California’s Future is Clocked In:
The Experiences of Young Workers
November 2023
Executive Summary

Young people are critical actors in California’s vibrant economy and labor force. Yet, young workers in California find themselves navigating a tumultuous landscape of societal shifts, economic challenges, and the lingering aftermath of a global pandemic. *California’s Future is Clocked In: The Experiences of Young Workers* presents the latest findings from the UCLA Labor Center’s “The State of Young Workers in California” research initiative, focusing on the conditions of young workers aged 16 to 24 in the state of California. The research brings together data from survey and administrative data sources and existing literature to explore the employment, educational, financial, and household circumstances of young workers in California in the years surrounding the COVID-19 pandemic (2019-2021). The report details the realities faced by California’s young workers and highlights the need for interventions and policies to address the challenges facing the state’s youth and their future.
Young workers are a large and diverse subsection of California’s workforce.

Young people play a vital role in California’s economy and constitute a large part of California’s labor force.

- There were 2.11 million young workers, comprising 45% of all young people ages 16–24 and 12% of California’s working population.
- Approximately 3 out of 4 young workers (72%) were people of color, and over 50% were Latinx.
- 15% of young workers aged 16–18 worked full time.
- 50% of young workers aged 19–24 worked full time.
- 61% were frontline workers, who work directly with clients, customers, or service recipients.

Many young workers earn low wages and experience financial hardship.

Due to a large share of young workers’ employment in industries that pay low wages, such as restaurants and retail, and young workers’ low rate of unionization, a sizable majority of young workers earn low wages, defined as two-thirds of the median hourly wage for full-time workers.

- 64% of young workers earned low wages.
- Nearly 70% of young workers reported some difficulties affording their expenses.
- 14% of young workers lived in households below the poverty line, compared to 5% of older workers (over the age of 25). One-third of young workers lived in households with incomes below 200% of the federal poverty line (FPL).
- Nearly half of young workers who were renters (46%) were rent-burdened, defined as paying more than 30% of one’s income toward housing. Over one in five (21%) were considered severely rent-burdened, defined as paying more than half of their income in rent.
- Around 16% of young workers had student loan debt, with an average debt of around $10,000.
Young people in California have varying pathways through secondary and postsecondary education.

Having secondary and postsecondary education credentials influence future employment and earnings potential. There is wide variation in young Californians’ secondary and postsecondary education achievement.

- The high school dropout rate in California was 8%, compared to a national average of 5%.
- 63% of high school graduates enrolled in post-secondary education within 12 months of graduation. This rate is lower for Black (55%) and Latinx (56%) students.
- In fiscal year 2022, U.S. Department of Labor-registered apprenticeship partners offered approximately 80,000 apprenticeship slots. Young people, aged 24 and under, filled approximately 30% of these slots.

Worker-learners (young workers in high school and college) often work significant numbers of hours per week.

Reflecting diverse economic needs, workers balancing employment and school reported a wide variation in weekly hours worked. Unfortunately, research shows that working too many hours per week can hamper worker-learners’ ability to attain post-secondary credentials. In California, many worker-learners are forced to balance the future benefits of their academic performance and their present financial circumstances.

- Nearly half of young workers were also attending school.
- A plurality (40%) of young worker-learners (across all levels of education) worked between 15 and 29 hours.
- Over one-fourth of high school worker-learners and over half of undergraduate worker-learners worked intensive hours (20 hours or more).
- 17% of young worker-learners worked 40 hours or more per week.
Young workers often lack worker protections and benefits.

Despite earning lower wages, being more likely to work in precarious employment arrangements, and having higher incidences of poverty, young workers have historically been underserved by public benefit programs and have relatively low utilization rates compared to older workers. Young workers also are dramatically underrepresented by unions.

- Nearly 1 in 10 (11%) of California’s young workers lacked health insurance coverage.
- About 21% of young workers were covered by Medi-Cal.
- In 2020, 10% of young workers in renting households received housing subsidies that lowered rent.
- In 2020, 7% of young workers received food benefits through the Supplemental Nutrition Assistance Program (SNAP).
- Nearly 10% of young workers received unemployment insurance at the onset of the pandemic in 2020.
- Only 9% of young workers were represented by a union as a member or were covered by a union contract.

Many young people in California face challenges in finding quality employment.

Young workers, especially young workers of color and high school level-educated young workers, experienced especially high levels of unemployment and underemployment at the onset of the pandemic compared to older workers. Industries in which young workers are overrepresented, particularly service and frontline occupations, were the most affected by the pandemic, forcing young people to choose between their health and their earnings.

- Black young workers experienced higher rates of unemployment at 15%, compared to 9% of all young workers.
- 7% of young workers were underemployed (worked part time, but preferred to work full time).
- 11% of young people were not in school or employed.
I. Introduction

Young people in California are experiencing a period of dramatic change. While one in eight United States residents currently live in California, the state has seen its population decline for the past three years, the first time it has dropped in over a century. Simultaneously, the state is becoming increasingly diverse. More than half of Californians under the age of 25 are Latinx, compared to the majority-white population of those 65 and older.

The COVID-19 pandemic and the resulting recession have been particularly disruptive for young people in California. Because of their higher rates of employment in sectors that were significantly affected by the pandemic shutdowns, such as hospitality and retail, young people had especially high incidences of unemployment during the pandemic. The pandemic also led many young people to change their postsecondary education plans, with many not enrolling in or returning to postsecondary institutions in the fall of 2020. During this time, young people had health concerns, changing financial circumstances, inadequate technology for remote learning, or altered family caregiving responsibilities.
Based on research on past recessions, these disruptions to their postsecondary plans could have long-term negative effects on young people. Previous literature has shown that young people who face prolonged periods of unemployment in their early working years have an increased risk of future unemployment or depressed earnings in the years afterwards. Moreover, this “scarring effect” has been shown to be larger for disadvantaged groups, such as individuals with less educational attainment or minorities.

Even before the COVID-19 pandemic, there was concern about the economic outlook for young people. Downward mobility for young people compared to their parents has been documented since the Great Recession of 2007. A widely circulated news article from January 2020 fretted about the prospect of young people making less than their parents, challenging presumptions of economic progress and upward social mobility.

A key driver of youth downward mobility is changes to the nature of work in the US in the past few decades. Declines in unionization and the enforcement of government regulations protecting job quality and market competition, coupled with the liberalization of international economies and technological advances, have altered the types of jobs that are available to American workers. Since the post-World War II period (1940s to 1970s), which was marked by stable, full-time, and protected jobs, there has been growth in precarious work arrangements in place of many previous quality jobs. Precarious employment is defined by a lack of security in job duration, wages, and benefits.

To access the quality jobs that exist within the American economy, a postsecondary education has become essential. Unfortunately, the cost of postsecondary education has skyrocketed. Moreover, a postsecondary education does not guarantee a high-quality job, as many people with postsecondary degrees remain stuck in precarious employment situations. These differential outcomes are particularly pronounced for less-advantaged young people. As a result, many young people are questioning the value of a postsecondary education.

In recent years, young people have responded to this precarity. Student debt cancellation has become such an animating issue for young people that the Biden administration issued a student debt cancellation order in August 2022. The Biden Administration had proposed that the Department of Education would provide up to $20,000 of debt cancellation for Pell Grant recipients and up to $10,000 for non-Pell Grant recipients. Young workers have also been instrumental in widespread unionization drives, leading organizing efforts at a wide range of businesses—Starbucks and Amazon most prominently.
Within this context, this report, *California’s Future is Clocked In: The Experiences of Young Workers*—the latest from the UCLA Labor Center’s “The State of Young Workers in California” research initiative—analyzes and contextualizes data from various administrative data sources to elucidate the conditions of young workers ages 16 to 24 in the state of California. Using large-scale national datasets, we select the 16 to 24 age range to capture the experiences of young people who are high school and college aged. Past reports from the initiative have provided overviews of the conditions of young workers in the state and specifically discussed several key issues, including work conditions in industries with high concentrations of young workers and the realities of working while pursuing an education. This report updates the initiative’s past research with data immediately preceding, during, and after the COVID-19 pandemic.
II. Overview of Young Workers in California

Young people play a vital role in California’s economy and constitute a large part of the state’s labor force. Delineating young workers as a distinct category of employed residents allows us to examine the trends, unique challenges, and opportunities facing this population, in terms of both their present working conditions and their role as the future of California’s labor force.

According to the American Community Survey (ACS), in 2021 there were approximately 4.7 million Californians between the ages of 16 and 24. Nearly half (45%), or 2.11 million, were employed. These young workers comprised 12% of California’s workforce.
Figure 1: Young Workers in California, 2021

45% (2.11 million) of California’s young people aged 16–24 are working.

- 2.11 million people represents 12% of the entire California workforce
- 2.11 million people would make the 5th largest city population in the U.S. (after Houston, Chicago, Los Angeles, and New York City)

Source: Authors’ analysis of the 2017–2021 American Community Survey.
Young workers in California have various employment pathways and work schedules. Most worked in the private sector (83%), followed by the public sector at 8%, nonprofits at 5%, and 3% reported being self-employed. Half of young workers aged 19–24 (50%) worked full time (35 hours or more per week), and over two-thirds aged 19–24 (69%) reported working year-round (47 weeks or more per year). In contrast, young workers aged 16–18 more frequently worked part time and part year (employed less than 245 days in the calendar year); 85% of young workers aged 16–18 worked part time and 64% worked part year.

**Figure 2: Full-Time and Full-Year Work, 2021**

Source: Authors’ analysis of the 2017–2021 American Community Survey.

These findings are consistent with existing literature on the work schedules of young workers, with many young people working part-time jobs while navigating education, training, and childcare. Often, young workers who choose part-time work voluntarily are students and teenagers aged 16–18. For 20 to 24-year-old young workers, the rate of voluntary part-time employment is significantly lower.
Moreover, young workers, often lacking sustained work experience and education credentials, tend to shoulder the burden of underemployment during economic downturns (see “Underemployment and Unemployment”). Regardless of whether young workers choose to work part time voluntarily or are structurally and involuntarily placed into it, part-time work is often associated with lower pay, limited career advancement, reduced job security, and limited access to employment benefits.

Work is immediately critical for young people, as they use earnings to supplement family income, pay off educational expenses, and ensure their own survival. Employment during the transition to adulthood also has lasting implications for earnings, housing stability, and health, where quality adolescent employment is shown to be predictive of human capital development, rich work experience, and subsequently more quality, stable employment in the future. However, work opportunities and experiences vary significantly by factors such as race, ethnicity, gender, class, and geographic region. The following section discusses the demographics of young workers. For a further analysis of regional differences between young workers in California, please see Section XII: Regional Analysis.

Demographics

Young workers in California represent a highly diverse subsection of an already diverse state. According to the 2017–2021 American Community Survey (ACS), half of young workers were male and half were female. Among older workers aged 25–64, the proportion of male workers was higher, at 55%.

Figure 3: Young Workers by Gender, 2021

Source: Authors’ analysis of the 2017–2021 American Community Survey.
Over half of young workers were Latinx compared to 37% of older workers. The proportion of Black workers was similar for both younger and older workers, roughly 5% of each population. The proportion of white and Asian workers was smaller for young workers than older ones.

Figure 4: Young Workers by Race/Ethnicity, 2021

![Bar chart showing race/ethnicity distribution of young and older workers in 2021.](chart.png)

Source: Authors’ analysis of the 2017–2021 American Community Survey.

Notably, nearly three out of four (72%) young workers were people of color. Young workers of color represent the changing face of the California labor market as well as the diverse future of California’s economy. However, there are potential challenges for these workers that may hinder economic prosperity.

The racial disparities in educational access and rising demand for highly educated workers, coupled with the growing diversity of young workers, present the potential for exceeding and increasing stratification and inequality in California’s economy. Black and Brown young workers continue to have inequitable access to college, and Black and Brown young workers’ low college-going rates and graduation rates increase their risk for un- and underemployment, as well as low-wage employment. On the other hand, white and Asian young workers tend to have greater access to educational opportunities. Thus, they are more likely to be over-represented in higher-paying, quality jobs.
Immigrant Youth

Many young workers are also immigrants. The foreign-born population of young workers constituted 15% of the cohort, corresponding to over 300,000 foreign-born young workers. In contrast, 37% of older workers were born outside the US, reflecting the trend that immigrants are more likely to arrive as adults. Nevertheless, at 15% of the young worker population, foreign-born young workers constitute a small but significant portion of the labor force.

Figure 5: Young Workers’ Nativity, 2021

![Figure 5: Young Workers’ Nativity, 2021](image)

Source: Authors’ analysis of the 2017–2021 American Community Survey.

Though the ACS does not differentiate among lawful permanent residents, temporary migrants (e.g., foreign students), humanitarian migrants (e.g., refugees and asylees), and undocumented migrants in its count of the foreign-born population, 13% of the estimated 2.7 million undocumented migrants in California are reported to be individuals aged 16–24. Therefore, it is likely that a significant portion of the over 300,000 foreign-born young workers in California are undocumented.

Immigrant young workers face particular challenges in the labor market and the workplace. They are more likely to work in dangerous occupations and have lower educational attainment than US-born workers. In a report by Upwardly Global, 71% of surveyed young immigrant workers had difficulties evaluating career paths and credentials, 43% asked for targeted support on cultural differences and professional communication, and 60% did not believe that their skills were valued at work.
Undocumented workers face these challenges as well as additional hurdles. Even though they have rights and protections to prevent workplace discrimination, they are still vulnerable to experiencing exploitative working conditions. Many journalistic reports find that employers of undocumented young workers regularly violate labor laws and child labor laws and operate in dangerous work environments, using migrant workers’ undocumented status and reliance on employment to prevent complaints. Consequently, many undocumented workers do not report wage theft, abuse, and working conditions due to fear of retaliation and lack of secure labor rights and legal representation.

**Households**

Young workers are often in transitional periods of their lives, and their household structures reflect their experiences and may influence their trajectories. Many young people moved back to their parental homes during the COVID-19 pandemic, with the national number of young adults at home reaching an 80-year high in 2020. Many young workers are the heads of household themselves, which the ACS defines as the individual adult under whose name the housing unit is owned or rented. In California, about one in ten young workers (12%) were classified as the head of household in the ACS. This figure, however, may undercount young workers who share household responsibilities and payments, as both dependents living and contributing to family households or as young workers living with roommates. Additionally, 5% of young workers lived in a household with at least one child (under 18) present.

**Figure 6: Young Workers’ Household Characteristics, 2021**

- **12%** head of households
- **5%** Lived in household with at least one child

*Source: Authors’ analysis of the 2017–2021 American Community Survey.*
Young workers work in varied industries and occupations at uneven rates. In 2021, they most frequently worked in restaurants/bars and retail, with 21% and 20% employed in these industries, respectively. About one in ten (8%) were employed in educational services, followed by health care and social assistance (7%).
Figure 7: Top 10 Industries Where Young Workers Work, 2021

<table>
<thead>
<tr>
<th>Industry</th>
<th>% of Young Workers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Restaurants and bars</td>
<td>21%</td>
</tr>
<tr>
<td>Retail trade</td>
<td>20%</td>
</tr>
<tr>
<td>Educational services</td>
<td>8%</td>
</tr>
<tr>
<td>Health care and social assistance</td>
<td>7%</td>
</tr>
<tr>
<td>Professional, scientific, technical services</td>
<td>5%</td>
</tr>
<tr>
<td>Transportation and warehousing</td>
<td>5%</td>
</tr>
<tr>
<td>Arts, entertainment, recreation</td>
<td>4%</td>
</tr>
<tr>
<td>Construction</td>
<td>4%</td>
</tr>
<tr>
<td>Admin. support, waste management, remediation services</td>
<td>4%</td>
</tr>
<tr>
<td>Personal and repair services</td>
<td>3%</td>
</tr>
</tbody>
</table>

Source: Authors’ analysis of the 2017–2021 American Community Survey.

The service industry was the most represented employment pathway for young workers, with a majority working in bars, restaurants, and retail. Almost one in three workers in the service industry is a young worker.

Figure 8: Young Workers in Service Industry, 2021

2 in 5 young workers work in restaurants or retail stores

Source: Authors’ analysis of the 2017–2021 American Community Survey.
Additionally, more than half of California’s young workers (61%) were in frontline occupations, such as cashiers in grocery stores or servers in restaurants. The occupations and industries young workers are most frequently employed in, frontline occupations and the service industry, present unique challenges for them. Frontline occupations are often the most vulnerable to economic shocks and external risks. For example, young workers were disproportionately affected by the COVID-19 shutdowns due to their overrepresentation in customer-facing positions.33

**Figure 9: Young Worker Occupations, 2021**

![Pie chart showing young worker occupations, with 61% in frontline workers, 20% in professionals, 13% in office workers, 3% in managers, and 3% in supervisors.]

*Source: Authors’ analysis of the 2017–2021 American Community Survey.*

Young people often start their careers in the service industry, as the barriers to entry are low. While jobs in the service industry can provide an initial orientation to the workplace, they often do not have high potential for upward mobility or promotions within the industry.34 Workers in the service industry often find themselves stuck in low-wage service occupations due to the circular labor “trap” caused by limited potential for upward mobility and nontransferable skills.35 The service industry is also often the most insecure and precarious, where employers are likely to violate labor laws, offer only contingent or unstable hours, and provide very few worker protections and benefits.36
Most young workers were paid by the hour (86%). The median wages for workers aged 16–24 in 2022 was $16.50 per hour, compared to $26.63 per hour for workers aged 25–64. Moreover, about two in three young workers (64%) earned low wages, defined as two-thirds of the median hourly wage for full-time workers. California’s median hourly wage for full-time workers was $26.90 in 2022; two-thirds of that wage is $17.93. That means that nearly 1.2 million young workers earned less than $17.93. The rate of low-wage work among these workers is almost three times higher than that of older workers aged 25–64, at 23%.
As seen in Figure 10, 87% of young workers aged 16–18 earned low wages, compared to 60% of young workers aged 19–24. The data indicates that as workers age, gain experience, and move to different industries, rates of low-wage work decline. However, the distribution of low-wage rates within age groups shows variation in race/ethnicity and gender.

When looking at low-wage rates by gender, young women were slightly more likely to earn low wages (65%) than young men (64%). Young Latinx women experienced the highest rate of low-wage employment at 69%, followed by young Black women at 67%.

Source: Authors’ analysis of the 2022 Current Population Survey.
The prevalence and uneven distribution of low wages in terms of race, ethnicity, and gender is concerning, as it introduces high risks of increasing inequality as workers progress through their careers. The gendered and racial variation in low wages is less pronounced for young workers than it is for older workers, where about 38% of Latinx women workers earned low wages, compared to 27% of their male Latinx counterparts and 18% of white women workers. As young workers advance in their careers, current trends indicate that women of color are more likely to earn low wages, even with age and experience.
Young workers are heads of household, support children in their homes, provide financial assistance to their families, and grapple with increasing student loans and debt. The overwhelming presence of low wages, especially across marginalized identities, presents large obstacles for the majority of young workers. Given the prevalence of low wages among young workers, it is unsurprising that many of them faced difficulties paying expenses in the years following the COVID-19 pandemic. Nearly 70% of young workers have reported at least some difficulties paying their expenses, with 15% reporting that it was very difficult to pay expenses.

**Figure 12: Young Workers and Difficulties Paying Expenses**

Source: Authors’ analysis of the Household Pulse Survey 2021.

As young workers enter the workforce, they have jobs and wages that do not provide them with the means to comfortably pay basic living expenses. Additionally, early career wages are shown to be predictive of later career earnings, yet many are “stuck” in low-wage jobs. The current snapshot of wages presents a troubling portrait for young workers as they advance through the labor market, potentially exacerbating existing gendered and racial wage gaps given large group differences in low-wage rates.
Educational attainment is a critical predictor of social and economic outcomes in life. This is especially true in a state such as California, where there is a growing demand for highly educated workers. The Public Policy Institute of California estimates that by 2030, 40% of jobs in California will require at least a bachelor’s degree. However, educational attainment and access are highly stratified across racial and ethnic lines, whereby Black, Latinx, and Native American youth have higher high school dropout rates and are significantly less likely to enroll in postsecondary education than their white and Asian peers. (We explore regional disparities in “Regional Analysis.”) Equally concerning is the fact that substantial work hours tends to adversely affect young workers’ ability to persist and attain a postsecondary education. In this section, we explore three critical outcomes: high school dropout rates, college readiness, and postsecondary education enrollment. We use “postsecondary education” and “college” interchangeably unless otherwise specified.
In 2021, nearly one-third of young workers in California had at least a high school education. Less than half of young workers had some college or had completed an associate’s degree.

**Figure 13: Young Worker Education Levels, 2021**

- Less than a high school degree: 11%
- High school degree: 30%
- Some college: 38%
- Associate’s degree: 6%
- Bachelor’s degree: 14%
- Advanced degree: 1%

Source: Authors’ analysis of the 2017–2021 American Community Survey.

Nearly half (48%) were attending school. The majority were undergraduates (79%), followed by high school students (16%), and some were pursuing an advanced degree (5%).

**Figure 14: Young Workers Enrolled in School, Grade Attending, 2021**

- College undergraduate: 79%
- Grade 9–12: 16%
- Graduate or professional school: 5%

Source: Authors’ analysis of the 2017–2021 American Community Survey.

Of those working and in school, most were attending public education institutions. About 92% of high schoolers and 88% of undergraduates were enrolled in public schools.
About one-third of young workers in school worked up to 19 hours per week; 46% worked between 20 and 34 hours, and 21% worked 35 hours or more. The median hours high schoolers worked was 18 hours per week, while college students worked a median of 23 hours per week. In fact, over one-quarter of high school students and half of college students worked intensive hours (more than 20 hours per week).

Source: Authors’ analysis of the 2017–2021 American Community Survey.
**High School Dropout Rates**

In 2021, 5% of people aged 16 to 24 in the US were high school dropouts.\(^2\) In comparison, California had a high school dropout rate of 8% for the 2021–2022 school year.\(^3\) The social and economic outcomes for high school dropouts is far worse than for high school graduates. They are prone to higher unemployment, lower median and lifetime earnings, poorer health, higher mortality rates, higher crime rates, higher likelihood of requiring public assistance, and lower voting rates.\(^4\)
Not all demographic groups are at risk of not completing high school. Male, Black, Latinx, immigrant, and English-language learner students are more likely to drop out. Additionally, students who work more than 20 hours per week compared to those who work 20 or fewer hours per week are 44% to 55% more likely to drop out of high school.

In California, those national trends are mirrored. For example, whereas white (6%) and Asian (3%) students had lower dropout rates than the state average of 8%, Black (14%), Latinx (9%), American Indian/Alaska Native (AIAN) (14%), and multiracial (7%) students had higher dropout rates than the state average. Moreover, the male student dropout rate was 10%, while the female student dropout rate was 6%. Equally concerning is the fact that approximately 11% of nonbinary students dropped out of high school that year.

**College Readiness**

During the pandemic, many school districts across the country relaxed credit and graduation exam requirements in the transition to online instruction. This raised concerns that the high school classes of 2020 and 2021 may have graduated with a lower level of aggregate skills than prepandemic graduating classes and were consequently less prepared for postsecondary education. Compared to many other states, California’s minimum high school graduation requirements are less rigorous. However, individual districts may adopt high school graduation requirements that exceed the state’s minimum graduation requirements. As such, the majority of California high school districts have more rigorous graduation requirements that are more closely aligned with college entrance requirements, otherwise known as A-G requirements.

The California Department of Education does not collect or report local districts’ graduation requirements, which makes it difficult to assess the aggregate skills of California high school graduates. However, given the increasing demand for workers with postsecondary education and training, the rates of students who fulfill the A-G requirements to qualify for California State University (CSU) and University of California (UC) admission serves as a proxy for this. Even among young people who wish to pursue a two-year degree and/or enroll in community college to then transfer, their ability to attain A-G eligibility in high school matters for their success at two-year postsecondary institutions. Those who graduate having taken college preparatory courses in high school have an increased likelihood of enrolling in college-level courses versus remedial courses, which has proven to be detrimental to students’ success at the community college level.
In 2021–2022, 51% of California high school graduates met A-G requirements. White (57%), Asian (75%), and multiracial (59%) graduates had greater shares who met A-G requirements. In contrast, less than half of Black (41%), AIAN (30%), and Latinx (44%) graduates met A-G requirements. While 57% of female graduates met A-G requirements, only 46% of males and 40% of nonbinary graduates met them. The San Francisco Bay Area (61%), Los Angeles County (58%), and Orange County (57%) were the only regions in which the majority of high school graduates met A-G requirements.

Postsecondary Education Enrollment

Postsecondary education provides a path for social mobility as it is associated with higher levels of employment and higher wages. Over time, the returns on college education, or the higher average wages earned by those with college degrees, have continued to increase despite more students attending college. The earnings premium is highest for bachelor’s degree holders, but associate’s degree holders and people who complete postsecondary certificates also earn higher wages on average than high school graduates.

One contributing factor to the discrepancies between postsecondary enrollment is the increasing cost of college attendance. Rising college costs disproportionately affect low-income students and students of color, and many low-income, first-generation, and non-white college students are debt averse. However, taking out loans is associated with greater college enrollment and higher odds of college completion. Among students of color, Black students are more likely to take out student loans. Unfortunately, they also have substantially more student loan debt and are more likely to be at risk of default than white students. Given the steep rise in college tuition, many students opt to work throughout their college careers, as discussed previously.

At the time of this report’s writing, the most recent school year for which data on postsecondary education enrollment for California high school seniors was available was 2020–2021. Just under two-thirds (62%) of high school graduates in 2021 enrolled in college within 12 months of completing high school. Enrollment rates were higher than the state average of 62% for white (68%), Asian (82%), and multiracial students (69%) and was lower than the state average for Black (55%), AIAN (45%), and Latinx (55%) students. Female students (68%) had higher college enrollment than male (57%) and nonbinary students (44%).
As shown in Figure 18, the majority of California high school graduates who pursue postsecondary education enroll in California Community Colleges (CCCs). This trend mirrors the broader national pattern of enrollment in community colleges given their promise of accessibility to all, affordability, and ability to provide workforce preparation. In contrast, slightly less than a third of high school graduates enrolled in the UC and CSU systems. The share of California high school graduates who attend out-of-state colleges was nearly twice as high as the share who attended private in-state colleges.

Figure 18. Postsecondary Enrollment Type, California High School Graduates, 2017–2020

Taking a closer look at regional trends, the majority of high school graduates who enrolled in postsecondary education enrolled in CCCs. It’s important to note where CCC enrollment was lowest and UC/CSU enrollment was highest: in 2020–2021, the Bay Area had approximately 35% matriculating to the UC/CSU systems and 42% matriculating to CCCs; for Los Angeles County, 39% went to UC/CSUs and 45% went to CCCs.
Post-Pandemic Trends

From 2019 to 2020, the share of US high school graduates enrolled in postsecondary education by the October of the year they graduated fell from 66.2% to 62.7% whereas enrollment rates continued to fall to 61.8% for the class of 2021. In public community college, enrollments fell by 10.1% from fall 2019 to fall 2020.

Similar trends occurred in California. From 2018–2019 to 2019–2020, postsecondary enrollment within 12 months of high school completion fell from 64.9% to 62.7%. While nearly all racial/ethnic groups experienced declines in college matriculation across two- and four-year college campuses, the declines were especially stark for Black and AIAN high school graduates. Black college-going rates fell from 61.1% to 55.2%, and AIAN college-going rates fell from 53.7 to 47.4%. While California community college enrollment decreased from 55.3% to 53.6% for all high school completers, the declines were especially stark for Black (from 59.3% to 54.3%) and AIAN (from 65.1% to 63.3%) students. Matriculation rates for UC/CSU, private California colleges, and out-of-state universities remained relatively stable overall and within demographic groups. Within individual census regions, these patterns were broadly replicated. Notably, the only regions where AIAN postsecondary matriculation increased were Los Angeles County (from 56% to 59.6%) and Orange County (from 68.3% to 77.7%).

While national postsecondary education enrollment rates began to stabilize in fall 2022, they remain below prepandemic levels, and it is currently unknown if this pattern holds in California. However, the known trends are concerning given the increasing demand for workers with postsecondary education. One out of every three California jobs requires at least some college, like obtaining a credential from a local community college, and as previously cited, it is estimated that by 2030, 40% of jobs in California will require at least a bachelor’s degree.
VI. Apprenticeship Programs

Apprenticeships have long been a reliable mechanism to build vocational skills for young workers entering the labor market. Recently, apprenticeship programs have been developed in a growing number of fields beyond trades: education, management, health care, and information technology. These programs have served as an alternative educational pathway for young workers who are currently in the workforce with a high school diploma but do not have a bachelor’s degree. The kinds of careers that follow apprenticeship programs also allow young workers to achieve higher earnings. Quantitative analyses have shown significantly larger earnings for individuals who complete vocational certificates and apprenticeship programs compared to similar cohorts with just high school diplomas. In this section, we explore the use of apprenticeship programs by California young workers.
Across fiscal year 2022, there were roughly 80,000 apprenticeships provided in California by apprenticeship partners registered with the Department of Labor. Young workers, aged 24 and under, constituted 31% of these apprenticeships (24,031), with over twice as many apprenticeships provided to workers aged 25–54. Given the importance of early career development for increased lifetime earning potential, these figures indicate an underuse of apprenticeship programs by young workers who have recently graduated from high school.\(^6\)

**Table 1: California Apprenticeships in Fiscal Year 2022 by Age Cohort**

<table>
<thead>
<tr>
<th>Age Cohort</th>
<th>No. of Apprenticeships</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age 16–24</td>
<td>24,031</td>
<td>31%</td>
</tr>
<tr>
<td>Age 25–54</td>
<td>53,018</td>
<td>68%</td>
</tr>
<tr>
<td>Age 55+</td>
<td>1,441</td>
<td>2%</td>
</tr>
</tbody>
</table>

*Source: Department of Labor Registered Apprenticeship Partners Information Database System (RAPIDS)*

Among the 24,031 apprenticeships provided to young workers aged 16-24, nearly two-thirds (66%) were provided to young Latinx workers, more than twice the amount for young non-Latinx workers. Only four percent of apprenticeships were provided to young Black workers.

**Figure 19: California Apprenticeships by Race/Ethnicity for Workers 24 and Under, 2022**

*Source: Department of Labor Registered Apprenticeship Partners Information Database System (RAPIDS).*
The vast majority of apprenticeships to young people were provided to male young workers, representing 94% of all young worker apprenticeships. Young women were considerably underrepresented, with only 6% of apprenticeships provided to them.

**Figure 20: California Apprenticeships by Gender for Workers 24 and Under, 2022**

![Pie chart showing 94% male and 6% female apprenticeships](image)

*Source: Department of Labor Registered Apprenticeship Partners Information Database System (RAPIDS).*

Over four in five (82%) of the apprenticeships provided to young workers were unionized. Apprenticeships offer a pathway to union-represented jobs, which provide the potential for higher-paying, protected workplaces compared to nonunionized jobs, especially for a population that is disproportionately underrepresented in unions.

**Figure 21: California Apprenticeships by Union Status for Workers 24 and Under, 2022**

![Pie chart showing 82% union, 11% nonunion, and 7% not specified apprenticeships](image)

*Source: Department of Labor Registered Apprenticeship Partners Information Database System (RAPIDS).*
Young workers participating in apprenticeships in California earned a median hourly wage of $20.77 in fiscal year 2022, nearly 25% higher than the median hourly wage of all young workers in California for the same year ($16.50).

Apprenticeships are important vehicles for training and skill development for young workers in the labor market and can significantly increase lifetime earning potential. As a “training period,” apprenticeships provide wages significantly above the median earnings for young workers in California, which increase even more after the apprenticeship program ends. Apprenticeships also occur in fields and occupations that are highly unionized, providing a level of stability, increased earnings, and workplace protection above that of similar workplace arrangements available to young workers.  

While apprenticeship programs have much potential for improving young workers’ employment outcomes, the program is underused across certain demographic groups. Apprenticeships are overwhelmingly accessed by young male workers; only 6% of apprenticeships were provided to young workers who identify as female, mirroring national trends. The lack of representation of women in apprenticeships might be due to the fact that many industries represented by apprenticeships, such as construction, often lack maternal and family leave policies, limiting the appeal for some women to participate in these programs.  

Apprenticeship programs are also highly racialized. Research indicates that apprenticeship programs largely use word-of-mouth and networks for hiring, suggesting that networks of young Latinx workers are embedded within apprenticeship structures and industries in California. Black workers, however, are disproportionately under-enrolled in apprenticeship programs, suggesting the need for outreach to afford access and opportunities to this excluded network. While the expansion of apprenticeship programs can significantly improve outcomes for young workers, it is imperative for any expansion effort to focus on the large gender and racial gap present in these programs.
VII. Young Workers and Unions

Labor unions provide numerous benefits and advantages for workers. They improve wages and working conditions, provide better job safety protections, lead to scheduling predictability, and help workers secure and exercise their rights in the workplace. The Bureau of Labor Statistics estimates that nonunion workers earn just 85% of what unionized workers earn ($1,029/week versus $1,216/week). Unions have also been shown to reduce wage gaps for women workers and workers of color, with unionized Black and Latinx women receiving the highest percentage increase in wages compared to nonunionized workers. Unionized workers are far more likely to be covered by employer-provided healthcare; more than nine out of ten unionized workers have access to employer-provided health insurance, versus 68% of nonunion workers. Unions offer huge advantages to workers; however, the distribution of unionized jobs is varied.
Compared to older workers, young workers had considerably lower rates of unionization. About 9% of young workers were members of a union or were represented by a union, compared to 19% of workers aged 25–64.

**Figure 22: Unionization Rates for Young Workers, 2022**

![Bar chart showing unionization rates for young workers](chart)

- **Total**: 18% unionized, 82% not unionized
- **Young worker**: 9% unionized, 91% not unionized
- **Older worker**: 19% unionized, 81% not unionized

*Source: Authors’ analysis of the 2022 Current Population Survey.*

Young Asian workers and those who identified as having other ethnicities had lower rates of unionization (6% and 4%, respectively) than their white, Black, and Latinx counterparts.

**Table 2: Unionization Rates for Young Workers by Race/Ethnicity, 2018–2022**

<table>
<thead>
<tr>
<th>Race</th>
<th>Percentage Unionized</th>
</tr>
</thead>
<tbody>
<tr>
<td>White</td>
<td>9%</td>
</tr>
<tr>
<td>Black</td>
<td>9%</td>
</tr>
<tr>
<td>Latinx</td>
<td>8%</td>
</tr>
<tr>
<td>Asian</td>
<td>6%</td>
</tr>
<tr>
<td>Other</td>
<td>4%</td>
</tr>
</tbody>
</table>

In terms of race/ethnicity and gender, young Black female workers were more likely to be members of a union or were represented by a union at 11%, compared to 7% of young Latinx women and 6% of young Asian women.

### Table 3: Unionization Rates for Young Workers by Race/Ethnicity and Gender, 2018–2022

<table>
<thead>
<tr>
<th>Race</th>
<th>Male</th>
<th>Female</th>
</tr>
</thead>
<tbody>
<tr>
<td>White</td>
<td>9%</td>
<td>9%</td>
</tr>
<tr>
<td>Black</td>
<td>7%</td>
<td>11%</td>
</tr>
<tr>
<td>Latinx</td>
<td>7%</td>
<td>11%</td>
</tr>
<tr>
<td>Asian</td>
<td>6%</td>
<td>6%</td>
</tr>
<tr>
<td>Other</td>
<td>0%</td>
<td>7%</td>
</tr>
</tbody>
</table>


Unionization can be an essential mechanism for young workers to achieve higher wages, an increased likelihood of benefits, worker protections, and better job market outcomes in the future. However, only a small percentage of them are union members or represented by a union, especially compared to their older counterparts. This is a significant area of opportunity to promote the economic well-being of young workers. In recent years, young workers have led a burgeoning wave of workplace unionization efforts. For example, in April 2022, Amazon warehouse workers in Staten Island elected to form the company’s first union.\(^{81}\) Other organization efforts have followed at Starbucks, REI, Trader Joe’s, and Chipotle.\(^{82}\) Notably, these are companies housed within the retail and service sectors, whose labor forces disproportionately consist of young workers.\(^{83}\) A 2020 analysis by the Center for American Progress finds that nationally, Generation Z (born 1997 to 2012) is the most pro-union generation, with a mean approval rating of 64%.\(^{84}\) Unionization has clear advantages to young workers and is widely supported and often currently led by young people. However, with only 9% of young workers currently represented by unions, there is a disconnect between the opportunity and potential of unionization and young workers’ current access to them.
VIII. Underemployment and Unemployment

As they enter the workforce and begin building their job histories, young workers face a heightened risk of unemployment and underemployment. Moreover, the COVID-19 pandemic and the resulting economic crisis has significantly impacted their employment outcomes.
Young workers, especially young workers of color and those with only a high school degree, experienced especially higher levels of unemployment and underemployment at the onset of the pandemic compared to older workers.\(^{85}\) Industries in which young workers are overrepresented, particularly service and frontline occupations, were the most affected by the pandemic—forcing young people to choose between their health and earnings.\(^{86}\) Those who had not already secured employment were also less likely to access pandemic-era public assistance, such as stimulus checks and unemployment insurance.\(^{87}\)

In this report, we use the 2020 Current Population Survey’s definition of unemployment, which includes individuals who were 1) not employed during the survey reference week, 2) were available for work, and 3) made at least one specific, active effort to find a job during the four weeks before being surveyed. Regarding underemployment, we use the definition of the Bureau of Labor Statistics, which refers to individuals who are currently working part time for economic reasons. These workers are classified as those who would prefer to work full time, but are working part time because their hours were reduced or they could not find full-time jobs.\(^{88}\)

In 2022, approximately 7% of Californian young workers were underemployed, specifically those who worked part time for economic reasons and wanted to work full time. In contrast, only 3% of older workers were underemployed.

### Figure 23: Young Workers Who Work Part Time and Would Like Full-Time Work, 2022

![Image](image.jpg)

7% Of young workers ages 16–24  
3% Of older workers ages 24–64

Source: Authors’ analysis of the 2022 Current Population Survey.
Young workers are more likely to be structurally underemployed for a myriad of reasons. Studies have suggested that several factors, including the rise of school enrollment among youth resulting in a more competitive labor market, an unwelcoming economic climate for new hires, and the relative plateau of adequate entry-level full-time jobs, have all contributed to high levels of underemployment for young workers. Youth underemployment has been linked to poor psychological health and stress, negative impacts on the quality and quantity of leisure time, increases in criminalized behavior, future spells of persistent unemployment, and decreased future wages.89

Young workers also experienced high unemployment rates. In 2022, they had an unemployment rate of 9%, compared to an unemployment rate of 4% for Californians aged 25–64.

Figure 24: Unemployment Rates for Young Workers, 2018–2022

These differences were particularly stark during the COVID-19 pandemic. Young worker unemployment climbed to 18% in 2020, while 9% of older workers experienced unemployment during that year. Moreover, during the 2018–2022 period, young workers consistently experienced unemployment at much higher rates than their older counterparts.

Unemployment for young people had a distinctly racialized component, as well. Across young Californians of all ethnic groups, Black youth experienced the highest rate of unemployment, at 15%. In contrast, the unemployment rates for white, Latinx, and Asian youth were lower at 8%, 8% and 9% respectively.

**Figure 25: Youth Unemployment Rates by Race/Ethnicity, 2022**

![Graph showing youth unemployment rates by race/ethnicity, 2022](image)

*Source: Authors’ analysis of the 2022 Current Population Survey.*

The racial disparity of the unemployment rate for young Black Californians can be associated with anti-Black hiring practices in the labor market. A report by the Center for Economic Policy Research finds that a Black youth must obtain a bachelor’s degree to have a lower likelihood of unemployment than a white youth with a high school diploma. A meta-analysis of field experiments on hiring practices shows that the prevalence of anti-Black discrimination against job seekers has not changed since 1989. On average, white job seekers receive 36% more callbacks for job interviews than Black jobseekers. To close the national employment rate gap between Black and white youth, the Center for Economic Policy Research estimates that more than 500,000 jobs would need to be created.

Young people tend to have a lower labor force participation rate than their older counterparts due to the large number of youth in school or job training programs. In the scholarship on youth employment, young people not in employment, education, or training are commonly referred to as “NEET.” During the COVID-19 pandemic, the national NEET rate increased to 12.6% after decades of gradual decline. Currently, in California, over one in ten young people (11%) are not employed and are not in school.
Figure 26: Young people not working and not in school, 2021

1 in 10 (11%) young workers are not employed and not in school

Source: Authors’ analysis of the 2017–2021 American Community Survey.

Because NEET youth are disconnected from both school and work, they are excluded from opportunities to build valuable skills and develop networks. Research has shown that NEET youth tend to have significantly worse future outcomes in family income, homeownership, stable employment, and good health relative to youth who were employed or in school from age 16 to 24. The COVID-19 pandemic may have exacerbated the risk of such outcomes for many California youth. Table 4 below summarizes results from the 2021 Household Pulse Survey from California NEET youth regarding why they were not employed or in school during our study period. Nearly 26% indicated they did not wish to be employed at the time, and 10% indicated they were concerned about getting or spreading the coronavirus. Approximately 5% indicated that they were laid off or furloughed because of the pandemic, consistent with extant reports of unemployment among young people. Roughly 11% indicated they were not working because they were either sick with coronavirus or caring for someone with coronavirus symptoms, or had child or elder caregiving duties.
Table 4. Young People Who Were Not Working and Not in School, 2021

<table>
<thead>
<tr>
<th>Reasons why not in school, not working</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>I did not want to be employed at the time</td>
<td>26%</td>
</tr>
<tr>
<td>I was concerned about getting or spreading the coronavirus</td>
<td>10%</td>
</tr>
<tr>
<td>I did not have transportation to work</td>
<td>7%</td>
</tr>
<tr>
<td>I am/was sick with coronavirus symptoms or caring for someone with coronavirus symptoms</td>
<td>6%</td>
</tr>
<tr>
<td>I am/was furloughed due to the coronavirus pandemic</td>
<td>5%</td>
</tr>
<tr>
<td>I am/was caring for children not in school or daycare</td>
<td>5%</td>
</tr>
<tr>
<td>I am/was sick (not coronavirus related) or disabled</td>
<td>3%</td>
</tr>
<tr>
<td>My employer closed temporarily due to the coronavirus pandemic</td>
<td>5%</td>
</tr>
<tr>
<td>My employer went out of business due to the coronavirus pandemic</td>
<td>1%</td>
</tr>
<tr>
<td>I am/was caring for an elderly person</td>
<td>&lt;1%</td>
</tr>
<tr>
<td>Other reason</td>
<td>35%</td>
</tr>
</tbody>
</table>

Source: Authors’ analysis of the Household Pulse Survey, 2021.

With nearly one in ten young workers being underemployed, 9% of young people being unemployed, and 11% of youth not employed or attending school, it is clear that young workers face barriers to accessing jobs and opportunities. Changes to the labor market, such as a shift to a more skill-based economy with higher premiums placed on education, have exacerbated these precarious conditions. These issues are especially prevalent during economic recessions, as young people tend to be the most severely affected by layoffs and structural unemployment. The COVID-19 pandemic further compounded existing problems that young workers face in the labor market. However, there is recent evidence that labor market outcomes are improving for young people in the wake of post-recession job creation. Thus, it is imperative to create an economic and job growth environment that considers the unique structural labor position of young workers.
IX. Young Workers and Poverty

Nationally, young adults have seen no decrease in poverty since the 1960s, in part due to labor market competition and a lack of government programs serving them. Additionally, establishing economic independence has become increasingly difficult for young adults in recent decades. As housing costs continue to rise in California and high-paying jobs become less accessible, young workers must navigate living at home, strategize housing arrangements to afford rent, and confront situations related to high degrees of poverty within their households and family households.
Young workers were more likely to live in households experiencing poverty than older workers, with 14% of young workers living in households below the poverty line compared to 5% of older workers. One-third of young workers lived in households with incomes below 200% of the federal poverty line (FPL), or $53,000 for a family of four in 2021. Family earnings below 200% of the FPL is a common definition of economic distress—indicating households that still struggle to afford basic necessities such as food and healthcare.

Figure 27: Poverty Rates for Young Workers and Older Workers, 2021

<table>
<thead>
<tr>
<th></th>
<th>Below 100%</th>
<th>100 to 199%</th>
<th>200% and higher</th>
</tr>
</thead>
<tbody>
<tr>
<td>Young worker</td>
<td>14%</td>
<td>18%</td>
<td>68%</td>
</tr>
<tr>
<td>Older worker</td>
<td>12%</td>
<td></td>
<td>83%</td>
</tr>
</tbody>
</table>

Source: Authors’ analysis of the 2017–2021 American Community Survey.

Young workers who were heads of household experienced even higher poverty rates, with 48% earning below 200% of the FPL. With many of them living in poverty, both individually and within family households, at higher rates than older workers, the narrative that contends young workers can solely rely on familial support to make ends meet while building skills/education is particularly troubling. They play an important role within households that also tend to experience poverty at disproportionately high rates.
High costs of living are a primary driver of poverty. In California, young workers were more likely to live in households that rent at a rate of 53%, compared to 44% of older workers.

**Figure 28: Rent or Own, Young Workers and Older Workers, 2021**

<table>
<thead>
<tr>
<th></th>
<th>Rent</th>
<th>Own</th>
</tr>
</thead>
<tbody>
<tr>
<td>Young worker</td>
<td>47%</td>
<td>53%</td>
</tr>
<tr>
<td>Older worker</td>
<td>56%</td>
<td>44%</td>
</tr>
</tbody>
</table>

Source: Authors’ analysis of the 2017–2021 American Community Survey.

Nearly half of young workers who were renters (46%) were rent-burdened, defined as paying more than 30% of one’s income toward housing. Over one in five (21%) were considered severely rent-burdened, defined as paying more than half of their income in rent. Rent burden was especially high among young Black workers, with 55% reporting that they were rent-burdened or severely rent-burdened.

At the extreme, the nationwide prevalence of any spell of homelessness among 18- to 25-year-olds has been reported at 12.5%, with higher incidence among Black, Hispanic, LGBT youth, and youth who did not finish high school. More research needs to be conducted to understand the experiences, challenges, and areas of intervention necessary for addressing homelessness in the young worker population.
Figure 29: Young Workers’ Rent-Burdened Rates by Race/Ethnicity, 2021

Source: Authors’ analysis of the 2017–2021 American Community Survey.
Despite earning lower wages, being more likely to work in precarious employment arrangements, and having higher incidences of poverty, young workers have historically been underserved in public benefit programs and have relatively low use rates compared to older workers. While the economic impact of the COVID-19 pandemic has resulted in far-reaching unemployment and public benefit enrollment, young people were disproportionately excluded and underenrolled in COVID-era government aid programs. Therefore, it is imperative to provide young workers the same protections and benefits that are afforded to all workers.
Health Insurance

Under the Affordable Care Act, individuals below the age of 26 can receive health insurance coverage through their parents’ plan. They can also obtain health insurance coverage through other avenues, such as their employer or union, university health insurance plan if they are enrolled in college, direct purchase from the Affordable Care Act health insurance marketplace, or Medicaid or Medicare if they qualify. In California, over half (58%) of young workers received health insurance coverage through their employer or union, 11% purchased insurance directly, and less than 1% were covered through Medicare. Over one-fifth received health insurance through Medicaid (Medi-Cal). This percentage is consistent with the relatively lower incomes and the higher incidence of household poverty of young workers. However, the fact that over one in ten (11%) of these workers was uninsured is particularly concerning.

Figure 30: Health Insurance Coverage for Young and Older Workers

![Figure 30: Health Insurance Coverage for Young and Older Workers](image)

Source: Authors’ analysis of the 2017–2021 American Community Survey.
There are several possible explanations for why young people go uninsured. Often, they have gaps in health insurance literacy, such as understanding why it is valuable to have health insurance, how to get it, understanding plan features, or how to maintain their coverage. More importantly, young workers are more likely to be employed in precarious work arrangements and lack access to workplace benefits. For example, they are more likely to work part time (or be underemployed) and therefore may not qualify for health insurance through their employer. They are also more likely to work in nonstandard work arrangements than the overall workforce, such as temporary employment, independent contracting or freelancing, on-call work or day laboring, or in gig work, and consequently lack access to employer-sponsored health insurance. These disparities are moderated by educational attainment. For example, a study by the Center for Economic and Policy Research finds that contingent workers (87%) and independent contractors (99%) aged 21–25 with bachelor’s degrees had equal or higher rates of health insurance coverage compared to their peers in traditional work arrangements. Among workers aged 21–25 without bachelor’s degrees, the health insurance coverage rate was 73% for workers in traditional arrangements, and 59% for independent contractors.

Several policy interventions could help more young people get insured. As of 2020, Californians under the age of 25 can qualify for Medi-Cal regardless of immigration status, expanding the pool of Medi-Cal-eligible young workers. Raising the income eligibility threshold for Medi-Cal would enable more low-income young adults to qualify for it. Moreover, health insurance literacy education campaigns could help more young people navigate purchasing health insurance, as well as expanding Affordable Care Act marketplace subsidies.

**Housing Assistance**

Of the majority (53%) of young workers who live in households that rent, many were eligible for federal or state housing subsidies that would have reduced their rental amount. In 2019, 6% of young workers in renting households received housing subsidies that lowered rent. This percentage increased to 10% in 2020, indicating an uptick in subsidy enrollment during the COVID-19 pandemic. Young workers received housing subsidies at a higher rate than older workers who rent (by roughly 3% in 2020), consistent with the findings that younger workers have lower earnings and may qualify for more federal/state subsidies.
At the same time, housing costs increased during the pandemic, and this increase has continued post-pandemic despite real wages remaining stagnant. As shown in Figure 32, over 60% of young workers saw their rent increase during the pandemic, with 12% seeing a rent increase of $250 or more.

Source: Authors’ analysis of the 2019–2020 Survey of Income and Program Participation.
Food Assistance

Approximately one in ten California households is food insecure. Eligible low-income Californians who are food insecure receive monthly food benefits through CalFresh, known at the federal level as the Supplemental Nutrition Assistance Program or SNAP. In 2021, roughly 12% of young workers received SNAP benefits, compared to 8% of older workers.

Source: Authors’ analysis of the 2017–2021 American Community Survey.
Unemployment Insurance

A comprehensive unemployment insurance (UI) program is imperative to protect young workers, since they are often employed in unstable occupations and are more likely to be laid off during economic downturns. While the expansion of unemployment insurance for young workers in 2020 is a promising sign of program use, many young workers are often ineligible for these programs, including those who are not in school or working, searching for employment, or unemployed. No matter their employment status, they still require assistance during economic downswings.

In 2020, there was a large uptick in unemployment insurance use that was likely due to the COVID-19 pandemic’s economic shutdown. Unemployment insurance use was roughly 1% for younger people in 2019 and jumped to nearly 10% by 2020. Older workers had slightly higher unemployment insurance use rates, increasing from 2% in January 2019 to 11% in December 2020.

**Figure 34: Unemployment Compensation Received, 2019–2020**

Source: Authors’ analysis of the 2019–2020 Survey of Income and Program Participation.
Also, as part of the federal CARES Act, California extended assistance benefits to unemployed or underemployed workers ineligible for UI—namely part-time workers, gig workers and independent contractors—through the Pandemic Unemployment Assistance (PUA). PUA also provided assistance to workers who had exhausted all of their regular UI benefits or did not qualify for them.112

In 2020, nearly 1.04 million young workers were approved for Unemployment Insurance (UI), receiving over $4.6 billion in benefits. By 2022, the numbers decreased considerably, with only 64,433 approved claims for young workers and $243 million of benefits paid. As for PUA, in 2020, nearly 200,000 young workers applied and were approved for PUA, receiving $1.7 billion in aid. By 2022, only 98 claims for young workers were approved and $724 thousand were paid.

Table 5: Approved Unemployment Insurance (UI) and Pandemic Unemployment Insurance (PUA) Claims and Benefit Paid for Workers 16-24, 2020–2022

<table>
<thead>
<tr>
<th>Year</th>
<th>Approved Initial UI Claims</th>
<th>Total Benefits Paid</th>
<th>Approved PUA Claims</th>
<th>PUA Benefits Paid</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>1,039,634</td>
<td>$4,664,627,172</td>
<td>198,247</td>
<td>$1,761,838,217</td>
</tr>
<tr>
<td>2021</td>
<td>293,107</td>
<td>$1,016,603,598</td>
<td>67,489</td>
<td>$216,739,478</td>
</tr>
<tr>
<td>2022</td>
<td>64,433</td>
<td>$243,381,626</td>
<td>98</td>
<td>$724,487</td>
</tr>
</tbody>
</table>


Overall, during the 2020–2022 period, nearly 1.4 million young workers’ UI claims were approved. Nearly one-fourth (22%) were for workers employed in restaurants (accommodation and food services), and 16% for those employed in retail.
XI. Young Workers and Debt

Debt burdens for young adults have increased significantly in recent decades. One of the most notable changes is that their debt portfolios have shifted more toward student loan debt as educational expenses continue to rise. There is also a large amount of heterogeneity in who has debt and what kinds. While individuals from lower socioeconomic backgrounds are more likely to have debt of all kinds, young adults’ credit card debt specifically is found to be positively correlated with their parents’ income. Building credit and owning a credit card as a young adult tends to be associated with wealthier backgrounds. Studies find that student loan debt, however, is nonlinear: young adults from middle-income families have a higher risk for student loan debt than those from low- and high-income families. There are numerous possible explanations for this, including an increased availability of financial-based scholarships and programs for low-income families and the uneven distribution of college access across socioeconomic levels. However, regardless of the distribution of debt across economic strata, debt remains a central concern for young workers.
Student loan debt remained consistent from January 2019 to December 2020 for both older and young workers (around 16% for young workers and 14% for older workers), yet more young workers by percentage had student loans. A higher percentage of student loans for young workers indicates rising costs of higher education and reliance on loans, yet job earnings are not keeping up with this increased reliance. As jobs in California increasingly require bachelor’s degrees, the significant amount of student loan debt is particularly troubling.

**Figure 35: Percent Owed Student Loans/Debt in Reference Month, 2019-2020**

*Source: Authors’ analysis of the 2019–2020 Survey of Income and Program Participation.*
The median value of student loans is higher for older workers than younger workers, perhaps because of professional school debts that young workers have not yet entered. However, median student loans have increased significantly for young workers from 2019 to 2020, with those in December 2020 having an average student loan of $10,000.

**Figure 36: Median Student Loan Value, 2019–2020**

Source: Authors’ analysis of the 2019–2020 Survey of Income and Program Participation.
Credit card debt is generally higher for older workers than younger ones, indicating a higher reliance on credit for older workers. About 25% of young workers have credit card debt. Building credit is an important step for young workers; however, the high frequency of those who have debt is particularly troubling given lower median wages.

**Figure 37: Owed Any Money for Credit Cards or Store Bills in Own Name Only during the Reference Period**

Educational expenses and credit card loans remain high for young workers. Nearly half of all first-time undergraduates nationally take out a loan to pay for college. According to the Center for American Progress, roughly 45 million Americans carry federal student loans and owe roughly $1.5 trillion collectively. Young workers who are overwhelmingly in part-time, low-wage jobs often cannot keep up with debt increases. As real wages remain stagnant and prices for goods and education continue to rise, debt relief for young workers is of central importance.
Here is considerable geographic variation across young worker outcomes in California. The following section uses the California Census’ grouping of the 58 counties in California into ten distinct regions, based on the like-mindedness of counties, capacity of community-based organizations within the counties, and state census staff workload capabilities. These regions encapsulate a wide range of rural and urban municipalities, cities, towns, and counties with unique local challenges and opportunities for targeted outreach.
Young workers are most concentrated in the Central Coast, where young workers represent 14% of the total workforce in the region. In contrast, young workers are the least concentrated in the San Francisco Bay Area, with 11% of the workforce represented by young workers. Regions with large, urban cities—Los Angeles County, San Diego-Imperial, Orange County, and the San Francisco Bay Area—had the lowest concentration of young workers.
In terms of industry, young workers across the ten regions worked primarily in restaurants and bars, followed by the retail trade, with the exception of the Inland Empire, where young workers were most employed in the retail trade. There was significant variation in the third most popular industry worked by young workers across regions. In the Inland Empire, young workers were more likely to work in transportation and warehousing (7% of young workers). In the Southern San Joaquin Valley, young workers were more likely to work in agriculture (8%).
There was also variation in the percentage of part-time and full-time young workers across regions. Young workers in the Southern San Joaquin Valley, Northern San Joaquin Valley, and the Inland Empire were more likely to work full time than in other regions (51%, 48% and 48%, respectively). Workers from the North Coast, Superior California, Orange County, and San Diego-Imperial were the least likely to work full time, representing 43% of young workers.
Young workers had different rates of school enrollment by county. Young workers in the Central Coast were most likely to be currently enrolled in school, with 52% of young workers working while in school. The Southern San Joaquin Valley had the lowest percentage of young workers in school across the ten regions, at 40%.
There was considerable variation in the poverty rates of young workers across the ten regions. The Central Coast and Southern San Joaquin Valley had the highest rates of poverty, both with 36% of young workers under the 200% poverty line. The San Francisco Bay Area followed by Orange County had the lowest rates of young worker poverty.
XIII. Conclusion

Young workers in California face many challenges in achieving economic mobility. They are largely working low-wage jobs with insecure hours, working while in school, facing high levels of unemployment and underemployment, and often working in industries with little upward mobility and high levels of exploitation. The situation is exacerbated for the most vulnerable groups in California, a state marked by its racial, ethnic, gender, and geographic diversity. Additionally, the support traditionally provided to workers in the form of unions, vocational training, and government assistance programs is largely underused and inaccessible to young workers.

Education is an essential mechanism for higher earnings and access to more secure occupations. However, educational attainment and access is highly stratified across regional and racial and ethnic lines, whereby Black, Latinx, and AIAN youth have higher high school dropout rates and are significantly less likely to enroll in postsecondary education than their white and Asian peers. Many young people, and especially those of color, are also more likely to work while in school, which tends to adversely affect their ability to persist and complete postsecondary education.¹²⁰
Additionally, the cost of postsecondary education can be very high—prohibitively so for some. Although loans are available, questions about whether postsecondary education is worth the expense discourage some young people from pursuing it. Loan cancellation or more robust loan forgiveness programs could lead more young people to take out loans to pursue postsecondary education.

Moreover, less expensive forms of postsecondary education exist. Workforce development programs such as apprenticeships boost lifetime earnings potential to a similar extent as traditional postsecondary options do. Despite this, apprenticeships and other workforce development programs do not enjoy the same esteem as traditional postsecondary education options like college. Enrollment numbers in workforce development programs are lower than for traditional postsecondary education options, and some demographic groups are heavily underrepresented among those who do enroll. Greater public investment in workforce development programs would help these programs scale up and help them be seen as an advisable alternative to college. These programs should also work to increase the enrollment of underrepresented demographic groups.

Young people’s financial circumstances could also be eased by greater takeup of public assistance programs. Even of the few programs that young people are eligible for, youth enrollment is relatively low. This may be the result of stigma surrounding public assistance receipt or a simple lack of knowledge about eligibility and enrollment. Young workers stand to benefit greatly from greater outreach from government and nongovernmental organizations that can emphasize the benefits of these programs and how young people can participate.

Unionization can be a potential pathway for young workers to achieve higher wages, worker protections, and better job market outcomes in the future. However, only a small percentage of young workers are members of, or represented by, a union. This is a significant area of opportunity to promote the economic well-being of young workers. Unionization has clear advantages for them and is widely supported and often currently led by young people. However, with only 9% of young workers currently represented by unions, there is a disconnect between the opportunity and potential of unionization and young workers’ current access to them.

For the first time in over a century, the state’s population declined in 2020 and then again in 2021 and 2022. Lower levels of migration, declining birth rates, and increasing death rates all played a role. However, according to the Public Policy Institute of California, the largest driver of population loss has been the outmigration of California residents to other states. Workers leaving California represent all income and education levels, and white and Black people have
the highest rates of net migration.\textsuperscript{123} The most common reasons that people cite for leaving are re-employment, housing costs, or family.\textsuperscript{124} As California’s population declines, the state’s tax base is also diminished, potentially resulting in reduced government services (e.g., public assistance programs) that young people could benefit from.\textsuperscript{125} Given the state’s population declines amid a growing and diversifying labor force, it is necessary to reimage public policy for a more inclusive future.

Young workers play a vital role in California’s labor force and are the future of California’s economy. The unique challenges and obstacles currently facing them must be addressed to ensure a vibrant and equitable economic environment for young people. There are several areas of opportunity to promote this, from unionization to debt relief programs to the expansion of public benefits programs. As we contend with the aftermath of the COVID-19 pandemic and its disproportionate effects on young people, we are situated in a vital moment to provide long-term support, planning, and opportunity for young workers in California.
Appendix A: Methodology

Apprenticeship Data/Department of Labor

The apprenticeship data used in this report comes from a data dashboard provided by the Department of Labor, Office of Apprenticeships. The Department of Labor compiles apprenticeship performance metrics from states that use the Registered Apprenticeship Partners Information Management Data System (RAPIDS), a federal system for apprenticeship programs validated by the Department of Labor or State Apprenticeship Agency. Because this dataset compiles only federally validated apprenticeship programs, it undercounts the total number of apprenticeships by not including those that are not registered with the Department of Labor. Still, it provides key estimates for the demographic proportions of apprenticeship programs.
Survey of Income and Program Participation

The Survey of Income and Program Participation (SIPP) is a longitudinal survey conducted by the US Census Bureau to collect detailed information on the income and demographic characteristics of individuals and households in the United States. The SIPP database is a large dataset that contains information on a wide range of topics related to the economic well-being of US households, including income, assets, employment, education, health insurance, and participation in government assistance programs. The SIPP survey is conducted every four months, and participants are interviewed multiple times over several years, providing a longitudinal perspective on the economic well-being of households and individuals.

For this analysis, we examined point-in-time SIPP estimates for the months of January, June, and December, for both 2019 and 2020. We filtered the dataset to only include residents of California each month. Three categories within this subset were analyzed: young workers (had a job during the reference month, 15–26 years old; n = 406), older workers (had a job during the reference month, 26+ years old; n = 2,799), and workers (had a job during the reference month, all ages; n = 3,205). Individual-level weights were used to estimate population size based on sample data and to generate weighted averages.

To create even comparison groups across months (accounting for bias introduced by time of surveying), we report on January, June, December 2019 and January, June, December 2020 to capture changes in program participation before/during the COVID-19 pandemic.

Household Pulse Survey

The Household Pulse Survey data comes from the Census Bureau’s Household Pulse Survey, an experimental dataset meant to capture key metrics associated with the COVID-19 pandemic. Data from this survey is released in biweekly installments, starting from April 23, 2020. The following analysis examines data released in Phase 3.7 of the survey, from December 9, 2022 to February 13, 2023. The data is filtered for just California residents in the survey and is weighted according to census-provided individual-level weights. In total, 40,065 observations were analyzed, of which 831 were young workers.

California Department of Education Data

Data on high school cohort dropout rates, college preparedness (A-G requirements), and postsecondary enrollment was downloaded from the California Department of Education’s website. All schools, regardless of charter school or alternative school status, were included. We assessed the five most recent school years available for four-year-adjusted high school graduating cohorts’ dropout rates and college preparedness: 2017–2018 to 2021–2022. We also assessed the three most recent school years available for postsecondary enrollment.
within 12 months of high school completion: 2017–2018 to 2019–2020. For each school year, we initially constructed county-level datasets for each outcome of interest; assigned each county to its corresponding census region; and calculated region-level dropout rates, college preparedness rates, and postsecondary enrollment rates. These outcomes were calculated for the full census region’s student population and were also disaggregated by gender and race. Beginning in the 2019–2020 school year, the California Department of Education started reporting outcomes for students who identify as nonbinary.

Unemployment Insurance and Pandemic Unemployment Assistance Claims

We used data on Unemployment Insurance (UI) and Pandemic Unemployment Insurance (PUA) claims from the EDD-Labor Market Information Division. We requested data on claimants between the ages of 16 and 24 for both Statewide and County. Data analyzed included:

- Yearly Totals of Approved Initial UI Claims and PUA Claims
- Yearly Benefits Paid for Initial UI Claims and PUA Claims
- Yearly Totals Separated by Gender, Education, Race, and Industry

Per the EDD, “approved” claims are claims which have received at least one payment. Paid claims from 2020 through current (as of 2/24/23) were used to calculate total payments made for claims. We also note that industry totals do not include PUA claims, as most PUA claimants did not have a prior employer and were unable to match to an industry.

American Community Survey

The American Community Survey (ACS) is an ongoing annual survey of American households by the US Census Bureau. For this report, we used the ACS five-year estimate (2017–2020) pulled from IPUMS-USA extract, which harmonizes US Census microdata.

Current Population Survey

Wage and unionization data were collected from the Current Population Survey, Outgoing Rotation Group (CPS), the US Census Bureau monthly survey of unemployment and labor force participation. We used the most recent yearly dataset available (2022) to produce estimates on wages, low-wages, unionization, and unemployment.

To estimate union rates by gender and race/ethnicity, we pooled data across five years, from 2018 to 2022. This allowed us to obtain enough observations to conduct the analyses. All CPS ORG data was obtained from the Economic Policy Institute extracts.
Appendix B: Regional Analysis

Education

Within each of the state’s ten census regions, most demographic disparities in dropout rates persisted. Dropout rates for nonbinary students were higher than both male and female dropout rates in Superior California, Central Coast, Southern San Joaquin Valley, and Los Angeles County regions. The San Francisco Bay Area had the highest total dropout rate (11.1%) as well as the highest dropout rates for Black (20.4%), AIAN (30.4%), and Latinx students (18.6%). In comparison, the Central Coast area was the only region in which the Black dropout rate (4.9%) was lower than the total dropout rate (6%). On the other hand, Orange County had the lowest total dropout rate (4%) as well as the lowest dropout rates for Black (6.5%) and Latinx (5.5%) students. Overall, the dropout rate was lower than the state average in the North Coast (7.1%), Northern San Joaquin Valley (6.9%), Central Coast (6%), Inland Empire (6.2%), Los Angeles County (8.3%), Orange County (4%), and San Diego-Imperial (7.3%) regions, while the dropout rate was higher than the state average in Superior California (9.2%) and the San Francisco Bay Area (11.1%).
Many of the state’s ten census regions mirrored state trends of demographic disparities in college enrollment. For example, in the Northern San Joaquin Valley, 51% of Black graduates matriculated in postsecondary institutions. Similarly, Latinx postsecondary enrollment was lowest in the Inland Empire, with 50.3% of graduates matriculating. However, there are notable exceptions that we highlight: the North Coast was the only region in which the Black college-going rate (64%) was higher than the total college-going rate (58%), Black postsecondary enrollment was highest (70%) in Orange County, and Latinx postsecondary enrollment was highest (64%) in the Central Coast region. Across all census regions, postsecondary enrollment was highest among Asian/Pacific Islander students.

Table 6. Postsecondary Enrollment 12 Months after High School Graduation, California, 2019–2020

<table>
<thead>
<tr>
<th>Census Region</th>
<th>Total</th>
<th>White</th>
<th>Black</th>
<th>AIAN</th>
<th>Asian</th>
<th>Latinx</th>
<th>Multi-racial</th>
</tr>
</thead>
<tbody>
<tr>
<td>Superior CA</td>
<td>61%</td>
<td>63%</td>
<td>53%</td>
<td>42%</td>
<td>79%</td>
<td>54%</td>
<td>64%</td>
</tr>
<tr>
<td>North Coast</td>
<td>58%</td>
<td>59%</td>
<td>64%</td>
<td>34%</td>
<td>76%</td>
<td>56%</td>
<td>54%</td>
</tr>
<tr>
<td>SF Bay Area</td>
<td>71%</td>
<td>77%</td>
<td>55%</td>
<td>55%</td>
<td>84%</td>
<td>58%</td>
<td>76%</td>
</tr>
<tr>
<td>N. San Joaquin Valley</td>
<td>56%</td>
<td>58%</td>
<td>51%</td>
<td>50%</td>
<td>72%</td>
<td>53%</td>
<td>53%</td>
</tr>
<tr>
<td>Central Coast</td>
<td>69%</td>
<td>76%</td>
<td>68%</td>
<td>66%</td>
<td>82%</td>
<td>64%</td>
<td>74%</td>
</tr>
<tr>
<td>S. San Joaquin Valley</td>
<td>56%</td>
<td>58%</td>
<td>51%</td>
<td>43%</td>
<td>74%</td>
<td>54%</td>
<td>55%</td>
</tr>
<tr>
<td>Inland Empire</td>
<td>54%</td>
<td>58%</td>
<td>52%</td>
<td>41%</td>
<td>75%</td>
<td>50%</td>
<td>58%</td>
</tr>
<tr>
<td>LA County</td>
<td>62%</td>
<td>74%</td>
<td>57%</td>
<td>60%</td>
<td>79%</td>
<td>56%</td>
<td>72%</td>
</tr>
<tr>
<td>Orange County</td>
<td>74%</td>
<td>81%</td>
<td>70%</td>
<td>78%</td>
<td>88%</td>
<td>63%</td>
<td>81%</td>
</tr>
<tr>
<td>San Diego-Imperial</td>
<td>64%</td>
<td>70%</td>
<td>60%</td>
<td>49%</td>
<td>77%</td>
<td>58%</td>
<td>70%</td>
</tr>
</tbody>
</table>

Source: California Department of Education
Acknowledgments

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Endnotes


Orellana, Quiroz, and Macias, *Young Workers in California: A Snapshot.*


34 Carnevale and Smith, Balancing Work and Learning: Implications for Low-Income Students.


37 Orellana, Quiroz, and Macias, Young Workers in California: A Snapshot.

38 Glatt and Wunnava, “Help Not Wanted.”


41 By college readiness, we mean students who are ready to enroll in college-level courses regardless of the postsecondary institution in which they enroll. We use postsecondary education to be inclusive of all institutions offering postsecondary education and training, including vocational/technical, two-year, and four-year colleges.


Gao and Johnson, *Improving College Pathways in California*.


Gao and Johnson, *Improving College Pathways in California*.


Private in-state college includes both two- and four-year private institutions. Out-of-state colleges include two- and four-year institutions regardless of public or private status.


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For more information on regional methodology, please visit: https://census.ca.gov/regions/


Johnson and McGhee, “Who’s Leaving California—and Who’s Moving In?”
