THE NEW ENTRY LEVEL FOR TEXAS MILLENNIALS

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Introduction

Five years after its official end, the Great Recession still disproportionately affects Millennials’ economic security, especially those of color and those from low-income backgrounds. While the national unemployment rate remained at 4.9 percent in July 2016, the unemployment rate for Millennials — young adults aged 18-34 — rose slightly to 6.9 percent. In Texas, more than 430,000 Millennials were still unemployed in 2014. In Houston alone, nearly one in seven young adults are neither working nor in school.

Furthermore, even for those young people that do find jobs, Millennials’ wages remain depressed. Early low wages have a significant impact on young workers’ lifetime earnings and economic stability. Young adults today also hold greater student debt than previous generations, totaling more than $1.3 trillion nationwide. As a result, too many young workers, plagued by high unemployment and high student debt, are forced to delay starting a family, buying a home, and starting their careers. Yet industries across our state face challenges in recruiting and finding workers qualified for middle-skill jobs — clearly, there are opportunities to better the economic position of young adults.

In 2015, Young Invincibles launched the Texas Jobs Tour—a facilitated listening tour with 20 focus groups reaching over 250 young adults—to gain a deeper understanding of the challenges Millennials face in obtaining economic security. The tour focused primarily on Houston, due to the city’s diversity in population and industry. Participants reflected that diversity in terms of educational attainment, socioeconomic class and employment status, as well as racial and ethnic backgrounds and gender identity.

This report is intended to be a stand alone profile of Millennial Texan experiences’ entering the workforce in a challenging economy, complementing an earlier policy brief from August 2016 titled Learning to Work in Texas. Rather than making explicit policy recommendations, we focus purely on young people’s perspectives as they attempt to build their futures. This report is divided into several different sections:

- First, we present an overview of our methodology.
- Next, we highlight what Millennials value in work: achieving financial security and personal fulfillment, similar to other generations’ aspirations
- We then explore barriers to securing work for Millennials, such as learning skills for applying for work and challenges meeting employers’ growing expectations.
- Afterwards, we take a look at the barriers for advancing at work after becoming employed.
- Finally, we conclude with a snapshot demonstrating the deep challenges young people face when unable secure work with adequate wages and benefits.

Throughout this report, a common theme is apparent: young workers want the necessary education and experience, but for too many, the opportunities to do so remain out of reach. Youth disconnection and poverty, too often thought of as a static experience, is in reality a cycle of existence—a result of many young people from low-income backgrounds being unable to land jobs that bring economic security.

Yet policymakers attempting to tackle this problem largely lack firsthand knowledge about the unique economic experiences of Millennials. Therefore, access to data and statistics though important, is not enough — this profile grounds those numbers in reality, and their perspectives are necessary to develop sustainable solutions for these economic issues related to education and workforce.
The Texas Jobs Tour

The Texas Jobs Tour was a social exploratory study on young people’s experiences entering and staying in the Texas workforce. The tour focused on participatory research, where young people themselves were an essential part of the research process, assisting in research, design and analysis.

Outreach

A non-probability sampling was used to choose the subjects for the study’s focus groups. Five community organizations, five colleges, two universities, two workforce development agencies, one church, and one alternative high school hosted one or more Jobs Tour stops. These partners included: Fe y Justicia Worker Center, Avenue CDC, Neighborhood Centers, HATCH, United We Dream, Lone Star College Cypress, Houston Community College Alief, Houston Community College Spring Branch, Houston Community College South, Houston Community College West Loop, Houston Community College Northline, Chicano Department at the University of Houston - Main Campus, Sociology Department at the University of Texas - Austin, Genesys Works, SER Jobs for Progress, Holy Name Catholic Church, and Liberty High School. This broad set of partners serve different communities that helped us achieve racial and ethnic diversity among participants. Our sample largely consisted of young Latinos and African descendants, and other participants from European, South and East Asian, and Middle Eastern descent.

Almost 14 percent of participants had not completed high school or obtained a GED diploma, about 41 percent had attained some college, and 12 percent had finished a Bachelor’s degree or post-graduate studies. From all education attainment levels, 60 percent of our participants reported being employed while 39 percent indicated they did not have a job (whether actively looking or not). Different socioeconomic levels were also represented. Forty six percent of our sample reported their household income in less that $25,000 per year. The second largest proportion of participants (26 percent) belonged to the $25,001 to $50,000 per year, and almost four percent of our sample lived in a household with an income over $100,000.

Approximately 57 percent of Jobs Tour participants were US born citizens. We had 45 percent men, 49 percent women. Almost 4 percent of participants identified as transgender, and 2 preferred not to disclose. About 25 percent of our participants self-identified as lesbian, gay, bisexual or queer.

Data Collection

The tour consisted of twenty stops, reaching over 250 young people. The Jobs Tour used two collection instruments, one for the bulk of data – which was qualitative – and one quantitative survey that identified participants. The qualitative instrument was a focus group facilitator’s guide that included a summary of the project and objectives, as well as detailed instructions to facilitate the focus group.

The quantitative instrument was a survey to help Young Invincibles later describe the populations interviewed during the tour. The instrument consisted of a series of multiple choice questions that collected information about the participant’s employment status, jobs searching practices, socio economic status as it pertains to basic needs, and demographic questions. For people who had been employed in the last year, questions also asked about wage and hour, benefits, as well as working conditions.
Subject protection & recording

We took measures to protect participants’ privacy. Both the survey and the focus group were anonymous. Moreover, during introductions and in focus groups, participants were asked to not share their names while we were recording and to keep conversation confidential.

These young people’s words have been edited lightly for clarity, when appropriate.

What Millennials Value in a Job

Business publications and the media alike enjoy speculating on what motivates Millennials’ work aspirations—but results from a recent multi-generational study demonstrate that Millennials often value job characteristics similar to older workers. Across Millennials, Generation X, and Baby Boomers, the percentage of respondents selecting “achieving financial security” as a long-term goal is roughly the same. A desire to work in a field they are passionate about motivated both Millennials and Baby Boomers, accounting for respectively 20 percent and 23 percent. Eighteen percent of Millennials reported “managing my work-life balance” as a long-term goal, while 21 percent of Baby Boomers reported the same.

The responses from of our Jobs Tour participants reflect these statistics. Participants most often focused on how working allows them to support themselves and their families. At Houston Community College South Campus, two participants expressed their motivations to work for financial security succinctly: “stability” and “[paying for] bills.” Other participants at the same campus spoke about being able to pay for college, childcare, and gas.

The goal of financial security came up in every stop of the Jobs Tour. Some young workers are fully fending for themselves — sometimes at very young ages — while others contribute to their parents’ households. One young man explained that he has been independent from his parents since the age of 16, and had been responsible for all of his expenses for three years. Working gave him a roof over his head and food to eat.

Another young worker explained how being able to work assisted his family:

> For me, I feel a little bit more independent having money. I still live under my parents’ roof, but at the same time, it’s like I don’t have to depend too much on them for certain things, since we’re poor and only my dad works. Asking him to buy me expensive stuff is not really necessary, so if I’m working and get money, I can buy [those things] myself. I get happy when I can contribute to paying half my tuition or getting my own books. So I’m not depending on them too much even though I’m still under their roof.

Young people also spoke about the need for long-term financial security. They are excited about the prospect of saving, and some were already planning for their futures. A young man at Liberty High School expressed his excitement about how working could help him plan for his future financial needs. “My opinion is [that] I use money to pay my rent, things that I need, and then saving for things that my future needs. [...] I’m young so I may not need it but when I’m old, I think I need all that money.”
While meeting basic short- and long-term needs drove much of the conversation, young workers also spoke about their motivations outside of the direct financial benefits of working. For example, a student at the University of Texas explained that he was motivated to enter the workforce for both personal fulfillment and to help others, and explained that “the process [of building a career] is really interesting because you’re learning along the way […] and then hopefully you’re at work impacting others in a positive way.”

Young workers value having a job that provides them opportunities for personal fulfillment, and they often noted that jobs in a chosen field were able to provide that better. A young woman further explained why having a career was important to her: “You get more […] by working in your career […]. I mean, your work affects the lives of other people, even any daily job; technically you are affecting somebody’s life. But it’s not as a big scale as when you have a career.”

Frequently, young students spoke about how they are looking forward to working in their field. One student working as a janitor to support himself explained his excitement about getting his Associate’s degree, saying that as soon as he graduates, he is “done with the broom.” Another participant elaborated on how it felt to transition into his chosen career field, “I recently got my first ‘job-job’ ever, so being able to build something solely for myself feels amazing. I work at a high school so I work a lot with young people, I always look forward to seeing their bright, young faces.”

The young workers who participated in the Jobs Tour expressed not only financial short and long-term needs and goals, but also a drive to challenge themselves while helping others. These are not unique goals to Millennials, but are rather something workers of all ages can relate to. However, Millennials face a unique economic climate that presents certain challenges to finding a job, despite the wealth of ambition that exists among young students and workers.

**Barriers to Finding Work**

In Houston, the unemployment rate for young workers ages 16 to 24 is 13.4 percent, roughly triple the statewide figure, which stands at 4.7 percent. Young people of color are particularly affected. Young African American and Latino Texans face higher unemployment rates than their white counterparts. Young African Americans have an unemployment rate of 18 percent in Texas -- more than double the unemployment rate of young white adults, which stands at seven percent.

During the Texas Jobs Tour, young adults repeatedly raised two central challenges in regard to finding work: (1) feeling unprepared or unable to search for employment effectively; and (2) problems meeting employers’ needs for relevant, postsecondary training and degrees as well as experience even for entry-level jobs. This second challenge was raised throughout the tour and underpins the experience of struggling young people across our state.

**Challenges Applying for Work**

During the focus groups, young people frequently expressed concern related to their limited job search skills and lack of access to tools to help learn these skills. From the basics of searching for work online to the more complex process of building a professional network, many young people feel unprepared to secure
Participants spoke to the need to learn how best to use online search engines and fill out applications. These discussions reflect the growing importance of comfort with the internet and smartphones during a job search—almost eighty percent of job seekers over a recent two years reported using the internet to look for a job. Perhaps significantly, and again speaking to the importance of higher education in today’s job market, job seekers who have not attended college are disproportionately likely to use their phones to create a resume and fill out an online application. This may have a negative impact on the quality of their application materials as significant numbers also report a variety of problems with using their smartphone to apply for jobs.

Most frequently, however, Jobs Tour participants brought up skills, such as resume writing, preparing for an interview, and accessing networking opportunities. Indeed, these basic skills were the second most frequent response young adults gave when asked about barriers to find work.

As one young high school student explained, “something that is absolutely a barrier [to finding a job] whenever you are very young and you are not able to come up with a good resume and good skills. We don’t really get that in high school.” She continued, “I have studied many places and none of them have given me that: this is how you do your resume, what to put in it, how you go to an interview.”

Young workers also noted the importance of being able to access networking opportunities in order to conduct successful job searches. In one recent survey, job seekers ranked connections (whether purely professional or through friends and family) as the second-top source used in their searches. A University of Texas student explained:

Trying to go from jobs as a student to career kind of jobs, I think one of the main barriers was lacking an access point... Really what opened the door for me for that first position, when I think back it was the network. It was an alumni network that I was able to access, and that’s something that I realize not a lot of people have.
Indeed, as this young student notes, professional networks are often hard to build for young people from low-income backgrounds who may not have natural access to these contacts through older family members. Further, for those young people already struggling financially, even interviewing for job can limit job search opportunities. Especially in a city as large as Houston, carless young people faced significant barriers casting a wide net when looking for work. One young woman at a community college shared she could only participate in on-campus work study positions because the city bus system does not pick up or drop off near her house. She said when "you don't have a car you're most likely going to be depending on who can drive you or the bus line. In my circumstance, bus line doesn't run in Fort Bend." Another young job seeker shared that he once applied for a job near his home with an employer with business centers across the city. He got a call back but unfortunately, for a different location, across town--too far for him to travel.

As young adults attempt to enter the workforce, many experience challenges at the offset, lacking the support to develop strong resumes and interview skills. Workforce development programs help some, but economic barriers, like having access to reliable transportation, further complicate matters.

The Need for Education and Experience

Much more frequently than challenges in applying for work such as those described above, however, Jobs Tour participants spoke to their difficulties in meeting employers’ growing expectation that competitive entry-level applicants will have both formal education and experience in their chosen fields.

Postsecondary Education Requirements

The significant majority—over 60 percent—of employers in both Texas and across the country will expect some sort of post-secondary educational credential within four years. While many young people may understand that requirement to mean a four-year degree, often the requisite education may be a technical degree or certificate. But with information about career paths difficult for many young Texans to access, prospective workers face a significant barrier to adequately understanding and weighing their options.

Further, the increased need for postsecondary education comes at a time when many employers have reduced the amount of time they spend training new employees. Young workers noted this trend during the tour: "Sometimes I feel that they don't have the time to train the new people. They want everything now."

Anthony, 20

Anthony is a twenty-year-old student at University of Houston-Downtown. He is the son of immigrant parents and studies engineering. Although his parents help support him, he needs to work to pay for college expenses and make ends meet.

He has been weightlifting since high school, so to help support himself, he works as a trainer at gyms across town and has been doing so since high school. When he has applied for higher paying and more advanced jobs, employers are impressed by his years of work experience at such a young age but point at his lack of a postsecondary education as a barrier to career growth.
One young man, who was close to earning his Associate’s degree and planned on working toward his Bachelor’s degree next, clearly recognized the importance of him receiving some type of education past his high school diploma: “You are limited when you only have a high school education, you can only do so many things.”

**Experience Requirements**

Along with expectations around postsecondary degree attainment, relevant experience in the field is also increasingly expected. Getting that experience, however, can prove near-impossible for those students who cannot afford unpaid internships or volunteer work.

In response to the Great Recession, employers raised experience requirements for what was previously considered entry-level work and sometimes eliminated entry-level jobs altogether. Economists observed an uptick in the number of recruiters requesting additional experience for some middle-skill occupations from 2007 and 2010 by as much as thirty percent.

Jobs Tour participants across education levels, looking for work in a variety of industries, encountered difficulty meeting these new employment standards. Even employers looking to fill the types of entry-level jobs Texas’s youngest workers need to develop essential soft skills may expect some experience. For example, a high school student looking for her first job explained that, employers expected a resume with at least some experience even for entry-level positions in retail stores and restaurants. Even a master’s student explained that his education alone did not qualify him for entry-level jobs in his field and that professional experience was required: “[E]ven for volunteer or internship opportunities.”

A University of Texas student said the biggest barrier was “just finding a place to start, really.” While unpaid internships can present an opportunity for some students to gain initial experience, many students who must work to support themselves cannot take time off from paid work (typically in sectors outside their intended career) to pursue these opportunities, leaving them at a disadvantage when pursuing a career post-

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**Stephanie**

Stephanie was born in Mexico and raised in a suburb of Dallas. She wants to become a news producer and is working toward her Bachelor’s degree in Radio, Television, and Film. She is currently in senior year at the University of Texas.

To afford her tuition and expenses, Stephanie has leaned on her parents’ support, received grants, and accumulated $5,000 in student debt, but she has still has needed to work long hours throughout college to cover tuition, books, and living expenses.

As she gets closer to graduation, Stephanie has become increasingly worried about transitioning into her career. She has had to pass on many internship opportunities because they were unpaid, and she always depended on her earnings. By now, she has more than four years of work experience but not in her intended field. In her early job searches, she realizes her potential employers require a couple years of “relevant” working experience.
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graduation when compared to their more affluent peers. And while Texas is notable as one of the few states with a state-run work-study program, these job opportunities are only sometimes offered in a student’s intended career field and, in addition, serve only a tiny fraction of students.\(^{50}\)

For most participants who were in the process of completing some type of formal education, a “good job” was one that allowed them to transition into their chosen career field. “I’ve never had a problem getting a job,” a young University of Texas student explained, “[but] the only jobs that are available to get is like waitressing or like retail, and the only thing that keeps me from [career job] is experience in that field.”\(^{51}\)

The weight of this stress to be the perfect candidate may fall most heavily on the shoulders of young people of color who grapple with lingering prejudices and disproportionately high unemployment rates. Many participants throughout the Jobs Tour spoke about race and gender discrimination. One young woman explained, “[y]ou experience barriers based on your gender, your language, your race because you know you may be seen as the stereotypical Black female. You see a young Black female on the application and it’s like ‘oh, well what am I getting into?’ versus someone of the other race.”\(^{52}\) As Texas’s workforce continues to diversify, employers will risk overlooking qualified talent that would improve the health of their businesses unless these types of harmful attitudes are addressed.

Many Millennials can meet either the experience or education requirements -- but meeting both types of expectation is inaccessible. For students from low-income backgrounds, the need to pay the bills makes finding work in their career fields an impossibility because most of these opportunities take the form of unpaid internships or volunteer work. The difficulty young people experience in meeting employers’ need for relevant training and experience will echo throughout the rest of this report.

Barriers to Young Workers’ Career Advancement

Unfortunately, problems are not restricted to those unable to find work. Millennials also face many challenges in reaching career success after finding jobs. The following section examines two key themes voiced throughout the tour heavily tied to the need to achieve relevant education and experience in order to be strong job candidates. First, young workers face increasing pressure to balance work with school as well as with family obligations---and for those students from low-income backgrounds, this pressure can force students to drop out altogether. Second, a lack of opportunities for advancement in many fields that young workers can gain access to without special training, experience, or education frustrates young people’s ability to grow economically.

Competing Responsibilities

At every stop during the Jobs Tour, at least one young person described making difficult decisions between working, focusing on their school work, or taking care of family.\(^{53}\)

Balancing Work with School

As discussed above, with increasing higher education costs and demanding experience requirements for entry-level positions, more young people balance school and work as a necessity. Apart from issues related to gaining experience in a desired career field, balancing work with school is difficult no matter the field
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**John, 20**

John was raised in the southwest side of Houston, TX and is 20 years old. He began working during high school, and currently works in the sales department for a medium-sized warehouse company.

During his first semester after high school, he was able to take a full semester at University of Houston-Downtown while working part-time with a community organization. Too soon after, however, his high school savings ran out and home expenses -- and tuition -- required him to get a full time job. Now, he lives paycheck to paycheck. Only sometimes is he able to save for school, “one semester credit at a time.”

Even when John has saved enough for one full class, he runs into conflicts because his schedule at work is demanding and unpredictable. He estimates his work schedule may allow him to complete one class per semester, and is discouraged by what that means: taking one class per semester would require 13 – 20 years to complete a Bachelor’s degree.

Students who managed work and study spoke to the importance of flexibility in the workplace but recognized many employers may not be willing or able to provide this flexibility. One student explained that his ability to finish school depended on his employer’s willingness to accommodate his school schedule. During Fall semesters, he only took one class in order to save money by working significant hours. And during the Spring, he flipped his focus by taking more than five classes while working only a couple hours per week. “It’s doable but it doesn’t make sense and your employer has to be very flexible, which is hard to find.” A young worker at another tour stop told us his employer’s flexibility during his college years allowed him to work and study. However, he remembered it was still very difficult for his boss to adapt to the fact that each semester’s schedule changed his availability to work.

For students who depend on their own earnings, reducing hours spent on paid work to focus on study is not an option—despite the important role grades play in securing and maintaining financial aid. Indeed, when young adults are asked why they are not continuing their education, most point to financial barriers. While more affluent students can gain impressive experience through unpaid internships—typically structured with a student’s academics needs in mind—that make them attractive on the job market, many other students simply do not have that option.

When one prospective University of Houston student working at a fast food chain asked for a day off to attend orientation—a day which was mandatory and would determine whether she could enroll for classes that semester—her employer did not give her permission. Risking getting fired by taking unauthorized time off was not an option for her. As the main income earner in her family, she could not afford to miss a paycheck, so she pushed back school for another semester.

Another student, who chose school over work, explained that leaving her job to focus on her education meant she was no longer able to pay her bills on time—and that the resulting financial stress was causing her performance in school to drop regardless. She went on: “At some point [when trying to balance work in school], even in the beginning you can manage, but as you move forward in your career and your studies, it’s harder and harder to be able to keep your job.”

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Even when their employers were able to be flexible, the stress these students felt to be good employees and good students was significant: “If you’re stressed at work or work is putting stress on you, then you’re not going to be able to perform academically.”

While trying to cover monthly expenses and meet their potential employers’ rising expectations, Millennials feel pressured to balance school and work responsibilities. However, in doing so, student-workers feel strained and often have to choose between their school or their job, which often leads to immediate or delayed economic instability.

**Caregiving Responsibilities**

For those young workers who also have caregiver responsibilities, for their children or other family members, additional challenges arise. And, as the family members who most often shoulder the bulk of caretaking responsibilities, mothers are most affected by these student-worker challenges.

In Texas, only 38 percent of two- and four-year colleges provide on-campus childcare, ranking 34th among all states. And, on average, the wait list for campus child care is 85 percent as large as its total capacity. For those those already in the workforce, quality childcare often remains completely out of reach because of cost—forcing parents to choose between unregulated care and leaving the workforce altogether. Taking time off from work to care for children can have a significant impact on future earnings. Every year spent out of the workforce can result in a family losing significantly more than three times that parent’s annual salary in lifetime income.

Comprising ten percent of the Jobs Tour participants, young parents spoke to needing access to reliable and affordable childcare and flexibility for emergencies—which parents of all ages can relate to but can be particularly difficult for those early in their careers to access because of lower wages and less seniority.

A young mom at HCC South said the most difficult thing about working was “being away from [her] kids” and finding childcare that was affordable and located close to either school, work, or home. At another focus group, a young dad explained the difficulties he encountered along with his partner when their daughter was a newborn. He works at a major retail store but explained that neither he nor his partner had any parental leave from their workplaces, and it was almost impossible to find caregivers that were both reliable and affordable for an infant of a couple weeks or months old. This young dad also spoke about

**Nina, 22**

Nina is a 22 year-old Houstonian who works part-time at a community center and sporadically takes classes at the Houston Community College. She wishes she could find full-time work and study consistently part-time, but family circumstances prevent her from doing so.

Nina’s grandmother suffered a debilitating stroke about a year ago, which left her bedridden, and requiring 24 hour care. As much as her family tries to rotate this responsibility, Nina serves as caregiver for several days out of the week. There are many instances where she has had to drop work shifts last minute to tend to her grandmother, and she has found it extremely difficult to find work that is flexible enough to accommodate this circumstance.
the need for more work schedule flexibility for emergencies. When he gets a call related to his baby’s health, he feels he should not be kept from going to take care of his child.70

Further, participants commented on the stereotypes working mothers must grapple with. As one participant explained, “when a woman says she has children, they’re going to look at you a little bit differently because they are going to try to make out ‘Oh, if we give her this job then I am I expecting her to [be] late or take sick days for the kids.”71

But young workers’ caretaking duties are not limited to those with children. A young woman at Holy Name Church explained that, because her parents make slightly better wages than she did, but not enough to pay for childcare, they asked her to quit and stay at home with her siblings.72

Caregiving adds additional burdens to the work-school balance, frequently to the detriment of a young workers’ ability to earn a degree and move up the economic ladder. For example, student parents spend one third less time on their studies when compared to their childless peers,73 and two-thirds of young people reported ending their educations early to care for a family.74

As raised previously in regard to job searches, lack of access to affordable transportation can pose significant, additional problems. Long, and perhaps expensive, commutes are unsustainable for workers with children of their own. “I can only look for jobs, only this far into the city, because I can’t spend three hours in the car every day. So it is limited where I could look for jobs.”75 In a different context, a young Latino teacher spoke about his bus commute which was about four hours each day76—a time requirement that would pose a near impossible feat for any young parent.

A young woman in HCC South concisely summarized the issue, “Maybe it is hard for us to keep the job because we are worried about having to maintain school, our kids, our life, you know, all that stuff.”77 As young Texans join the workforce, outside responsibilities challenge their ability to succeed in their jobs. Whether attending school, driving in Houston traffic, or taking care of family, Jobs Tour participants explained that the many responsibilities outside the workplace strain their ability to focus on their current jobs.

Lack of Opportunities for Advancement

Further, many jobs that young people are able to secure in their early years provide limited career growth. Many participants -- facing the challenging job market and financial limitations described above -- worried about their opportunities for advancement in their current jobs. Barely 16 percent of participants reported that there were “promising” job advancement opportunities in their current job. Overwhelmingly, young workers wanted to grow their careers and build economic security, but felt stymied in their ability to do so.

One University of Texas student expressed her feeling of discouragement when learning a company lacks room for growth and does not provide retirement plans. “Well, if there’s no room to grow in that company or maybe you don’t get a 401(k), you’re going to have to find another job or you’re going work until you die.”78

Another young woman at the University of Texas with work experience explained her employers never had clear plans or expectations for her to progress in the company.
My parents’ work experience is very different from mine and our generation’s. They were at a job for the longest time. For me, or for us, it could be 3-4 years. That might be different for doctors, but I know if I’m at this job now, I worry “Well, how does this set me up for something later?” Because I know it’s not going to be for an indeterminate amount of time that I’m going to be here.79

Similarly, a student at University of Houston explained that he accepted an initial offer from a pizza chain at a low rate because he did not have much experience, and he really needed to start working. In three months, he quickly moved up from prepping pizza to being a manager, but a corresponding increase in pay did not come. “[i]t’s been a year [since the promotion], and...nothing.”80 He later stated, “I thought it was really frustrating, because it doesn’t seem that raises or pay [are] really representative to the work you do. Whether you stay [at your job] or not, it’s more about loyalty.”81

Already limited opportunities for advancement may also be even more out of reach for young adults of color. For example, a young man from South Houston told us about how a management switch at the pharmacy he worked at changed everything for him. Within two years, he had succeeded and quickly moved up in the company from a cashier to a sales associate to a general manager. However, when regional management shifted, he was moved to a store across town, and despite his management showing improvements in sales, he was later demoted without explanation. He was at a loss to explain why what seemed like a promising career trajectory was suddenly cut off, but he expressed that race bias must have been a leading factor.82

Participants faced difficulties in finding time to gain in-demand experience alongside their degrees, especially those with the additional responsibility to contribute to their family’s income. Aware of the economic stakes, young workers expressed a strong desire to work in fields with promising career growth potential throughout the tour but felt unable to access those positions.

**Challenges to Economic Security**

The difficulties young adults face in finding work and persisting in the workplace are connected to a broader set of economic security challenges. Texas’s Millennials experience poverty at significantly higher rates than the state’s general population, and a disproportionate number of low-income young adults are people of color.83 Young workers, when unable to access more stable employment with adequate benefits for many of the reasons discussed above, are faced with near insurmountable barriers to finding jobs that bring economic security.

There are many challenges to economic security that young people face, but Jobs Tour participants particularly focused on the following. First, this section examines the impact of low wages on young workers. Then, it discusses how underemployment disproportionately affects young workers. Finally, the section explains how adequate health care remains out of reach for too many, which in turn impacts workers’ ability to hold a job and their financial security.
Low Wages

Median wages for young workers in Texas are down over $1,150 since the Great Recession—despite the fact that the median annual income for Texas’s overall workforce has actually gone up since the Recession.\(^{34}\) In fact, in four out of the the top five industries employing those age 18 to 34, median wages have declined or remained unchanged in the last decade in four out of the top five industry sectors employing 18 to 24 year-olds.\(^{85}\) Further, those already disadvantaged feel the impact of these wages particularly hard because of persisting race and gender wage gaps.\(^{86}\)

During the Jobs Tour, participants -- even those working 40 hours per week -- often shared they are not able to cover basic needs with their wages from current or former jobs. This translated to an inability to live independently while covering their basic needs, such as housing, food, utilities, school and childcare.\(^{87}\)

Some participants explained that their inability to pay rent or bills on time meant living in substandard or overpopulated apartments, moving frequently, and facing evictions and temporary homelessness.\(^{88}\) Other young people with stronger support networks, indicated that without financial help from their parents, their current wages would not allow them to live independently.\(^{89}\)

Troublingly, some young workers spoke about wage theft, including instances of not receiving any form of payment for a job performed or getting paid less than minimum wage: “I was one year on the same place, and sometimes they never gave me my payment [for an assignment].”\(^{90}\) Another young worker said that in one of his jobs, where he works 12 hour days, he is paid less than minimum wage.

As would be expected from the above discussion on caregiver responsibilities, low wages have consequences that extend beyond meeting immediate needs. Young parents are additionally burdened by low wages. The average American family, consisting of an infant and four-year old, will pay nearly $18,000 a year on childcare.\(^{91}\) Texas parents working full-time at minimum wage have total annual earnings of $15,080,\(^{92}\) keeping access to quality child care often entirely out of reach.\(^{93}\) One working mom explained, “I feel underpaid, especially now, when I have more than a year being [at her job], still it’s only ten dollars an hour. I’m a single mom in my own place. I’m doing everything on my own. It’s a torment to live off of $10 an hour and then pay for child care, ‘cause I have to go to work and go to school. It’s really difficult.”\(^{94}\)

Once again, lack of access to affordable transportation further exasperated difficulties. One young woman explained her commute was cutting significantly into her wages. She added that once she found herself choosing between groceries and paying for gas to drive to work the next day.\(^{95}\)

Even when working full-time, when not in jobs that provide livable wages and career growth, many young workers are unable to live independently, save for higher education, or provide for their children’s care.
Underemployment

Compounding the problem of low-wages, more employers are shifting toward part-time and temporary models of employment. For example, one out of every four employed 18 to 34-year-olds is working only a part-time position, as opposed to one in six adults over 34 years old. This is causing a rise in what is known as underemployment—either highly skilled workers employed in lower-level occupations or workers looking for full-time work only being able to work part-time.

One participant in the former situation, shared that "being underemployed meant I just made enough money to live at my parents." Although he had graduated college, he was "working a minimum wage job as a stocker in [an art retail store] and another part-time in [a home improvement store] because there were no other jobs available for me." At 20 percent of the focus groups, participants raised concerns about wanting to work more hours, but their employer prevented them from doing so. One participant observed that some young employees at his company were only getting two-to three-hour work days. He explained that even though the young workers needed full-time employment, and at times the company needed them to work more hours, his understanding was that his employer would avoid bringing on workers full-time in order to avoid paying certain required benefits.

Another participant shared that he used to work the overnight shift with a large corporation and that when he would approach overtime hours, he was compelled to take up to three-hour long, unpaid lunch breaks in the middle of the night. He was getting rides from his family, which forced him to take the extended breaks onsite. When he talked tried to bring it up to his manager, his employer threatened hour reduction.

Other external barriers, such as living arrangements and family responsibilities, also barred students from the full-time employment that might get them closer to financial stability. One young worker said that he would like to work more, but that he lives very far from his job and his commute would not allow him to take on more hours.

Many Millennials in Texas, even those with college degrees, can only find part-time or seasonal jobs. And, far from not wanting to work, these young people try their hardest to find satisfying work in fields that will give them the long-term, full-time work they desire.

Accessing Affordable Health Care

While the Affordable Care Act increased the availability of health insurance, many young workers in Texas are still unable to access care. Today there are more than 1.8 million uninsured Millennials in the state. Further, in Texas, more than 800,000 people fall into what is known as the coverage gap—people who make too little to quality for tax credits that would help them purchase private insurance on the marketplace, who do not qualify for Medicaid, and who cannot afford other health insurance. The majority of those in the gap are Millennials.
Problems accessing care are further compounded by the fact that employers are not required to provide health insurance for part-time positions, the types of jobs many young workers first obtain. At ten stops on the tour, multiple participants brought up how lacking insurance harmed their economic security.

A young, uninsured man in the southwest side of Houston explained that low-wage workers cannot afford to go to the doctor. He explained that homeopathic or natural treatments are often the only options because “you can’t afford medicine, and you don’t have that money to go to the doctor. What do you do when you don’t get better with home remedies?”

Some participants shared that even having health insurance did not guarantee access to medical care, due to other financial responsibilities and high out-of-pocket expenses. For example, for one young part-time worker who helped her parents make ends meet, the expense of her copay kept good medical care out of reach. After paying the copays for four medical appointments in one month to treat severe allergy attacks, she could not afford her resulting prescription.

Camile, 19

Camile is a 19-year-old young Houstonian from Fort Bend county who wants to be a middle school teacher and maybe, one day, a college professor. She is a student at Houston Community College. During her two years in college, she has needed to work consistently to pay her bills, but lack of access to health care has impacted her ability to work.

Several months ago, she stepped on a nail and went to the doctor for a tetanus shot and antibiotics, but could not afford the recommended surgery. The wound appeared to heal, and Camile continued to work with sporadic discomfort and pain.

She then got a job at a bookstore which required her to stay on her feet for long periods. Her pain started intensifying, but Camile needed the job, so she pushed through--until one day when the old wound ruptured. Her employer did not offer sick leave or worker’s compensation, nor she could afford insurance or medical attention, so she quit to try to heal her injury with rest.

Months later, Camile got an on-campus work-study job at the front desk. Unfortunately, the work-study program was only 20 hours per week and she needed additional income to make ends meet. After taking a job as a server at a local restaurant, her foot injury reopened because of the long hours she spent on her feet. Still unable to afford proper care, she tried to treat the injury again by taking time off work, but the restaurant laid her off as a result.
Health problems, of course, do not only impact a young person’s ability to work. A recent study showed that, among young adults who reported problems paying medical bills, 32 percent could not pay other debts like student loans or tuition payments, and 31 percent delayed education or career plans. For uninsured young Texans, a broken leg can mean an end to an education or a career.

Young people’s lack of access to health care impacts their ability to provide for themselves and families. Although health access has improved some for young adults across the country, too many Texas Millennials still struggle to find jobs that allow them to access health care services.

**Conclusion**

The Texas Works Job Tour demonstrated that young people want to work for many reasons that include financial stability, family, and self-fulfillment, ambitions and goals that echo throughout all generations. But barriers to finding work can be significant in the current economy as low-income students struggle to obtain the education and in-demand experience needed to be competitive job applicants—too often leading to these students not completing their degrees and struggling to find stable jobs with the wages and benefits that bring long-lasting economic security.

The experiences of Jobs Tour participants go beyond a single individual or even a single generation. This is a pivotal moment for Texas’s workforce, as the economy continues to change rapidly and Millennial participation in the workforce grows and diversifies. Understanding how these changes impact real young people is essential to ensuring families can obtain and maintain true economic security.
End Notes

10. For more specific details on Young Invincibles partners in the tour and participants, please see the methodology.
14. Ibid.
15. Ibid.
16. Ibid.
17. Participant, focus group, October 5, 2015, HCC South, transcript page 4.
18. Participant, focus group, October 5, 2015, HCC South, transcript page 1.
19. Participant, focus group, October 5, 2015, HCC South, transcript pages 1 - 4.
21. Participant, focus group, October 7, 2015, United We Dream, transcript page 1.
22. Participant, focus group, September 17, 2015, Liberty High School, transcript page 2.
23. Participant, focus group, September 22, 2015, University of Texas Austin, transcript page 2.
24. Participant, focus group, September 8, 2015, HCC Alief, transcript page 2.
25. Participant, focus group, September 8, 2015, HCC Alief, transcript page 3.
26. Participant, focus group, October 7, 2015, United We Dream, transcript page 1.
27. Data derived from: 2014 1-yr American Community Survey (ACS) estimates for the Houston-The Woodlands-Sugar Land, TX Metro Area and Texas.
32. Ibid.
34. Participant, focus group, September 17, 2015, Liberty High School, transcript page 8.
36. Participant, focus group, September 22, 2015, University of Texas Austin, transcript page 11-12.
37. Participant, focus group, September 8, 2015, HCC Alief, transcript page 8.
38. Ibid.
39. Participant, focus group, August 11, 2015, HATCH Houston, notes on file with author.


43. Participant, focus group, September 9, 2015, HCC Spring Branch, transcript page 7.

44. Participant, focus group, September 8, 2015, HCC Alief, transcript page 7.


46. Ibid.

47. Participant, focus group, September 17, 2015, Liberty High School, transcript page 6.

48. Participant in conversation with the author, September 16, 2015, Avenue CDC.

49. Participant, focus group, September 22, 2015, University of Texas Austin, transcript page 10.


51. Participant, focus group, September 22, 2015, University of Texas Austin, transcript page 2.

52. Participant, focus group, September 8, 2015, HCC Alief, transcript pages 6 – 7.

53. Ibid, focus group, September 17, 2015, Liberty High School, transcript page 10; focus group, September 16, 2015, Avenue CDC, transcript page 18; focus group, September 8, 2015, HCC Alief, transcript page 9; focus group, September 10, 2015, HCC Northline, transcript page 3.


57. Participant, focus group, September 17, 2015, Liberty High School, transcript page 10.

58. Participant, focus group, September 17, 2015, Liberty High School, transcript page 10.

59. Ibid.

60. Participant in conversation with author, September 9, 2015, HCC Spring Branch.

61. Ibid.


68. Participant, focus group, October 5, 2015, HCC South, transcript page 5 and participant, focus group, September 8, 2015, HCC Alief, transcript page 9.

69. Participant, focus group, October 5, 2015, HCC South, transcript page 5.

70. Participant, focus group, September 8, 2015, HCC Alief, transcript pages 6 – 7.

71. Participant, focus group, September 8, 2015, HCC Alief, transcript pages 6 – 7.

72. Participant, focus group, October 11, 2015, Holy Name Church I (11:08).


75. Participant, focus group, September 9, 2015, HCC Spring Branch, transcript page 7.

76. Participant, focus group, October 7, 2015, United We Dream, transcript page 3.

77. Participant, focus group, October 5, 2015, HCC South, transcript page 21.

78. Participant, focus group, September 22, 2015, University of Texas Austin, transcript page 4.

79. Participant, focus group, September 22, 2015, University of Texas Austin, transcript page 4.

80. Participant, focus group, September 16, 2015, University of Houston, transcript page 3.
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81. Ibid.

82. Participant, focus group, October 5, 2015, HCC South, transcript page 19.


84. Ibid.


87. I.e. Participant, focus group, September 9, 2015, HCC Spring Branch, transcript page 10; focus group, September 16, 2015, University of Houston, transcript page 6; focus group, September 16, 2015, Lone Star CyFair College II, transcript page 10; focus group, September 8, 2015, HCC Alief, transcript page 13.

88. Participant, focus group, August 11, 2015, HATCH Houston, notes on file with author and participant, focus group, September 17, 2015, Liberty High School.

89. Participant, focus group, October 8, 2015, HCC Spring Branch ESL, transcript page 57.

90. Participant, focus group, September 17, 2015, Liberty High School, transcript page 14.


94. Participant, focus group, September 16, 2015, University of Houston, transcript page 8.

95. Participant, focus group, August 13, 2015, SER Jobs, transcript page 29.


97. Ibid.

98. Participant, focus group, September 22, 2015, HCC West Loop, transcript page 8.

99. I.e. focus group, October 7, 2015, United We Dream, transcript page 5; focus group, September 22, 2015, HCC West Loop, transcript page 8; focus group, September 16, 2015, Lone Star CyFair College I, transcript page 2; and focus group with the author, September 16, 2015, Lone Star CyFair College II, transcript page 5.

100. Participant, focus group, September 22, 2015, HCC West Loop, transcript page 7.

101. Participant, focus group, September 22, 2015, University of Houston II, transcript page 2.

102. Participant, focus group, October 7, 2015, United We Dream, transcript page 5.


107. I.e. focus group, September 8, 2015, HCC Alief, transcript pages 14-15; focus group, October 5, 2015, HCC South, transcript page 22-23; and focus group, September 17, 2015, Liberty High School, transcript pages 12-13.

108. Participant, focus group, September 17, 2015, Liberty High School, transcript page 12.

109. Ibid.

110. Ibid.

111. Participant, focus group, September 8, 2015, HCC Alief, transcript page 14.