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Young Workers in Los Angeles: A Snapshot

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Young Workers in Los Angeles: A Snapshot



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Introduction

This report focuses on young people between the ages of 18 and 29 working across Los Angeles County. While most studies of young workers focus on middle-class youth experience,¹ we have captured a diverse segment of young people in the early stages of their employment journeys and careers. Youth in Los Angeles make up nearly 20 percent of the nation's most populated and diverse county² and 1 of every 4 LA County workers is a young worker.

Young workers are a vibrant and critical part of the Los Angeles County service economy. They are the faces that greet us in coffee shops, fast food establishments, retail stores, and grocery markets. These jobs directly impact and sustain the local economy, yet young workers are unable to sustain themselves as they comprise the lion's share of low-wage earners in the region. Los Angeles's combined high cost of living and low wages, make it extremely difficult for this workforce to make ends meet.³ As young workers experience a decline in real wages, experts call our attention to the critical role early labor market experiences play in shaping career trajectories and patterns of earning inequality over a worker's lifetime.⁴ In good times and in bad, unemployment rates are generally twice as high for young workers and it is harder for young workers to reenter the labor market after any economic recession.⁵ These situations have a disproportionate impact on low-wage workers, particularly people of color. Black and Latino youth are hit hardest by stagnant wages, unemployment, and soaring costs of living.

The cost of higher education has increased far faster than wages, pushing more and more young workers to take out loans and carry debt. According to the Economic Policy Institute, the number of student loan borrowers increased 92 percent, and the average student loan balance 74 percent, over the past 10 years.⁶ Such scenarios will increasingly force young people to delay finishing their schooling, moving out of their parents' homes, or developing a credit history to buy a car, let alone their own home. Unemployment, underemployment, and low wages have lasting consequences for young people and their futures. Such economic insecurity challenges the very notion of being able to prepare adequately for retirement and laying the economic bedrock for the next generation. This report explores the experience of young workers employed in Los Angeles County through census data. A companion study conducted by the UCLA Labor Center looks more in depth at 4 low-wage industries, and key issues that impact young workers like scheduling, workplace violations, school, and work balance and debt.

This report highlights a critical situation that policy makers, government officials, educators, employers, and workers should care about. If early employment experiences indicate lasting effects on social well-being, economic security and life long earnings, the current overview of young workers in Los Angeles County needs to change to ensure upward mobility and growing economic equality for ALL young workers in Los Angeles.

About the data: We used American Community Survey 5-year sample 2009-2013 unless specified otherwise. For full information, see appendix.

#youngLAworks

Young People and Work in Los Angeles

Young people are a vibrant and essential part of the economy...



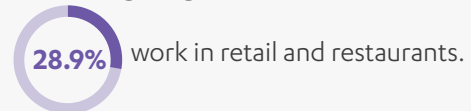
In fact, **1 in 4** workers⁷ in LA County is between 18 and 29 years old.

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

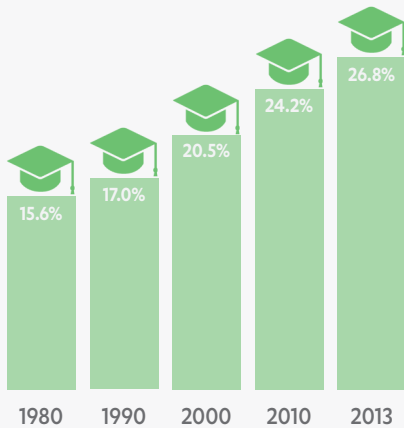
Half of LA's young workers work in frontline occupations, such as cashiers in retail, or waiters in restaurants. About two-thirds of young frontline workers are male, and almost 4 in 5 young, frontline workers are people of color.



They're a driving engine of the service economy



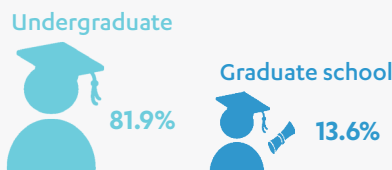
Young workers are more educated than ever before



- The number of young workers that have completed a bachelor's degree has almost doubled since 1980.⁸
- Today, more than one quarter of young workers have a bachelor's degree or higher.
- 9 in 10 young workers have at least a high school education.

28.2% of young workers are currently working and in school

Most student workers are undergrads and in graduate school.



Yet, young workers have seen their wages decline over time



- Young workers' wages have dropped by 10.8% since 2000.⁹

Young workers support families

- Almost 1 in 3 young workers are heads of households.
- 18% of young workers are parents.



Union rates are lower for young workers than other workers

- Young workers 8.7%
- Older workers (30-64) 17.6%
- All workers 15.1%

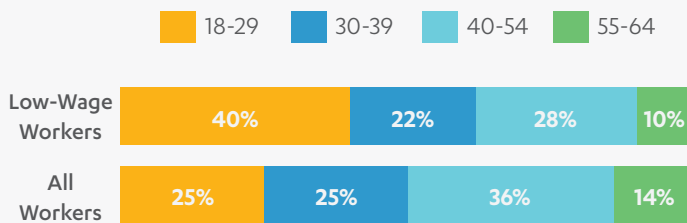
Low Wage Work and Young People

What is low-wage?

Low wage is defined as two-thirds of the median hourly wage for full-time workers. Los Angeles County median hourly wage for full-time workers was \$20.07 in 2013, and two-thirds of that wage is **\$13.38**.



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



and that's because 1 in 2 young workers have low-wage jobs



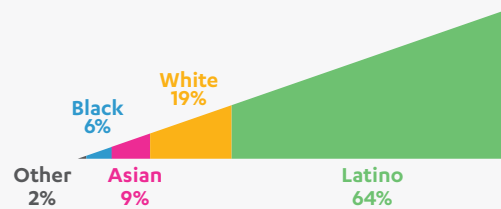
57% of young workers are in low-wage jobs. That means that **520,662** young workers earn less than \$13.38 per hour.

Median hourly wages



Black and Latino communities are particularly impacted by low-wage jobs

Nearly two thirds of young low-wage workers are Latino. Moreover, young Latino men comprise **36%** of all young, low-wage workers, followed by Latina women at 28%, and White women at 10%.



Race/Ethnicity of Low Wage Workers

Overall, **Latinos** and **Black** young workers have higher rates of low-wage employment.

Latino.....	66.5%
Black.....	55.5%
White.....	42.5%
Asian.....	43.1%
Native American...	44.7%
Other.....	47.9%

Some career ladders don't lead to better wages








Supervisors	47.3%
Managers	27.8%
Professionals	36.0%
Office workers	59.3%
Frontline workers	71.4%

One-quarter of managers and almost half of supervisors earn low wages.

Top Industries for Young Workers

Young workers comprise 25 percent of all employees, but they are not evenly distributed across industries. Young workers are over-represented in retail and restaurants, where they make up the largest share of the total workforce. More than half of the workers in these industries earn low wages.

	Percent of young workers working in this industry	Rates of young workers in industry	Rates of all industry workers earning low wages	Rates of young workers earning low wages
 Retail Trade	16.9%	40.3%	52.2%	69.0%
 Restaurants and Bars	12.0%	46.4%	69.5%	77.2%
 Health Care and Social Assistance	9.5%	21.7%	29.4%	48.0%
 Educational Services	8.2%	22.8%	24.1%	55.0%
 Professional, Scientific and Technical Services	6.2%	25.1%	14.2%	27.7%

Top industries for young workers over time¹⁰

1980

1. Manufacturing Durable
2. Retail
3. Finance and Real Estate
4. Health
5. Manufacturing Nondurable

2000

1. Retail
2. Education
3. Restaurants
4. Manufacturing durable
5. Health

2013

1. Retail
2. Restaurants
3. Health
4. Education
5. Professional

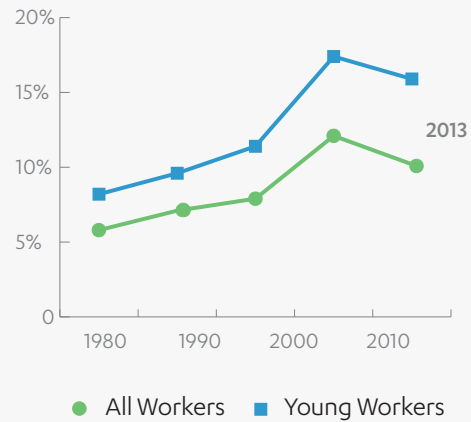
Unemployment and Underemployment

Young workers make up a disproportionate share of the unemployed

2 in 5 unemployed workers in LA County is a young person.



Historically, unemployment rates have been higher for young workers than for all workers ¹¹



Rates of unemployment among young workers

Young Angelenos experience a higher unemployment rate than the County average

16.8%

The youngest workers (18-24) are more likely to be unemployed

21.7%

Lack of a college degree increases the likelihood of being unemployed

19.1%

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

28.4%

They also experience high rates of underemployment. This includes:

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

Involuntary part-time young workers¹² **11.4%**



❖ *Those with higher education who are working in low-wage or low-skill jobs*

Of those young workers (20.8%) that have a bachelor's degree or higher and are currently not in school:

One-quarter (**24.0%**) are still in low-wage



And, one in five (**19.1%**) are in frontline jobs

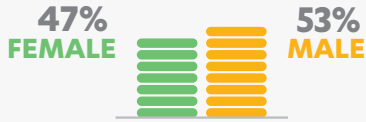


Many young workers are “disconnected” and not in school or working

- **18.8%** of young people are unemployed or not in the labor force and not in school.
- Even though more than two-thirds (**69.8%**) of them have a high school education or higher.

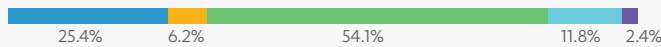
Characteristics of Young Workers

Gender

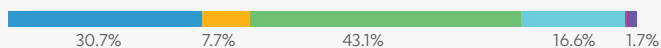


Race/Ethnicity

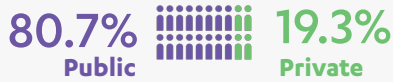
Young Workers



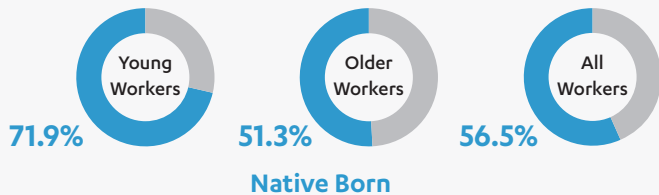
Older Workers



Attendance by school/college type



Nativity



Immigration Status

Of the 28.1% foreign-born young workers:

- 7.7% are naturalized citizens
- 5.4% are legal permanent residents
- 10.5% are undocumented (and not eligible for DACA)
- 4.5% are DACA-eligible

Living arrangements



- 62% rent
- 46% live independently
- 9.4% are below the poverty level

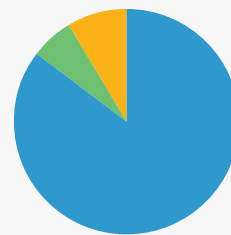
Work status

66.6% of young workers are employed full-time.
33.4% are employed part-time.



80.7% of young workers work full year (48-52 weeks).
19.3% work part year.

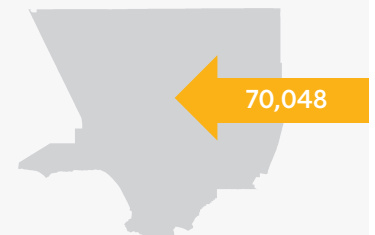
Where do young workers work?



- 85% Private
- 9% Government
- 6% Non-profit

Commuters

About 7% of young workers in LA commute from other counties, mostly Orange and San Bernardino.





Technical Appendix

Data Sources Used

U.S. Census Bureau, American Community Survey 5-year estimate 2009 - 2013

IPUMS-USA extract of the American Community Survey (ACS) 1-year sample 1980, 1990, 2000, 2010, and 2013

IPUMS-CPS extract of the Current Population Survey (CPS) March sample 2013

Variable Definitions

Workers - US civilians aged 18 to 64; who worked last week or has a job, but was not at work last week; had non-zero income in the previous 12 months; were not self-employed; and were not unpaid family workers and are active in the labor market (worked 14 or more weeks last year and who usually work more than 3 hours per week).

Geography - Our geographical focus was Los Angeles County. ACS 5 year estimate uses place of work (except for data related to unemployment where we use place of residence) and ACS time series and CPS data use place of residence.

Defining Low Wages - In computing the hourly variable for the ACS, we followed standard practice.¹³ We calculated the median wage for full time workers in LA County at \$20.07 using the ACS 5 year sample. Using a widely used metric, we define a worker as low-wage if they earn less than two-thirds the full-time median wage.¹⁴ For Los Angeles County this low-wage cut off is \$13.38.

Industry Classification

We used the official census industry¹⁵ and created the 19 categories to better capture young workers: Agriculture, Mining, Utilities (11, 21, 22); Construction (23); Manufacturing, Non-Durable (31-33); Manufacturing, Durable (31-33); Wholesale Trade (42); Retail Trade (44-45), Transportation & Warehousing (48-49); Information (51); Finance, Insurance, Real Estate (52, 53, 55); Professional, Scientific & Technical Svcs. (54); Admin. Support; Waste Mgmt. & Remediation Svcs. (56); Educational Services (61); Health Care & Social Assistance (62); Nonprofits (6241-6243, 813); Arts, Entertainment, & Recreation (71); Hotels & Other Accommodations (721); Restaurants and Bars (722); Personal and Repair Services (811-812, 814); Government (incl. Military) (92).

Occupational Classification

Occupational classifications are coded with a six digit number. We divided all 800 occupations using the 2010 SOC coding structure. This structure already places occupations into major groups based on similar job duties and functions. We separated the occupations into five groups: Managers, Professionals, First Line Supervisors, Office workers, and Frontline workers.¹⁶



Endnotes

- ¹ Surkarieh, M. and Tannock, S. (2014). *Youth Rising: The Politics of Youth in the Global Economy*. New York: Routledge.
- ² Reyes, E. (2014). "L.A. County population pushes past 10 million, highest in nation." *Los Angeles Times*. March 27, 2014. <http://articles.latimes.com/2014/mar/27/local/la-me-ln-la-county-population-10-million-20140327>
- ³ Economic Roundtable, UCLA Labor Center and UCLA Institute for Research and Labor Education. (2015). *Los Angeles Rising: A City that Works for Everyone*. March, 2015.
- ⁴ Bernhardt, A., Morris, M., Handcock, M, & Scott, M. (2011). *Divergent Paths: Economic Mobility in the New American Labor Market*. New York: Russell Sage Foundation.
- ⁵ Davis, A., Kimball, W., & Gould, E. (2015). The Class of 2015: Despite an Improving Economy, Young Grads Still Face an Uphill Climb. Economic Policy Institute. <http://www.epi.org/publication/the-class-of-2015/>
- ⁶ Thomas, D. (2015). Millennials: \$2,000 Poorer Than Their Parents were at the Same Age. *The Atlantic*. <http://www.theatlantic.com/business/archive/2015/01/young-adults-poorer-less-employed-and-more-diverse-than-their-parents/385029/>
- ⁷ We define workers as those between 18 and 64 years old, who earned a wage, who were not self-employed or unpaid family workers, who currently work more than 3 hours a week and 14 weeks, and place of work is Los Angeles County. See appendix for details.
- ⁸ Author's analysis of IPUMS-USA extract of the American Community Survey (ACS) 1-year sample 1980, 1990, 2000, 2010, 2013
- ⁹ Ibid.
- ¹⁰ Ibid.
- ¹¹ Ibid.
- ¹² Author's analysis Current Population Sample 1yr 2013 IPUMS
- ¹³ See methods outlined in Welsh-Loveman, J., Perry, I. & Bernhardt, A. 2014. "Data and Methods for Estimating the Impact of Proposed Local Minimum Wage Laws. UC Berkeley Institute for Research on Labor and Employment; Bernhardt, A. 2015. Low Wage California: 2014 Data and Methods. UC Berkeley Labor Center; the Economic Policy Institute's "State of Working America" and the Center for Economic and Policy Research.
- ¹⁴ Boushey H., Fremstad S., Gragg R., & Waller M. (2007). "Understanding Low-Wage Work in the United States." The Mobility Agenda and Center for Economic and Policy Research.
- ¹⁵ <http://www.census.gov/cps/files/Industry%20Codes.pdf>
- ¹⁶ http://www.bls.gov/soc/soc_2010_class_and_coding_structure.pdf

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p4. "Waitress at Greek Diner" by "ngader". Licensed under a Creative Commons Attribution 2.0 Generic (CC-BY2.0). Accessed 29 September 2015. <https://www.flickr.com/photos/ngader/283115430>

p.5 "union square baristas at work" by "torbakhopper". Licensed under a Creative Commons Attribution 2.0 Generic (CC-BY2.0). Accessed 29 September 2015. <http://bit.ly/1iZRshv>



Acknowledgements

The Young Worker Project uses participatory action research to document and disseminate the experiences of young workers in Los Angeles employed in low-wage industries like restaurant, retail, grocery, health, hotel/hospitality, and customer service. The purpose of this project is to increase the capacity of young workers, students and youth and worker advocates to conduct research and publicly promote findings and recommend best practice strategies based on their experiences in the low-wage service sector economy. Ultimately, our goal is to impact policies that will increase wages and promote equality and mobility among young workers within the current Los Angeles labor market. This report is a first in a series of materials. We will be publishing a report based on a participatory survey, an online and live photo exhibit and an animated film in Fall/Winter 2015.

#youngLAworks

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About the UCLA Labor Center

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

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