
		Total	20.9	21.9	21.9	22.1	22.3
	Americas	Male	18.2	19.5	19.5	19.5	19.8
		Female	24.4	25.0	25.1	25.3	25.5

Youth unemployment rates have consistently been slightly higher in the Americas than the global average and have actually worsened over time. There is also considerable gender disparity in youth unemployment rates in the

region which has remained little altered over the period. In 2020 the gender difference amounted to just over three percentage points. The youth unemployment rate is expected to continue to rise slightly in 2021.

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Also, the ILO's labour under-utilization index LU3¹ is a little above the global average. Worryingly, since this is arguably a more accurate indicator of involuntary worklessness than either the unemployment or the NEET rate, the LU3 index has increased significantly from 20.9 per cent in 2012 to 22.1 per cent in 2020 and is expected to continue to do so into 2021.

Here too there is a significant gender disparity, although the divergence has lessened slightly over the period, in 2020 it remains substantial at almost six percentage points.

Thus, unfortunately between 2020 and 2021, all three indices related to worklessness – for both young women

and men – are expected to increase in the Americas albeit slightly, conforming to the global picture.

Turning to work itself (table 2), in common with global trends, the employment population ratio in the Americas has been falling gradually over time, although at 42.3 per cent in 2020 it remains relatively high compared to the global average. Since NEET rates are actually a little below the global average, this necessarily implies that educational participation – although rising gradually – remains significantly below the global average.¹ There is a substantial gender gap in employment rates although this has fallen moderately from 14.4 percentage points in 2012 to 12.5 percentage points in 2020.

Table 2: Employment and working poverty rates for young people, Americas, 2012-2021.

			2012	2018	2019	2020	2021
Employment-to-population ratio	World	Total	38.7	35.8	35.6	35.4	35.1
		Total	44.1	42.7	42.5	42.3	42.0
	Americas	Male	51.2	48.9	48.7	48.4	48.1
		Female	36.8	36.3	36.2	35.9	35.7
Extreme working poverty rate (<1.90 USD per day PPP)	World	Total	16.3	13.1	12.8	12.6	12.4
	Americas	Total	2.2	1.7	1.6	1.5	1.4

The prevalence of Informal youth employment – at 46.2 per cent of young workers is significant, but still well below the global average of 77.1 per cent.² Similarly, extreme working poverty is fairly low in the region – more than ten

percentage points below the global average in 2020 and it continues to decline. Indeed, one positive sign emerging is that extreme working poverty is expected to continue its gradual downward trajectory into 2021.

1 Since by definition, amongst young people (aged 15-24), the NEET rate + the employment-population ratio = 1 – the educational participation rate. Thus, in the Americas, the implied educational participation rate of young people is 38.5 per cent whilst the global average is 42.4 per cent.

2 Based on data reported in ILO (2018). Data is for 2016 or nearest year.