

# Supply and Demand in Youth Unemployment: Understanding Gender Differences

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## KEY INSIGHTS

- Supply and demand side factors explaining unemployment reveal gender differences.
- Male and female college graduates have similar aspirations to secure employment, but females experience higher rates of unemployment (69.3%) compared to males (28.6%).
- Female students show lower career preparedness, such as having or sending a CV, compared to their male counterparts. On the demand side, employers are willing to pay slightly more for females that fit their qualifications.
- Universities should strengthen their links to employers, career development offices, and alumni networks in order to effectively mentor students on how to maximize their educational experience, market themselves competitively in the job market, and ultimately secure employment.

## GENDER DIFFERENCES IN EXPLAINING UNEMPLOYMENT

Despite increasing graduation rates in Saudi Arabia, student talent remains underutilized in the job market, particularly female talent. College graduates represent 54% of jobseekers but constitute only 37.6% of the country's workforce and experience unemployment rates of 28.6% for males and 69.3% for females.<sup>1</sup> It remains unclear whether this is due to supply- or demand-side factors. Research by Dr. Alessandra González at the University of Chicago is examining the student-university-employer ecosystem in Saudi Arabia to improve the employment opportunities of Saudi talent.

In order to examine the demand side factors, researchers conducted a pilot study analyzing student-employer matches and preferences. It included over 80 surveys and in-depth interviews with human resource managers, business executives, and business owners

across the Kingdom from 2016-2018. Findings show that employers are willing to pay slightly more for females than for males that fit their top qualifications, particularly for Saudi, hard-working, and competent females.

In order to understand the supply-side conditions, researchers conducted a survey of over 600 students and 200 alumni across Riyadh universities. Initial findings show that both male students and alumni are more likely to be employed than female students and alumni, and that male alumni are slightly more likely to recruit and hire from their alma mater.

Both male and female students reported similar ambitions to find employment or pursue graduate study after graduation. Interestingly, the bigger gender difference was found in terms of plans to marry, with males more likely to report planning to marry than females.

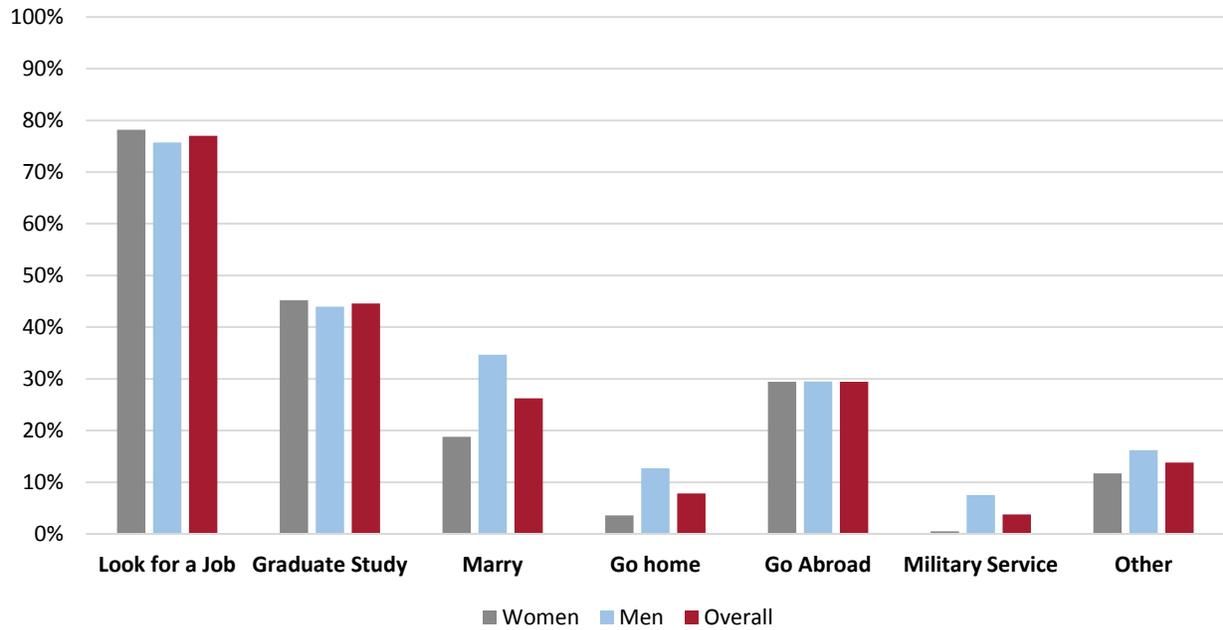
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<sup>1</sup> Labor Force Survey. Q1 2019. General Authority for Statistics

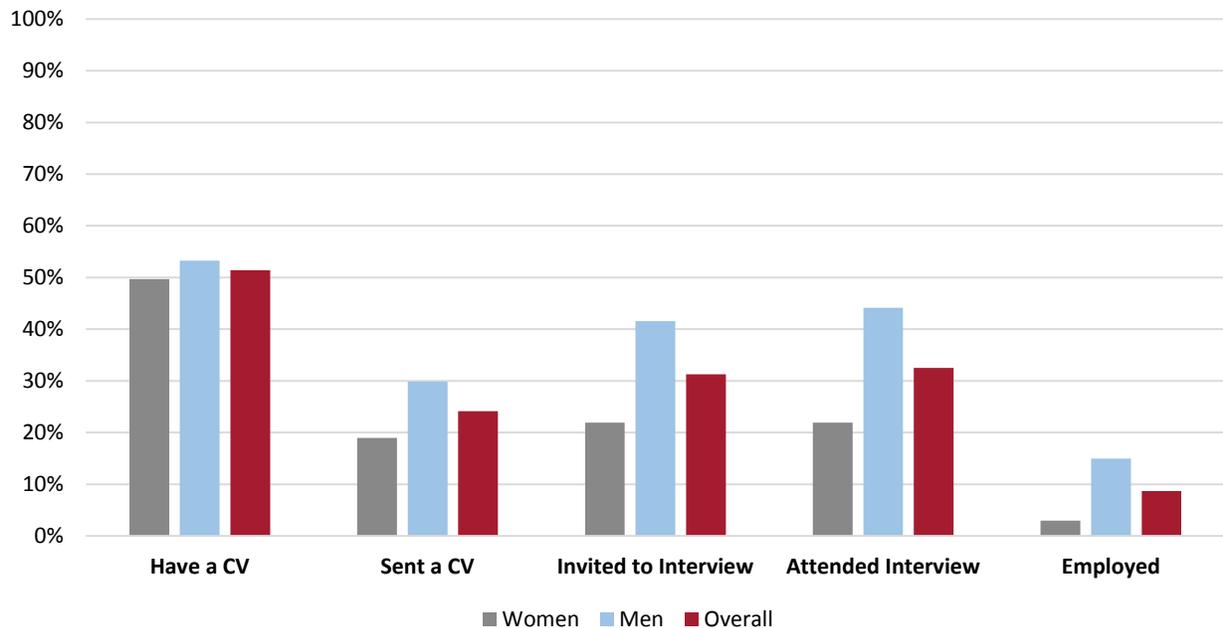
Despite similar post-graduate aspirations to work, men seem to surpass women when it comes to career preparedness. About half of females had a CV compared to a slightly higher proportion of males. However, females had taken less action to apply to jobs. Nearly 30

percent of males had sent a CV, compared to 20 percent of females. Likely as a result, nearly 45 percent of the males had attended an interview, compared to less than a quarter of females.

**Figure 1 | Post-Graduation Plans of Saudi Students in Riyadh (N=370)**



**Figure 2 | Metrics of Career Preparedness (N=323)**



## How can policymakers use this information?

Policymakers can support public universities in mentoring students in the job search and preparedness process.

Universities can create structured career development plans, including volunteering opportunities, for students beginning their first semester of college to familiarize students with the job application process and the job opportunities in their college major. This could help bridge the gap between the post-

graduation plans and the career readiness of female students.

Universities could also optimize their alumni relations and career development offices. They could establish innovative opportunities with local employers while students are still enrolled, placing a strong emphasis on skills training and job placement after graduation. Some employers may consider sponsoring students with the highest GPAs to incentivize them with performance-based scholarships.

## RESEARCH TEAM

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