



The Rise in the ‘Resting’ Youth: Is it Because of Their High Job Expectations?

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Recently, as the number of the ‘Resting’ youth continues to rise, there are growing concerns about the background and implications of this trend. The term ‘Resting’ refers to people who, for no specific reason, are not engaging in job seeking or education/training activities. The increase in the ‘Resting’ youth who are outside the labor market has negative side effects on both them as individuals and the overall economy. Against this backdrop, this blog looks at which types of youth are in the ‘Resting’ state among those facing difficulties in employment and the implications of that¹⁾.

An Increase in the ‘Resting’ Youth, Mainly among Those Not Wanting a Job

Looking closely at the increase in the ‘Resting’ youth, it is notable that the number of youth who do not want a job²⁾ has significantly increased[Figure 1]. “Do not want a job” indicates a low probability of participating in the labor market to find work or engage in job-seeking activities in the future, even if labor market conditions change. This is a particularly concerning situation as the number of youth with low intent to re-enter the labor market is increasing.

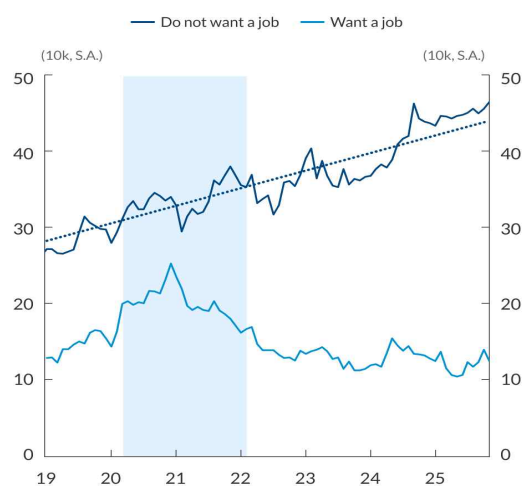
By education level, while youth with lower educational attainment (a junior college degree or lower) make up the majority, the number of the ‘Resting’ youth with higher educational attainment (a college degree or higher) has also increased recently[Figure 2]. It can be seen that as AI diffusion and a growing preference for experienced hires make it harder for youth to find

1) For further details, see BOK Issue Note No.2026-3, [“What Factors Drive the ‘Resting’ Youth in Korea? A Comparative Analysis of Non-employed Youth”](#).

2) It cannot be distinguished whether they do not want a job temporarily or in the long run.

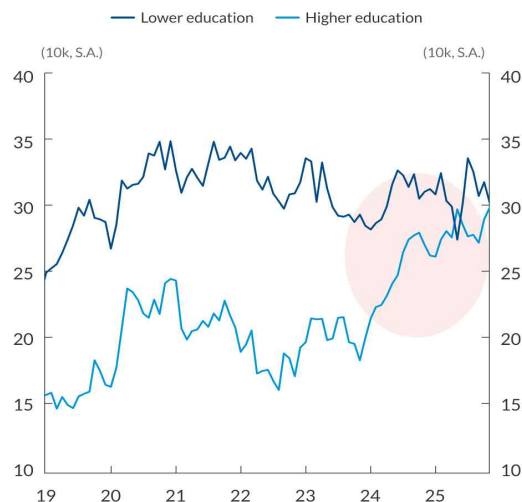
a job, the number of highly educated ‘Resting’ youth who exit the labor market is also increasing.

Figure 1. The number of the ‘Resting’ youth by intention to work¹



Note: 1) The green shading area represents the period during the Covid-19 pandemic.
Source: Economically Active Population Survey

Figure 2. The number of the ‘Resting’ youth by education level



Source: Economically Active Population Survey

The Probability of Being in the ‘Resting’ for the Youth with Lower Education and Lower Career Adaptability is Higher

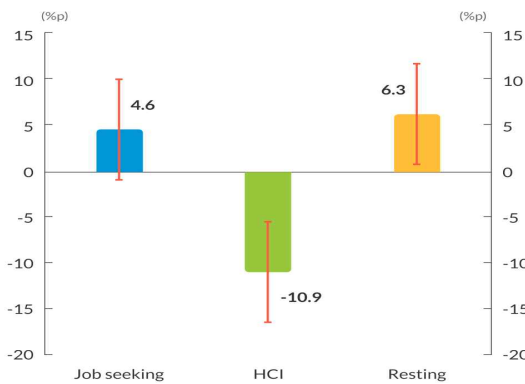
What factors lead youth to the ‘Resting’ state? The Labor Market Research Team at the Bank of Korea divides non-employed youth into three types: ① Job Seeking, ② Human Capital Investment³⁾ (hereafter HCI), and ③ ‘Resting.’ We then examine factors that cause non-employed youth to be in the ‘Resting’ state.

By education level, youth with lower educational attainment have a 6.3 percentage point higher probability of being in the ‘Resting’ state compared to those with higher educational attainment, while their probability of choosing ‘HCI’ is 10.9 percentage points lower[Figure 3]. Furthermore, youth with lower career adaptability⁴⁾ are more likely to be in the ‘Resting’ state, with a 4.6 percentage point higher probability, while their probability of choosing ‘HCI’ is 7.9 percentage points lower[Figure 4]. It appears that the expected return on human capital investment varies depending on an individual’s potential, and this difference affects the decision between ‘HCI’ and the ‘Resting.’

3) It includes attending formal educational courses, cram schools/institutions for employment, job preparation, and preparation for higher education.

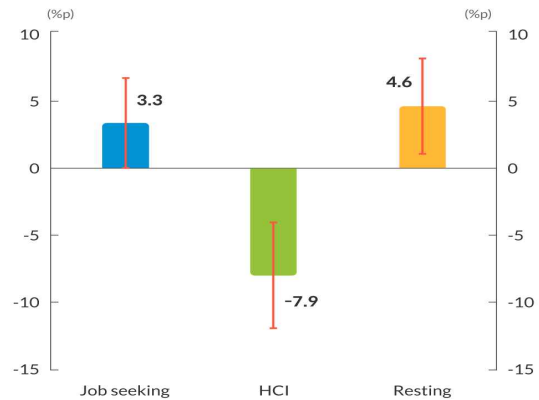
4) Career adaptability is defined as the social and psychological ability required to effectively adapt and cope with changes in the labor market and occupational environment. For further details, see in [BOK Issue Note No.2026-3, “What factors drive the ‘Resting’ Youth in Korea? A Comparative Analysis of Non-employed Youth.”](#)

Figure 3. Changes in the probability of transition for lower-educated youth^{1,2}



Notes: 1) The solid red line represents 95% confidence bands.
 2) Relative to higher educated youth
 Source: Youth Panel Survey

Figure 4. Changes in the probability of transition for youth with lower career adaptability^{1,2}

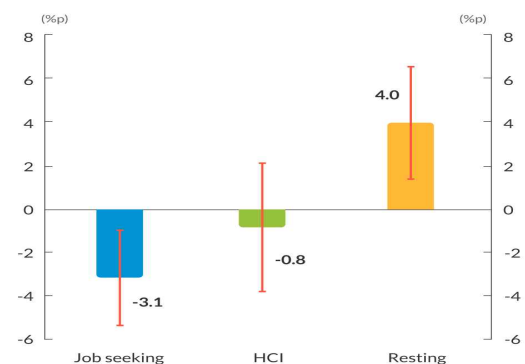


Notes: 1) The solid red line represents 95% confidence bands.
 2) Relative to youth with higher career adaptability
 Source: Youth Panel Survey

The Probability of Being in the ‘Resting’ Rises as the Period of Non-Employment Lengthens

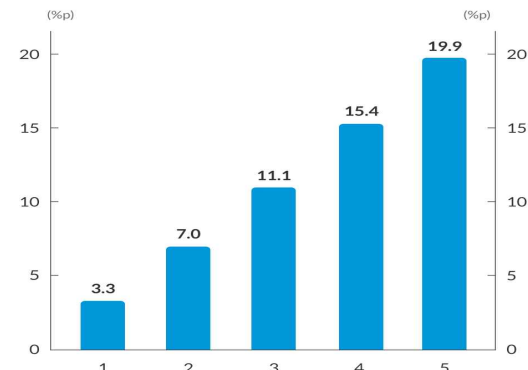
As the period of non-employment increases by one year, the probability of being in the ‘Resting’ rises by 4.0 percentage points, whereas the probability of ‘Job Seeking’ falls by 3.1 percentage points[Figure 5]. Furthermore, as the period of non-employment lengthens, the probability of being in the ‘Resting’ rises non-linearly[Figure 6]. When the period increases from one year to two years, the probability of being in the ‘Resting’ rises by 3.7 percentage points. However, when it increases from four years to five years, the probability rises by 4.5 percentage points. This indicates that as the period of non-employment is prolonged, an individual's human capital depreciates faster, and fatigue from job seeking accumulates, which in turn further increases the probability of being in the ‘Resting.’

Figure 5. Changes in the probability of transition due to one-year increase in the period of non-employment¹



Note: 1) The solid red line represents 95% confidence bands.
 Source: Youth Panel Survey

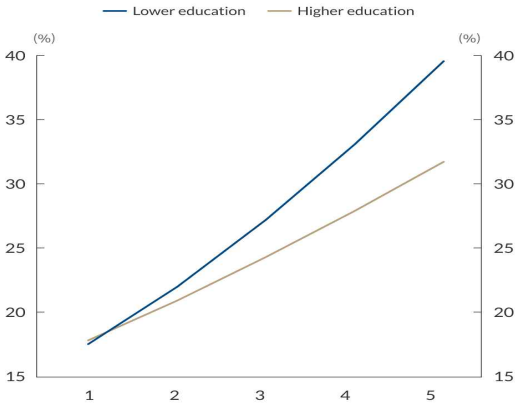
Figure 6. Changes in the probability of transition to being in the ‘Resting’ due to increases in the period of non-employment



Source: Youth Panel Survey

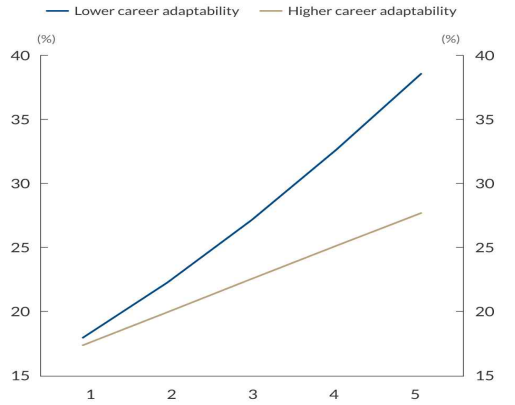
Furthermore, the adverse impacts of a prolonged period of non-employment are more pronounced among youth with lower educational attainment and/or lower career adaptability[Figure 7, 8]. When the period of non-employment is one year, the difference based on educational attainment or career adaptability is not significant. However, as the period lengthens, the probability of being in the ‘Resting’ rises more steeply for youth with lower educational attainment and/or lower career adaptability.

Figure 7. The probability of transition to the ‘Resting’ due to increases in the period of non-employment - by education level



Source: Youth Panel Survey

Figure 8. The probability of transition to the ‘Resting’ due to increases in the period of non-employment - by the degree of career adaptability



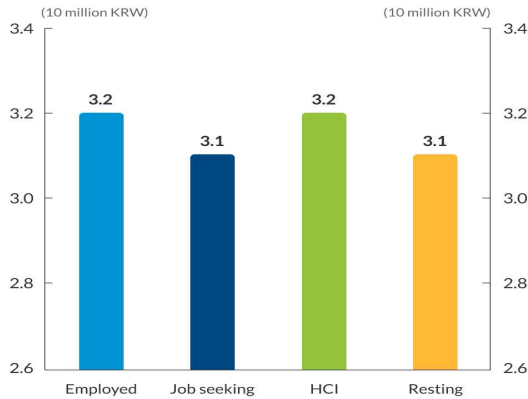
Source: Youth Panel Survey

Job Expectations of the ‘Resting’ Youth are Not High

Some people say that youth are in the ‘Resting’ state because of their high job expectations. To see if we can verify this view, we compare the reservation wage⁵⁾ and desired company type by the types of non-employment⁶⁾. Our results highlight that the job expectations of the ‘Resting’ youth are not high, either absolutely or relatively. The mean of the reservation wage of the ‘Resting’ youth is not significantly different from that of other non-employed youth[Figure 9]. Regarding the desired company type, the proportion of youth expressing a preference for ‘Small and Medium-sized Enterprises (SMEs)’ is the highest, while the preference for ‘Large firms’ and ‘Public sector’ is lower[Figure 10]. These results show that the ‘Resting’ youth face difficulties entering the labor market despite not having high job expectations..

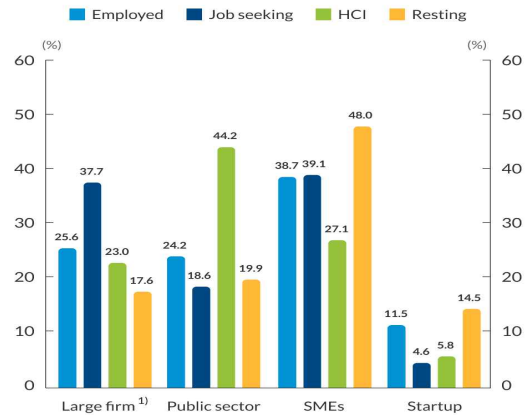
5) Reservation wage refers to the lowest wage rate at which a worker would be willing to supply their labor.
 6) For reservation wage and the type of desired company, we employ the item collected at the time of the respondent’s graduation.

Figure 9. Mean of Reservation Wage



Source: Youth Panel Survey

Figure 10. Desired Company Type



Note: 1) It includes foreign firms.
Source: Youth Panel Survey

Tailored Support for Incentivizing the ‘Resting’ Youth to Re-enter the Labor Market

The increase in the ‘Resting’ youth has significant side effects for both individual youth and the overall economy. Therefore, policymakers should pursue efforts to incentivize them to re-enter the labor market. It is important to prepare tailored support measures for youth with lower educational attainment, while also ensuring that the period of job seeking or employment preparation does not become too long. In addition, efforts such as strengthening career counseling programs for youth, supporting youth employment in SMEs, and improving working conditions for youth must be pursued consistently.