



Why Public Transit Helps Young People Get Work

Anna Lunn, Columbia University In The City of New York

Christof Brandtner, Emlyon Business School

Cristobal Young, Cornell University

Youth unemployment is a serious and persistent labor market challenge in the United States, and improvements in public transit services can be part of the solution. Even as the American labor market strengthens, young workers still experience much higher rates of unemployment. For many, simply getting to work can be a challenge – and young people are more likely than others to rely on public transportation.

In a recent study, we examine how local transportation infrastructures influence the ability of young workers to find jobs. We discover two worlds of urban transportation in America. In cities with extended public transportation services, young job seekers are more likely to find jobs and the likelihood rises as the system of public transit expands. Based on these findings, we make the case that both federal and local governments should invest in America's urban public transit systems in order to fill jobs and reduce youth unemployment.

Urban Transportation and Employment for Young Workers

Unemployment – as a situation where people seeking jobs cannot obtain them – is an economically and emotionally straining experience that can have effects in workers' lives far beyond the immediate period of joblessness. Because losing a job often forces a worker to accept a new position that pays significantly less and has poorer working conditions than her previous job, studies have found that such a “wage scar” can persist even after 12 years or more. And given that the negative consequences of unemployment can extend throughout workers' careers, unemployment is particularly serious for young people, who often struggle to get a secure foothold in the labor force. In 2017, the unemployment rate was 3.7% for older workers (aged 24 to 54), but it was 9.2% for younger workers (aged 16 to 24) – two and a half times as high. The challenges young people face in finding employment can hurt their economic success later in life.

Barriers to employment are often portrayed as individual shortcomings – for example, the limited skills and education that can reduce chances for some workers to get or hold good jobs. But there are also structural problems that create unemployment even when employers want to hire. In many cities, young workers struggle with what sociologists call “spatial mismatch” – because in those cities the areas with affordable housing are located far from areas with more job openings. As a result, many people live far from where they can find work, and they cannot make the connections unless the city has an integrated transit network. Such cities become a patchwork of disconnected neighborhoods, where workers find it hard to land employment and businesses find it harder to hire the workers they need. Of course, such spatial mismatch can affect employment prospects for workers of all ages, but it poses a greater challenge for younger workers who are less likely to own cars.

Owning and maintaining a reliable car is expensive for entry-level workers who take home relatively lower wages. Not surprisingly, young people are about twice as likely to use public transit than older workers according to a Pew survey conducted in 2015. Public transit services allow workers to expand the geographic scope of their job search and commutes to work. For this reason, public transit can be crucial for bridging spatial mismatch and connecting young workers to jobs. Moreover, by reducing the need for people to drive private vehicles, public transit helps to ease the congestion and environmental impact caused by commuting.

Two Worlds of Public Transit

In a recent study published in the *Socio-Economic Review*, we consider whether better public transit services can help address the problem of youth unemployment, using new data on the density and coverage of urban public transit agencies in the 95 largest American cities from 2000 to 2010. We show two basic facts about cities and public transportation. In general, cities with better public transportation systems have lower levels of unemployment among young people – probably because public transit links areas with entry-level jobs to neighborhoods where people live. In addition, cities that have improved their public transit systems in recent years have seen greater reductions in youth unemployment. This trend holds even after we take into account possible alternative explanations such as economic growth, population density, and demographic change.

In practice, however, gains from improving public transit are uneven across America. There is a “virtuous circle” in which cities with better transit systems and less car dependence benefit the most from further improvements to the transit system – and show greater benefits for young workers. But cities where people have become highly dependent on private vehicles and rarely use the public transit system do not show this self-reinforcing circle. In such cities, incremental improvements in service make little difference. We believe that public transit accessibility and use must reach a critical mass before strong employment benefits kick in. In cities with minimal, little-used systems of transit, workers do not rely on it for their commutes – and it won’t help to add just a bit more to the system.

But a silver lining exists even for the most car-dependent cities. Although tremendous capital investments are necessary to launch heavy rail and light rail systems of public transit, any city with well-maintained streets can radically expand its bus system. Investing in more buses and drivers both creates jobs directly and makes local labor markets function better. Many cities can make this kind of transit investment and get quick pay-offs for workers and employers.

Investment in Transportation is a Good Economic Strategy

Public transit needs to be seen as an integral part of the local labor market – and an excellent way to make work more accessible to young people. Today, many American cities face deteriorating infrastructure and reductions in federal spending on public transportation. As new private transportation services rapidly grow, city leaders may feel less pressure to provide universal and affordable public transportation. But relying on private services may do little to ensure that all workers have access to affordable transit. Investing in the frequency and coverage of public transportation services remains an important strategy for addressing inefficiencies in the labor market at a lower environmental cost. Public transportation not only creates a healthier urban environment; it is crucial for getting Americans to work, especially for the young.

Read more in Christof Brandtner, Anna Lunn, and Cristobal Young, "Spatial mismatch and Youth Unemployment in US Cities: Public Transportation as a Labor Market Institution" *Socio-Economic Review* (2018).