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Young Workers in California: A Snapshot

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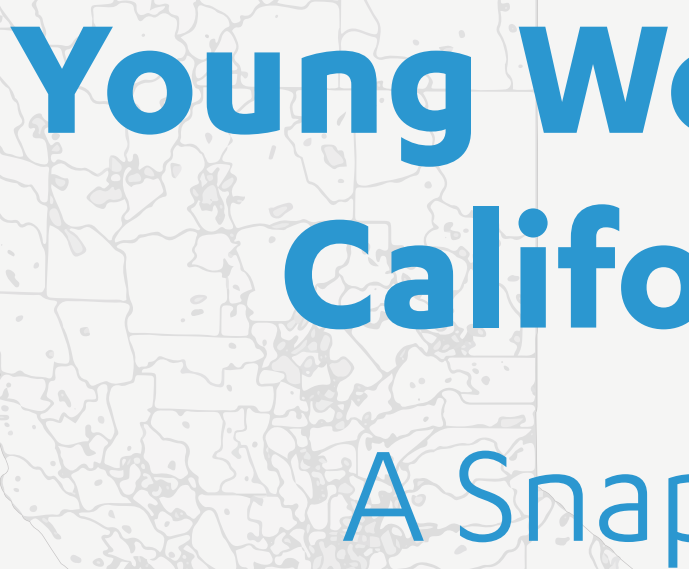
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Young Workers in California: A Snapshot



March 2020

UCLA Labor Center



Introduction

Young workers are vital to the future of California, the fifth-largest economy in the world.¹ Workers between the ages of 18 and 29 make up a quarter of all employees in the state. Young fast food and retail workers played a critical role in California's organizing campaign to increase the minimum wage to \$15, which will raise low-wage workers' lifetime earnings by over 20% and could increase their retirement incomes by roughly half.² Young Californians represent an influential force in shaping current public debates around the future of work, student debt, access to safe, quality schools, immigration reform, and affordable housing.

Despite the 2018 Supreme Court decision *Janus vs. AFSCME*,⁵ which attempted to weaken public sector unions' efforts to organize workers, raise wages, and provide sick pay, a recent Gallup Poll indicated that 66% of people aged 18-34 approve of labor unions,⁶ and millennials are responsible for the gains in current union representation.⁷ Ultimately, young workers are at the heart of California's success; they are taxpayers, voters, parents, decision makers, consumers, and contributors to the social and cultural vibrancy and well-being of the state.

Yet, young people continue to face higher unemployment rates compared to older workers, as well as wage stagnation—even with a college education.^{8,9} Moreover, the quality of jobs that young people are able to secure has also declined, even though educational attainment has more than doubled for these workers over the last four decades.¹⁰ Young workers, however, still occupy predominantly low-wage jobs and frontline positions, such as cashiers in retail stores or servers in fast food establishments.¹¹ As the cost of living, housing, and education increase, and median household incomes decrease, young workers face a crisis: higher education and quality career pathways become increasingly unattainable. According to the Pew Research Center, Americans now owe over \$1.5 trillion in student loan debt, and nationally, 1 in 3 young people have student loan debt.¹² Young workers are disproportionately impacted by labor market swings such as higher unemployment during a recession or less access to quality jobs during an economic boom.¹³

Young Workers in California: A Snapshot builds off a series of UCLA Labor Center studies that capture the experiences of young people in the workplace.¹⁴ These studies found that, contrary to popular narratives about youth workers just earning pocket change for leisure items, the vast majority in Los Angeles County work to support their families, pay for school, and cover basic needs. They face erratic scheduling practices that make it difficult to balance work and school, family, and other needs, and they encounter difficult work conditions, including wage theft, harassment, and lack of career ladders. Early employment experiences have a lasting effect on the social well-being, economic security, and lifelong earnings of workers, making it all the more important that young people are able to obtain quality jobs.

This report broadens the scope of our previous research, analyzing the state of young workers throughout California with a focus on the industries where they are concentrated: retail, food services, health care, social assistance, education,



administrative and office work, the sciences, and technology. In this overview, we capture the employment experiences of young workers aged 18–29 to provide an analysis of their different work conditions, earnings, ability to attain full-time work, and occupational status.

Report findings highlights:

- Young people are a core part of the California landscape. **1 in 4 workers in California is a young person.**
- The number of young workers who have completed a bachelor’s degree since 1980 has doubled, yet their wages have declined. Today, **1 in 2 young workers earns low wages.**
- Some California young workers are “workers and learners”: **29% both work and go to school.**
- **One quarter** of young workers **are heads of household**, and **15% support children** in their home.
- **Half of young workers are in frontline jobs**, and a third work in low-wage industries such as restaurant and retail.
- They **experience higher unemployment** than all workers and some, even with a bachelor’s degree, continue to work in low-wage jobs or frontline positions.

I AM A

#YOUNGWORKER



Young People and Work in California

Young people are a core part of California's economy

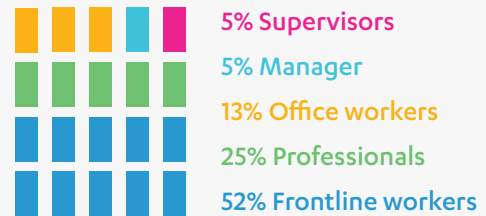


There are **3.7 million** young people working in California.

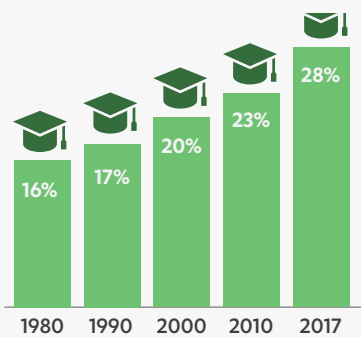
In fact, **1 in 4** workers (26%) in CA are between 18 and 29 years old.

They are often the faces that greet us in stores, restaurants, and offices

Half of California's young workers are in frontline occupations, such as cashiers in retail or servers in restaurants.



Young workers are more educated than ever before



- The number of young workers that have completed a bachelor's degree has almost doubled since 1980.¹⁵
- Today, more than one-quarter of young workers have a bachelor's degree or higher.
- 9 in 10 young workers have at least a high school education.

Yet, young workers have seen their wages decline over time



- Wages have dropped by **9%** since 2000 among young workers in CA.¹⁶

29% of young workers are "workers and learners"—they work and go to school



- **84%** are undergraduates
- **12%** are in graduate school
- **50%** of "workers and learners" work 20 to 39 hours per week
- **30%** of "workers and learners" work 40 hours or more per week

Young workers support families

- **23%** are the head of household
- **15%** have a child at home



Unionization rates are lower for young workers than other workers

- **11%** are members of a labor union compared to **17%** of older workers.
- Young workers comprise **15%** of all union members in California.



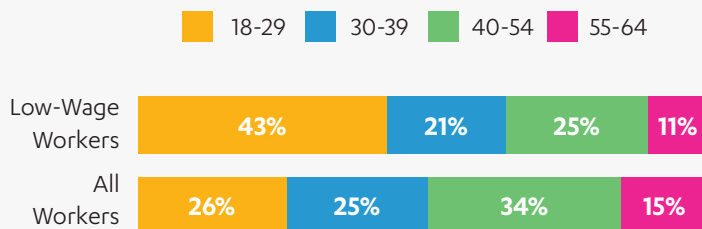
Young Worker Wages and Hours

What is low-wage?

Low wage is defined as two-thirds of the median hourly wage for full-time workers. California's median hourly wage for full-time workers was \$22.17 in 2017, and two-thirds of that wage is **\$14.78**.



Young workers make up the largest share of low-wage workers...



...and that's because more than half of young workers earn low wages

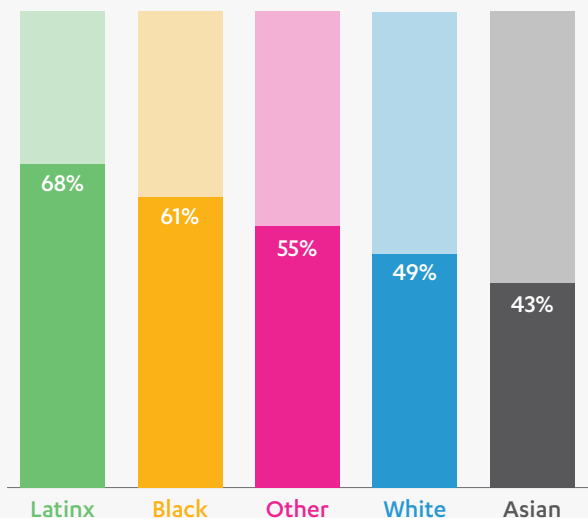
59% of young workers are in low-wage jobs.

That means that **2.17 million** young workers earn less than \$14.78 per hour.

Median hourly wages



Latinx and African American young workers experience higher rates of low-wage work



Across young workers from all ethnic groups, young women work more frequently for low wages than their male counterparts. Young Latinx women workers experience the highest rate of low-wage employment at 71%.

Some career ladders don't lead to better wages



Earn Low Wages






- 32%** Managers
- 35%** Professionals
- 53%** Supervisors
- 63%** Office workers
- 71%** Frontline workers

Among young workers, one-third of managers and more than half of supervisors earn low wages.



Top 5 Industries for Young Workers in CA

Young workers make up 26 percent of all employees in California, but they are not evenly distributed across industries. Young workers are overrepresented in retail and restaurants, where they make up the largest share of the total workforce. More than half of the workers in these industries earn low wages.

	Percent of young workers working in each industry	Within each industry, percent that are young workers	Within each industry, percent of all workers that earn low wages	Within each industry, percent of young workers that earn low wages
 Retail Trade	17%	41%	52%	72%
 Restaurants and Bars	14%	52%	69%	78%
 Health Care and Social Assistance	10%	23%	29%	51%
 Educational Services	8%	23%	25%	54%
 Professional, scientific, and technical services	7%	23%	12%	26%

Top industries for young workers over time

1980	2000	2017
<ol style="list-style-type: none"> 1. Manufacturing 2. Retail trade 3. Healthcare/social assistance 4. Finance/real estate 5. Restaurant and bars 	<ol style="list-style-type: none"> 1. Retail trade 2. Restaurant and bars 3. Professional, scientific, tech 4. Manufacturing 5. Healthcare/social assistance 	<ol style="list-style-type: none"> 1. Retail trade 2. Restaurant and bars 3. Healthcare/social assistance 4. Educational Services 5. Professional, scientific, tech

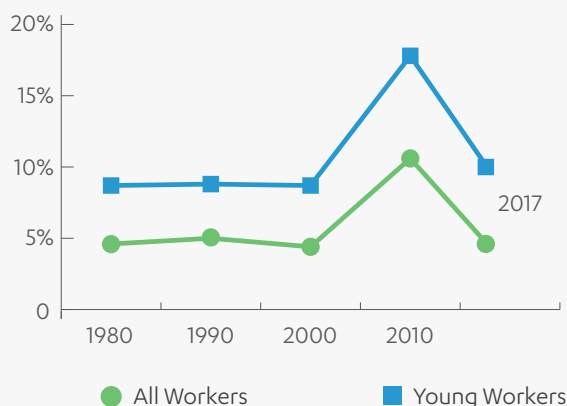
Unemployment and Underemployment

Young workers make up a disproportionate share of the unemployed

2 in 5 unemployed workers in California is a young person.



Historically, unemployment rates have been higher for young workers than for all workers¹⁷



Rates of unemployment among young workers

Young Californians experience a higher unemployment rate than the state average

12%

California's youngest workers (18-24) are most likely to be unemployed

15%

Lack of a BA degree increases the likelihood of being unemployed

13%

Young Black workers experience the **highest** unemployment of all workers

21%

They also experience high rates of underemployment. This includes:

Involuntary part-timers (those who work part-time but want full-time work)

- Involuntary part-time young workers¹⁸ **4.5%**



Those with higher education who are working in low-wage jobs

Of those young workers (21%) that have a bachelors degree or higher and are not currently in school:

- One-quarter (**25%**) earn low wages
- and 1 in 6 (**17%**) are in frontline occupations



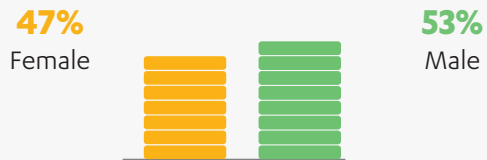
Many young workers are “disconnected” or “idle”—not in school and not working

- **17%** of young people are not working or not in the labor force and are not attending school.
- More than three-quarters (**77%**) of these disconnected young workers have a high school degree or higher.



Characteristics of Young Workers

Gender



Living arrangements



44% Live independently

Race/Ethnicity

Young Workers



Older Workers



■ White
 ■ Black
 ■ Latinx
 ■ Asian
 ■ Other

Work status and labor force participation

66% of young workers are employed full-time.

79% of young workers work **full year** (48-52 weeks).



71% of young people 18-29 in California are in the labor force.

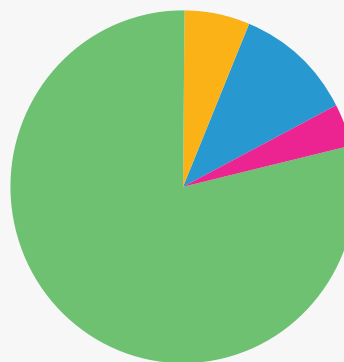
Attendance by school type

84%
Public



16%
Private

Where do young workers work?



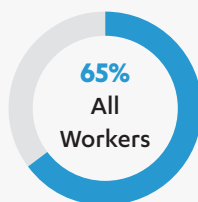
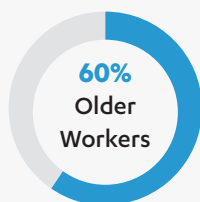
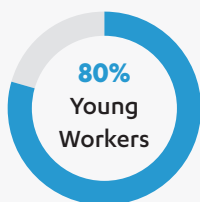
79% Private

11% Government

6% Nonprofit

4% Self-employed

Nativity



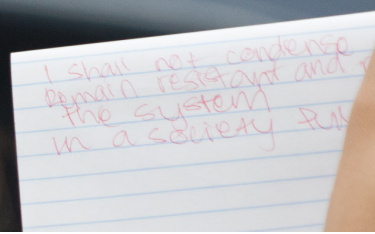
Born in the United States

Public benefits



11% of young worker households are receiving food stamps.

Recommendations



Young workers are an integral part of California's economy. One out of every four workers in California is a young person, a significant portion of the workforce. While the data shows that there is some upward mobility among workers who acquire college degrees and move from frontline work into higher-level, full-time positions and occupations, many of these more educated young workers are still earning low wages. Moreover, expenses such as education, child-rearing, food, and rent have drastically increased. Since 1999 there has been an overall increase in inflation of 61.7% primarily in hospital services, college textbooks and tuition, childcare, and medical care.¹⁹

The dramatic increase in expenses and decrease in overall wages make it difficult for young workers to thrive or survive in California's economy. In addition, there are fewer stable professional job opportunities. The industries where young workers are employed tend to be characterized by unstable work schedules, low job security, and no workplace benefits. Many young workers in these industries have erratic work schedules and often insufficient hours. Nearly half of all young workers in the retail industry have reported wanting to work more hours than what they are currently assigned, and many others are in search of a job but remain unemployed.²⁰ These working conditions disproportionately affect people of color, with young Black and Latinx workers facing the highest rates of unemployment and receiving the lowest wages.²¹

If early employment experiences have lasting effects on social well-being, economic security, and lifelong earnings, the current conditions for young workers in California needs to change to ensure upward mobility and growing economic equality for all young workers in the state.²² The following are recommendations for employers, workers, worker advocates, and policy makers to take into consideration when advocating for young workers.

Build youth leadership and support youth movements

Ensure that young workers have a collective voice as well as decision-making power and substantive leadership in institutions like unions, advocacy organizations, and government agencies, so organizing initiatives represent their needs.

Invest in quality jobs and career ladders for young workers

Continue to support policies that improve conditions for all workers, including living wages, paid time off, fair workweeks and regular schedules, and access to health care. Expand workforce investment funds to focus on advancing career training and job opportunities for young people.



Protect young workers from workplace exploitation

- ❖ Guarantee workplace protections and the enforcement of current laws protecting young workers, and provide know-your-rights materials to young workers. Develop zero-tolerance policies against workplace harassment and violations, including wage theft, sexual harassment, retaliation, racism, ageism, ableism, classism, and discrimination based on gender identity, sexual orientation, national origin, and religious practices.

Incentivize high-road businesses that invest in workers

- ❖ Provide financial and other incentives to businesses that create quality jobs. Offer young workers in California greater career training opportunities in service sector businesses that offer benefits, a dynamic salary regime, childcare subsidies, and transferrable retirement options.

Conduct further research on young workers

- ❖ Continue to conduct research that further examines the experiences and challenges of young workers, including the impact of technology, skills expansion and development, the gig economy, and the specific experiences of young immigrant workers.

Addressing the inequities laid out in this report and implementing its recommendations are vital to ensuring the well-being of young workers. California's future lies in the hands of today's youth workforce, and we must work collectively to provide a path to their success.

A photograph of two men in profile, facing each other on a city street. The man on the left is wearing a dark blue baseball cap with a red and blue logo and a dark blue shirt. The man on the right is wearing glasses, a maroon shirt, and white earbuds. The background is a blurred city street with other people and buildings.

Technical Appendix

Data Sources

- U.S. Census Bureau, American Community Survey (ACS) 5-year estimate 2013-2017. IPUMS-USA extract of the American Community Survey.
- U.S. Census Bureau, American Community Survey (ACS) 1-year sample 1980, 1990, 2000, 2010, and 2017. IPUMS-USA extract of the American Community Survey.
- IPUMS-CPS extract of the Current Population Survey (CPS) 1-year sample 2017.

Variable Definitions

Young Workers: US civilians aged 18-29; who worked last week or have a job but did not work last week; had nonzero income in the previous 12 months; were not self-employed; were not unpaid family workers; and are active in the labor force (worked 14 or more weeks last year and who usually work more than three hours per week). We only included self-employed young workers when discussing work location.

Geography: Our geographical focus was the state of California. ACS 5-year estimate and ACS time series data both use place of work (except for data related to unemployment where we used place of residence).

Low Wages: In computing the hourly variable for the ACS, we followed standard practice.²³ We calculated the median wage for full-time workers in California at \$22.17, using the ACS 5-year sample. Using a common metric, we define workers as low-wage if they earn less than two thirds of the full-time median wage.²⁴ For California, this cutoff is \$14.78.

Industry Classification

We used the official census industry²⁵ and created the 19 categories to better capture young workers: Agriculture, Mining, Utilities (11, 21, 22); Construction (23); Manufacturing, Nondurable and Durable (31-33); Wholesale Trade (42); Retail Trade (44-45), Transportation and Warehousing (48-49); Information (51); Finance, Insurance, Real Estate (52, 53, 55); Professional, Scientific, and Technical Services (54); Administrative Support; Waste Management, and Remediation Services (56); Educational Services (61); Health Care and Social Assistance (62); Nonprofits (6241-6243, 813); Arts, Entertainment, and Recreation (71); Hotels and Other Accommodations (721); Restaurants and Bars (722); Personal and Repair Services (811-812, 814); Government (including Military) (92).

Occupational Classification

Occupational classifications are coded with a six-digit number. We divided all 800 occupations using the 2010 SOC coding structure. This structure places occupations into major groups based on similar job duties and functions. We separated the occupations into five groups: Managers, Professionals, First-Line Supervisors, Office Workers, and Frontline Workers.²⁶



Endnotes

¹ Egel, B. (2018, May 4). *California Now World's Fifth-largest Economy, Bigger than Britain*. Sacramento Bee. <https://www.sacbee.com/news/business/article210466514.html>

² Rhee, N. (2017, December 12). *California's \$15 Minimum Wage and Secure Choice Retirement Savings Program Can Boost Young Low-Income Workers' Retirement Incomes by 50%*. Center for Labor Research and Education, University of California, Berkeley. <http://laborcenter.berkeley.edu/minimum-wage-and-secure-choice/>

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⁶ Saad, L. (2018). *Labor union approval steady at 15 year high*. Gallup, Retrieved from: <https://news.gallup.com/poll/241679/labor-union-approval-steady-year-high.aspx>.

⁷ Chen, M. (2018, February 5). *Millennials are keeping unions alive*. The Nation. <https://www.thenation.com/article/archive/millennials-are-keeping-unions-alive/>

⁸ Gould, E. (2017, July 19). *Young Workers face a Tougher Labor Market Even as the Economy Inches Towards Full Employment*. Economic Policy Institute. Retrieved from: <https://www.epi.org/blog/young-workers-face-a-tougher-labor-market-even-as-the-economy-inches-towards-full-employment/>

⁹ Mishel, L., Gould, E., Bivens, J. (2015, January 6). *Wage Stagnation in Nine Charts*. Economic Policy Institute. Retrieved from: <https://www.epi.org/publication/charting-wage-stagnation/>

⁹ Waheed, S., Herrera, L., Valenta, B., Shaddock-Hernández, J. (2015). *Young Workers in Los Angeles: A Snapshot*. UCLA Labor Center. <https://www.labor.ucla.edu/publication/young-workers-in-los-angeles-a-snapshot/>

¹¹ Waheed, S., Shaddock-Hernandez, J., Alvarez, A., Amin, M.K., Campos-Valenzuela, D., Franco, M.A, Geraldo, E., Herrera, L., Marin, Y., Orellana, R.G., Orozco, P., Quiroz, J., Valenta, B. (2015). *I am a #YoungWorker*. UCLA Labor Center. <https://www.labor.ucla.edu/publication/i-am-a-youngworker/>

¹² Cilluffo, A. (2019, August 13). *5 Facts About Student Loans*. Pew Research Center. Retrieved from: <https://www.pewresearch.org/fact-tank/2019/08/13/facts-about-student-loans/>

¹³ Gould, E., Wolfe, J., Mokhiber, Z. (2019, June 6). *Class of 2019: High School Edition*. Economic Policy Institute. <https://www.epi.org/publication/class-of-2019-high-school-edition/>

¹⁴ Waheed, S., Shaddock-Hernandez, J., Alvarez, A., Amin, M.K., Campos-Valenzuela, D., Franco, M.A, Geraldo, E., Herrera, L., Marin, Y., Orellana, R.G., Orozco, P., Quiroz, J., Valenta, B. (2015). *I am a #YoungWorker*. UCLA Labor Center. <https://www.labor.ucla.edu/publication/i-am-a-youngworker/>

¹⁵ Author's analysis of IPUMS-USA extract of the American Community Survey (ACS) 1-year sample 1980, 1990, 2000, 2010, 2017.

¹⁶ Ibid.

¹⁷ Ibid.

¹⁸ Author's analysis of IPUMS-USA extract of the Current Population Survey (CPS) 1-year sample 2017.



¹⁹ State of California Department of Industrial Relations. California Consumer Price Index (1955-2019) All Items. <https://www.dir.ca.gov/OPRL/CPI/EntireCCPI.PDF>

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²² Ibid.

²³ See methods outlined in Welsh-Loveman, J., Perry, I. & Bernhardt, A. (2014, June 16). *Data and Methods for Estimating the Impact of Proposed Local Minimum Wage Laws*. UC Berkeley Institute for Research on Labor and Employment. <http://laborcenter.berkeley.edu/data-and-methods-for-estimating-the-impact-of-proposed-local-minimum-wage-laws/>; Bernhardt, A. 2015. *Low Wage California: 2014 Data and Methods*. UC Berkeley Labor Center. <http://laborcenter.berkeley.edu/lowwageca/>; Economic Policy Institute. <http://www.stateofworkingamerica.org>; Center for Economic and Policy Research.

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²⁶ Standard Occupational Classification Policy Committee. (February, 2010). *Standard Occupational Classification and Coding Structure*. U.S. Bureau of Labor Statistics.



About the Organization and Research Team

The **Young Worker Project** uses participatory action research to document and disseminate the experiences of young workers employed in low-wage industries like restaurant, retail, grocery, health, hotel/hospitality, and customer service in Los Angeles. The purpose of this project is to increase the capacity of young workers, students, and youth and worker advocates to conduct research, publicly promote findings, and recommend best practices based on their experiences in the low-wage service sector. Ultimately, our goal is to impact policies that will increase wages and promote equality and mobility for young workers in the Los Angeles labor market. The Young Worker team believes in the dignity and equity of the next-generation workforce. This report is one in a series of materials. To find out more about the project, go to <https://www.labor.ucla.edu/what-we-do/i-am-a-youngworker/>

From 2015 to 2016, the UCLA Labor Center released a series of reports focused on young workers between the ages 18 and 29 who work in the service sector in Los Angeles County. The census report, *Young Workers in Los Angeles: A Snapshot*, captures the state of young workers in the county, and the I am a #YOUNGWORKER report analyzed the experiences of young workers in the service sector and shared their stories. Most recently, *Juggling Time: Young Workers and Scheduling Practices in the Los Angeles Service Sector* analyzed the erratic scheduling practices that young workers face in the service sector.

JOIN THE STORY: I AM A

#youngworker

About the UCLA Labor Center

The UCLA Labor Center believes that a public university belongs to the people and should advance quality education and employment for all. Every day we bring together workers, students, faculty, and policymakers to address the most critical issues facing working people today. Our research, education, and policy work lifts industry standards, creates jobs that are good for communities, and strengthens immigrant rights, especially for students and youth.

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