

Though critical to the economy, California’s young workers toil in low-wage work.

More than 2 million people ages 16 to 24 are working in California — about the same as the population of Houston — making up 12% of the workforce. They comprise a critical portion of the state’s economy, according to a new report by the UCLA Labor Center.

But many young people earned low wages, worked long hours — often while going to school — and lacked sufficient worker protections and benefits. These hardships may impact their financial future and the state’s economy for years to come, said researchers who examined the years surrounding the COVID-19 pandemic, 2019 to 2021.

“Young people are critical actors in California’s vibrant economy and labor force,” says the study, released today. “Yet, young workers in California find themselves navigating a tumultuous landscape of societal shifts, economic challenges, and the lingering aftermath of a global pandemic.”

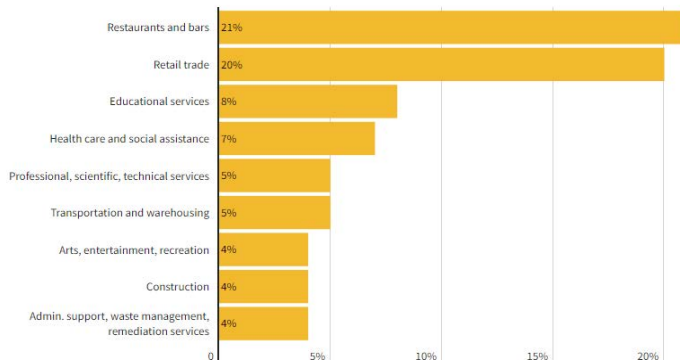
About 64% of California’s young workers earned low wages — defined as about \$18 an hour, two-thirds of the median wage — and 60% reported difficulty affording their expenses, researchers wrote.

The assumption that young people work at service-oriented, low-wage jobs temporarily before they’re propelled to full-time careers isn’t necessarily true, said UCLA researcher Vivek Ramakrishnan. Many young people stay in low-wage jobs for years.

“When we’re looking at the data, we’re seeing young people are really struggling in these kinds of roles,” he said, adding later, “There’s a sense you can get stuck working in the service industry.”

Top Industries where young workers work

Almost one in three workers in the service industry is a young worker.



Source: UCLA Labor Center’s analysis of the 2017-2021 American Community Survey

The report analyzed data from multiple sources, including the U.S. Census Bureau’s American Community Survey, the COVID-19 Household Pulse Survey — which documented the impact of the pandemic — and the federal Bureau of Labor Statistics.

Young workers reflect California’s growing diversity. About 3 in 4 are people of color and more than half are Latino. About 15% of high school-aged young people worked full time and half of young people ages 19 to 24 worked full time.

Young workers’ trap

In the service industry, 40% of young workers are employed in bars, restaurants and retail.

These young people run the risk of being caught in a “circular labor trap,” the study says, because these low-wage service jobs are structured with little room for growth or skill development.

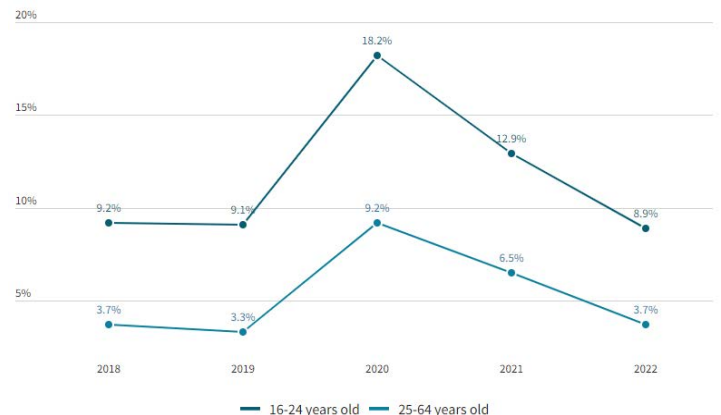
“When you have these skill sets that are hyper-specific toward these industries, and not much room for growth, it’s hard to compete against students who may take an unpaid internship in a very content-specific area of expertise and gain connections in the career they want to go into,” Ramakrishnan said.

Because so many service industry jobs were considered frontline jobs, the pandemic was particularly disruptive for young people, who often had to choose between their health and their income. And when grocers and restaurant businesses closed during the pandemic, younger workers, especially young people of color, experienced higher levels of unemployment or underemployment compared to older workers in other industries.

In 2020, the unemployment rate for California’s young workers increased to 18% from 9% the year before. That was twice the rate of workers ages 25 to 64.

Unemployment rates for young workers

In 2022, California young workers had an unemployment rate of 9%, compared to an unemployment rate of 4% for Californians aged 25–64.



Source: UCLA Labor Center’s analysis of the 2018-2022 Current Population Survey

Unemployment among young people has since rebounded to pre-pandemic levels at 8.7% nationally, according to the Bureau of Labor Statistics.

While many young people are stuck in lower-wage jobs, the research suggests they are contributing significantly to their household income. And about 12% of young workers are heads of households, according to the report.

Young workers are overrepresented in households living below the poverty line compared to those over the age of 25. About 14% of young workers lived in poverty compared to 5% of older workers, according to the report. A third lived in households with incomes below 200% the federal poverty line. That number in 2021 was \$53,000 for a family of four.

Working through school

Along with responsibility for helping family members cover basic expenses, young people often have to balance work with education, in pursuit of a better future.

Article continues at link below

Region	October 2022	September 2023	October 2023	Percentage Point Change	
				1 month	12 months
San José–Sunnyvale MSA	2.5%	3.7%	3.8%	+ 0.1	+ 1.3
San Francisco MD	2.3%	3.3%	3.3%	0.0	+ 1.0
California	3.9%	4.9%	4.8%	- 0.1	+ 0.9
United States	3.4%	3.6%	3.6%	0.0	+ 0.2

Sector — October 2023	San Jose MSA	San Francisco MD	Combined Region	Percentage Change (Combined Region)	
				1 month	12 months
Total Nonfarm	1,194,200	1,215,300	2,409,500	+ 1.1%	+ 1.1%
Construction	55,500	39,900	95,400	- 0.2%	- 1.4%
Manufacturing	178,500	38,900	217,400	- 0.4%	- 2.4%
Retail Trade	73,400	66,400	139,800	+ 0.6%	- 1.1%
Information	105,800	124,800	230,600	+ 0.8%	- 0.8%
Professional & Business Services	256,700	313,500	570,200	+ 1.3%	- 1.5%
Educational Services	95,000	84,400	179,400	+ 3.8%	+ 1.9%
Health Care & Social Assistance	152,100	131,900	284,000	+ 2.1%	+ 7.0%
Leisure & Hospitality	109,600	129,300	238,900	+ 0.7%	+ 7.4%
Government	99,400	137,000	236,400	+ 1.3%	+ 1.1%

Note: San José MSA (San José–Sunnyvale–Santa Clara Metropolitan Statistical Area) = Santa Clara and San Benito Counties
 San Francisco MD (San Francisco–Redwood City–South San Francisco Metropolitan Division) = San Mateo and San Francisco Counties

Source: California Employment Development Department, LMID

	Labor Force			Employed			Unemployment		
	October 2022	October 2023	Change	October 2022	October 2023	Change	October 2022	October 2023	Change
California	19,337,200	19,408,700	+ 0.4%	18,581,100	18,480,800	- 0.5%	3.9%	4.8%	+ 0.9
Alameda County	831,000	832,600	+ 0.2%	805,000	796,200	- 1.1%	3.1%	4.4%	+ 1.3
Contra Costa County	555,000	554,400	- 0.1%	536,500	530,100	- 1.2%	3.3%	4.4%	+ 1.1
Marin County	132,400	132,800	+ 0.3%	129,000	128,100	- 0.7%	2.5%	3.6%	+ 1.1
Napa County	72,300	71,500	- 1.1%	70,200	69,000	- 1.7%	2.9%	3.5%	+ 0.6
San Francisco County	578,200	576,700	- 0.3%	564,500	557,000	- 1.3%	2.4%	3.4%	+ 1.0
San Mateo County	457,900	455,900	- 0.4%	447,600	441,400	- 1.4%	2.2%	3.2%	+ 1.0
Santa Clara County	1,054,900	1,055,000	+ 0.1%	1,028,800	1,015,400	- 1.3%	2.5%	3.8%	+ 1.3
Solano County	203,700	252,400	- 0.6%	195,800	192,900	- 1.5%	3.8%	4.7%	+ 0.9
Sonoma County	249,900	252,000	+ 0.8%	242,600	242,800	+ 0.1%	2.9%	3.6%	+ 0.7
SF Bay Area (sum)	4,135,300	4,133,300	- 0.1%	4,020,000	3,972,900	- 1.2%	2.8%	3.9%	+ 1.1

Note: Totals may not add correctly due to rounding

Source: California Employment Development Department, LMID

October 2023 Layoff Events			WARN SUMMARY	
Company	Location	# Affected	Events YTD †:	286
Bloom Energy Corporation	Sunnyvale	11	Individuals Affected YTD †:	14,579
Carbon Health	Santa Clara	2	Individuals Previous YTD ‡:	3,502
Cisco Systems	Milpitas	123		
Clari, Inc.	Sunnyvale	139		
CSL Vifor	Redwood City	85		
Robinhood Markets	Menlo Park	2		
TTM Technologies	Santa Clara	240		
USRA at ARC	Mountain View	2		
	Total	609		

WARN SUMMARY

Events YTD †: 286
 Individuals Affected YTD †: 14,579
 Individuals Previous YTD ‡: 3,502

* **WARN: Worker Adjustment and Retraining Notification**
 (notice of mass layoff or closure)
 † **YTD: Year to Date**
 (Calendar year: January 1–Present)
 ‡ **Previous YTD:**
 (Same date range as YTD, one year prior)

Note: Layoff data are preliminary and should be considered an estimate of monthly regional activity

Source: California EDD, CalJOBS: WARN data