

Experiences and Perspectives of Young Workers

April 25, 2017

Organized by the Board of Governors

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- Conference code: 3832-5987#
- Webinar link: <https://www.webcaster4.com/Webcast/Page/584/19891>

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- Email us at: communities@stls.frb.org.
- Type your question into the chat box of the webinar.

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In connection with this session, you can find a variety of additional resources on this topic, available at **www.fedcommunities.org**. We encourage you to browse through this site and to contact your regional office if you would like additional information on any of these items.

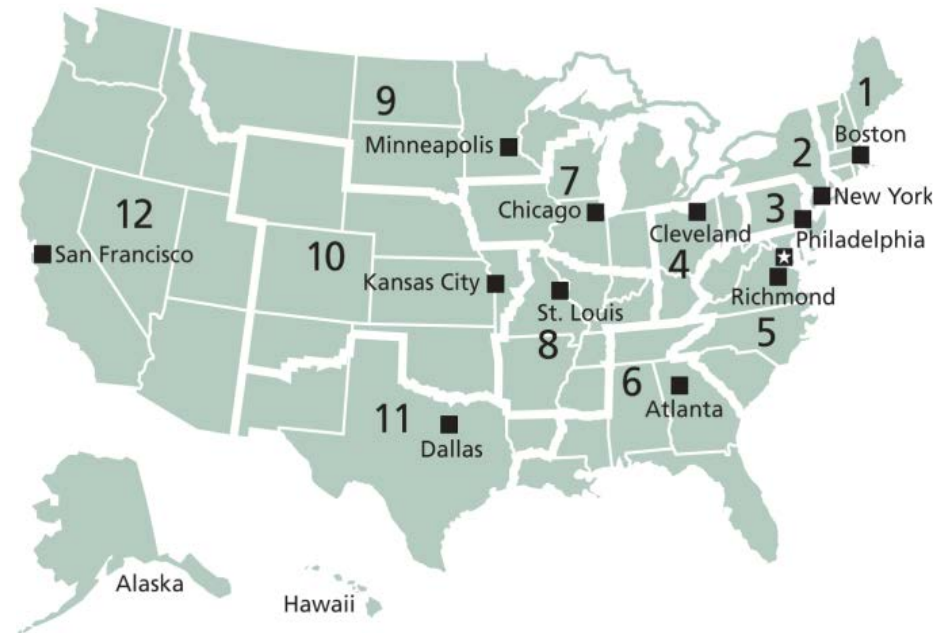
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Community Development

The Community Development (CD) function within the Federal Reserve System – consisting of individual departments at each of the 12 Federal Reserve Banks as well as at the Board of Governors – promotes economic growth and financial stability for low- and moderate-income (LMI) communities and individuals through a range of activities, including:

- **Convening stakeholders**, including practitioners, financial institutions, nonprofits, governmental agencies, and the philanthropic and private sectors,
- **Conducting and sharing research** to examine economic challenges facing low- and moderate-income communities and attendant policy implications; and,
- **Identifying emerging issues.**



Today's Presenters and Agenda

- **Heidi Kaplan**, *Senior Community Development Analyst*, Board of Governors
- **Ofronama Biu**, *Senior Research Associate*, New York City Labor Market Information Service, City University of New York
- **Amy Blair**, *Research Director*, Economic Opportunities Program, Aspen Institute
- The following will be discussed:
 - Key findings from the Survey of Young Workers
 - Related research
 - Policy implications based on the noted research findings

Selected Findings from the 2015 Survey of Young Workers

Heidi Kaplan

Senior Community Development Analyst

Board of Governors

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Survey Background

Young adults in the United States have experienced higher rates of unemployment and lower rates of labor force participation than the general population for at least two decades, and the Great Recession exacerbated this phenomenon.

Survey Background

Labor Force Statistics from the Current Population Survey (December 2015)

Age	Unemployment Rate	Labor force participation
18 to 19 years	15.2%	58.2%
20 to 24 years	9.4%	74.4%
25 to 34 years	5.3%	82.9%
35 to 44 years	4.0%	83.8%
45 to 54 years	3.6%	81.4%
55 years and over	3.2%	37.6%

Survey Background

- *Survey of Young Workers* administered in December 2013 & December 2015.
- Internet survey using KnowledgePanel[®]
 - Nationwide sample of 18- to 30-year-olds.
 - 2,035 respondents completed survey.
- Report and data available on Board of Governor's website:
<https://www.federalreserve.gov/consumerscommunities/community-development-publications.htm>

Policy and Research Implications

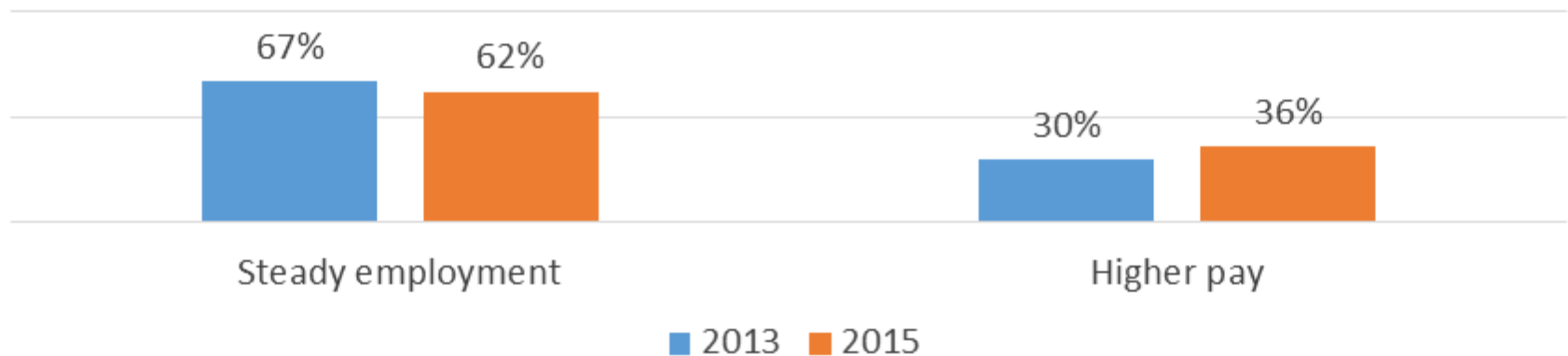
- Improve alignment between education and the labor market
- Improve opportunities for non-degree education
- Provide assistance and protection for workers with alternative work arrangements
- Seek opportunities to improve job growth

Improve Alignment Between Education and the Labor Market

Because a postsecondary program is a substantial investment decision facing many young adults, accurate information about the risks and rewards associated with educational options is in high demand.

Improve Alignment Between Education and the Labor Market

Is it more important to have a job that pays more or a job that is more likely to provide steady employment?

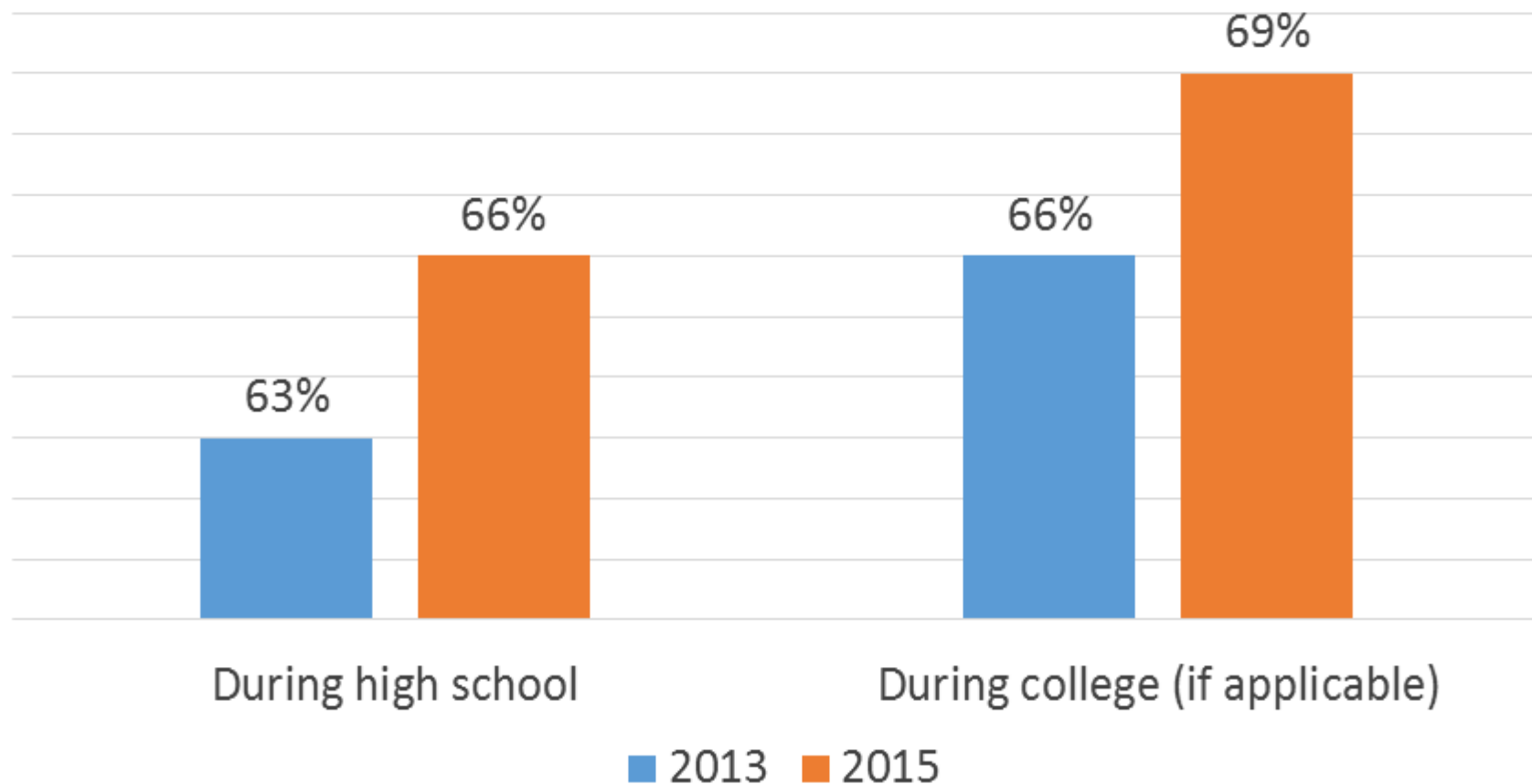


If you had steady work for the next five years, would you prefer to have one job or multiple jobs?

One job	80%
Multiple jobs (one job at a time)	12%
Multiple jobs (okay with more than one job at a time)	7%
Number of responses	1,290

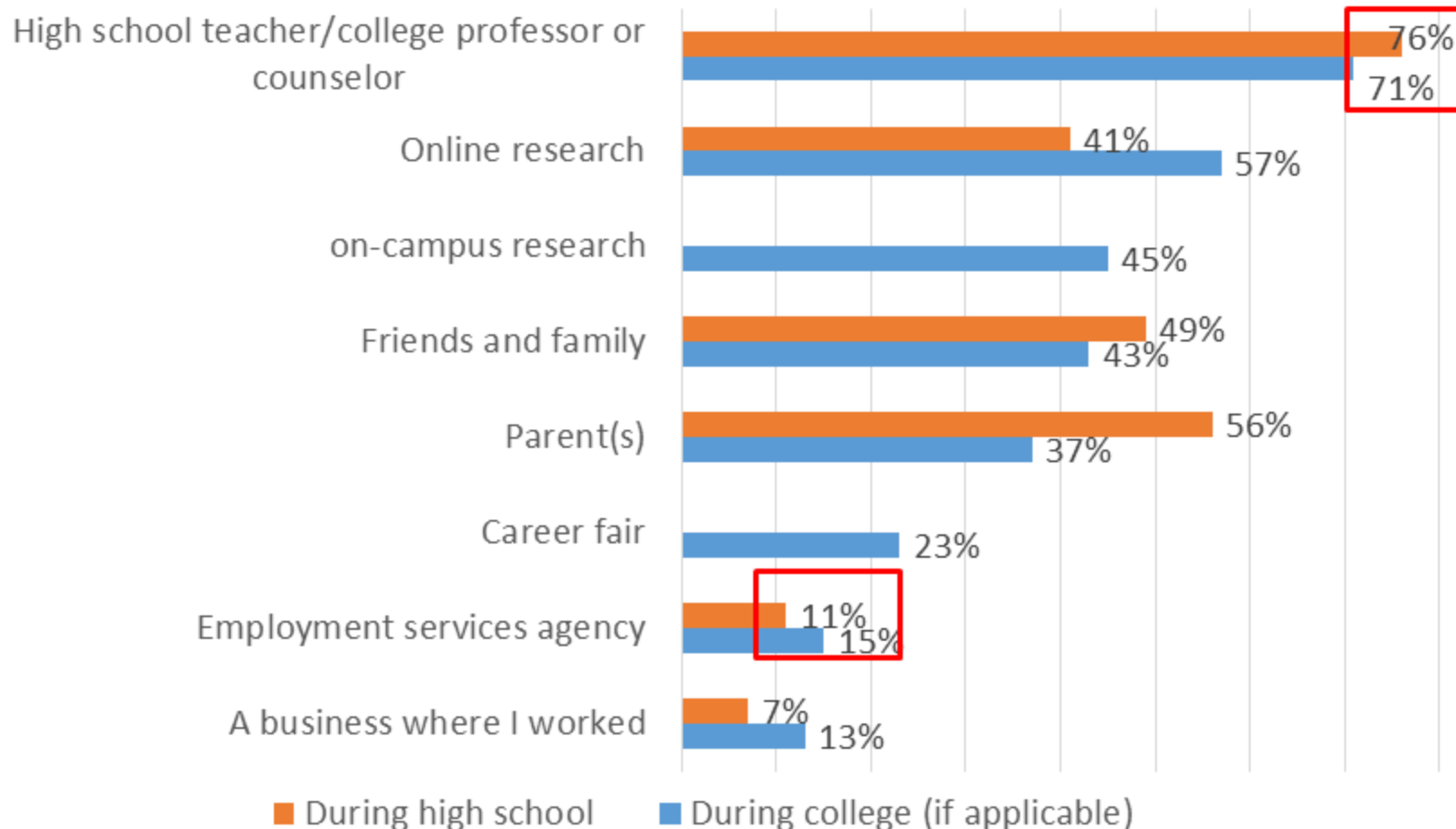
Improve Alignment Between Education and the Labor Market

Received information about jobs and careers



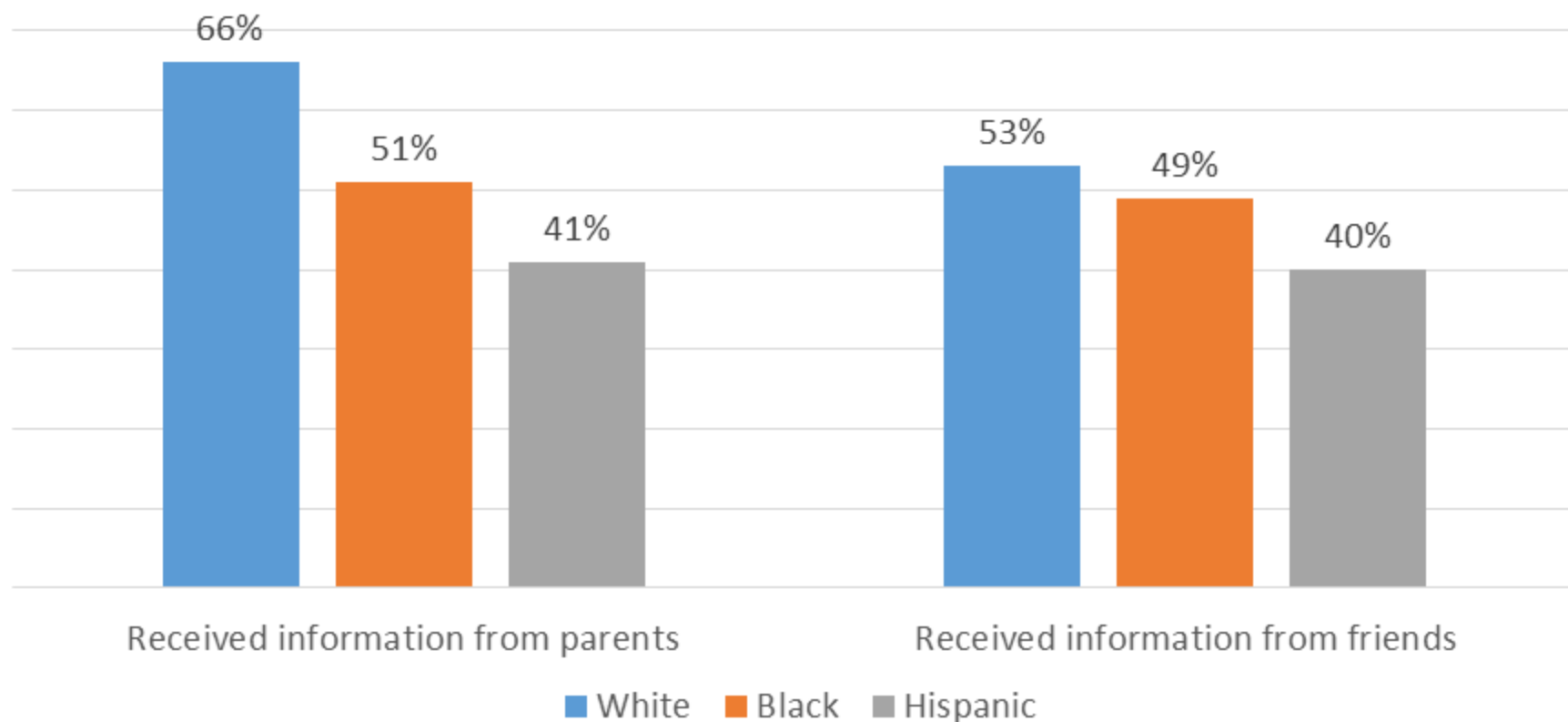
Improve Alignment Between Education and the Labor Market

Where did you obtain information about jobs & careers?



Improve Alignment Between Education and the Labor Market

Where did you obtain information about jobs and careers?
(by race and ethnicity)



Improve Alignment Between Education and the Labor Market

- 45% of employees with postsecondary education work in a career field that is closely related to their education and training.

	Employees in a career field closely related to their education / training	Number of responses
Engineering	70%	84
Education	67%	68
Vocational/technical training	65%	54
Computer / information sciences	64%	68
Life sciences	58%	39
Physical sciences / math	56%	38
Business/management	54%	156
Health	53%	143
Social/behavioral Sciences	51%	88
Law	49%	42
Humanities	38%	52

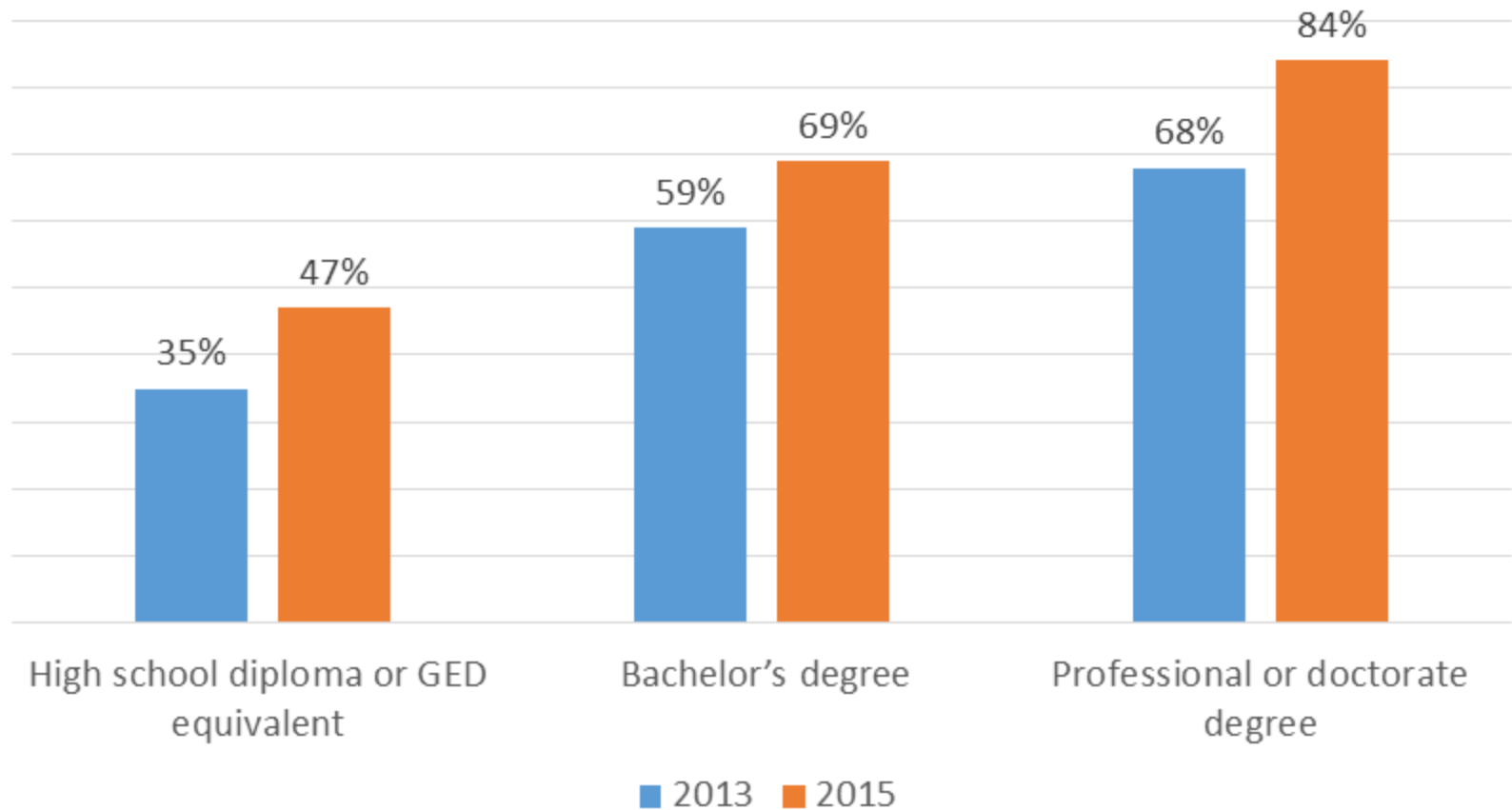
Note: Small sample sizes.

Improve Opportunities for Non-degree Education

Educational attainment is correlated with young workers' experiences and outlook. The survey data show that, on average, respondents' optimism increases with higher levels of education. The overall rise in optimism is evident in each level of educational attainment from 2013 to 2015.

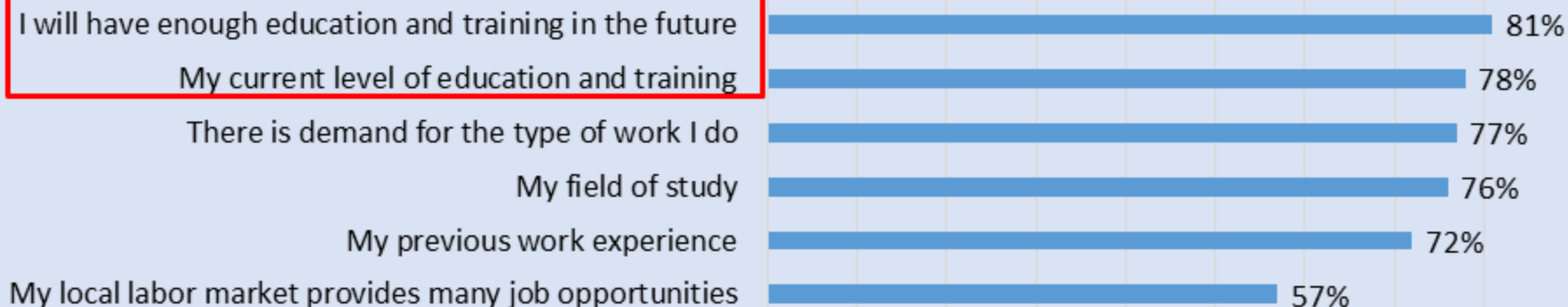
Improve Opportunities for Non-degree Education

Optimistic about Future Job Opportunities

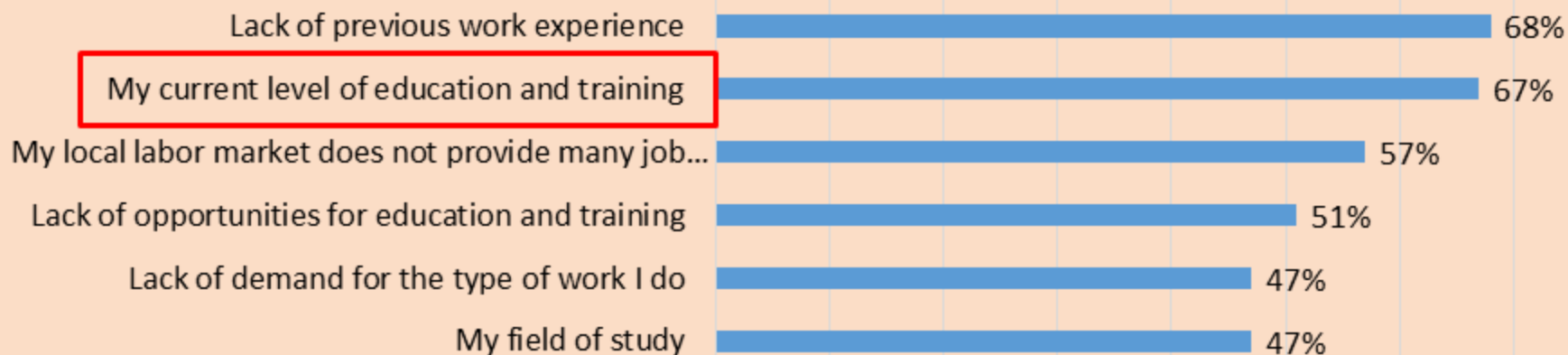


Improve Opportunities for Non-degree Education

Contributed to optimism about future job opportunities

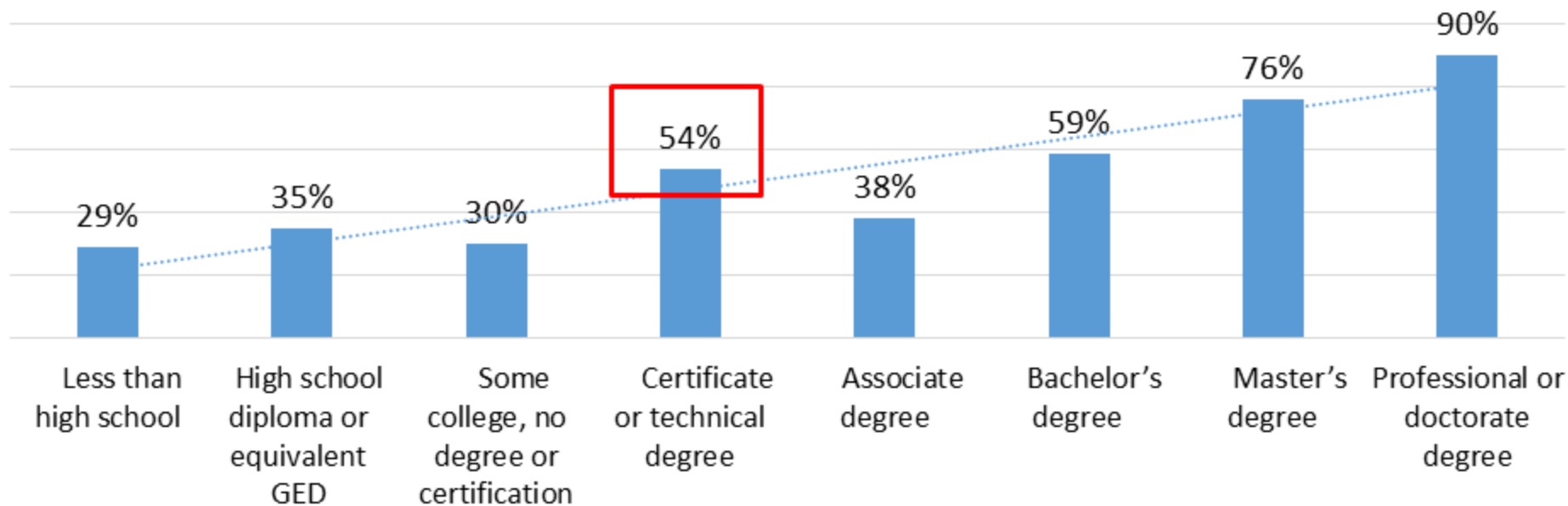


Contributed to pessimism about future job opportunities



Improve Opportunities for Non-degree Education

Believe to have the education and training needed for the type of job that you would like to hold in the next 5 years



How much each reason describes why you are not enrolled

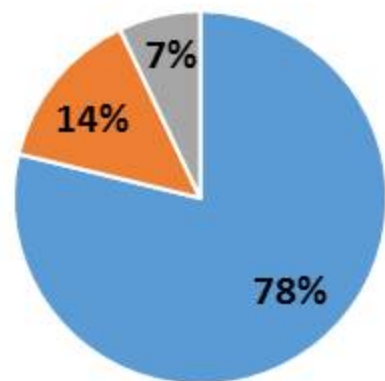
	Very Much describes why not enrolled	Somewhat describes why not enrolled	Total
I don't know which program will improve my job opportunities	16%	29%	45%

Provide Assistance and Protection for Workers with Alternative Work Arrangements

Permanent” employment is not the same as “stable” employment. 31% of employees with a permanent job have work schedules that change daily, weekly, or monthly. Temporary employees are even more likely (55%) to have jobs with variable schedules.

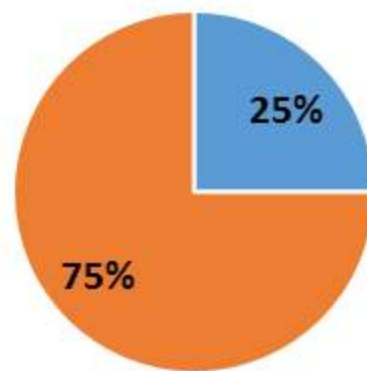
Provide Assistance and Protection for Workers with Alternative Work Arrangements

Permanent and temporary job status



- Permanent/long-term
- Temporary
- I don't know

Full-time and part-time job status



- Part-time
- Full-time

Provide Assistance and Protection for Workers with Alternative Work Arrangements

Labor market outcomes for permanent and temporary employees

	Job is permanent	Job is temporary
Career or “stepping stone” to a career	70%	37%
Satisfied with benefits	57%	29%
Receive paid time off for sick leave and/or holidays	71%	24%
Employer pays all or part of healthcare premium	54%	14%
Training opportunities through an employer(s)	48%	26%

Seek Opportunities to Improve Job Growth

As a result of economic changes, a large portion of young adults are now “disconnected”—that is, they are neither enrolled in education nor employed. In 2014, the disconnection rate for both young high school graduates and young college graduates was 1.3 times higher than before the recession began. This increase represents an enormous loss of opportunity for work experience or further education and will have a lasting negative impact on their lifetime earnings.

Seek Opportunities to Improve Job Growth

Are you currently working as a paid employee?

	Paid employee	Not paid employee	Total
Enrolled in an education program	18%	10%	28%
Not enrolled in an education program	51%	21%	72%
Total	69%	31%	100%

Are you currently looking for a paid job? (Not currently working as a paid employee)

	2013	2015
Yes	19%	14%
No	21%	17%

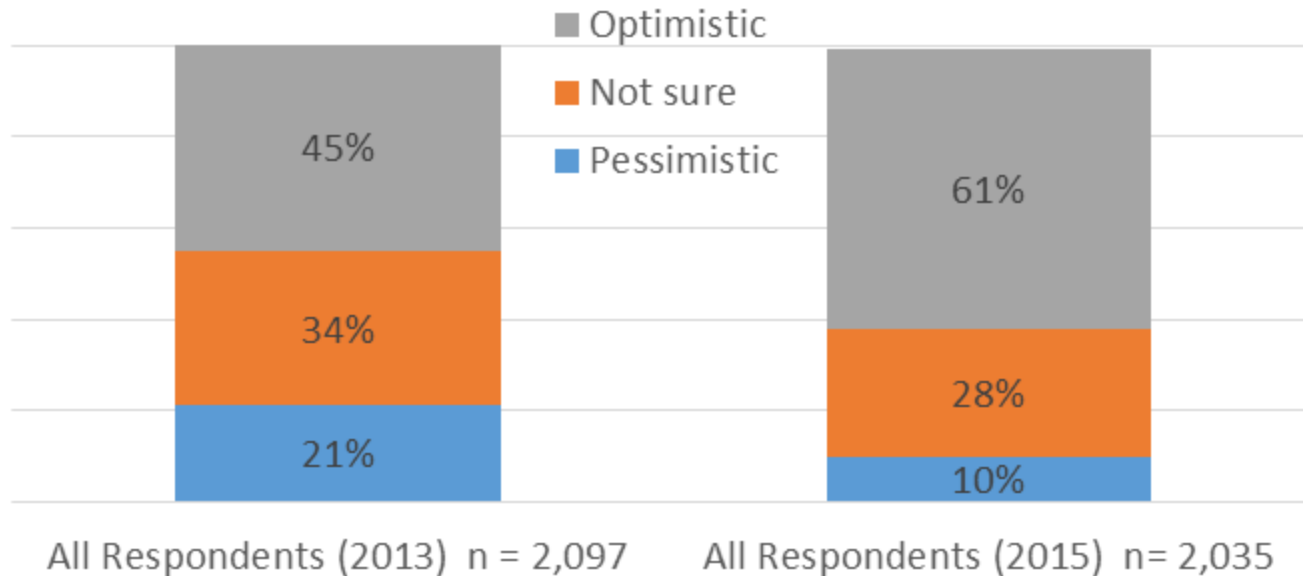
Seek Opportunities to Improve Job Growth

Please indicate whether each of the following is a reason you are currently working part-time rather than full-time

<u>Economic reasons / involuntary (underemployed)</u>	<u>49%</u>
I could only find part-time work	42%
My employer cut my hours due to business conditions	17%

Seek Opportunities to Improve Job Growth (continued)

Would you say your expectations about future job opportunities are:



Selected Findings from the 2015 Survey of Young Workers

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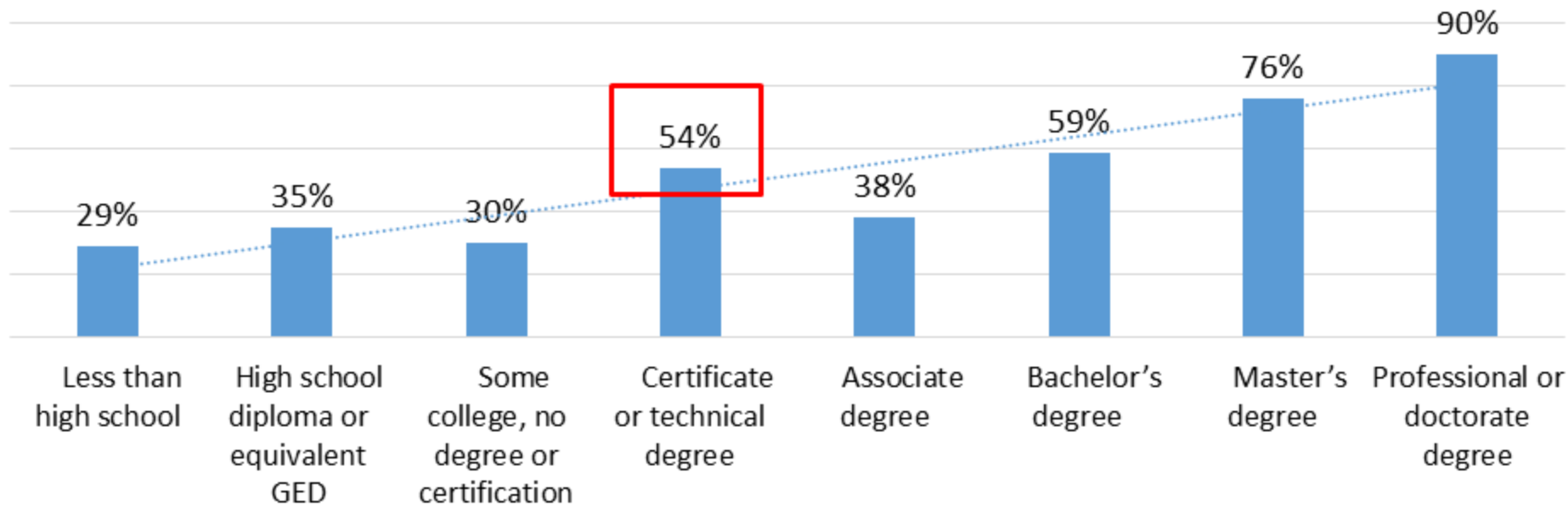


Discussion

- Middle Skill employment
- Racial and/or gender disparities
 - Alignment between education and the labor market, particularly in STEM
 - Returns from education
 - Permanent and part-time work
- Future Questions
- Policy Recommendations

Improve Opportunities for Non-degree Education

Believe to have the education and training needed for the type of job that you would like to hold in the next 5 years

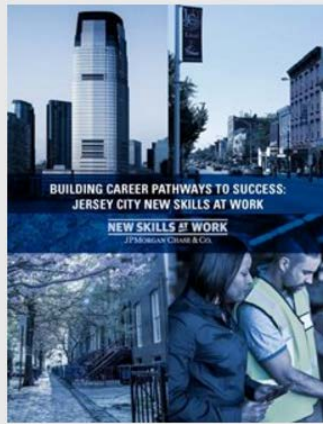


How much each reason describes why you are not enrolled

	Very Much describes why not enrolled	Somewhat describes why not enrolled	Total
I don't know which program will improve my job opportunities	16%	29%	45%

Middle Skill Employment: NYC Labor Market Information Service

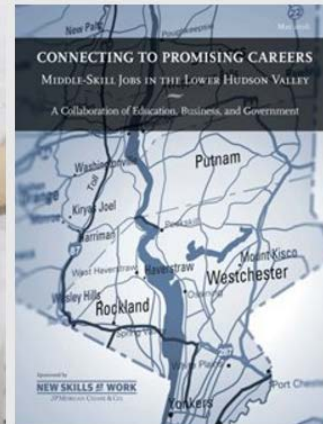
OUR RESEARCH INTO MIDDLE-SKILL JOBS



Middle-Skill Jobs Report for Jersey City



Study of Middle-Skill Supply & Demand in NYC



Middle-Skill Jobs Report for the Lower Hudson Valley

Coverage of May 2016 Lower Hudson Valley Report Release

http://www.gc.cuny.edu/lmis/research/middle_skill

Improve Alignment Between Education and the Labor Market

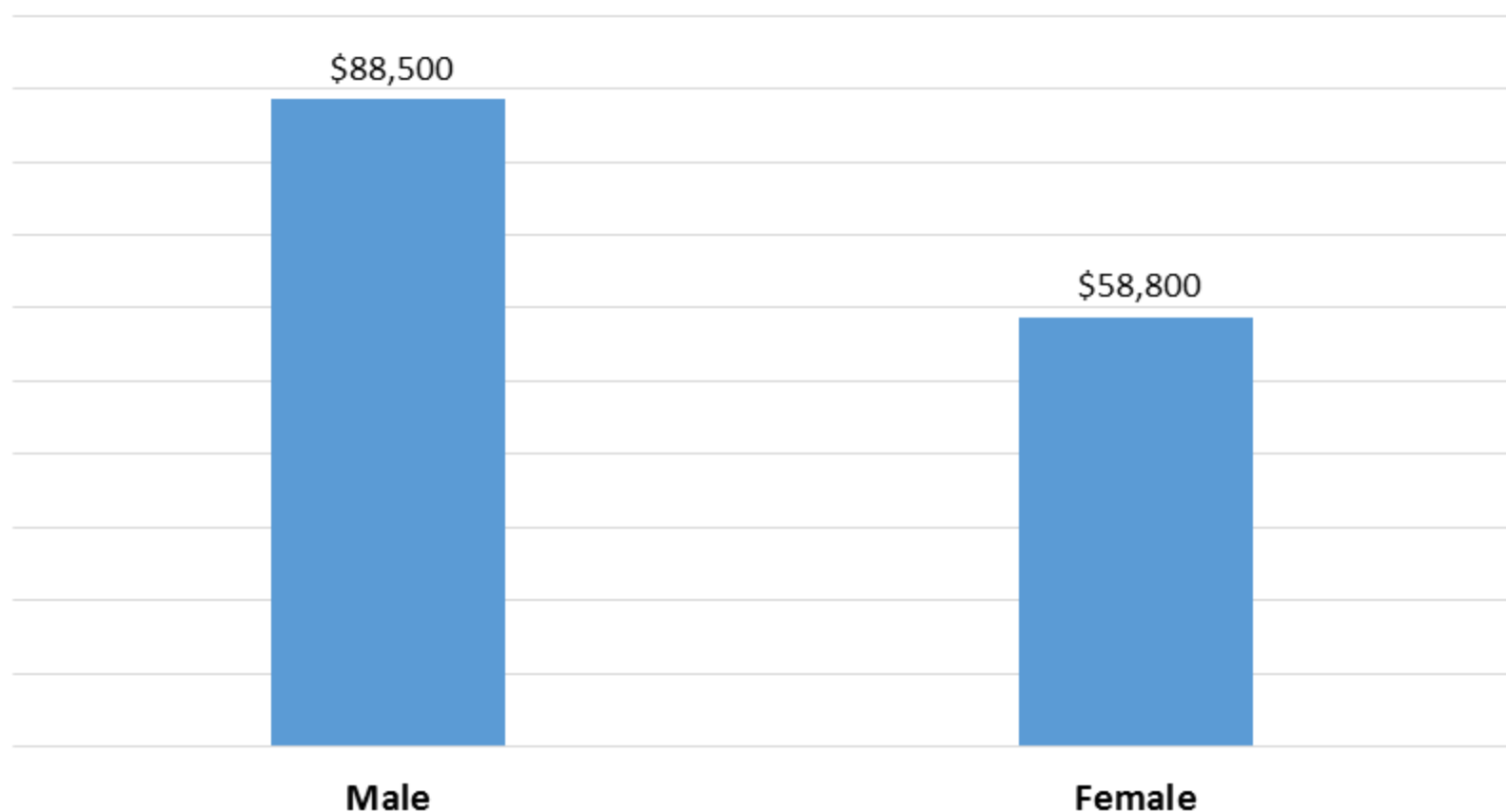
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Business/management	54%	156
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Social/behavioral Sciences	51%	88
Law	49%	42
Humanities	38%	52

Note: Small sample sizes.

Racial and Gender Disparities and STEM

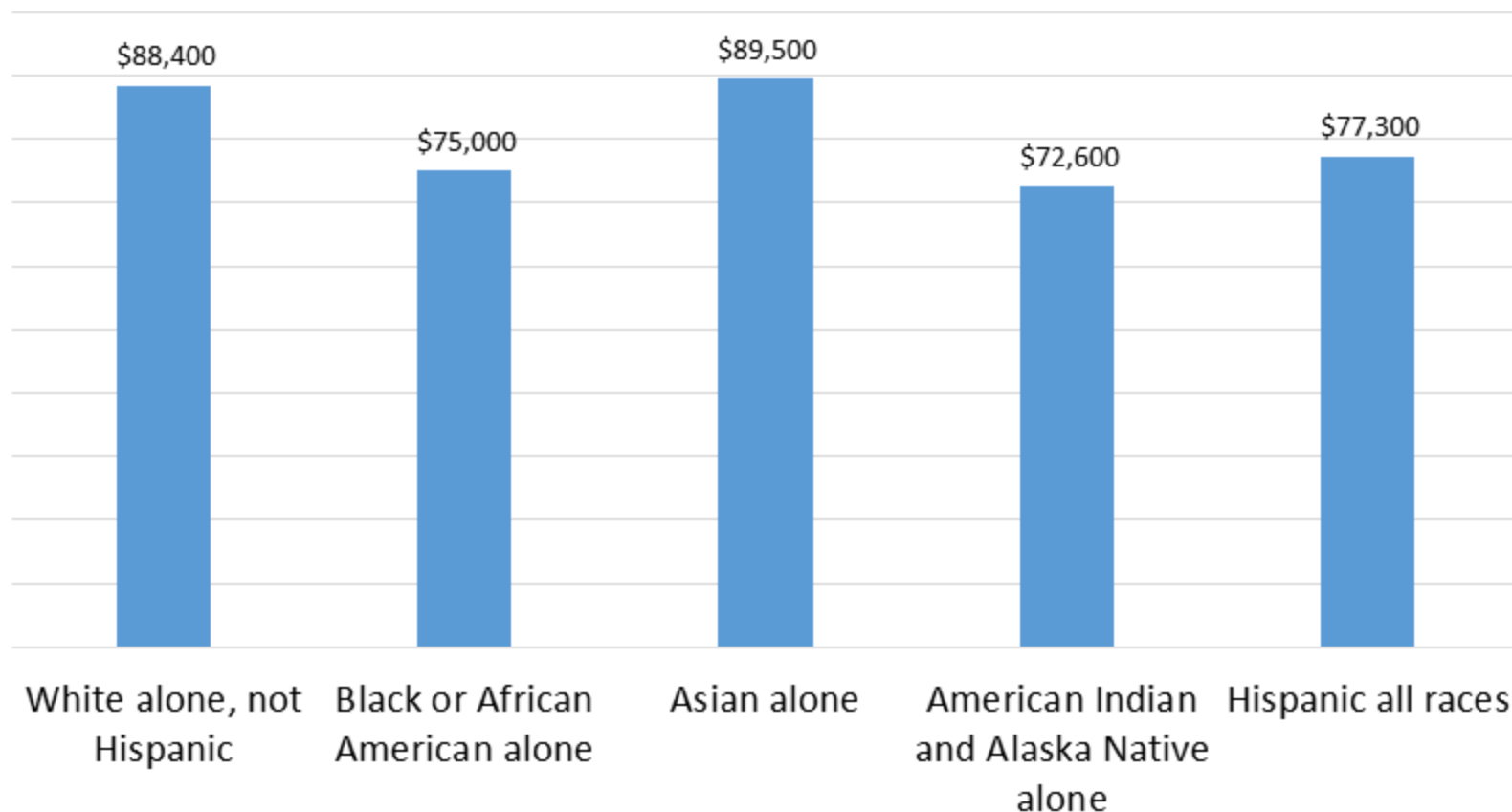
Median earning for STEM graduates



Source: Liana Christin Landivar, 2013, "Disparities in STEM Employment by Sex, Race, and Hispanic Origin," American Community Survey Reports, ACS-24, U.S. Census Bureau, Washington, DC.

Racial and Gender Disparities and STEM

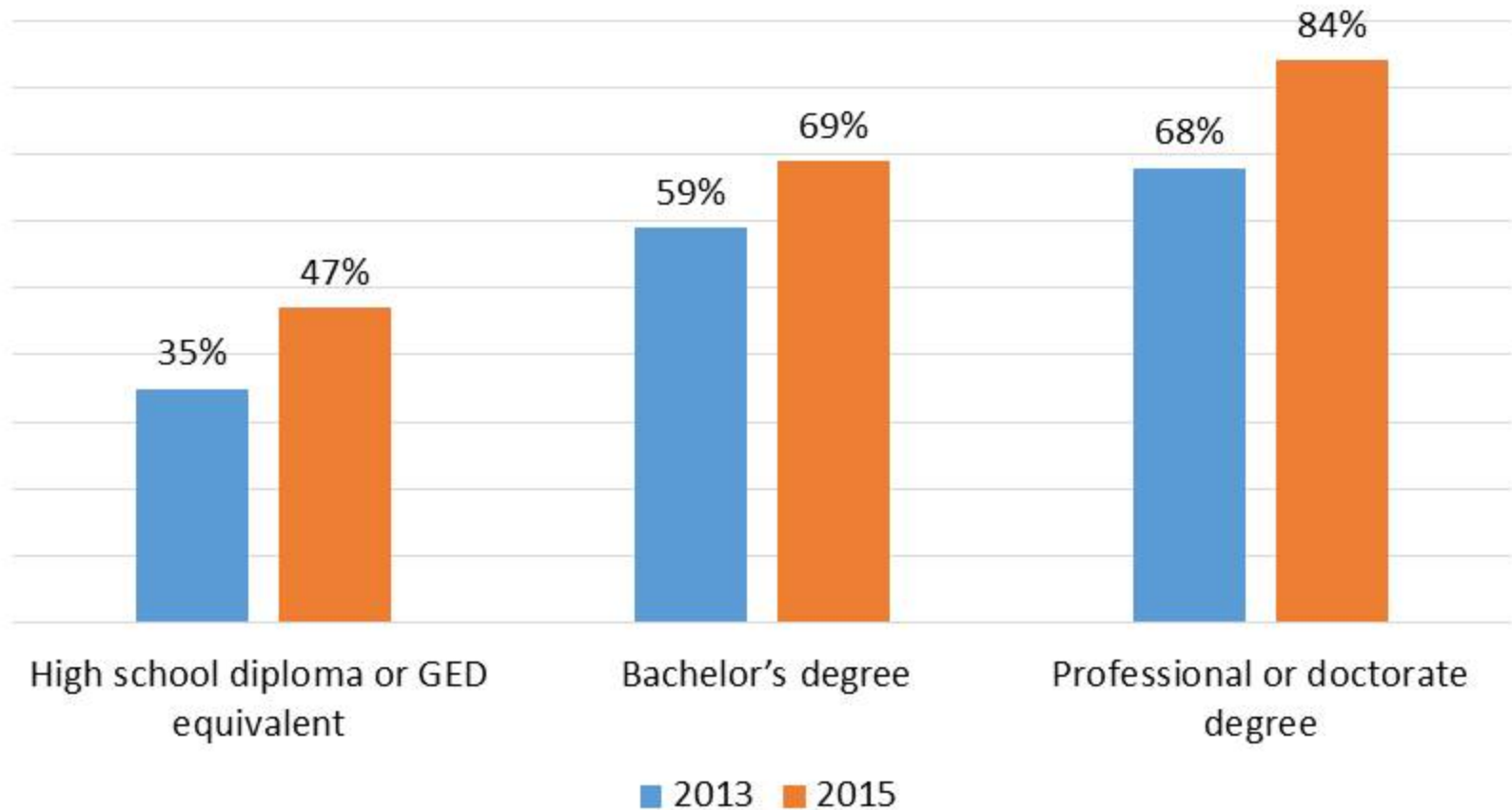
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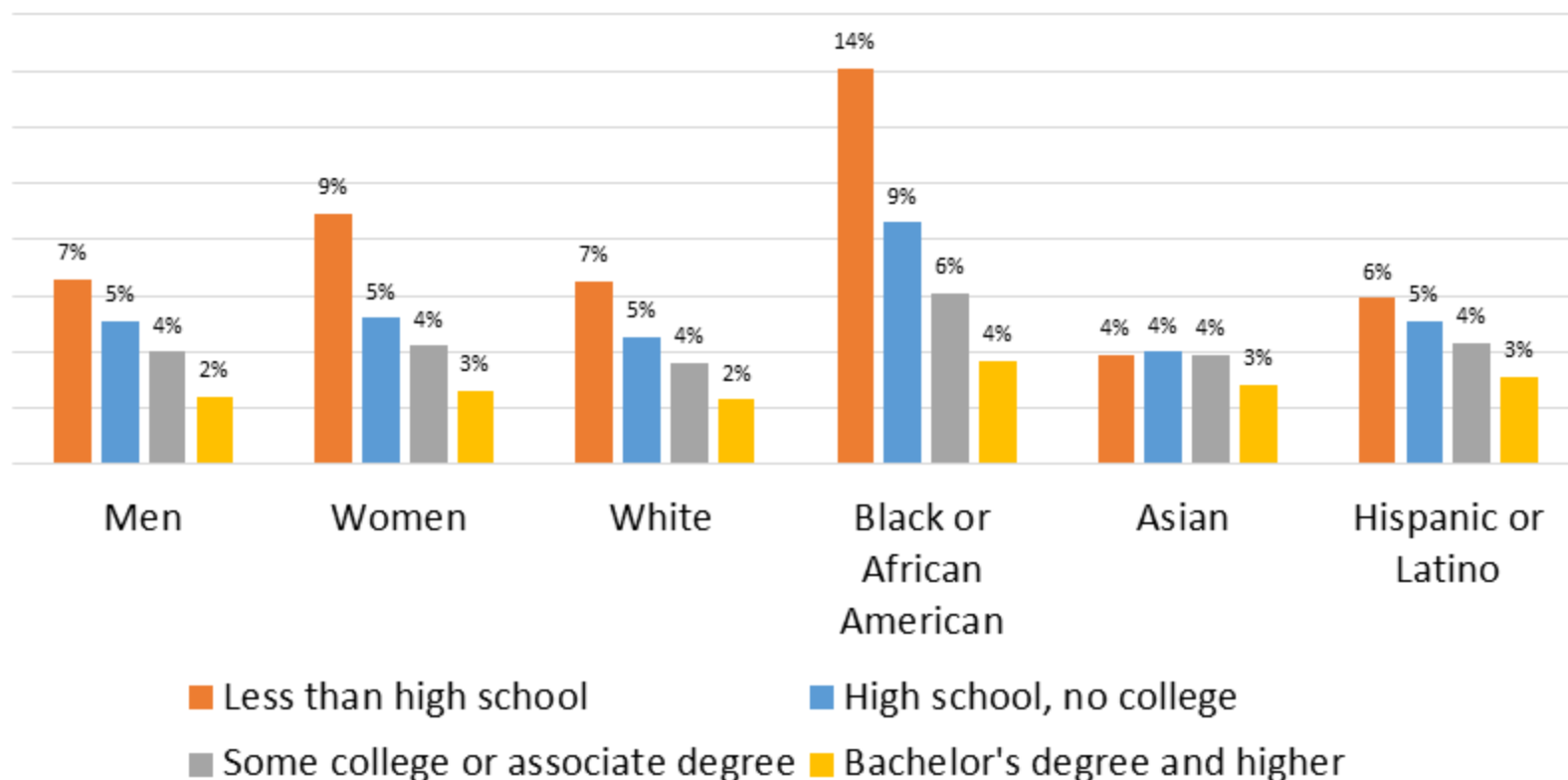
Improve Opportunities for Non-degree Education

Optimistic about Future Job Opportunities



Return to Education

Annual Average Unemployment Rate, Age 25 and over,
2016, in percentages



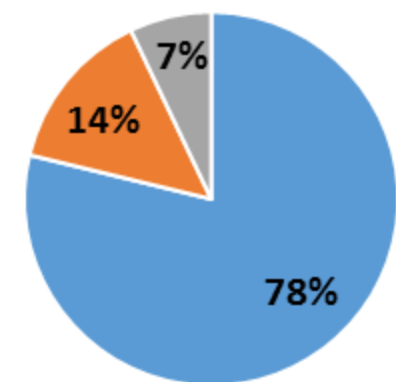
Source: U.S. Bureau of Labor Statistics. 2016. (Using Current Population Survey)

Return to Education and Race

- Studies reveal income disparities, even with higher levels of education (Economic Policy Institute, 2016).
- Black men continue to be overrepresented in low-wage occupations and underrepresented in high-wage occupations after the recession (Holder, 2017).
- Experimental “resume audit” studies reveal preferences for white over black workers with similar or higher credentials (Bertrand and Mullainathan, 2004, Pager, 2003).

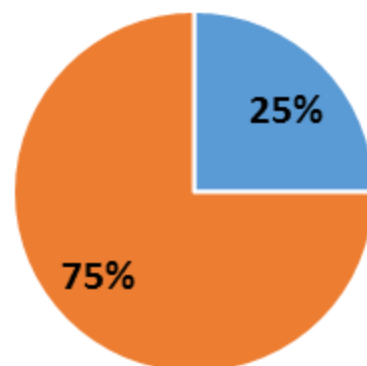
Provide Assistance and Protection for Workers with Alternative Work Arrangements

Permanent and temporary job status



- Permanent/long-term
- Temporary
- I don't know

Full-time and part-time job status



- Part-time
- Full-time

Alternative Work Arrangements, Race and Geography

- Whites more likely to have a permanent job (83 percent) compared to Hispanics (75 percent) and Blacks (73 percent)
- Whites and Blacks more likely to have a full-time job (76 percent for both) compared to Hispanics (69 percent)

Future Questions

- How full-time/part-time and permanent/temporary status varies by gender and race
- How reasons for part-time work vary by race and gender
- Reasons for lack of work alignment to education
- Experiences with counseling services

Policy suggestions: Improving Opportunities

- Strengthen antidiscrimination policies in hiring
- Give further attention to how individuals are encouraged or discouraged from academic fields
- Federal, state, and local jobs guarantee proposals

Selected Findings from the 2015 Survey of Young Workers

Amy Blair

Research Director

The Aspen Institute, Economic Opportunities Program

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Discussion

- Economic Opportunities Program focus
- Structure of work can limit opportunities
- Ability to continue education
- Perceptions about job opportunity
- Job growth projections, 2014-2024
- Policy and practice considerations

The Aspen Institute

Economic Opportunities Program

- The Economic Opportunities Program's long-term goal is to help low- and moderate-income people connect to and thrive in a changing economy.
- Key Methods:
 - Applied research and documentation
 - Evaluation, idea testing, tools development
 - Leadership development and network building
 - Peer learning and capacity building
 - Shaping the discourse (events and opinion pieces)
 - Communications

Structure of Work Can Limit Opportunities

- “Permanent” employment is not the same as “stable” employment. Thirty-one percent of employees with a permanent job have work schedules that change daily, weekly, or monthly. Temporary employees are even more likely (55 percent) to have jobs with variable schedules.
- Many employed young adults may not have a predictable income.
- They are also likely to have schedules that present challenges to holding a second job, arranging for childcare, or continuing their education.

It's Difficult to Climb a Career Ladder from an Unstable Floor

Labor market outcomes for permanent and temporary employees

	Job is permanent	Job is temporary
Career or “stepping stone” to a career	70%	37%
Satisfied with benefits	57%	29%
Receive paid time off for sick leave and/or holidays	71%	24%
Employer pays all or part of healthcare premium	54%	14%
Training opportunities through an employer(s)	48%	26%

Have Education and Training Needed for Type of Job Desired in the Next 5 Years

- 29% with less than high school
- 35% with high school diploma or equivalent
- 38% with Associate's degree
- 54% with certificate or technical degree
- 59% with Bachelor's degree
- 76% with Master's degree
- 90% with Professional or Doctorate degree

Factors Affecting Ability to Continue Education

How much each reason describes why you are not enrolled			
	Very Much describes why not enrolled	Somewhat describes why not enrolled	Total
I don't know which program will improve my job opportunities	16%	29%	45%
I can't afford to enroll	33%	28%	61%
I have family responsibilities	25%	23%	48%
I am gaining work experience	15%	29%	44%

Perceptions about Job Opportunity

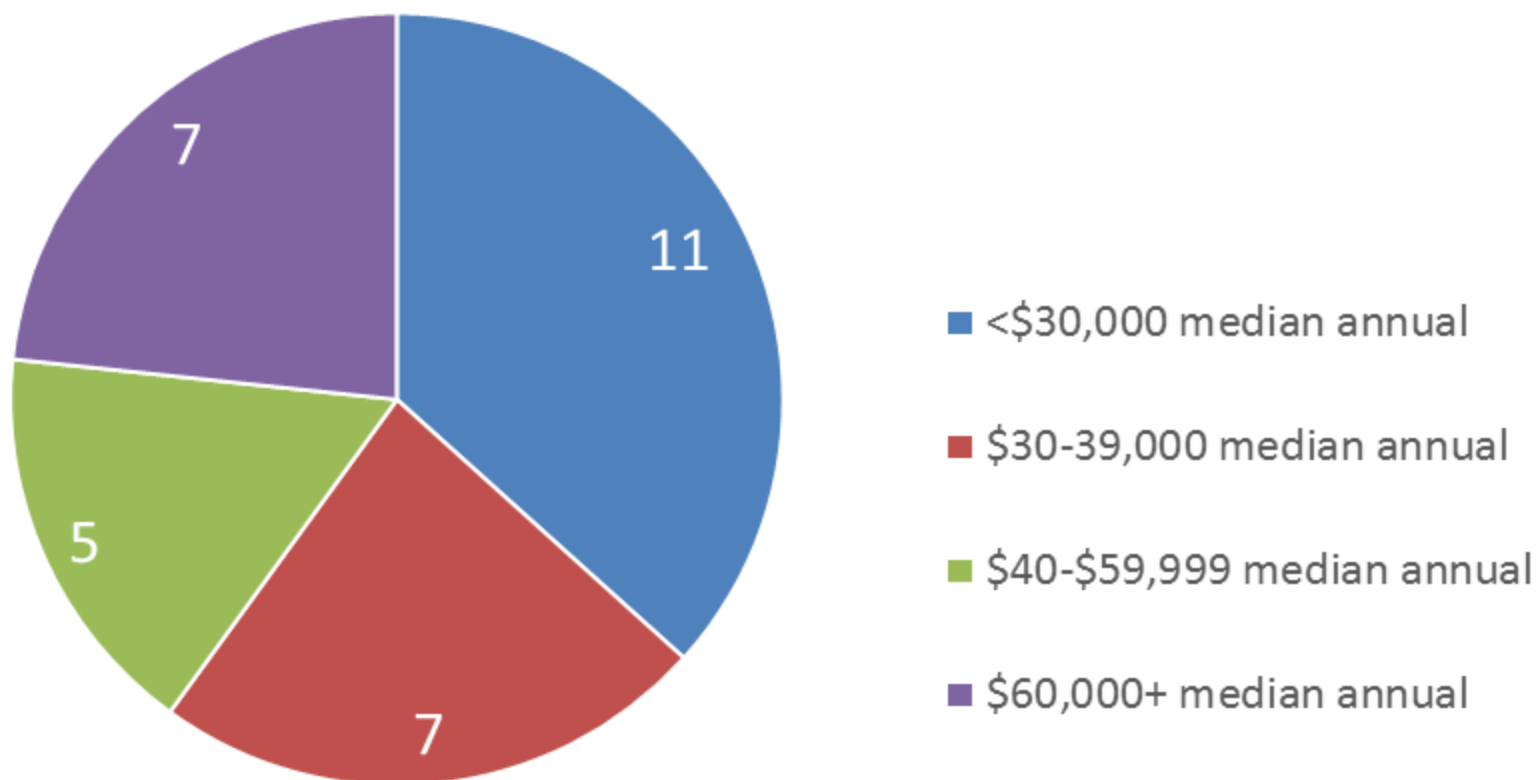
- 57% say “my local labor market **provides** many job opportunities” as a contributor to feeling **optimistic** about future job opportunities
- 57% say “my local labor market **does not provide** many job opportunities” as a contributor to feeling **pessimistic** about future job opportunities

Job Growth Projections, 2014-2024

- High growth jobs, based on Bureau of Labor Statistics' projections of absolute change in number of jobs
- 30 top-growth occupations projected to add 5,083,100 new jobs

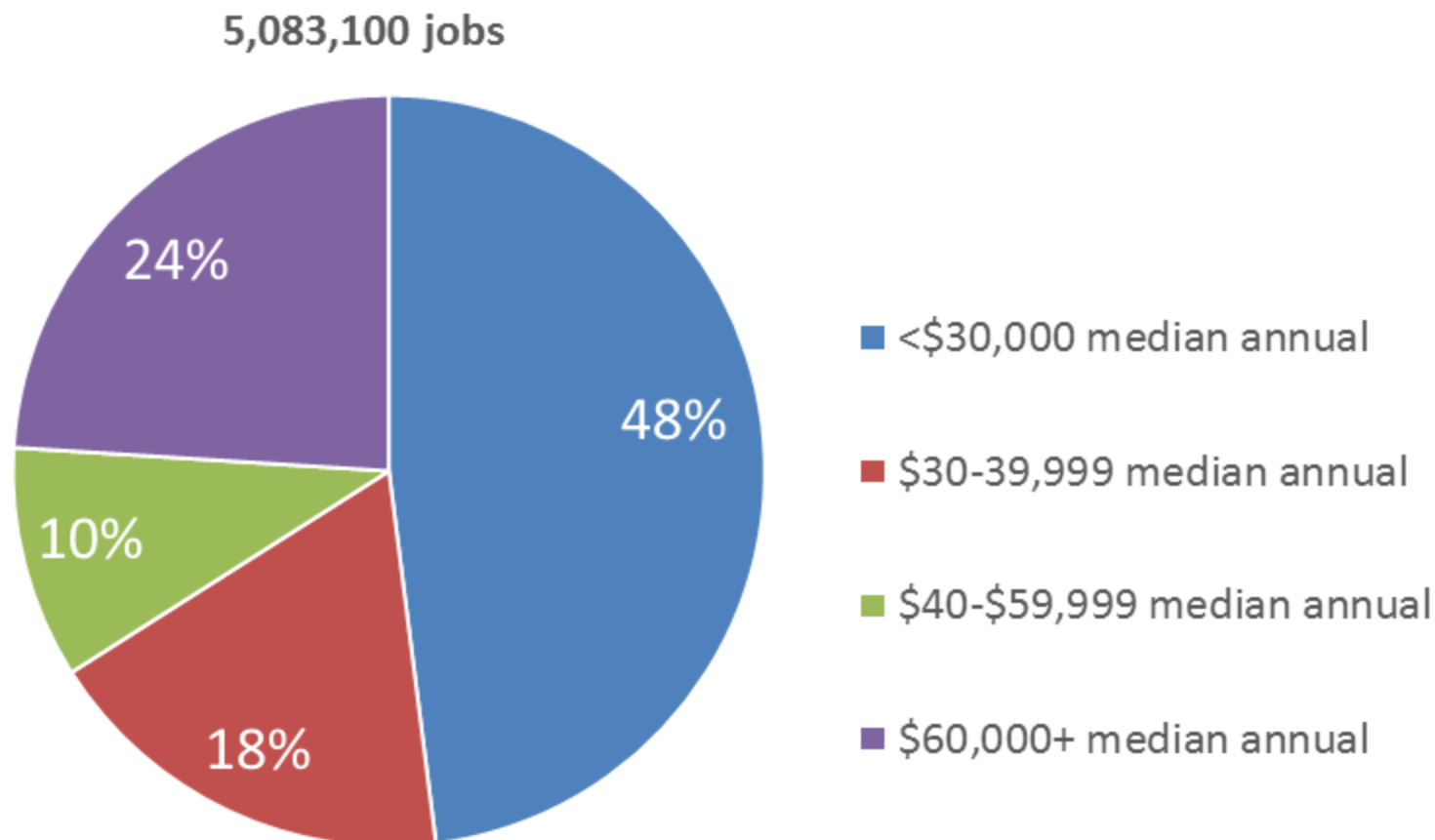
Distribution of Top 30 Occupations projected to add most jobs in absolute numbers, 2014-2024

Source: Employment Projections program, U.S. Bureau of Labor Statistics



Distribution of New Jobs in Top 30 Occupations, 2014-2024

Source: Employment Projections program, U.S. Bureau of Labor Statistics



Top 30 Occupations with the most absolute job growth projected, 2014-2024

Source: Employment Projections program, U.S. Bureau of Labor Statistics

<\$30,000 median annual wage	\$30-39,999 median annual wage	\$40-59,999 median annual wage	\$60,000+ median annual wage
<ul style="list-style-type: none"> *Personal care aides *Home health aides *Food prep & servers *Retail salespersons *Nursing assistants *Cooks Janitors & cleaners Laborers & freight Maids & housekeeping Receptionists & information clerks Stock clerks 	<ul style="list-style-type: none"> *Customer service representatives *Construction laborers Medical assistants Medical secretaries Office Clerks Food prep. & server supervisors Maintenance & repair workers 	<ul style="list-style-type: none"> Office first line supervisors Licensed practical & licensed vocational nurses Truck drivers Sales representatives Electricians 	<ul style="list-style-type: none"> *Registered nurses *General & operations managers Accountants & auditors Software developers Computer systems analysts Management analysts Market research analysts

*Top 10 account for 57% of projected job growth

Many High Growth Jobs Do Not Provide a Stable Floor on Which to Build a Career

- Structured to provide part-time jobs
- Don't provide paid time-off or health benefits
- Structured to provide unpredictable schedules that lead to income volatility, difficulty maintaining childcare, difficulty retaining work
- Unpredictable schedules make it difficult to pursue education
- High ratios of entry-level to supervisory-level employees

Policy and Practice Considerations

- Encourage better business models that promote higher job quality, stability and investment in workers
 - Messaging, modeling, technical assistance, tax credits / procurement preferences, business management education curricula
 - Make sure public sector employment practices lead the way on job quality and stability
- Advocate for universal increases in minimum wage, paid time off, affordable health care, portable benefits
- Continue to explore the range of practical challenges working people face to investing in their education, and advocate for policies that address them

Join Us for Our Next Connecting Communities!

- Preserving Affordable Rural Rental Housing: New Tools and Promising Practices
- Thursday, May 4, 2017
- 2-3 pm CT/ 3-4 pm ET
- Presenters:
 - Elizabeth Nash, Vice President of Data and Product Development, PolicyMap
 - Bryan Hooper, Deputy Administrator for Multifamily Housing, USDA Rural Housing Service
 - Rick Goodemann, Executive Director, SW Minnesota Housing Partnership

Questions?

You have two options to ask questions today:

1. Email us at: communities@stls.frb.org
2. Type your question into the chat box of the webinar

Wrap-Up/Closing

Thank you to today's presenters and to all participants for joining this session.

Next steps:

- All session materials are available on our web site and in the next few days we will be posting an audio file of today's session.
- If you have topical suggestions for future sessions, or any questions about this program, please feel free to contact us at communities@stls.frb.org
- Information about future sessions will be posted on our website along with archived materials from past sessions:
www.stlouisfed.org/connectingcommunities/

Related Resources



FedCommunities.org
Federal Reserve community development resources promoting
people, place, policy and practice, and small business

- In connection with this session, you can find a variety of additional resources on this topic, available at **www.fedcommunities.org**.
- It provides an array of practical resources to help you in your role as a community development professional, whether your work involves supporting people, places, the policy and practice of community development, or small business development.