

School, Work, and the Transition to Adulthood of Youth in California's Central San Joaquin Valley – 2022 Outlook

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The Coronavirus (COVID-19) pandemic has influenced current economic conditions in the Central San Joaquin Valley. A previous report, *School, Work, and the Transition to Adulthood of Youth in the San Joaquin Valley* (Visser, 2015), outlined the longstanding impact of the Great Recession on economic opportunity on “disconnected youth”- individuals ages 16-24 who are not enrolled in school and not in the labor market in the Central San Joaquin Valley. This report updates the findings to reflect the impact of COVID-19 pandemic.

According to the most recent data from the Current Population Survey, in 2019 to 2021 over 11.6% of young adults ages 16-24 in California were disconnected from formal education and labor market institutions. In the 8 counties that comprise California's Central San Joaquin Valley, rates of youth disconnection are 14.2%. Individual county rates of disconnection in the region are higher than state and national averages and range from 9.2% to 19.7%. High rates of disconnection from labor market and educational institutions among youth are not inconsequential. In addition, labor force participation rates for those aged 16-24 between 2020-30, are projected to decrease -4.3%, the largest decrease of all age groups measured by the Bureau of Labor Statistics in 2021. From the last publication of this report in 2013, the labor force participation rate of those aged 16-24 in Central San Joaquin Valley decreased by -11.8%.

From 2019 to 2021 over 11.6% of young adults ages 16-24 in California were disconnected from school and work.

Such realities are not inconsequential for older youth in California's Central San Joaquin Valley. Disconnected youth are more likely to experience difficult transitions into adulthood and negative outcomes in adulthood including: persistent poverty, long-term unemployment, poor health, substance abuse, and violence. Such realities present significant long-term social and economic implications for the region.

The current economic climate of the Central San Joaquin Valley will likely only contribute to continued growth in the number of disconnected youth in the region. Unemployment in California is 4.8%¹ and the United States 3.6%.² In some Central San Joaquin Valley counties the unemployment rate is more than double the national average, 7.4% in Tulare County and 7.3% in Merced County.³ Moreover, the effects of COVID-19 have acutely impacted the region's economy and labor market. In March and April 2020 alone it was estimated that COVID-19 likely cost the state of California over 12.3 billion dollars⁴ and 2.6 million jobs⁵- with the majority of these losses impacting, women, Black and Latino workers and workers with a high

¹ (California Employment Development Department, 2022)

² (Bureau of Labor Statistics, 2022)

³ (California Employment Development Department, 2022)

⁴ (COVID-19 Direct Response Expenditures May Revision Update, n.d.)

⁵ (“Women and People of Color Take Biggest Hits in California's Job Losses,” 2020)

school diploma or less.⁶ In the Central San Joaquin Valley, low wage employment sectors, saw major reduction in jobs in the following sectors: Information (-34.4%), Leisure & Hospitality (-21.4%) and Other Services (includes hairstylists and automotive technicians) (-19.9%)⁷

These economic shifts present substantial implications for young people ages 16-24 in the region. Successful transitions from youth to adulthood are generally equated with the obtainment of full-time employment, and the current economic climate will likely make gaining employment for young people more difficult. Youth ages 16-24 that are unemployed and not enrolled in school miss out on opportunities to gain skills and build social networks necessary to ensure successful transitions to full time employment. Even for youth who manage to gain employment, the scarring effects of entering labor markets with high rates of unemployment are undeniable. The number of part time employed individuals in 2022 rests at 640,493, nationally⁸. While policy makers across the nation continue to call attention to a growing number of disconnected and vulnerable youth, designing effective policies to support disconnected youth in the Central San Joaquin Valley requires understanding the unique profile of this population and the rates of disconnection to formal education and labor market institutions experienced in the region.

Utilizing county level data from the 2019 and 2022 1-year estimates of the Current Population Survey (CPS) Annual Social Economic Conditions supplement (ASEC)⁹, this research brief addresses the following questions:

- 1. Who are the Central San Joaquin Valley's disconnected youth?**
- 2. How do rates of youth disconnection to education and labor market institutions vary across populations in the Central San Joaquin Valley?**
- 3. What implications do current trends of youth attachment to education and employment in the Central San Joaquin Valley present to the long-term economic opportunity of young adults in the region?**

For the purposes of this report, the eight counties that make up the Central San Joaquin Valley are: Fresno, Kern, Kings, Madera, Merced, San Joaquin, Stanislaus, and Tulare. Data collected from the ASEC were filtered to include respondents between the ages of 16-24. The Annual Social and Economic (ASEC) supplement of the CPS is distributed annually in March. Survey weights are applied in all analyses.

WHO ARE CENTRAL SAN JOAQUIN VALLEY'S DISCONNECTED YOUTH?

According to the most recent data from the Current Population Survey, between 2019 and 2022, youth between the ages of 16-24 in the Central San Joaquin Valley are comprised of the

⁶ (Lopezlira et al., 2021)

⁷ (*Employment Impacts of COVID-19 on Northern California* | University of the Pacific, Center for Business and Policy Research, 2021)

⁸ (Current Population Survey, 2022)

⁹ Given the number of AIAN who identified as Hispanic, the AIAN variable includes Hispanic AIAN.

following demographic makeup: Latino/as (56.81%), followed by Non-Hispanic Whites (20.54%), Asians (10.24%), African- American/Non-Hispanic Blacks (5.98%), and Native American/Alaskan Natives (3.47%).

Table 1: Disconnected Youth Population in San Joaquin Valley by Race/Ethnicity, Veteran and Citizenship Status

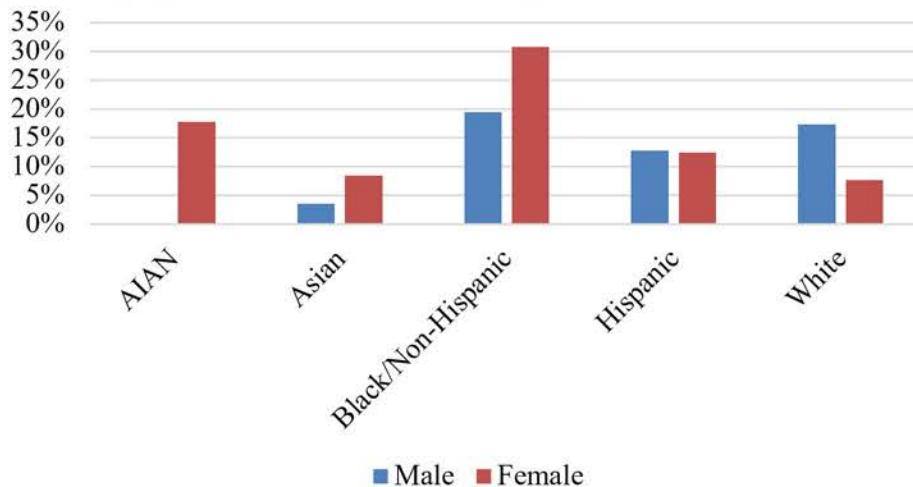
	White	Black	Latino/a	Asian	AIAN	Veterans	Non US Citizens
% Aged 16-24 in San Joaquin Valley	20.54%	5.98%	56.81%	10.24%	3.47%	0.21%	6.80%
% Aged 16-24 in San Joaquin Valley who are Disconnected	12.89%	23.99%	12.52%	6.19%	8.53%	0.00%	1.85%

Source: Authors' estimates from the 2019-2021 American Community Survey CPS Data

As a proportion of each youth population, rates of disconnection (not enrolled in school and not participating in the labor force), are highest among African American / Non-Hispanic Blacks and Latino/as (23.99% and 12.52% respectively). Incidence rates of disconnection are significantly higher among African-American/Non-Hispanic Blacks, Non-Hispanic White males, Latinas and Native American/Alaskan Native females in the Central San Joaquin Valley.

In 2019-2022, 24.13% of African American/Non-Hispanic Black males, 20.89% of Non-Hispanic White males and 14.57% of Latinos in the region were disconnected from formal labor market and educational institutions. AIAN females experience the next highest incidence rate of disconnection at 21.64%, followed by Latinas at 14.20% (Table 2).

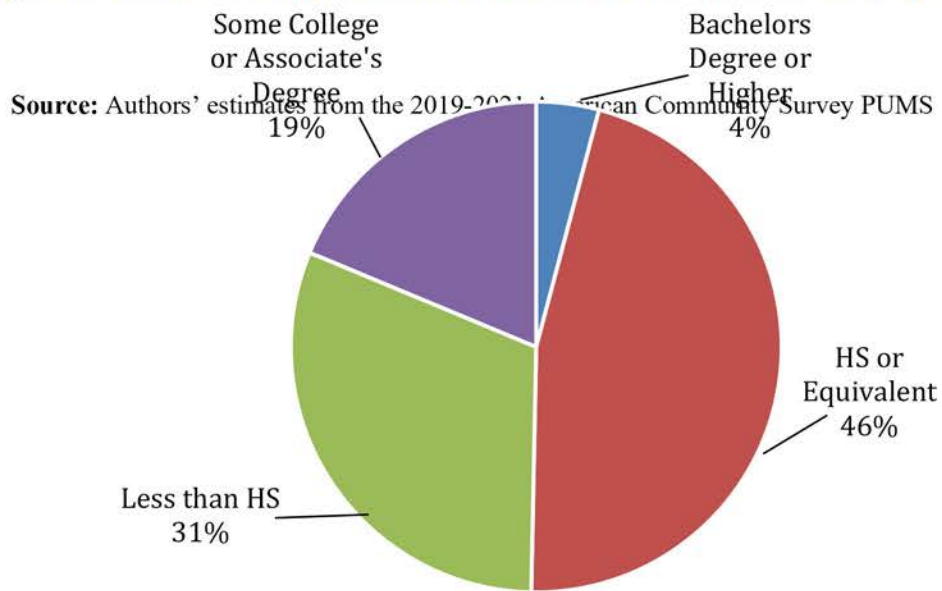
Table 2: Incident Rates of Disconnection from Education and Labor Market Institutions in the San Joaquin Valley by Gender, Race, and Ethnicity



Source: Authors' estimates from the 2019-2021 American Community Survey CPS Data

The socioeconomic profile of disconnected youth in the Central San Joaquin Valley varies. Nationally, research on disconnected youth tends to paint a profile of a population of young people who are primarily poor and who have not completed high school. In the Central San Joaquin Valley, however, while 30.8% of disconnected youth have less than a high school education, 45.9% have earned a high school diploma or equivalent degree, and 22.7% have completed some college or have bachelors' or professional degrees (Figure 1). Furthermore, 24% of disconnected youth live in households where family income levels are below \$50,000. This suggests that the socioeconomic profile of disconnected youth in the Central San Joaquin Valley is different from those of disconnected youth in other areas of the country and may be the result of unique social, economic, and labor market conditions of the region that influence the participation of young adults in labor markets and educational institutions.

Figure 1: Educational Attainment of Disconnected Youth in the San Joaquin Valley



Source: Authors' estimates from the 2019-2021 American Community Survey CPS Data

HOW DO RATES OF ATTACHMENT TO EDUCATION AND LABOR MARKET INSTITUTIONS VARY ACROSS YOUTH POPULATIONS?

Understanding the differences in attachment to school and employment experienced by youth in the Central San Joaquin Valley is not only important, but imperative to designing effective, efficient, and equitable policy responses. Today the pathways that young people take to adulthood and the length of time it takes them to do so are no longer widely shared or experienced. Social norms surrounding gender, child rearing, and the participation of young people (particularly young women) in the labor market influence how young people navigate and enter labor markets. Moreover, the intersections of race, ethnicity, and gender can have significant implications for young people's entrance and participation in the labor market. An analysis of school enrollment and employment for young people in the Central San Joaquin

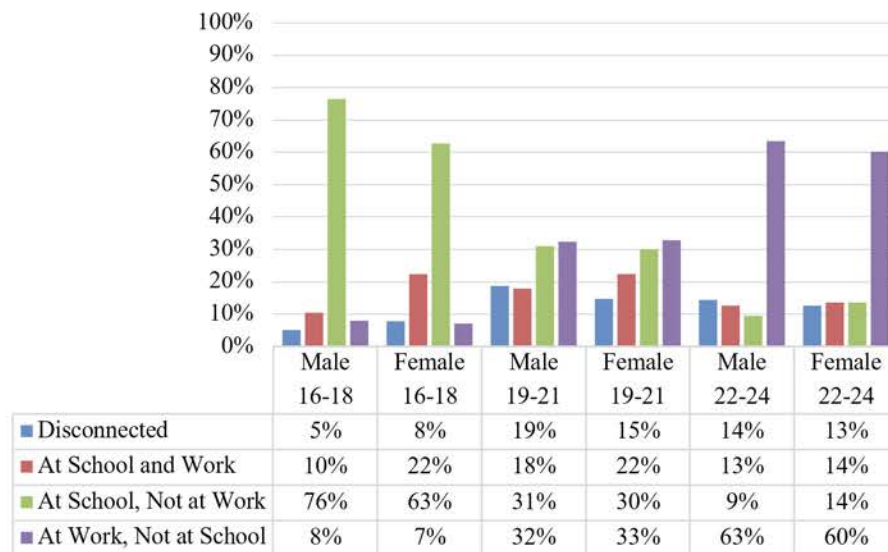
Valley by gender and age indicates that, in general, variations between males and females in the region are less pronounced than differences across age cohorts.

For analytical purposes we divide the transition to adulthood into three age cohorts: 16 to 18, 19 to 21, and 22 to 24. As shown in Table 3, male youth ages 19-21 experience the highest rates of disconnection (18.72%) with females ages 19-21 experiencing the highest rates (14.72%). Research suggests that the high rate of disconnection among females in the 19-21 age range may be due to early parenthood rates as young mothers often forgo completing school or employment due to childcare needs. In fact, a report completed for the Congressional Research Service found that if females with children were removed from analyses of the disconnected youth population, females aged 16-24 are more likely to be at school or employed than are males in the United States.¹⁰

For most youth ages 19 to 21, this span of years corresponds to the completion of high school and a transition to college or the labor market. Table 3 indicates that in the Central San Joaquin Valley, youth ages 22 to 24 have higher incidences of being employed but not pursuing higher education (63.47% of males and 60.20% of females). This is to be expected given that the majority of youth ages 22-24 are entering the labor market full time during this period.

Rates of being both employed and enrolled in school are relatively high for males and females across all age cohorts. Almost 1 in every 6 young adults between the ages of 16 to 24 in the Central San Joaquin Valley is simultaneously enrolled at school and employed. While dual attachment to the anchor institutions in society for young people can be interpreted as positive, the competing demands of school and work can also delay the full entry of young people into the labor market as it may take longer to complete education and training programs.

Table 3: Transitions Experienced by Young Adults in the San Joaquin Valley by Gender and Age

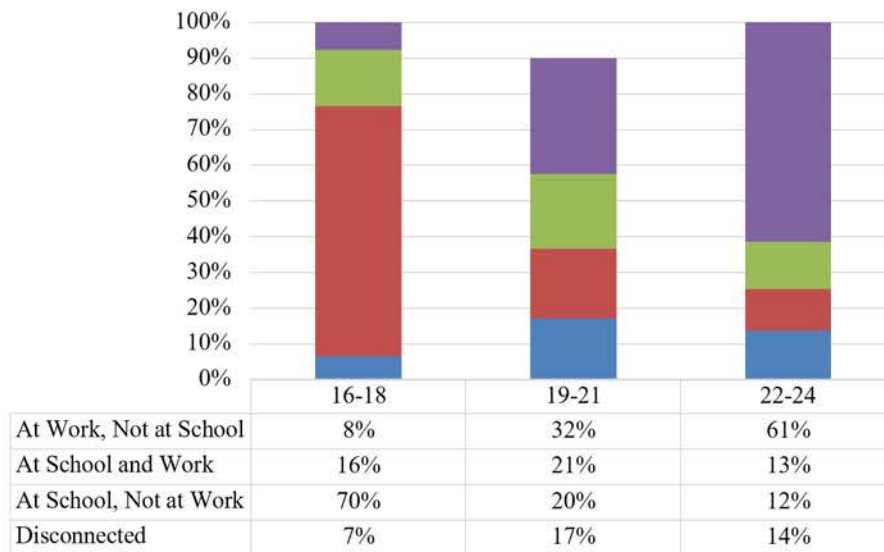


Source: Authors' estimates from the 2019-2021 American Community Survey CPS Data

¹⁰ (Disconnected Youth: A Look at 16 to 24 Year Olds Who Are Not Working or In School | Congressional Research Service, 2015)

Table 4 shows the distribution of school enrollment and employment status by race and ethnicity across age cohorts. Among youth ages 16 to 18, rates of disconnection from both school and employment are highest for Non-Hispanic Whites (7.36%). The majority of youth in this age cohort are enrolled in school and more than 10% of most youth are both working and enrolled in school. While the literature on the transition to adulthood is not conclusive on this matter, this evidence might suggest that for some youth in the region, part-time employment arrangements offered as part of general education curricula may be an approach to encourage school enrollment.

Table 4: Transitions Experienced by Young Adults in the San Joaquin Valley by Age



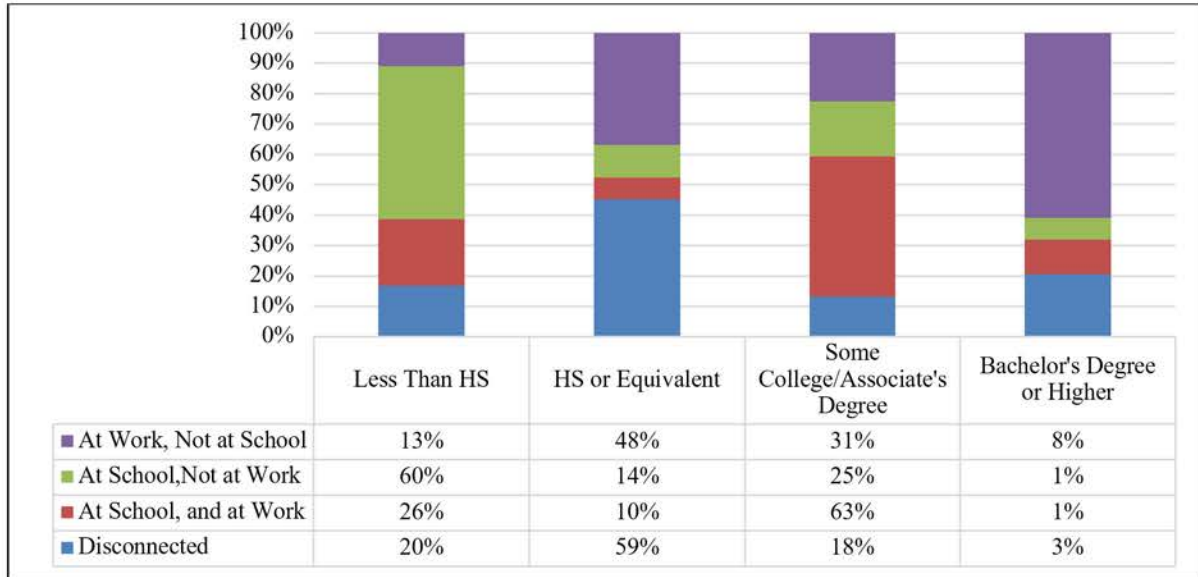
Source: Authors' estimates from the 2019-2021 American Community Survey CPS Data

Across older cohorts, rates of disconnection are highest for those in the 19-21 age group, followed by those in the 22-24 age group (Table 5). This is understandable considering young adults aged 22-24 typically have finished college, however, the lack of employment for this age category is concerning. While race and ethnicity are not noted in this chart, national research suggests that a high incidence of disconnection from education and the labor market for African-American/Non-Hispanic Blacks and Latinos/as is due to factors including poverty, educational attainment, early pregnancy, and child-care responsibilities.

In this context, high levels of poverty represent both a cause and consequence of disconnection from educational and labor market institutions among youth. Education is consistently cited as a significant factor influencing whether or not young adults are able to obtain long-term gainful employment. Higher levels of education are linked to better jobs and higher wages, while individuals who do not finish high school are three times as likely to be unemployed, underemployed, or working in low-wage jobs. Table 5 depicts the distribution of school enrollment and work status of youth across levels of educational attainment. As shown in Table 5, 20.6% of all young adults ages 16-24 in the Central San Joaquin Valley who have less than a

high school education, are not enrolled in school, and do not participate in the labor market. That number is second to the number of youth aged 16-24 who have a high school diploma or equivalent, which falls at 59.38%

Table 5: Transitions Experienced by Young Adults in the San Joaquin Valley by Educational Attainment Level



Source: Authors' estimates from the 2019-2021 American Community Survey PUMS Data

ECONOMIC OPPORTUNITY FOR YOUTH IN THE SAN JOAQUIN VALLEY

Between 2019-2021 over 11.6% of youth ages 16-24 in the Central San Joaquin Valley were disconnected from education and labor market institutions. The current economic climate of the region suggests that the population of youth who are not employed and not enrolled in school in the area will likely increase over the coming years. The prospective growth in this population presents important socioeconomic implications for the Central San Joaquin Valley and highlights the need for effective policy interventions that can support the successful transition to adulthood for youth in the region.

Rates of disconnection from education and employment are disproportionately high among African-American/Non-Hispanic Blacks, Native Americans/Alaskan Natives, and Latino/as in the Central San Joaquin Valley. Such rates suggest that these specific populations face significant barriers to attaching to employment and higher education in the region. High unemployment rates across the Central San Joaquin Valley suggest that those youth that enter the region's labor market in the coming years may likely experience lower overall lifetime earnings and, by extension, limited upward economic mobility. A larger study about the disconnected youth in the Central San Joaquin Valley during COVID-19 is forthcoming, with findings

extended to those living in group quarters, those without health insurance and a deeper dive into racial and ethnic subcategories.

While some trends in rates of youth disconnection in the Central San Joaquin Valley mirror those seen nationally, there are significant and unique differences observed in the levels of attachment to school and work of young adults in the region. Together these suggest the presence of social, economic, and political factors specific to the region that influence economic opportunity for youth in the Central San Joaquin Valley. As such policy and programmatic initiatives that aim to support the successful transition of youth to adulthood must understand and address these factors if they wish to promote economic opportunity and security effectively, efficiently, and equitably in the Central San Joaquin Valley.

FOSTERING ECONOMIC OPPORTUNITY FOR YOUTH IN THE CENTRAL SAN JOAQUIN VALLEY

The resources and opportunities that young adults experience in their local contexts can impact the socioeconomic outcomes experienced by disconnected youth. Addressing geographic differences in rates of youth disconnection within the Central San Joaquin Valley is central to identifying where resources and interventions should be targeted, what existing institutions and networks should be leveraged to best support disconnected youth in the Central San Joaquin Valley, and what the experience of disconnected youth in the Central San Joaquin Valley suggests for disconnected youth in other areas of the nation. In upcoming research reports on Youth Economic Opportunity in the Central San Joaquin Valley, we will present geographically detailed profiles of the disconnected youth population in each county, the variations in rates of disconnection for education and employment observed, and the institutions and policy networks available to disconnected youth in these areas. Considering the growing rates of youth disconnection in the region, understanding these areas is a necessary and critical step to promoting economic growth and well-being in the region.