Through Their Eyes:
The Challenges Facing Young Workers in California’s Post-Recession Economy

by Brian Burrell and Reid Setzer
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Table of Contents

Introduction ...........................................................................................................3

Part 1: The Millennial Employment Landscape: ...................................................4

Lived Experiences of Young Californians .................................................................4
Survey Results ..............................................................................................................6
The Great Recession: Young Californians Still Struggling To Recover .........................6
Increasing Demands for Skill and Education ................................................................7
Where Young Californians Work: A Sectors Analysis ................................................8
Ending Discrimination in the Workforce: California is a Leader, But Can Improve ..........10

Part 2: Roadmap for Millennial Workforce Success in California .........................11

Career and Technical Education ..............................................................................11
Providing Career and Education Information Through Mobile Technology ................12
Apprenticeships ...........................................................................................................13
Quality Paid Internships: A Key Workplace Learning Opportunity ............................14
Fair Scheduling ..........................................................................................................14
Closing Racial Employment Disparities ......................................................................15
LGBTQ Workforce Inclusion .....................................................................................16

Conclusion ..............................................................................................................16

End Notes .................................................................................................................17
Introduction

The Great Recession hit young workers harder than any other age group and six years later our generation still grapples for economic stability. California’s young adults are no exception. The unemployment rate of Californians ages 16 to 24 is 20.2 percent.¹

This past spring, we launched a statewide tour to better understand the economic challenges facing California Millennials. Our California Jobs Tour, a five-month series of in-person conversations across the state provided valuable insight about the barriers preventing young people from pursuing financially stable careers. We discussed issues like unemployment, skills development, and discrimination at work with a range of participants including high school students, young workers, community college students, LGBT youth, and previously homeless youth, among others. We surveyed over 200 young adults at 13 roundtable discussions to add more data to the stories we heard.

We have a great deal of work to do to better prepare our generation for 21st century jobs. Millennials account for 37 percent of California's workforce.² Each year, California loses $219 million from high young adult unemployment mainly due to lost tax revenue.³ To the extent that Millennials struggle economically, the whole state suffers. Bouts of unemployment early in a person’s career lead to lower wages for years after.⁴ California’s future depends on the success of today’s young adults.

During our jobs tour, many young Californians seeking their first entry-level job said they lack the work experience or higher education degrees often required to apply. Dozens said they fear college costs will prevent them from pursuing post-secondary degrees they consider critical. This is worrisome, given the state is projected to have 3.2 million fewer college-educated workers than it needs by 2025.⁵ Moreover, Millennial students who juggle class and work said their job schedules are frequently too unpredictable to allow them to stay in school. LGBT youth and youth of color report persistent discrimination in the hiring process that present barriers to economic opportunity.

We followed our jobs tour with research into why Millennials today face such a difficult career road, and conducted new data analysis of the young adult labor market in California. Not only did the Great Recession spike unemployment rates, it consistently cut wages for young adults across sectors by far more than older workers. Over the last ten years, median incomes for 18 to 24 year-old Californians have fallen by a quarter, driven by falling wages in the leisure & hospitality, retail & wholesale, healthcare, and education sectors.⁶ Wages also plummeted in those sectors for workers ages 25- to 34-years old, while the wages of those 35+ years of age dropped by less than 5 percent on average.⁷

On top of the immediate trends, longer-term challenges have mounted. The job market demands more skill and education than it did several decades ago, disproportionately rewarding better educated workers. In California, the typical 25 to 34 year-old with a bachelor’s degree -- or higher -- earns more than twice as much as a peer with a high school diploma. Despite the strong trend, our education and job-training systems have failed to keep up. California falls millions of degrees short of what its job market demands and, as college costs rise, getting the necessary degree becomes even harder. Finally, our research bears out the concerns of underrepresented communities of young people as strong
evidence suggests that despite California’s legal protections, discrimination continues to hold back African American and LGBT youth from career success.

Addressing these major challenges will require bold action on the part of the state’s policymakers, educators, and business community. We propose several areas of reform that will help our generation regain its economic footing and begin moving in the right direction. They include career and technical education, accessing career and education information through mobile technology, apprenticeships, quality paid internships, fair scheduling and LGBTQ and minority workforce inclusion.

The paper proceeds in two parts. First we describe the economic landscape faced by young Californians. We begin with stories from several of the young adults we met on our tour that exemplify the trends we heard in our conversations. Next we present our survey findings, and research, including a brand new data analysis of California’s Millennial workforce. In the second part of the paper, we recommend policy proposals that state lawmakers can enact in 2015 to boost opportunities for young workers and the state economy. We also make additional policy proposals geared toward improving job prospects and workplaces in the years ahead.

Part 1: The Millennial Employment Landscape in California

Lived Experiences of Young Californians

Overwhelmingly, the young adults we spoke with want to work and want to get on the path towards a sustainable career, but are prevented or stalled by many barriers and lack of opportunity in their communities. Those barriers include an inability to find full-time employment, the financial cost of college, and finding time to work and/or care for a family while enrolled in school.

Education and Skills Are Necessary, But Barriers Remain

Many young people shared that it is difficult to obtain full-time work, and that they often settle for part-time positions. Talina, 25, from Orange County, told us at an Orange County Conservation Corps roundtable that she was only able to find a seasonal job. She works for half the year as a supervisor at a gift basket company from August through December. While she likes her job, she wishes that it was full time, and she would like to be a manager in the future. Talina has been applying for jobs in other sectors but everything she has found requires a high school diploma, which she does not have. Talina said, “[i]t would be easier for me to get a job with a high school diploma. The jobs that I have access to don’t provide health care benefits.” She knows that she needs to finish high school, and her goal is to eventually graduate.

Many other young people shared Talina’s perspective. Millennials know the value of having a higher education credential, too, but often struggle to pay for it, particularly when they consider taking out student loans. Devan, 24, from Orange County, said he wants to attend college after participating in a job-training program and AmeriCorps. Yet he is worried about both taking on debt and lacking the skills to compete with more experienced applicants for open positions.
Another young man we spoke with from the Inland Empire, Vincent, 25, told us he was diagnosed with ADHD as a child and has come extremely close to completing the credits he would need to transfer to UC-Riverside. He wants to start a career helping kids who struggled with the same issues he faced by becoming a counselor, but he recently lost his financial aid as he’s been in and out of college and the workforce. He’s making due by using textbooks checked out of the library to save money. Vincent’s experience is a helpful reminder that the cost of college extends beyond tuition to books, fees, and living expenses.

**Juggling Priorities Poses a Challenge Without Flexible Schedules**

We also spoke with Esmeralda, 23, a young woman living in the Inland Empire, who wants to find work to help pay for school. She has had trouble finding stable positions that allow her to work around her college course schedule. She wants to transfer from Crafton Hill Community College to the University of Maryland, but her financial aid is close to being cut off because she previously switched her major.

Young parents also face the added dimension of caring for family while working and attending school. Johanna, 30, from San Pedro, CA, is a LA Harbor College student. She wants to transfer to a four-year institution to study psychology or conduct scientific research. Johanna said she understands the importance of getting a degree, and she also enrolled in a job training program because she hopes that both will help her start a career. Johanna once had to leave school to care for her child, but she is back, balancing being a mom and paying for school.

**Discrimination Impacts Many Millennials**

Additionally, young people from communities of color and Lesbian, Gay, Bisexual, Transgender, and Queer (LGBTQ) communities identified discrimination as a continual barrier to economic opportunity. A UC-Berkeley student described the race gap as such: “[f]or people of color, you have to be twice as smart, twice as qualified, you have to aspire to be more.” LGBTQ Millennials in Los Angeles also told us they often find it difficult to navigate the at-times discriminatory job application process. One participant said she discussed the difficult decision of removing LGBTQ advocacy work from her resume with a family member. The family member was worried about the possibility of discrimination preventing her from being hired. Despite legal protections in California, hiring bias remains a serious concern among many Millennial communities.

Several participants mentioned that soliciting information about criminal backgrounds on private sector job applications feels discriminatory. One young person mentioned that despite consistently job-hunting, prior criminal convictions prevented him from finding work to support his family. Another respondent affected by this policy told us he thought ex-offenders were well-suited for work because he believed those who make mistakes and take steps to fix those mistakes are stronger candidates for jobs. Yet getting back on the right track can be almost impossible despite the best intentions.
Survey Results

In addition to talking with young people during the 13 stops of our jobs tour, we collected data from surveying more than 200 young adults. The overwhelming majority of participants (71 percent) had at least some college experience. The chart below reflects the employment and education outcomes of the young adults who shared their stories on our Jobs Tour.

The survey responses support the large body of research linking educational attainment and employment outcomes. The employed young people we spoke with were much more likely to have bachelor’s degree or higher while the unemployed young adults were far less likely to graduate high school. In California and elsewhere, a high school diploma no longer guarantees a good job, and for young people who do not complete high school, it can be near impossible to start a career.

The consequences of falling Millennial wages were also starkly present. Asked about their employment outlook, forty-three percent of respondents said they are overworked and underpaid, versus only 35 percent who said they are well-paid and fulfilled by their job. Of the 49 percent of respondents who said they were employed, 52 percent reported having household incomes under $25,000. Both in conversation and through their survey responses, the Millennials we spoke with felt the pain of falling wages.

Scheduling challenges also appeared common among the Millennials we spoke with. Sixty-two percent of employed survey respondents indicated they lack access to flexible scheduling. This was a major concern among low-income youth; only 20 percent of employed respondents who said they had access to flexible scheduling were from households making under $25,000. These responses are emblematic of broader California employment trends.

The Great Recession: Young Californians Still Struggling To Recover

Young adults across the country are still recovering from the Great Recession, and doing so at a much slower rate than the general population. The youngest workers continue to face the greatest challenges. Young people in California ages 16 to 24 have an unemployment rate of 20.2 percent and nearly
three times the rate for Californians over age 35.

Unemployment rates, however, underestimate the true impact of the Great Recession. The definition of “unemployed” leaves out workers who have left the labor force, sometimes due to a lack of opportunity. The labor force participation rate (LFPR) depicted below captures this phenomenon. While participation rates have hardly changed for older workers, they have fallen dramatically for 16 to 24 year olds from over 58 percent in 2005 to 52 percent in 2013. A decrease in the LFPR is not necessarily bad; for example, students are not included in the labor force, and the Great Recession led to an increase in student populations as people sought to build their skills to improve employment prospects – and to avoid unemployment in the economic downturn. However, many other young people -- discouraged by a total lack of opportunity -- are being crowded out of the job market entirely.

Increasing Demands for Skill and Education

Another challenge for our generation precedes the Great Recession. Decades ago, a young person could graduate high school, find a well-paid (often union) job, and learn skills that would lead to a successful, stable career. The rules have changed dramatically since.

A young adult today almost always needs some post-secondary credential beyond high school, in order to get ahead. In California, bachelor’s degree holders have an unemployment rate of only 4.5
percent,\textsuperscript{11} but Californians with only a high school diploma have an unemployment rate over twice that, at 11.3 percent.\textsuperscript{12} Worse, young people who do not graduate from high school face even higher unemployment rates, at 13.4 percent.\textsuperscript{13} Income levels mimic the employment trends. The chart below demonstrates those individuals who earn a bachelor’s degree or higher earn significantly more than those with just a high school diploma.

\begin{center}

\begin{tikzpicture}
\begin{axis}[
    ybar,bar width=15pt,
    width=\textwidth,
    height=5cm,
    symbolic x coords={No high school diploma, High school or equivalent, Some college, less than 4-yr degree, Bachelor’s degree or higher},
    xtick=data,
    nodes near coords, nodes near coords align={vertical},
    enlarge x limits=0.15,
    ytick={0,5000,10000,15000,20000,25000,30000,35000,40000,45000,50000},
    ymin=-5000,ymax=60000,
    ylabel={Median Income by Education Attainment - California (25 to 34)},
]
\addplot coordinates{(No high school diploma, 12000)
(High school or equivalent, 18624)
(Some college, less than 4-yr degree, 20000)
(Bachelor’s degree or higher, 44100)};
\end{axis}
\end{tikzpicture}
\end{center}

Despite the returns to education for individuals and our state’s economy, the education system does not meet workforce demands. \textbf{Without bold action from policymakers, California is projected to have a shortage of 3.2 million college-educated workers by 2025.}\textsuperscript{14} These need not be four-year degrees. Associate’s degrees and credentials in high-demand fields can also pay off for individuals and the economy, but we have a long way to go to ensure the vast majority of our generation can afford to pursue higher education.\textsuperscript{15}

Even young Californians with a higher education degree, however, cannot count on career success. Employers often expect young people to graduate with a series of professional skills required to excel in today’s workplace. Many entry-level positions now require more prior work experience than in the past.\textsuperscript{16} As employers tighten other employment qualifications, young people also now see a need to develop “soft skills” or “21st century skills.”\textsuperscript{17} These include office professionalism, teamwork, and communication,\textsuperscript{18} all things that young adults must find a way to develop in an economy with fewer opportunities to break in at the entry level. The rising expectations of employers require that California take steps to provide young people with the skills they need to contribute to the 21st century economy.

\textbf{Where Young Californians Work: A Sectors Analysis}

Beyond large national trends affecting young adults, we also dug into Census data to get a clearer picture of the labor market that Millennials face in California. The young people that we spoke with shared numerous experiences working retail and service jobs while enrolled in school or to make ends meet. Their stories reflected several statewide trends.
Younger workers disproportionately work in lower wage service sector jobs. Almost half of all jobs held by 18- to 24-year-old Californians lie in the retail/wholesale and leisure/hospitality sectors. That percentage drops by more than half for 25- to 34-year-old workers, and down to only 18 percent for workers 35 years of age and older.

Furthermore, 18-24 year old workers in the retail sector have seen significant pay drops nationally in the wake of the Great Recession. These trends are also present in California. As shown below, from 2004-2014, workers aged 18- to 24 saw their wages slashed by double-digit percentages in the leisure & hospitality, retail & wholesale, healthcare, and education sectors. Wages also plummeted in those sectors for workers ages 25- to 34-years old, albeit to a lesser degree. In other words, the vast majority of Millennials in California work in sectors that saw double-digit wage drops over the past decade.

As seen below, the only overall positive wage growth for Californian Millennials took place in the professional and business and manufacturing sectors. Today’s manufacturing jobs require more training and skills than ever before. By 2020, 53 percent of manufacturing jobs will require some form of postsecondary education. Building the skills to enter manufacturing should pay off for many young Californians: manufacturing is one of the highest-paying sectors for older Millennials, age 25 to 34, yet represents just 8.2 percent of 25- to 34-year-old employment in California. Only 5.7 percent of workers under 25 work in manufacturing in California.
The combination of low wage jobs, the Great Recession, and employer emphasis on skill and education mean that typically less-skilled younger workers have faced a dramatic fall in economic security in California. Overall, the typical 18-24 year old Californian worker saw his or her median income plummet 25 percent from 2004 to 2014, compared to a 10 percent drop for 25-34 year olds, and only 8 percent for those aged 35 and up.\(^{28}\)

Discrimination in the Workforce: California is a Leader, But Can Improve

A well-documented body of research supports the lived experiences of young Californians who fear discrimination. In 2014, Young Invincibles published a report, Closing the Race Gap, which found that, holding other factors constant, young African Americans needed to attain two additional degrees of education to have the same job prospects as their white peers.\(^{29}\) Our statistical model found that African American men with an Associate’s degree, for example, had an 88.4 percent chance of having a job\(^ {30} \) — a rate virtually identical to young white men with only a high school diploma.\(^ {31}\) Fortunately, each additional degree attained reduced the gap, but disparities still persisted slightly even at the professional degree level.\(^ {32}\)

As we noted in that report, several scholars have found evidence of racial discrimination throughout hiring processes.\(^ {33}\) For example, one analysis found that fictitious resumes with white-sounding names nationally received 50 percent more callbacks for interviews than those with African American-sounding names, despite the rest of the resumes being identical.\(^ {34}\)

Young LGBTQ workers are also right to be concerned about discrimination. As many as 43 percent of all gay and transgender workers have experienced some form of discrimination on the job, and up to 17 percent of gay and transgender workers report being passed over for a job or fired because of their sexual orientation or gender identity.\(^ {35}\) Even though California has passed laws protecting against sexual orientation and gender identity discrimination in the workplace,\(^ {36}\) problems still persist. For example, 4,581 complaints of discrimination based on sexual orientation and gender identity were filed in California between 2005 and 2010.\(^ {37}\) In another example, LGBT members of the California State Bar have reported being denied promotions (26 percent), receiving unequal pay (15 percent), and receiving poor work assignments (19 percent).\(^ {38}\) Additionally, the Williams Institute has documented dozens of instances of discrimination in California against LGBTQ state and local
government employees over the past twenty years.\textsuperscript{39}

Jobs Tour participants shared that their workplaces still feel unsafe for LGBTQ workers, and the data shows cause for concern. As many as 41 percent of LGBTQ workers across the country report experiencing verbal or physical abuse or having their workspace vandalized.\textsuperscript{40} Ninety percent of transgender workers have encountered some form of harassment or mistreatment on the job.\textsuperscript{41} It follows that participants we spoke with also shared that having another LGBTQ-identifying person in the workforce can be comforting to young LGBTQ workers who may have trouble navigating the workplace and feeling alone. Diverse workplaces accepting of all workers leads to contributions of all different kinds of young people upholds the equality of opportunity that strengthens the state’s economy and empowers every young Californian to chase their dreams.

**Part 2: Roadmap for Millennial Workforce Success in California**

There is still time for California to improve the employment landscape for Millennials, communities, and the broader state economy. We must create more career and learning opportunities, increase our generation’s skills, and foster an inclusive job market. Young Invincibles has identified several ideas for the public and private sector to create a brighter employment future for all Californians. They include career and technical education, providing career and education information through mobile technology, apprenticeships, quality paid internships, fair scheduling, and LGBTQ and minority workforce inclusion.

**Career and Technical Education**

To boost job prospects for young adults, California needs to address the growing skills gap and diversify its employment opportunities. Ensuring that California has a highly skilled, quality workforce is essential to maintaining economic growth. Improving and investing in high quality career and technical education (CTE) that is integrated with college preparatory academics and work-based learning is an excellent way to train young people for growing fields. And this approach works: program participants have shown higher national graduation rates, and over 70 percent of CTE participants pursued higher education shortly after graduating from high school.\textsuperscript{42}

Linked Learning is an example of an effective high school level strategy that incorporates CTE. Linked Learning takes an approach that is transforming education for California students by integrating rigorous academics with career-based learning and real world workplace experiences, preparing young people for success in college, their career, and life.\textsuperscript{43} Linked Learning students describe themselves as more engaged in school, earn more credits in the first three years of high school, and are more likely to complete the requirements for entering a California four-year public university at the end of 11th grade.\textsuperscript{44} Additionally, they report greater confidence in their life and career skills, and say they are experiencing more professionally relevant instruction than their peers.\textsuperscript{45} The program is funded through California’s $500 million Career Pathways Trust, a two-year “competitive grant geared towards the development of work-based learning infrastructure, career pathway support, and the expansion and improvement of career pathway programs,” provided incentives and resources to expand Linked Learning opportunities for high school students through establishment and expansion of regional part-
nervations between school districts, community colleges, and employers.\textsuperscript{46}

Funding programs like Linked Learning is a great way to close the skills gap among students at an early age. They get introduced to a multitude of career pathways and support services they need out of high school to enter the workforce or pursue a higher education. While California has invested millions of dollars in career pathway programs like Linked Learning and toward modernizing existing CTE tools, two legislative proposals would help expand these programs across the state.\textsuperscript{47}

The Career and Jobs Skills Education Act (SB 148), a bipartisan bill authored by Senators Mike McGuire, Connie Leyva, and Robert Huff, would invest $600 million in expanding California CTE programs.\textsuperscript{48} It would offer grants to school districts and other educational entities to provide CTE courses in local high schools, and establish a Career and Job Skills Education Fund in the State Treasury. It would also provide counseling and guidance services to students to ensure they are meeting all the requirements to graduate and making informed career preparation choices.\textsuperscript{49} California averages 945 high school students to every counselor, a rate that is dead last in the nation and well behind the national average of 477 to 1.\textsuperscript{50} The Career and Jobs Skills Education Act is a worthwhile investment in developing alternative pathways for success and counseling opportunities.

The Governor’s 2015 budget also proposed a Career Technical Education Incentive Grant program that would spend $750 million over three years on creating and building quality CTE programs that offer skills and practical experience.\textsuperscript{51} This proposal would differ from the existing and expiring Career Pathways Trust program by requiring a dollar-for-dollar match by recipients, including local educational agencies.\textsuperscript{52} To maintain eligibility for the program, participants must demonstrate positive outcomes across the spectrum of high school graduation rates, CTE course completion rates, industry-recognized credential attainment rates, gainful employment rates, and postsecondary education attainment rates.\textsuperscript{53} Stakeholders must work together to ensure that the Career Technical Education Incentive Grant program becomes a reality for young Californians.

Providing Career and Education Information Through Mobile Technology

Giving young Californians the tools to participate in today’s economy requires the use of 21st century technology that has become ubiquitous for many young people as a means of interacting with the world around them. Young Invincibles has partnered with the Foundation of California Community Colleges to build a mobile app that will guide young people in the Inland Empire through career pathways and sectors, and provide easily digestible information about California Community College education opportunities. The mobile app will give students and their families in underserved communities information about educational pathways available to them through community colleges. Information will be available in Spanish and English, beginning with a pilot in California’s Inland Empire region—where low-income Latinos need more preparation for the emerging industry jobs.

Partnerships like these can fill key gaps in particular communities by producing well-targeted programs. For example, young Latinos in California have a lower rate of post-secondary educational attainment than their young black, white, Asian or Native American peers.\textsuperscript{54} As a result, the mobile app will highlight careers in three employment sectors projected to experience economic growth in the Inland Empire where many young Latinos live—Advanced Manufacturing, Global Trade and Logistics,
and Health—as well as two emergent sectors: Advanced Transportation and Renewables and Information, Communication, and Technology (ICT)/Digital Media. The project is part of a larger effort to bridge the skills and jobs mismatch and prepare California’s workforce for 21st century careers under the Doing What Matters for Jobs and the Economy framework created by the California Community Colleges Chancellor’s Office.

This is only one example of how local organizations can come together through public-private partnerships to build awareness of career pathways for Millennials in these communities. We hope partnerships like these will increase earning potential and provide improved economic prosperity for the entire region. However, to encourage further investment, we need employers to be involved and coordinate with state agencies and officials to ensure that young adults receiving training also receive jobs that reflect their new skills.

Apprenticeships

Another opportunity to increase the skills of California’s young workers is by expanding apprenticeships. The Department of Labor has found that those who participate in Registered Apprenticeships make over $300,000 more over their lifetimes than those that do not, including benefits. Apprenticeships provide paid, on-the-job, skills-based learning opportunities to young people. Chronically high young adult unemployment, coupled with a growing student debt problem, make apprenticeships a uniquely ripe reform option for state lawmakers. California has a Division of Apprenticeship Standards that does promote apprenticeships fairly effectively, but it can learn from the practices of other states. Currently, California has about 53,000 apprentices, which is much more than other large states like Pennsylvania and New York, but as a percentage of its total population it actually has fewer apprentices than another state: South Carolina.

South Carolina’s Apprenticeship Carolina program is an excellent example of a state that is using direct technical assistance to businesses to increase workforce training. Apprenticeship Carolina provides a comprehensive approach by streamlining the process of training and hiring apprentices through the use of tax credits and individual consultants that can help businesses start and expand apprenticeship programs. Since the start of the program in 2007, the amount of Registered Apprenticeship programs has increased from 90 to 732, and the number of apprentices in South Carolina has increased 639 percent. All 16 colleges in South Carolina are participating in the program and the program has served over 11,913 apprentices during its existence.

Another innovative feature of the South Carolina program is the diversity of apprenticeship opportunities for young people. Apprenticeship Carolina groups its opportunities into targeted industry clusters, including non-traditional apprenticeship areas like energy, healthcare, and information technology. By comparison, 70 percent of California apprentices are in the construction field. California could replicate the South Carolina model to tackle the skills gap, get more young people into high-demand sectors, and address young adult unemployment.

One way to diversify the types of apprenticeships offered in California would be to enact SB 618, authored by Senator Fran Pavley. SB 618 would create a statewide educational apprenticeship grant program administered by the California Department of Education. Under the bill, apprenticeships must
be new, innovative for participants and provide clear pathways to gainful employment in emerging industries in local economies.\textsuperscript{64} This open-ended grant would help entice employers in the technology and health industries to develop their own apprenticeship programs should expand apprenticeships to new fields. Sustained investment and increased responsiveness to expanding middle-skill fields through apprenticeships is important to continuing to make progress toward increased workforce development and improving opportunities for young people.

**Quality Paid Internships: A Key Workplace Learning Opportunity**

Internships have become a principal means for young people to gain marketable experience in their fields of study. An estimated 500,000 to 1,000,000 people intern in the U.S. each year, and employers generally prefer to hire people with prior internship experience.\textsuperscript{65} While experiences gained through internships certainly can help young people gain footing in today’s economy, many of these internships are unpaid. Unpaid internships do not offer long-term benefits like increased hiring rates or higher entry salaries.\textsuperscript{66}

In some cases, unpaid internships fill the roles that paid entry-level positions once filled in stronger economic times.\textsuperscript{67} There have also been several examples of recent lawsuits where unpaid interns sued for back wages in response to businesses conducting their internship programs outside the bounds of federal labor law.\textsuperscript{68} Additionally, courts have used a loophole in federal law to refuse to curb sexual harassment of interns.\textsuperscript{69} Thus, it is becoming increasingly important for stakeholders to enact policies to help young people find quality internships that allow them to gain real skills that will help them excel in their fields of study.

As long as internships are a widely accepted means of gaining entry-level experience, California should ensure that internships provide valuable, quality learning experiences for its youth. California took important steps by passing a statewide ban on sexual harassment of interns and by developing its own state test to evaluate whether internship experiences are generating genuine value for their participants. But there is more that California can do.

As a next step, the California Department of Labor should conduct an employer survey to explore the impact of unpaid interns on the California economy. The Department could also bolster its evaluation and enforcement of its 11-point state test so that unpaid interns are properly compensated for the work that they do. These commonsense ideas would help California’s young interns gain better footing in today’s economy.

**Fair Scheduling**

Young people working are in retail and service industry jobs, which have long been associated with temporary employment and teenage workers. Above, we revealed in our sectors analysis that this perception is unfounded for young Californians. As indicated above, almost half of jobs held by 18-24 year old Californians are in the retail/wholesale and leisure/hospitality sectors, and then that percentage drops by more than half for 25-34 year olds.\textsuperscript{70} Nationally, over 40 percent of 18 to 24 year-olds, and around 25 percent of 25 to 34 year-olds work in low-wage service sectors\textsuperscript{71} and nearly 45 percent
report not having flexibility regarding their work schedules. The experiences of the young people we spoke to suggest that lower wage jobs in retail and food do not provide workers with the necessary scheduling protections that allow them to take care of themselves and their families.

Research across the country shows that for many workers, a reliable, predictable schedule is not a reality. In one survey, 43 percent of workers did not have a schedule a week before they were expected to work. Another showed that 40 percent of workers are given only two hours of notice for an on-call shift. As indicated above, a majority of young workers we spoke to did not have access to flexible scheduling. A deeper look into the results also revealed that those that were low-income were less likely to have access to flex scheduling. This leaves very little opportunity for a young worker to simultaneously manage a class schedule or arrange for childcare, both problems that Millennials tell us that they struggle with.

One legislative proposal that could help is The Fair Scheduling Act of 2015 (AB 357), authored by Assembly Members David Chiu and Shirley Weber, aims to address this problem. The bill requires large businesses to provide a worker’s schedule two weeks in advance. California can be a leader by examining this and other proposals to ensure that employers provide predictable scheduling. Fair scheduling will allow workers the opportunity to get an education and provide for their families without being subject to drastic and sudden scheduling changes.

Closing Racial Employment Disparities

Young Invincibles has explored racial disparities in higher education that impact the job prospects of California minorities and whites. In a previous report, Closing the Race Gap: California, we proposed solutions to end disparities, including programs to assist students transitioning from two-year to four-year institutions, strengthening and expanding the Cal Grant, investing in retroactive degree awards, and reforming admissions policies to include race-based criteria in holistic processes. We reiterate our commitment to these policies to help more young Californians to get the credentials they need to be competitive in the modern workforce.

Criminal background checks on job applications are another area of concern. In 2012, the Equal Employment Opportunity Commission noted that criminal background checks are inherently discriminatory because of the elevated incarceration rates of blacks and Hispanics versus whites. Those elevated rates are as much born out of disproportionate treatment by the criminal justice system as they are by individual actions when the rates of criminal offending among racial grounds is examined closely. Therefore, the EEOC has given direction that refusing to offer employment to anyone with a criminal conviction is equivalent to racial discrimination.

In response to this tragic reality, California recently banned preliminary application questions regarding a job applicant’s previous felony convictions for public agencies, joining six other states that have done so. Additionally, four states and five cities, including San Francisco, have extended the ban to private employers. Unfortunately, this new California state law does not cover private employers. Lawmakers in California must address this because unemployed ex-offenders cause an estimated loss of $57 to $65 billion from the U.S. economy annually, which means California has a lot to gain from creating job opportunities for young people with prior felony convictions.
Through Their Eyes: The Challenges Facing Young Workers in California’s Post-Recession Economy

Thankfully, larger businesses like Target, Wal-Mart, Home Depot, and Bed, Bath & Beyond have embraced this policy to give ex-offenders a fair chance at employment. Expanding the ban to private employers would help alleviate those economic losses and given ex-offenders a chance to get back on their feet and contribute to the statewide workforce.

**LGBTQ Workforce Inclusion**

As we identified in our Jobs Tour conversations, many young adults who identify as LGBTQ, especially young workers who are transgender, cited ongoing discrimination and harassment at job applications and in the workplace. While California has strong state and local protections against discrimination in public and private employment based on sexual orientation, there are still numerous documented cases of discrimination taking place. There were 4,581 complaints of discrimination based on sexual orientation and gender identity filed in California between 2005 and 2010, and LGBT members of the California State Bar have reported being denied promotions (26 percent), receiving unequal pay (15 percent), and receiving poor work assignments (19 percent).

It is important that California lawmakers work to maintain these protections for LGBTQ workers. California could also spearhead public-private partnerships between local government, state government, and employers, to encourage LGBTQ inclusion policies. These policies increase organizational commitment and career satisfaction for LGBTQ workers, which are linked to greater productivity. Additionally, 65 percent of Millennials support comprehensive nondiscrimination protections, and 50 percent of Millennials “strongly support” such protections. Protections for LGBTQ individuals are paramount for businesses looking to attract Millennials to their workforces.

**Conclusion**

Our California Jobs Tour was essential to elevate the young adult voice around workforce issues that affect them everyday. Hundreds of young people spoke out about the need for financially stable employment opportunities, skills development, flexible scheduling, and the creation of an open and safe working environment for people of all backgrounds. These needs stem from the Great Recession, a widening skills gap, and discrimination in the workforce. Consequently, many young people are relegated to the retail and wholesale and leisure and hospitality sectors and unable to move to higher-paying job sectors. Millennials account for 37 percent of California’s workforce. Each year, California loses $219 million from high young adult unemployment mainly due to lost tax revenue. To the extent that they struggle economically, the whole state suffers.

After examining recent data and reflecting on insight from the jobs tour, Young Invincibles recommends California promote the following to address these problems: career and technical education, providing career and education information through mobile technology, apprenticeships, quality paid internships, fair scheduling, and LGBTQ and minority workforce inclusion. It is important that California maintains and improves policies that are responsive to the needs of its youngest workers, who have a vital role to play in its current and future economy.
**End Notes**


2. Ibid.


7. Ibid.


12. Ibid.

13. Ibid.


15. Note that the chart above groups together those who have some college with those who have an associates degree and does not break down median incomes by field of study.


20. Ibid.


23. Ibid.

24. Ibid.


27. Ibid.


30. Ibid.

31. Ibid.

32. Ibid.

33. While we provide selected recent examples, a broader review of the literature on racial discrimination in the labor market is provided in: Joseph G. Altonji, and Rebecca M. Blank, “Race and gender in the labor market,” Handbook of Labor Economics, no. 3 (1999): 3143-3259


37. Ibid., 18.


40. Burns and Krehely, High Rates of Workplace Discrimination, 1.

41. Ibid.

42. UCLA Institute for Democracy, Education and Access report, Exploring the Educational, Labor Market and Civic Trajectories of Young Adults Who Attended Linked Learning Pathways: Survey & Interview Findings, 2013


45. Ibid.


48. Ibid. § 2.

49. Ibid.


52. Ibid.

53. Ibid.

cibles, September 2014), 8, https://d3n8a8pro7vhmx.cloudfront.net/yicare/pages/141/attachments/original/1411586398/CTRG_CA_-._Final.pdf?1411586398.


59. Ibid.

60. Ibid.


64. Ibid. § 1.


71. Allison and Mugglestone, Where Do Young Adults Work?, 3-4.


77. Ibid., 6.


79. Ibid.

80. Ibid., 5.


83. See Ibid.


87. Ibid., 18.


91. Ibid.