



April 2011

# A Profile of Young Workers (16–26) in Low-Income Families

Research and Analysis by the Families and Work Institute

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# Acknowledgements

Corporate Voices for Working Families acknowledges and thanks the staff of the Families and Work Institute for their work on this profile, including Melinda M. Tamkins, James T. Bond, Kenneth Matos and Ellen Galinsky. Corporate Voices also thanks Jeff Strohl and the staff at the Center on Education and the Workforce at Georgetown University for their critical input. This project was made possible through the generous support of the Bill & Melinda Gates Foundation and Corporate Voices' partner companies.

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# Introduction

Young employees from low-income families are more likely than those from higher-income families to do less well across a number of metrics including completing high school, receiving postsecondary credentials, being continuously employed, and having health insurance coverage. These disparate outcomes can have lifelong consequences for both the employees and for the social support systems that help low-income families. These data present both an immediate need and a societal opportunity. The government, philanthropic and educational sectors have responded with a number of programs targeting young low-income employees, many of which center on the education and training of current and prospective employees. Increasingly, leading businesses are also recognizing that young low-income employees matter to the business bottom line, not just as customers today, but also as a source of present and future talent.

This report is intended to enhance these efforts by presenting an aggregate profile of young wage and salaried employees<sup>1</sup> who live in low-income families. Drawing on census and other data, this profile includes demographic, household, income, educational and employment information on 16–26 year old employees whose family income is below 185% of the federal poverty threshold. To provide context for interpreting this profile, employed low-income youth are compared with all other employed youth from higher-income families. In addition, comparisons are made between low-income employed youth who are enrolled in school with low-income employed youth who are not enrolled. This report was prepared for Corporate Voices for Working Families by the Families and Work Institute with funding from the Bill and Melinda Gates Foundation.

The overall purpose of this profile is to provide the business sector with a better understanding of the experiences of the low-income youth they employ. With a clearer picture of this population, employers investing in programs will be better able to achieve their business interests while supporting post-secondary attainment for their young, low-income employees. In order to address this purpose, this report includes a wide range of findings in three sections that present an overall picture of the young, low-income worker population as well as identifying how workplace policies can influence this population's educational achievement. The first section is an executive summary, providing an overview of key findings that directly relate to the effect work experiences can have on educational milestones and other key metrics. Section two provides a profile of this population's demographic characteristics and section three outlines their work and educational experiences.

This profile was written in the summer and fall of 2010, based on findings from three data sources: 1) the 2008 American Community Survey (ACS) conducted by the U.S. Bureau of the Census, 2) the September 2008 Current Population Survey (CPS) also conducted by the U.S. Bureau of the Census for the Bureau of Labor Statistics, and 3) the National Study of the Changing Workforce (NCSW) conducted by the Families and Work Institute.<sup>2</sup> In addition, there are several appendices describing the definitions and methodology and providing additional detail for several tables that were too extensive to fit within the main body of the report.

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<sup>1</sup> Wage and salaried youth are, are employed by someone else—i.e., employees. Because the purpose of this report is to explore the impact that employers can have on secondary degree attainment among their young, low-income employees it does not contain information on unemployed youth looking for work.

<sup>2</sup> The three data sources differed in a number of ways including population, content, and sample size. As a result of these differences, the various data sources could not be combined into a single dataset. The findings in this report are based on the data source with the most applicable and reliable information on each issue. See Appendix A: Data Sources and Methodology for a detailed description of the content and application of each data source.

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# Section 1: Executive Summary

This report provides an overview of the characteristics of low-income 16-26 year old employees and some experiences that can influence their post-secondary degree achievement. The value of this line of research is evident when one considers the educational attainment of young low-income employees. For example, just under half of low-income, 23-26 year old employees have never received any post-secondary education (Table 4). Additionally, of those who have had some post-secondary education, only half (about 24% of the overall population) have actually earned a degree. These results suggest two disturbing realities: 1) a large number of youth never make it into the advanced educational pipeline and 2) many of those who do attempt an advanced degree will either delay or give up on completing their education.

As leading businesses join government, philanthropic and educational institutions in considering how to support low-income youth, it is important that they know some of the characteristics of these individuals' lives that affect their ability and interest in completing their educations. For example, low-income youth, especially those who are not enrolled in school, are more likely than their higher-income counterparts to head their own household or live with their unmarried partner or a non-relative (Table 2 and Table 7). In addition, the majority of low-income youth who are not enrolled in school work full time (Table 17). These findings suggest that for many low-income youth, their earnings are an important contribution to household finances, making it difficult for them to take time away from paid work to attend school, as there would likely be fewer savings to cover their contribution to household costs while they are not working.

Other findings suggest that it is difficult for low-income youth to establish schedules that work with both their school and work responsibilities. Though low-income youth spend significantly more time than higher-income youth in class or studying, the time they spend on school and work combined is lower than for higher-income youth (Table 11). While at first glance this seems to indicate a lower commitment to work, 42% of part-time, low-income youth who are enrolled in education or training say they are willing and able to work more hours. The main reasons they give for not working more hours are 1) not being able to get the schedule or shift they need and 2) not being able to get the flexibility they would need to manage longer work hours. These results highlight a conflict that many low-income youth may be facing: having to choose between spending their time on work or education.

However, there are signs that when employers provide education programs and workplace flexibility young, low-income employees can find ways to pursue their educations while still working. For example, low-income youth are more likely to be enrolled in school when their employers offer training or education programs or allow them to set their own starting and quitting times (Table 18). This indicates that low-income youth who are enrolled in school are either drawn to employers that offer education programs or abandon their educations when working for employers without such flexibility.

Unfortunately, low-income youth are less likely than their higher-income peers to have access to workplace flexibility options or to feel safe using them. For example, low-income youth are less likely than higher-income youth to work for employers that sponsor education or training programs or allow employees to set their own starting and quitting times (Table 12). Additionally, low-income youth currently enrolled in education or training programs are more likely than others to feel that using the work flexibility arrangements available to them will impede their job advancement (Table 18).

Institutions concerned with supporting educational attainment among low-income youth should strongly consider involving the business sector in their efforts. The effectiveness of workplace flexibility in helping low-income youth pursue both work and education experiences makes the workplace a critical nexus between working students and higher education. If more students are to receive postsecondary degrees and credentials, it is critical that employers develop a clear picture of young low-income employees and the issues they confront. Employers that deeply engage in helping younger low-income employees continue their education, both by expanding workplace flexibility and other direct support for working students, can make significant contributions to positive outcomes for their young employees while meeting their business needs.

## Section 2: Demographics

The characteristics and circumstances of 16–26 year old<sup>3</sup> employees who reside in low-income families matters to business because their gender, race/ethnicity, marital status, living arrangements and family support combine to form an aggregate picture that is significantly different than higher-income youth. In order to profile this population, we occasionally separate the low-income 16–26 year employees into age categories generally associated with educational and life-stage milestones when findings reveal that this is warranted. The 16–18 year old age group is typically associated with completing and earning their high school diplomas, the ages of 19 through 22 are associated with college attendance and completion, and ages 23 to 26 represent a time for completing one’s postsecondary education and transitioning into adulthood. While there are many ways to depart from these norms, we use these age categories to measure progress toward educational achievement and other life goals for low-income youth employees.

### Basic Demographic Characteristics

As shown in Table 1, low-income 16–26 year old employees are more likely than all other employed youth (whom we label higher-income youth)<sup>4</sup> to be female, of college age, Hispanic or Non-Hispanic Black and single.

**Table 1: Low-Income versus Higher-Income Employees 16–26 Years Old: Basic Demographics**

Basic Demographics	Low-Income Youth n=7,467,123	Higher-Income Youth n=17,464,608
Gender:		
Male	47%	53%
Female	53	47
Age:		
16–18 years old (high school years)	12%	16%
19–22 years old (college years)	46	35
23–29 years old (transition to adulthood)	43	49
Race/ethnicity:		
Non-Hispanic White	56%	68%
Non-Hispanic Black	15	10
Hispanic	23	16
Other	6	6
Marital status:		
Never married	84%	82%
Legally married	13	16
Widowed, divorced, separated	3	2

Source: 2008 American Community Survey

<sup>3</sup> The NSCW does not include data on employees younger than 18. All findings based on the NSCW are limited to employees 19 and older.

<sup>4</sup> The group we label as “higher-income” represent all other employed youth in this age group. We label them higher-income to make the contrast between them and low-income youth, but, in fact, they represent a diversity of income groups, from mid to high.

## Living Arrangements and Financial Supports<sup>5</sup>

As one would expect, the proportion of employed youth who reside in a household headed by their own parent<sup>6</sup> decreases with age, while the proportion who head their own households, reside with a spouse or live with non-relatives increases with age (Table 2).

- Higher-income employees 16-26 years old are more likely than low-income employees to live with a parent who is the head of household in each age group.
- Low-income 16-26 year old employees are more likely to live with a head of household who is a non-relative or their unmarried partner or to head their own household in each age group.

The latter finding is surprising since low-income youth are less able than higher-income youth to afford to head their own households. It is also true, however, that one's low-income parents may also be less able to provide housing for their children (or their children's children), which may push these youth to establish their own households.

- Low-income 16-26 year old employees are also less likely (59%) than their higher-income counterparts (83%) to reside in family households (living with individuals related by birth, marriage or adoption) and more likely (41% versus 17%) to reside in non-family households (living alone or with non-relatives only).

**Table 2: Living Arrangements of 16–26 Year Old Employees by Income and Age**

Living Arrangements of 16-26 Year Old Employees	16-18 years n=3,693,617	19-22 years n=9,472,989	23-26 years n=11,765,095
Lives with a parent who is the head of household: <sup>*</sup>			
Low-Income	65%	21%	10%
Higher-Income	93	71	34
Lives with a parent-in-law who is the head of household:			
Low-Income	0%	1%	1%
Higher-Income	0	1	1
Lives with other relative who is the head of household:			
Low-Income	10%	6%	5%
Higher-Income	6	9	7
Lives with non-relative who is the head of household:			
Low-Income	8%	21%	15%
Higher-Income	0	3	7
Heads own household:			
Low-Income	7%	34%	49%
Higher-Income	1	10	33
Resides with their unmarried partner who is the head of household:			
Low-Income	3%	8%	10%
Higher-Income	0	2	5
Resides with their spouse who is the head of household:			
Low-Income	1%	3%	7%
Higher-Income	0	3	12

Source: 2008 American Community Survey

<sup>\*</sup>Note: Table shows the percentage of 16–26 year olds who reside with their parents who are the heads of households. Youth who reside with parents who are not the heads of households are not reflected here.

<sup>5</sup> We do not conduct any analyses comparing the experiences of independent and dependent low-income youth. We strongly suggest that future research examine this issue, especially given the effect financial independence may have on educational attainment.

<sup>6</sup> In the American Community Survey (ACS), reported household characteristics depend to a great extent on information collected from the householder. Each household has a designated householder who is usually the person in whose name the living arrangements (whether owned, being bought or rented) are made.

## Corporate Voices for Working Families A Profile of Young Workers (16–26) in Low-Income Families

Table 3 compares the financial arrangements of low-income and higher-income employed youth 19–26 years old.<sup>7</sup> We find that low-income youth are more likely (26%) than higher-income youth (17%) to have most of their living costs (housing and food) paid for by relatives (mainly parents) or in-laws. Another 17% of low-income youth and 19% of higher-income youth share these costs with relatives about equally. This is to say that 43% of low-income youth compared with 36% of higher-income youth have at least some financial assistance from their relatives (mainly parents) or in-laws.

Though low-income 16–26 year old employees are more likely to be heads of households or living with unmarried partners, low-income 19–26 year olds are also more likely to receive financial assistance in covering their living expenses from relatives than their higher-income peers. This apparent contradiction may be due to factors that are difficult to test from the available data and is an important issue to explore in greater detail in new research (see Recommendations below). Perhaps these results are due to low-income 16–26 year olds being significantly more likely to leave home than their higher-income peers while still depending on their families for help with living expenses. Or perhaps higher-income youth are more able to pay more of their own living expenses because their families are paying their educational costs. This would be consistent with the fact that higher-income families would have more resources to cover a child’s educational costs than a low-income family would. It is also important to consider the different meaning that paying one’s own living expenses has for youth from high- and low-income families. Youth from higher-income families earn almost double what youth from low-income families earn.<sup>8</sup> Higher-income youth are more likely to pay their living expenses because doing so represents a far lesser hardship, especially if parents continue to supplement other financial costs such as education and travel. In addition, higher-income youth are likely to have greater savings to cover periods of unemployment and a more stable safety net to support them should they overextend their finances making a foray into financial independence less risky.

**Table 3: Youth 19–26 Years Old: Low-Income versus Higher-Income: Financial Arrangements**

Financial Arrangements	Low-Income (n=187)	Higher-income (n=247)	Sig.
Who pays for most of your living expenses, including both housing costs and food?			*
My relative or in-law does.	26%	17%	
We share about equally.	17	19	
Other, mainly I alone pay.	57	64	

Statistical significance: \* =  $p < .05$ ; \*\* =  $p < .01$ ; \*\*\* =  $p < .001$ ; ns = not statistically significant.  
Source: Families and Work Institute, 2008 National Study of the Changing Workforce

### Educational Attainment

Although low-income 16–26 year old employees are more likely to lack a high school diploma (22% versus 17%), they make early progress at about the same rate (5%) as higher-income youth (7%) toward earning an associate’s degree, Figure 1 shows that a significantly smaller proportion of low-income (10%) than higher-income 16–26 year old employees (19%) have completed a bachelor’s degree or more. These findings are shown in Figure 1.

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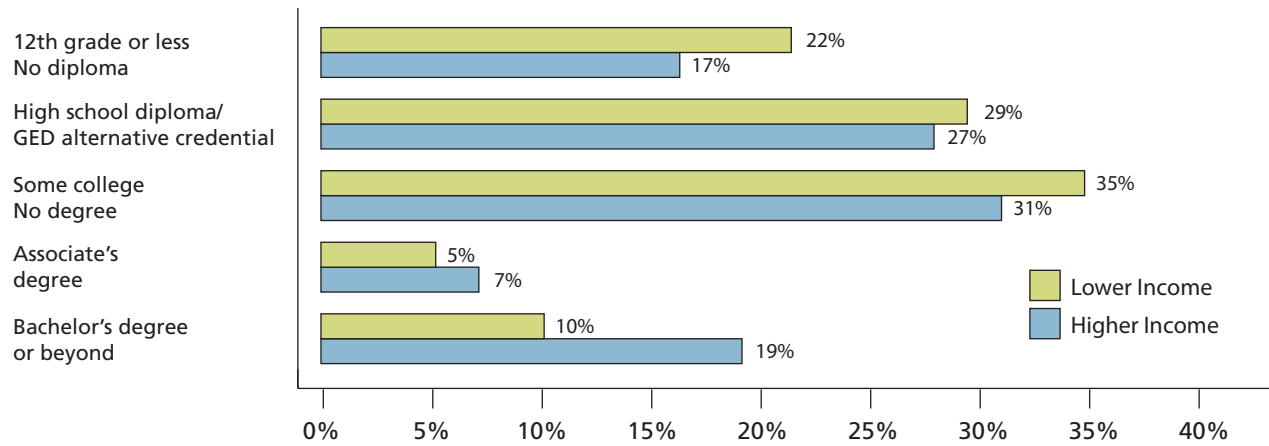
**Just 24% of these low-income 23-26 year olds, however, have earned a college degree**

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<sup>7</sup> The NSCW does not include data on employees younger than 18. All estimates taken from the NSCW are limited to employees 19 and older.

<sup>8</sup> Annual salaries for youth from low-income families average about \$10,689 while youth from higher-income families earn almost twice that amount with an average of \$21,822. Full details on earnings are presented in Section 3.

**Fig 1: Educational Attainment of Low-Income and Higher-Income 16–26 year old Employees**



Source: 2008 American Community Survey  
 Low-income youth n=7,467,123; Higher-income youth n=17,464,608

As shown in Table 4, in both the 19–22 year age category and the 23–26 year group, we find that more than four in ten low-income employed young people have a high school diploma, its equivalent or less. A small majority of these youth (56% of 19–22 year olds and 53% of 23–26 year olds) have at least some college. Just 24% of these low-income 23–26 year olds, however, have earned a college degree (either an associate’s or bachelor’s). These results indicate that there is a substantial pipeline of young people beyond the high school years who could benefit from programs promoting increased educational attainment.

**Table 4: Educational Attainment of Low-Income Employed Youth by Age Group**

Educational Attainment of 16-26 Year Old Employees	16-18 years (n=862,309)	19-22 years (n=3,400,984)	23-26 years (n=3,203,830)
Less than high school	63%	15%	18%
High school or equivalent	25%	30%	28%
Some college, no degree	12%	46%	29%
Associate’s degree	<1%	5%	6%
Bachelor’s degree or more	0%	5%	18%
Total	100%	100%	100%

Source: 2008 American Community Survey

## School Enrollment

In 2007, the last year before the start of the recent recession, low-income and higher-income employees were enrolled in school in similar proportions, with higher-income employees slightly less likely (39%) than lower income employees (40%) to have attended school in the previous three months. In 2008, low-income and higher-income 16–26 year employees are just as likely (40%) to have attended school in the preceding three months in 2007 and in 2008 (Table 5).

In an economic downturn, employees may see fewer opportunities for advancing their careers and thus may view returning or resuming school enrollment as one way to advance their skills even while employment advancement may be stalled. For employed youth, however, we see only a very small increase of 1% in school enrollment for higher-income employees. We suggest that researchers continue to track this issue to determine whether there are changes in school enrollment in 2009 and beyond.

**Table 5: School Enrollment of 16-26 Year Old Employees: 2007 versus 2008**

School Enrollment	2007		2008	
	Low-Income Youth n= 6,982,193	Higher-Income Youth n= 17,478,553	Low-Income Youth n=7,467,123	Higher-Income Youth n=17,464,608
Enrolled in school	40%	39%	40%	40%
Not enrolled in school (in last three months)	60%	61%	60%	60%

Source: 2008 American Community Survey

## COMPARISON OF LOW-INCOME YOUTH ENROLLED AND NOT ENROLLED IN SCHOOL

We next compare young low-income employees who are enrolled in school with young low-income employees who have not been enrolled in school in the previous three months.

### Basic Demographic Characteristics

As shown in Table 6, low-income 16–26 year old employees who are enrolled in school are more likely than their un-enrolled counterparts to be female, 22 years of age or younger, Non-Hispanic White and single.

**Table 6: In School versus Not in School Low-Income 16–26 Year Old Employees: Basic Demographics**

Basic Demographics	Enrolled in School n=3,009,904	Not Enrolled in School (in past 3 months) n=4,457,219
Gender:		
Male	42%	50%
Female	58	50
Age:		
16–18 years old (high school years)	21%	5%
19–22 years old (college years)	53	40
23–29 years old (transition to adulthood)	26	55
Race/ethnicity:		
Non-Hispanic White	63%	51%
Non-Hispanic Black	14	16
Hispanic	15	28
Other	8	5
Marital status:		
Never married	94%	78%
Legally married	5	18
Widowed, divorced, separated	1	5

Source: 2008 American Community Survey

### Living Arrangements

As shown in Table 7, low-income employees 16–26 years olds who are enrolled in school are more likely to live with a parent who is the head of household than are those not enrolled in school. Those enrolled in school are also more likely to live with non-relatives including housemates and roommates; and this most likely reflects the off-campus, group living arrangements common for those attending post-secondary school.

Those not enrolled in school are more likely than their school-attending counterparts to live with their spouse or unmarried partner or to head their own household. This may reflect a general pattern of low-income youth transitioning to adult living arrangements earlier than their school-attending counterparts.

**Table 7: In School versus Not in School: Living Arrangements of Low-Income 16–26 Year Old Employees**

Living Arrangements of Low-income 16-26 Year Old Employees	Enrolled in School n=3,009,904	Not Enrolled in School (in past 3 months) n=4,457,219
Lives with a parent who is the head of household*	28%	17%
Lives with a parent-in-law who is the head of household	0%	1%
Lives with other relative who is the head of household	5%	7%
Lives with non-relative who is the head of household	28%	19%
Heads own household	33%	40%
Resides with their unmarried partner who is the head of household	6%	10%
Resides with their spouse who is the head of household	2%	6%

Source: 2008 American Community Survey

## Educational attainment

Looking more closely at 16-26 year old employees from low-income households who are enrolled in school (Table 8) shows that the majority (54%) are in college but have not yet earned their degree; whereas their counterparts who are not enrolled in school are more likely to have earned a high school diploma or equivalent (41%). A much smaller percentage of those not enrolled in school in the past three months have enrolled in college at some point but have not yet earned a degree (22%).

One could assume that young people who were not enrolled in school in the past three months might have graduated from their academic programs and moved on to full-time employment, forgoing school enrollment, but this is not the case, only 13% of those who are not enrolled in school have completed an associate's degree or bachelor's degree. Additionally, one quarter of the 16-26 year old employees who are not enrolled in school have not yet earned their high school diploma and an additional 40% of 16-26 year old employees who are not enrolled in school have completed high school, but not gone on to college. As shown in Table 4, only a quarter of low-income youth old enough to have completed a bachelor's degree have done so, suggesting that these individuals are taking longer to finish their degrees or abandoning school altogether. Either scenario is likely to have negative effects on long-term earning potential given the skills and knowledge needed for the 21st Century.

Not surprisingly, those enrolled in school fair better in terms of achieving academic milestones than their counterparts who are not enrolled. For low-income 16-26 year olds who are enrolled in school, only 17% are still working on their high school education, and 54% have completed high school and are working on their college education (Table 8). Twenty percent of these employees have earned an associate's or bachelor's degree and are continuing their college education.

**Table 8: In School versus Not in School: Educational Attainment of Low-Income 16–26 Year Old Employees**

Educational Attainment of Low-income 16-26 Year Old Employees	Enrolled in School n=3,009,904	Not Enrolled in School (in past 3 months) n=4,457,219
12th grade or less, no diploma	17%	25%
High school diploma / GED / Alternative credential	10%	41%
Some college, no degree	54%	22%
Associate's degree	7%	4%
Bachelor's degree or more	13%	9%

Source: 2008 American Community Survey

As expected and shown in Table 9, educational attainment generally increases with age and is greater among young employees who are enrolled in school than those who are not. For example, 34% of 23-26 year olds in school have a bachelor's degree or more, compared with 13% of their counterparts who are not in school.

**Table 9: In School versus Not in School: Educational Attainment of Low-Income 16–26 Year Old Employees by Age Group**

Educational Attainment of 16-26 Year Old Employees	Enrolled in School			Not Enrolled in School		
	16-18 Year Olds (n=640,822)	19-22 Year Olds (n=1,600,147)	23-26 Year Olds (n=768,935)	16-18 Year Olds (n=221,487)	19-22 Year Olds (n=1,800,837)	23-26 Year Olds (n=446,700)
Less than high school	70%	3%	2%	45%	24%	23%
High school or equivalent	17%	10%	5%	49%	47%	36%
Some college, no degree	13%	73%	48%	6%	22%	24%
Associate’s degree	<1%	10%	11%	<1%	3%	5%
Bachelor’s degree or more	0%	7%	34%	0%	4%	13%
Total	100%	100%	100%	100%	100%	100%

Source: 2008 American Community Survey

Low-income 16-26 year old employees who maintain school enrollment are more likely to complete their education. However, less than half of employed low-income youth have attended school in the last three months. With the remaining 60% not attending school, there is a great deal of room for raising the proportion of low-income employed youth who attend school.

Not surprisingly, the proportion of low-income employed youth who have attended school in the last three months decreases dramatically with age. Not including those employed youth who have already completed a postsecondary degree (associate’s, bachelor’s degree or more) those attending school in the last three months include:

- 74% of 16-18 year olds;
- 45% of 19-22 year olds; but only
- 17% of 23-26 year olds.

n=2,432,538

Source: 2008 American Community Survey

These findings underscore the importance of efforts to keep low-income employed youth enrolled in school. The inverse relationship between school enrollment and age also exemplifies the wisdom of focusing on high school and the early years of college in order to prevent drop outs as well as to help those who are not enrolled to return to school. Employed youth whose educational progress has been interrupted may well need special support to transition back into an educational setting and onto a track toward postsecondary education.

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**Low-income 16-26 year old employees who maintain school enrollment are more likely to complete their education.**

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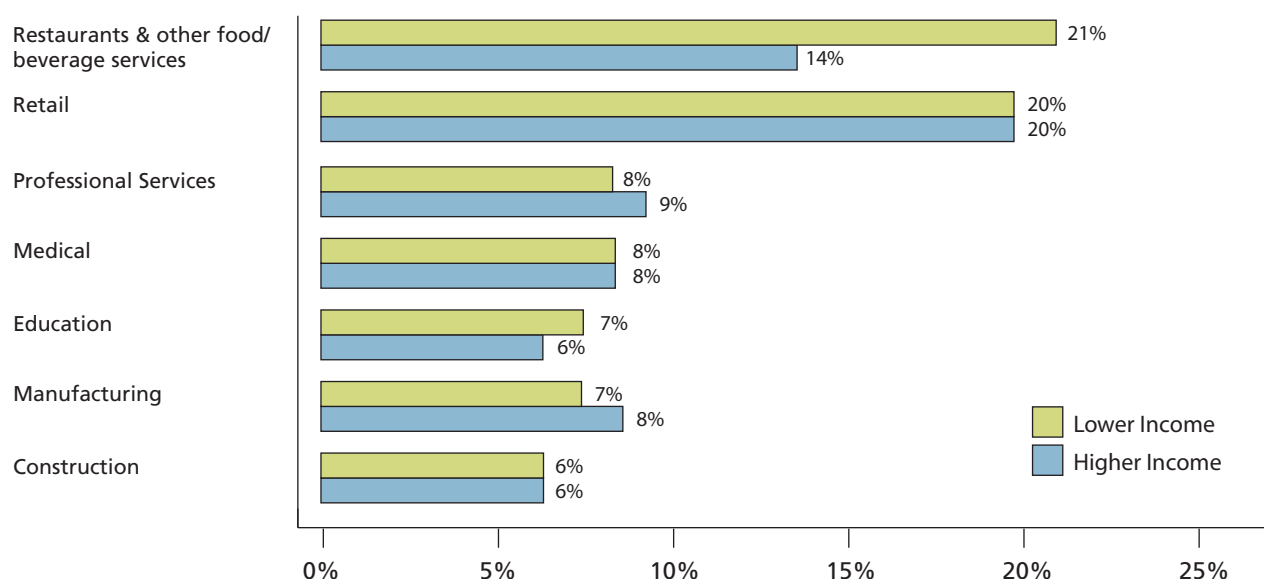
# Section 3: Employment & Education Experiences

Low-income employees are most likely to be employed in the restaurant and other food services industries, as well as in the retail sector. The most common occupations of low-income 16-26 year old employees are cashier, waiter/waitress, retail salesperson, cook and freight/stock/material mover. Overall, most low-income employees work full time, as we describe in greater detail below.

## Industry

As shown in Figure 2, low-income and higher-income 16 to 26 year olds are employed in similar industries. Low-income youth, however, are more likely to be employed in restaurants (21%) than their higher-income counterparts (14%).

**Fig 2: Top Industries for 16–26 Year Old Employees**

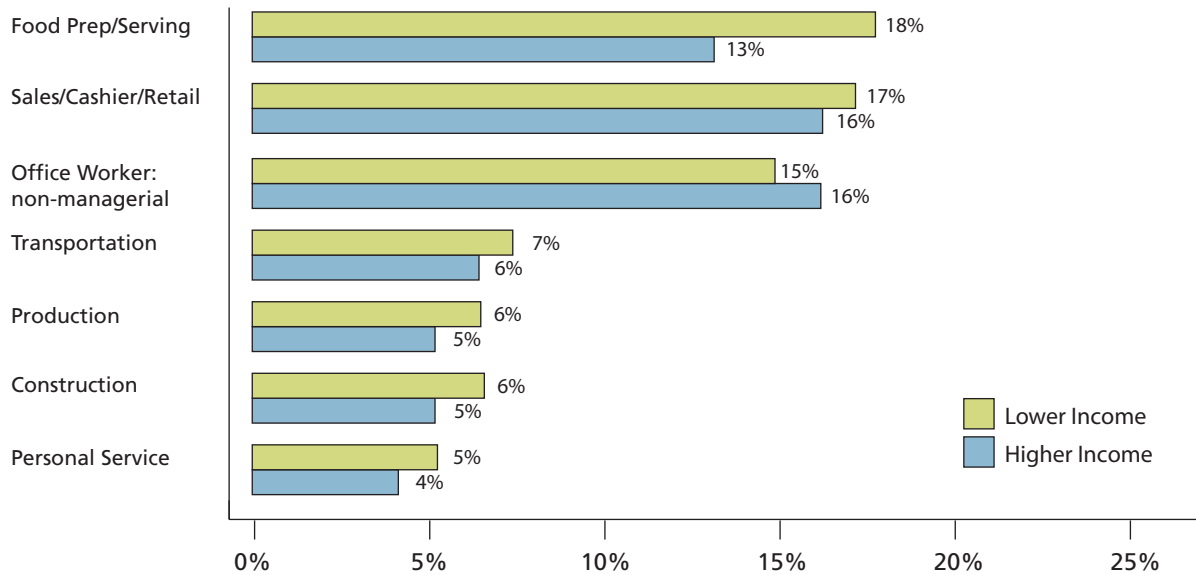


Source: 2008 American Community Survey  
 Low-income 16-26 year old employees n=7,467,123; Higher-income 16-26 year old employees n=17,464,608

## Occupation

Low-income 16 to 26 year olds are more likely to be employed in jobs involving food preparation and serving (18%), sales (17%) and non-managerial office work (15%). By contrast, higher-income employees have lower representation in food preparation/serving (13%) or sales (16%) occupations and slightly higher representation in office worker occupations (16%).

Fig 3: Top Occupations for 16–26 Year Old Employees



Source: 2008 American Community Survey  
 Low-income 16-26 year old employees n=7,467,123; Higher-income 16-26 year old employees n=17,464,608

### Part-time versus full-time employment

More low-income 16-26 year olds work full-time (at least 35 hours per week) than work part-time (less than 35 hours per week).<sup>9</sup>

- 53% of low-income 16-26 year old employees work full-time, with the remaining 47% employed part-time (n=7,467,123).
- Higher-income youth are more likely to work full-time than low-income youth: 63% of higher-income 16-26 year old employees work full-time, with the remaining 37% employed part-time (n=17,464,608).

### Basic employment information

Table 10 compares basic employment information for low-income and higher-income employed youth 19–26 years old:<sup>10</sup>

- Low-income youth are significantly more likely than higher-income youth to work in jobs that pay an hourly wage rather than a salary.
- Low-income youth are less likely to work a regular daytime schedule but are just as likely as their higher-income peers to say that their schedule or shift “meets their needs.”

<sup>9</sup> Source: 2008 American Community Survey

<sup>10</sup> The NSCW does not include data on employees younger than 18. All estimates taken from the NSCW are limited to employees 19 and older.

**Table 10: Low-Income versus Higher-Income Youth 19–26 Years Old: Basic Employment Information**

Basic Employment Information	Low-Income	Higher-Income	Sig.
Hourly (FLSA non-exempt) or salaried (FLSA exempt) at main job:	(n=186)	(n=243)	***
Hourly	95%	78%	
Salaried	5	22	
Regular daytime shift at main job?	(n=188)	(n=247)	***
Yes	41%	66%	
No	59	34	
Work schedule/shift meets needs?	(n=186)	(n=247)	ns
Very true	57%	55%	
Somewhat true	27	34	
A little true	8	9	
Not at all true	9	2	

Statistical significance: \* =  $p < .05$ ; \*\* =  $p < .01$ ; \*\*\* =  $p < .001$ ; ns = not statistically significant.  
Source: Families and Work Institute, 2008 National Study of the Changing Workforce

## Work and school schedule

Table 11 compares low-income with higher-income youth 19–26 years old<sup>11</sup>:

- Low-income youth work significantly fewer scheduled hours per week than their higher-income peers: 38% of low-income youth work 20 or fewer hours versus only 9% of higher-income youth. This contributes to their lower incomes particularly since low-income youth are also much less likely to live in dual-earner households (Table 3, above) and more likely to be paid by the hour (Table 10, above).
- Likewise, low-income youth spend significantly fewer paid and unpaid hours per week doing any work at anytime or anyplace related to their jobs. This apparently allows low-income youth to spend significantly more time each week in class or studying in addition to the hours they work at jobs, although it may affect their immediate prospects at work.
- Among youth who are enrolled in education or training programs,<sup>12</sup> low-income youth spend significantly more time than higher-income youth in class or studying beyond the hours they work at their jobs. When we combine the hours these two groups spend studying or in class, however, with the hours they work, we find that low-income youth spend fewer combined hours each week than higher-income youth in class or studying and working at their jobs. The latter finding reflects the fact that low-income youth work fewer hours per week on average, which also helps to explain their lower incomes.

11 The NSCW does not include data on employees younger than 18. All estimates taken from the NSCW are limited to employees 19 and older.

12 The NSCW does not distinguish between programs that offer certificates and degrees and those that do not.

**Table 11: Low-Income versus Higher-Income Youth 19–26 Years Old: Work and School Schedules**

Work and School Schedules	Low-Income	Higher-Income	Sig.
All employed youth 19–26 years old			
Regularly scheduled hours (i.e., your official workweek) at main (or only) job:	(n=176)	(n=244)	***
1–20	38%	9%	
21–34	30	5	
35–40	32	77	
More than 40	0	8	
Mean hours:	26.9 hours	36.8 hours	
All paid or unpaid hours per week spent doing any work at any time or in any place related to all jobs:	(n=186)	(n=243)	***
1–20	18%	3%	
21–34	36	11	
35–40	30	51	
More than 40	17	35	
Mean hours:	33.3 hours	43.7 hours	
Employed youth 19–26 years old enrolled in training or education programs			
Enrolled youth: Usual hours spent each week in class or studying in addition to the hours worked at job(s):	(n=69)	(n=99)	**
Less than 4	22%	17%	
4–8	17	25	
9–15	29	41	
More than 15	32	16	
Mean hours:	17.0 hours	10.7 hours	
Enrolled youth: Combined hours spent each week in class or studying and working at job(s):	(n=70)	(n=99)	**
1–43	43%	23%	
44–50	33	32	
51–60	9	16	
More than 60	16	28	
Mean hours:	47.5 hours	54.3 hours	

Statistical significance: \* =  $p < .05$ ; \*\* =  $p < .01$ ; \*\*\* =  $p < .001$ ; ns = not statistically significant.  
 Source: Families and Work Institute, 2008 National Study of the Changing Workforce

## Job and workplace characteristics

The analyses conducted for this profile of low-income youth reveal that specific characteristics of jobs and workplaces appear to make it less difficult to continue their education while employed. Table 12 presents data about selected job and workplace characteristics comparing low-income with higher-income employed youth 19–26 years old:

- Low-income youth are significantly less likely than higher-income youth to have jobs in which their employers offer training and education programs themselves or pay for all or part of continuing education.
- Low-income youth are significantly less likely to have jobs in which they can choose their own starting and quitting times (flex time)—an employment policy that can facilitate their ability to coordinate work and education schedules and, thereby, could support continuing education.
- Low-income youth are less likely to be allowed to work part of their regular paid hours at home, which can make it more difficult to manage the demands of jobs and personal or family life. Importantly, “personal life” includes time spent in education and training programs.
- In contrast, low-income youth are less likely than higher-income youth to be required to work paid or unpaid over time without advanced notice.

- While low-income and higher-income youth do not differ with respect to perceiving that they have enough schedule flexibility to manage work and personal or family life, there is a tendency (although not statistically significant) for low-income youth to have less overall flexibility at work.
- Lastly, low-income youth are no more likely than higher-income youth to believe that using whatever workplace flexibility they have will impede job advancement.

**Table 12: Low-Income versus Higher-Income 19-26 Year Olds: Selected Job and Workplace Characteristics**

Job and Workplace Characteristics	Low-Income	Higher-Income	Sig.
Does your organization offer a training or education program you can take to improve your skills?	(n=184)	(n=245)	**
Yes	50%	65%	
No	50	35	
Does your organization pay for all or part of continuing education or training that is related to your job?	(n=184)	(n=245)	*
Yes	50%	60%	
No	50	40	
Able to set starting and quitting times periodically:	(n=185)	(n=245)	**
Yes	35%	49%	
No	65	51	
Allowed to work part of regular paid hours at home:	(n=185)	(n=247)	***
Yes	<1%	12%	
No	99+	88	
How often required to work paid or unpaid overtime without advanced notice:	(n=186)	(n=247)	*
Every week or more often	13%	16%	
2 or 3 times a month	7	12	
About once a month	12	8	
Less than once a month	12	12	
Once in a long while	33	37	
Never	24	15	
Have the schedule flexibility to manage work and personal or family life:	(n=187)	(n=246)	ns
Strongly agree	52%	44%	
Somewhat agree	19	37	
Somewhat disagree	13	12	
Strongly disagree	16	7	
Overall extent of flexible work arrangements.	(n=187)	(n=247)	ns
Low	32%	26%	
Moderate	43	47	
High	25	27	
Less likely to advance in your job if you use flexible work options?	(n=186)	(n=242)	ns
Strongly agree	18%	17%	
Somewhat agree	38	24	
Somewhat disagree	7	31	
Strongly disagree	37	29	

Statistical significance: \* = p < .05; \*\* = p < .01; \*\*\* = p < .001; ns = not statistically significant.

Source: Families and Work Institute, 2008 National Study of the Changing Workforce

## Earnings

According to the Current Population Survey, the majority (46%) of 16-26 year old employees reported usual weekly earnings between \$250 and \$499.99, with a mean of \$597 and a median of \$492 (Table 13).<sup>13</sup>

<sup>13</sup> For a breakdown of usual weekly earnings for 16-26 year old wage and salaried employees by occupation see Table 19 in Appendix C.

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While the March supplement of the Current Population Survey has data for household poverty level, the September CPS earnings data cannot meaningfully be combined with the March supplement. This means that the CPS data included in this report cannot be used to provide comparisons between low-income and higher-income youth. Therefore Table 13 and Table 14 display earnings data for all wage and salaried 16–26 year olds and does not include information about poverty level. Instead we present the annual earnings information provided by the American Community Survey, by income level.<sup>14</sup>

**Table 13: Usual Weekly Earnings of Employed Wage and Salaried Employees Annual Average 2008**

16-26 YEAR OLD EMPLOYEES BY OCCUPATION	Total Employed	Under \$250.00	\$250.00 to \$499.99	\$500.00 to \$749.99	\$750.00 to \$999.99	\$1,000.00 to \$1,499.99	\$1,500.00 to \$1,999.99	\$2,000 or more
Total 16-26 years old	15,768	5%	46%	28%	12%	7%	1%	1%

Source: 2008 Current Population Survey

Note: Total employed is presented in thousands.

According to the Current Population Survey (Table 14), the majority (41%) of 16–26 year old employees reported hourly earnings between \$7.00 and \$8.99, with a mean of \$10.51 and a median of \$9.24.<sup>15</sup>

**Table 14: Hourly Earnings of Employed Wage and Salaried Employees Annual Average 2008**

16-26 YEAR OLD EMPLOYEES BY OCCUPATION	Total Employed (in thousands)	Under \$5.00	\$5.00 to \$6.99	\$7.00 to \$8.99	\$9.00 to \$11.99	\$12.00 to \$14.99	\$15.00 or more
Total 16-26 years old	19,557	14%	10%	41%	36%	17%	17%

Source: 2008 Current Population Survey

### Annual earnings

Annual earnings estimates for 16–26 year olds are lower than what would be expected from calculations based on hourly or weekly earnings estimates. This is because 16–26 year old employees often work part-time or partial year schedules. As a result their annual earnings cannot be calculated accurately from their hourly or weekly earnings alone. The annual earnings estimates presented below are based on the 2008 ACS which bases its estimates on the time that respondents actually work rather than calculating annual wages based on hourly or weekly estimates.

- Low-income employees (16–26) earned an average of \$10,689 in 2008 dollars in the previous 12 months (n=7,467,123). The median earnings for this group were \$10,184 in 2008 dollars.
- In contrast, higher-income employees earned an average of \$21,822 in 2008 dollars in the previous 12 months (n=17,464,565). The median earnings for this group were \$19,349 in 2008 dollars.

When we compare the annual earnings for full-time employees from low- and higher-income households, we find:

- Full-time employees from low-income households earned an average of \$13,944 and a median of \$14,257 in 2008 dollars (n=3,954,303).
- Full-time employees from higher-income households earned an average of \$29,951 and a median of \$26,478 in 2008 dollars (n=11,024,034).

<sup>14</sup> The ACS annual earnings estimates tend to be smaller than would be expected from the CPS hourly and weekly estimates. This is due in part to variations in survey methods between the ACS and CPS. In addition, the presence of large amounts of part-time and seasonal work among 16–26 year olds, means that a simple multiplication of weekly or hourly earnings by the weeks or hours in a year will produce estimates much higher than that provided by the ACS.

<sup>15</sup> For a breakdown of usual hourly earnings for 16–26 year old wage and salaried employees by occupation see Table 20 in Appendix D.

Part-time comparisons reveal:

- Part-time employees from low-income households earned an average of \$7,024 and a median of \$6,110 in 2008 dollars (n=3,512,820).
- Part-time employees from higher-income households earned an average of \$7,907 and a median of \$5,092 in 2008 dollars (n=6,440,531).

## COMPARISON OF LOW-INCOME YOUTH ENROLLED AND NOT ENROLLED IN SCHOOL

The central goal of this part of the profile is to identify factors associated with differential educational enrollment and attainment among employed youth, particularly factors related to their employment.

### Part-time versus full-time employment

Low-income 16-26 year old employees who are enrolled in school are more likely to work fewer hours. As shown in (Table 15), 73% of those enrolled in school are employed part time. In contrast, low-income youth who have not attended school in the last three months are more likely to work full time (71%).

For those maintaining their school enrollment, most (45%) work 20 hours per week or less. On average, low-income young employees in school work 26 hours per week with a median of 25 hours per week. Low-income young employees who have not enrolled in school in the past three months average 36 hours of work per week with a median of 40 hours per week.

**Table 15: In School versus Not in School: Part-Time/Full-Time Status of Low-Income 16–26 Year Old Employees**

Part-time or Full-time Status of Low-Income 16-26 Year Old Employees	Enrolled in School n=3,009,904	Not Enrolled in School (in past 3 months) n=4,457,219
Works Part Time (< 35 hours/week)		
20 hours/week or less	45%	10%
21 – 34 hours/week	28%	20%
Works Full Time (>= 35 hours/week):		
35 – 40 hours/week	23%	58%
>40 hours/week	4%	13%

Source: 2008 American Community Survey

To afford to remain in school or return to school, many low-income youth must have income from a job. Because many students find the demands of full-time jobs unmanageable, however, more flexible part-time arrangements are often more attractive. Employers who facilitate combining school with work, especially in offering good part-time jobs, may become employers of choice among low-income youth motivated to get ahead. Of course, the sometimes prohibitive costs of continuing education can also be mitigated by public and private scholarship and/or loan programs targeting low-income youth.

### Basic employment information

- Low-income youth who are enrolled in education or training programs and those who are not are just as likely to earn hourly wages rather than being salaried employees (Table 16).
- Low-income youth who are enrolled in education or training programs are less likely to work standard daytime shifts, but they are just as likely as those who are not enrolled to say their schedules or shifts meet their needs.

**Table 16: Low-Income 19-26 Year Olds Enrolled in Education/Training versus Not Enrolled: Basic Employment Information**

Basic Employment Information	Enrolled	Not enrolled	Sig.
Hourly (FLSA non-exempt) or salaried (FLSA exempt) at main job:	(n=69)	(n=117)	ns
Hourly	96%	94%	
Salaried	4	6	
Regular daytime shift at main job?	(n=69)	(n=118)	*
Yes	30%	47%	
No	70	53	
Work schedule/shift meets needs?	(n=68)	(n=118)	ns
Very true	53%	59%	
Somewhat true	40	20	
A little true	4	9	
Not at all true	9	13	

Statistical significance: \* =  $p < .05$ ; \*\* =  $p < .01$ ; \*\*\* =  $p < .001$ ; ns = not statistically significant.

Source: Families and Work Institute, 2008 National Study of the Changing Workforce

## Work schedule

Low-income youth who are enrolled in educational or training programs work fewer scheduled hours per week—with nearly half working 20 or fewer hours (Table 17). They also spend fewer total hours at anytime of day, on any day of the week or at any location involved in paid or unpaid activities related to their jobs than low-income youth who are not enrolled in such programs. Undoubtedly, the demands of education or training make it difficult to work more hours, though working fewer hours means lower earnings and may make continuing education less affordable. Whether working fewer hours makes some youth seem less committed to their jobs is not known, but it could affect their treatment on the job. Actually, 42% of those who are enrolled in education or training and work 20 or fewer hours say they would “like” to work more hours and also say they could work more paid hours if they wanted to. The main reasons for their not working more hours is not being able to get the schedule or shift they need or not being able to get the flexibility they would need to manage longer work hours.

**Table 17: Low-Income 19-26 Year Olds Enrolled in Education/Training versus Not Enrolled: Work Schedule**

Work Schedule	Enrolled	Not enrolled	Sig.
Regularly scheduled hours (i.e., your official workweek) at main (or only) job:	(n=63)	(n=113)	*
1–20			
21–34	49%	32%	
35–40	25	34	
More than 40	25	35	
	0	0	
Mean hours:	23.9 hours	28.6 hours	
All paid or unpaid hours per week spent doing any work at any time or in any place related to all jobs:	(n=63)	(n=113)	***
1–20	25%	14%	
21–34	39	33	
35–40	20	36	
More than 40	16	17	
Mean hours:	30.5 hours	35.0 hours	

Statistical significance: \* =  $p < .05$ ; \*\* =  $p < .01$ ; \*\*\* =  $p < .001$ ; ns = not statistically significant.

Source: Families and Work Institute, 2008 National Study of the Changing Workforce

Analyses for Table 18 restrict the sample to low-income employed youth and compare those who are currently enrolled in education or training programs with those who are not enrolled to determine how selected job and workplace characteristics relate to enrollment in school.

- Although low-income youth are less likely than higher-income youth to work for employers that offer employer-sponsored education or training programs, low-income youth whose employers do offer training or education programs are more likely to be enrolled in such programs than youth who do not have that opportunity at work.
- Low-income youth who are enrolled are just as likely as those who are not enrolled (about half) to have employers who pay for all or part of employment-related training or education that they themselves do not offer.
- Although low-income youth are significantly less likely than higher-income youth to be able to set their starting and quitting times, when they do have such flexibility they are much more likely to be enrolled in education or training programs.
- Neither low-income youth who are enrolled nor those who are not enrolled are allowed to work part of their regular paid hours at home. Although the nature of their jobs may not readily allow their working at home, for those whose jobs would allow this flexibility, not being able to work at home could be an obstacle to continuing education since eliminating commutation increases time available for other things like studying.
- Curiously, low-income employed youth who are currently enrolled in classes are more likely to be required to work unscheduled paid or unpaid overtime without advanced notice—something that may seriously interfere with the demands of school. There are several hypotheses to consider here. First, this finding suggests that low-income youth who are currently enrolled must be highly motivated to continue their education/training despite obstacles on the job. Second, the fact that their employers are more likely to require unscheduled overtime suggests that this may be a particular quid pro quo for offering other flexibility and support for continuing education. Third, because youth who are enrolled in classes work significantly fewer hours than others—about half working fewer than 21 hours per week—working a little bit longer at the margins may seem to be no big deal for either youth or employers.
- Low-income youth who are currently enrolled in classes are significantly more likely than others to feel that they have the flexibility to manage work and personal or family life—which further suggests that unscheduled overtime is not a particular burden after all.
- Importantly, low-income youth who are enrolled in education or training are more likely than those who are not enrolled to report higher levels of overall flexibility at work. This measure has 13 specific components that together provide an unusually broad view of job and workplace flexibility. This finding raises a chicken-and-egg question: do youth who are enrolled—or want to enroll—in classes seek employers who offer greater flexibility or have employers who offer greater flexibility actually encouraged youth to pursue further education? We think the latter explanation is more likely since employers do not generally advertise the degree of flexibility they offer on the job.
- Finally, low-income youth currently enrolled in education or training programs are more likely than others to feel that using the flexible arrangements that are available to them at work makes it less likely they will advance in their jobs. It is unclear whether these perceptions have negative implications that affect youth's commitment to continuing their education. For example, we find that among low-income youth who are enrolled, those who feel they are penalized for using flexible work arrangements are just as satisfied with their jobs as those who don't feel penalized. Three issues seem worth exploring. First, we know that youth who are currently enrolled in school work significantly fewer hours than others and almost all of them do so by choice—that is, unlike “involuntary part-time employees,” they believe they could find jobs offering more paid hours. Working part time is, in and of itself, likely to constrain job advancement; and this, rather than employer retribution for using flexible workplace policies, may well be the explanation of perceived obstacles to job advancement. Second, even if employers who penalize employees for using flexible work arrangements do not discourage all employees from pursuing further education, they may well discourage some without even being aware of it. Third, youth who are continuing their educations in order to achieve upward job mobility may not seek to advance or even care about advancing in their current jobs, but instead view these jobs as stepping stones to better jobs in the future.

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**Table 18: Employed Low-income 19-26 Year Olds Enrolled in Education/Training versus Not Enrolled: Selected Job and Workplace Characteristics**

Job and workplace characteristics	Enrolled	Not enrolled	Sig.
Does your organization offer a training or education program you can take to improve your skills?	(n=61)	(n=109)	**
Yes	74%	52%	
No	26	48	
Does your organization pay for all or part of continuing education or training that is related to your job?	(n=62)	(n=108)	ns
Yes	61%	53%	
No	39	47	
Able to set starting and quitting times periodically:	(n=58)	(n=110)	**
Yes	60%	35%	
No	40	66	
Difficulty taking time off during workday for personal reasons:	(n=62)	(n=109)	ns
Very hard	15%	22%	
Somewhat hard	21	20	
Not too hard	34	32	
Not at all hard	31	26	
Allowed to work part of regular paid hours at home:	(n=62)	(n=109)	ns
Yes	11%	4%	
No	89	96	
How often required to work paid or unpaid overtime without advanced notice:	(n=61)	(n=111)	***
Every week or more often	16%	8%	
2 or 3 times a month	6	13	
About once a month	13	9	
Less than once a month	15	9	
Once in a long while	41	27	
Never	8	35	
Have the schedule flexibility to manage work and personal or family life:	(n=62)	(n=110)	***
Strongly agree	49%	56%	
Somewhat agree	28	15	
Somewhat disagree	21	6	
Strongly disagree	2	24	
Overall extent of flexible work arrangements.	(n=62)	(n=110)	**
Low	18%	33%	
Moderate	44	47	
High	39	20	
Less likely to advance in your job if you use flexible work options?	(n=60)	(n=110)	***
Strongly agree	17%	16%	
Somewhat agree	38	26	
Somewhat disagree	15	22	
Strongly disagree	30	36	

Statistical significance: \* = p < .05; \*\* = p < .01; \*\*\* = p < .001; ns = not statistically significant.  
 Families and Work Institute, 2008 National Study of the Changing Workforce

## SUGGESTIONS FOR FUTURE RESEARCH

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This aggregated profile of low-income youth provides important data to inform employers and policy makers in their efforts to increase the educational attainment of young low-income employees. However, there are many limitations in existing data that impede a fuller understanding. Future research could address many of these limitations:

1. Provide greater specificity in ACS questions about the living arrangements of youth (beyond head of household information). This would provide much needed information about where low-income youth live.
2. Provide greater specificity in the ACS and the NSCW about school enrollment: type of community college, college or university (public, private, nonprofit or for profit) and whether the student is pursuing a credential or degree, and, if so, what kind. It is not enough simply to know that a young person is enrolled in school. We need to know what kind of school and whether this program is providing credentials that are useful in their employment now and in the future.
3. Provide greater specificity in the ACS and NSCW about who is paying for the post-secondary education. It would also be useful to know the extent to which paying for education is a constraint in obtaining job-worthy credentials.
4. Provide greater specificity about workplace training in the ACS and the NSCW. We need to know what kind of training youth are receiving, whether this training has currency in the labor market, and whether the training results in a credential with labor market value.
5. Add greater specificity in the ACS or other workforce studies about workplace flexibility in order to determine how flexibility affects school enrollment.
6. Conduct comparisons of the 2008 ACS with 2009 ACS to determine the impact of the recession on low-income youth.
7. Conduct industry comparisons to determine which specific industries and occupations have the highest school enrollment and educational attainment for low-income youth. When this is known, further analyses could reveal the factors associated with continuing one's education.
8. Conduct case studies of flexibility in school (both the number of courses required and the timing of the courses) and how this affects students.
9. Conduct case studies to probe what kind of support low-income youth need at work, at home and at school to continue their education and obtain degrees.

Based on the findings above, we also suggest the following:

10. Conduct experimental studies to assess the extent to which financial support and workplace flexibility (including the culture of flexibility and a lack of jeopardy for using flexibility) affect school enrollment and educational attainment of low-income youth.
11. Conduct experimental studies to assess how post-secondary institutions can best support the school enrollment and educational attainment of low-income youth, both in their curriculum, their schedules and their job placement services.
12. Develop a rigorous economic model for the return on investment for companies investing in helping their low-income young employees achieve postsecondary credentials.

## CONCLUSIONS AND POLICY IMPLICATIONS

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From an employer’s perspective, several findings of this profile of young, low-income employees stand out:

1. Young low-income employees have to work.
2. Young low-income employees who stay in school are more likely to complete school.
3. The work and school schedules of young low-income employees can conflict with one another.
4. Young low-income employees are more likely to stay in school if their employers offer workplace flexibility policies.

These findings emphasize the critical role employers play in linking students and higher education, and in making it possible for low-income young students to achieve postsecondary credentials.

The Obama Administration’s community college initiatives and a host of burgeoning philanthropic and educational efforts to increase the number of young people with college degrees together represent a growing consensus that higher educational achievement is a national priority. If the goals of these different initiatives are to be achieved, the business sector must be integrated and engaged. For Corporate Voices, the policy implications of this work are clear. If the country needs more young low-income people with postsecondary degrees, we need to make it possible for employers to create working conditions in which young employees can stay in school and get their degrees.

Toward this end, this research suggests several policy goals designed to encourage voluntary employer programs that support young low-income employees:

1. Communicate the business case for implementing workplace flexibility programs for low-income employees as important for promoting increased educational attainment for these young people. Explore ways to incentivize business engagement and participation.
2. Develop and communicate the business case for greater business engagement in issues that affect low-income employees and their development. Document and disseminate businesses that are experiencing significant ROI in reduced turnover, increased employee satisfaction and higher productivity through policies focused on low-income employees.
3. Highlight and disseminate the business case for developing the talents of their current workforce.
4. Highlight and disseminate the business case for helping young low-income employees earn postsecondary credentials with labor market value.

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**Low-income youth who are enrolled in education or training are more likely than those who are not enrolled to report higher levels of overall flexibility at work.**

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# Appendix A

## Data Sources And Methodology

There are a number of data sources we could have used for this report. This appendix discusses each of these data sources and specifies why we selected the 2008 American Community Survey, the 2008 Current Population Survey, and the 2008 National Study of the Changing Workforce as the main sources for this profile of low-income employed youth. Following the description of the data sources used in this report are details on several other data sources that were not selected but may contribute to ongoing research.

### **2008 American Community Survey (ACS)**

The 2008 American Community Survey (ACS) was conducted by the U.S. Bureau of the Census. It is the largest annual survey in the United States, and it provides highly reliable nationally representative estimates for the U.S. population. The ACS is a cross-sectional, as opposed to longitudinal, survey with a response rate of 98% (2008). The survey is sent to about 250,000 households monthly resulting in an annual sample of approximately three million. One respondent per household completes the survey, and this respondent provides information on each person living in the household.

The ACS collects data on the variables most germane to a profile of young employees. These include demographics, such as gender, age, race and marital status; household information, such as living arrangements and relationships with the head of household; educational attainment and school enrollment; and employment information, such as industry and occupation. After exploring all of the other data sources we could have used, we thus made the decision to use the ACS as our main source of data for this report because of its ability to provide a comprehensive profile. We also concluded that jumping among a series of data sources, especially those conducted in different years, would have provided a more disjointed profile.

### **September 2008 Current Population Survey (CPS)**

We also decided to use data from the September 2008 Current Population Survey (CPS) conducted by the Census Bureau for the Bureau of Labor Statistics for the earnings data presented in this report. The CPS is the official source of earnings and income data for the U.S. civilian, non-institutionalized labor force population. Approximately 50,000 households are surveyed monthly, and the response rate is approximately 93%. The CPS also collects labor force data. At the time this report was written, the September data was the most recent information available. Since the ACS, however, has a larger sample size and more complete educational attainment data for our target population—16 to 26 year old employees—we use ACS as the main source of data for our profile. Also, since the ACS allows us to contrast earnings information by household poverty level whereas the September CPS does not, we turn back to the ACS to report comparisons between the earnings of low-income, young employees and higher-income young employees.

### **2008 National Study of the Changing Workforce (NSCW)**

The 2008 National Study of the Changing Workforce (NSCW) was conducted by Families and Work Institute. The survey interviewed a representative sample of 3,502 employed people 18 or older—2,769 wage and salaried employees who work for someone else and 733 people who work for themselves as small business owners or as independent self-employed employees who do not employ anyone else. The NSCW has been repeated every five to six years since 1992. The overall response rate for the survey is 54.6% which is very high for contemporary random-digit-dial telephone surveys. It provides the most comprehensive data of employees' lives on and off the job.

## SAMPLES

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### ACS Sample

We restrict the analytic sample to 16–26 year olds who are employed for someone else as wage and salaried employees. The total ACS unweighted sample size for this group is 208,432 and represents approximately 25 million (24,931,731) employed youth in the U.S. population.

Our focal sample consists of employed 16 through 26 year olds residing in low-income households. The total size of our ACS unweighted focal sample is 57,469 youth, which represents approximately seven and a half million ( $n=7,467,123$ ) employed youth residing in low-income households in the U.S. population. Because of the large samples being compared, nearly every absolute difference between groups is statistically significant at  $p < .001$  and thus are not reported in the Tables or Figures. Population  $n$ 's, however, are reported in both text and tables.

### NSCW Sample

Because 18 year olds are the youngest employees included in the NSCW sample, we made the decision to restrict the sample we investigate in this report to 19–26 year olds who have wage or salaried jobs—that is, who are employed by someone else ( $n=172$ ). Youth of these ages can be considered typically of college age and beyond. As in our analyses of the ACS, we restrict the sample to youth in families with annual incomes below 185% of the federal poverty line.<sup>16</sup> The sample of 19–26 year olds in the NSCW is weighted separately to youth in the U.S. population as a whole based on the U.S. Bureau of the Census' March 2007 Current Population Survey, which ensures that sample proportions are equivalent to population proportions for gender, educational attainment, race/ethnicity and age.

When the 2008 NSCW sample is restricted to youth 19–26 who are employed by someone else, cell sizes become quite small, especially in comparison with the accompanying analyses of the American Community Survey (ACS), which interviewed tens of thousands of respondents. It is important to note, however, that after the NSCW sample is weighted to the Current Population Survey, the statistics reported here are representative of employed youth in the U.S. population. Moreover, tests for statistical significance take small comparison cell sizes into account. The advantage of using the NSCW is that it provides more detailed information about employees' job conditions; the drawback is that the small sample size for youth makes it more difficult to find statistically significant associations.

There are some other limitations to the data in the NSCW. First, the NSCW does not distinguish between enrollment in education and training programs that offer recognized degrees or credentials and those that do not. Another limitation of the dataset is that it is a “cross-sectional” survey that does not follow individuals over time, thereby making it impossible to make firm, direct inferences about causal effects. Nonetheless, cross-sectional associations can be identified and these associations can offer strong indications of likely causal relationships. Indeed, because of the cost (if not the impracticality) of random assignment longitudinal experiments, most private and public policy decisions are based upon such “non definitive” indications of causal relationships rather than upon experimental studies.

In the crosstabulation tables using NSCW data, column percentages do not always add to 100% because of rounding errors. Also, group sizes ( $n$ 's) reflect a small amount of missing data due to occasional refusals to respond and claims of “I don't know.” When group sizes appear to be one more or less than they should be, the differences are due to the summation of weighted cell  $n$ 's which are not whole numbers. The statistical significance of group differences in response distributions is based on chi-square tests of linear association. Statistical significance is reported at three levels  $p < .05$  (less than 1 time in 20 possibly being due to chance),  $p < .01$  (less than 1 time in 100 possibly being due to chance,) and  $p < .001$  (less than 1 time in 1,000 possibly being due to chance).

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<sup>16</sup> “Family” is defined as the respondent, the respondent's spouse or partner and all children under 18 years of age who live at home. Poverty level is adjusted for family size.

## POTENTIAL DATA SOURCES FOR CONTINUING RESEARCH

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There are a number of other important data sources that have information about young employees that could be important resources for further study. We describe all of these below, including why we concluded each was not the best match for this profile of young employees from low-income families and how it could be used to enhance future work.

**The Panel Study of Income Dynamics (PSID).** The PSID is a nationally representative longitudinal study of almost 9,000 U.S. families that has been following the same subjects since 1968. The PSID is conducted by the Institute for Social Research at the University of Michigan. The PSID provides a wide variety of information about both families and individuals. The focus of the data is economic and demographic, with substantial detail on income sources and amounts, employment, family composition changes, and residential location and overlaps to some extent with our primary data sources, the ACS and CPS. At the time we were producing this profile, however, the CPS had more current income data. Additionally, the PSID does not track separate earnings data for the 16-26 year old worker unless that individual is the head of household. Also, there were a number of variables of importance to our profile (i.e. current enrollment in education) that were not available in the PSID.

**National Longitudinal Survey of Youth (NLSY).** The NLSY is a longitudinal project of the U.S. Department of Labor's Bureau of Labor Statistics that follows the lives of a sample of American youth with the most recent cohort having been born between 1980-84. The most recent data available through the NLSY, therefore, only provides information for young people approximately 23 years old and older. Follow up research specifically targeted at this smaller age group would benefit by considering the NLSY as a resource.

**Survey of Income and Program Participation (SIPP).** This U.S. Census Bureau dataset provides information about the source and amount of income, labor force information, program participation and eligibility data, and general demographic characteristics that can be used to measure the effectiveness of existing federal, state and local programs, estimate future costs and coverage for government programs, such as food stamps, and provide improved statistics on the distribution of income and measures of economic well-being in the country. For the purposes of this study, SIPP data overlap with one of our primary data sources, the Current Population Survey. For future research, specifically seeking additional earnings information beyond that presented here would benefit from using the SIPP.

**National Educational Longitudinal Study (NELS).** The Department of Education's National Center for Education Statistics also conducts the Educational Longitudinal Study of 2002 (ELS:2002), which collects information about a national sample of young people as they progress from tenth grade through high school and on to postsecondary education and/or the world of work. Similar to the NELS, this data set was not the best match for the goal of the present study—of creating a profile of the low-income youth workforce. The ELS should be considered, however, as an important resource for future research because it follows youth and their educational attainment over time.

**Educational Longitudinal Survey (ELS).** The Education Longitudinal Study of 2002 (ELS:2002) collects information about a national sample of young people as they progress from tenth grade through high school and on to postsecondary education and/or the world of work. Similar to the NELS, this data set was not the best match for the goal of the present study—of creating a profile of the low-income youth workforce. The ELS should be considered, however, as an important resource for future research because it follows youth and their educational attainment over time.

# Appendix B

## Concepts & Definitions

**Household.** A household includes all the people who are residents of a housing unit. Individuals living in group quarters are excluded from our sample.

**Head of household.** The person in whose name living arrangements (lease holder, mortgage, etc.) are made.

**Reference person.** Usually the head of household.

**Employees.** Employees are wage and salaried employees who work for someone else.

**Race.** Non-Hispanic White, Non-Hispanic Black, Hispanic and Other are categories used to describe a person's race.

**Occupation.** This refers the occupation which a person worked the most weeks during the previous 12 months.

**Income.** Data on income reflect money income received in the previous 12 months.

**Higher-income.** A higher-income household is at or above 185% of the Federal Poverty Level.

**Low-income.** A low-income household is below 185% of the Federal Poverty Level.

**Low Wage.** Employees whose earnings fall in the bottom 25% of the earnings distribution for all ages, which is less than \$9.91 per hour in 2008 dollars. In 2008, medium-wage employees (the middle 50%) earned wages between \$9.91 and \$25.50 per hour. High-wage employees (the top 25%) earned over \$25.50 per hour.

**Family.** Family is defined as two or more persons residing together who are related by birth, marriage or adoption. For the purpose of this report, family includes the head of household and all people living in the household who are related to the reference person. Family households are composed of married-couple families or as those maintained by men or women without spouses present.

**Unrelated individuals.** This refers to persons who are not living with any relatives. Unrelated individuals either live alone or with others not related to them.

# Appendix C

**Table 19: Usual Weekly Earnings of Employed Wage and Salaried Employees by Intermediate Occupation Annual Average 2008**

(Number of employees in thousands)

16-26 YEAR OLD EMPLOYEES BY OCCUPATION	Total Employed	Under \$250.00	\$250.00 to \$499.99	\$500.00 to \$749.99	\$750.00 to \$999.99	\$1,000.00 to \$1,499.99	\$1,500.00 to \$1,999.99	\$2,000 or more	Median	Standard Error	Mean	Standard Error
Total 16-26 years old	15,768	798	7,293	4,406	1,843	1,055	218	154	\$492	\$2.11	\$597	\$7.39
MANAGEMENT, PROFESSIONAL AND RELATED OCCUPATIONS	3,962	104	826	1,339	875	604	134	80	677	6.90	800	18.07
Management, business and financial operations occupations:	1,343	21	249	465	323	200	60	26	695	12.93	791	12.82
✓ Management occupations	755	10	170	275	172	87	31	11	657	12.54	747	15.68
✓ Business and financial operations occupations	588	11	79	190	151	112	28	15	745	13.80	848	20.99
Professional and related occupations:	2,619	82	578	874	552	404	74	55	669	8.15	805	26.54
✓ Computer and mathematical occupations	377	7	39	102	82	110	25	11	877	30.47	1,037	116.05
✓ Architecture and engineering occupations	258	5	27	68	55	88	10	4	875	45.13	1,031	136.00
✓ Life, physical and social science occupations	140	3	28	48	36	18	4	3	668	33.46	765	36.07
✓ Community and social services occupations	189	15	45	92	30	8	-	1	580	11.77	585	19.62
✓ Legal occupations	98	2	16	38	19	14	2	6	689	26.48	848	64.02
✓ Education, training and library occupations	706	31	200	259	142	57	11	8	614	9.68	697	41.02

## Corporate Voices for Working Families A Profile of Young Workers (16–26) in Low-Income Families

16-26 YEAR OLD EMPLOYEES BY OCCUPATION	Total Employed	Under \$249.99	\$250.00 to \$499.99	\$500.00 to \$749.99	\$750.00 to \$999.99	\$1,000.00 to \$1,499.99	\$1,500.99 to \$1,999.99	\$2,000 or more	Median	Standard Error	Mean	Standard Error
✓ Arts, design, entertainment, sports and media occupations	278	9	65	112	57	21	6	9	633	18.94	803	88.51
✓ Healthcare practitioner and technical occupations	572	10	156	155	130	90	17	13	680	22.13	759	18.07
Service occupations:	3,267	312	2,047	653	168	64	17	7	386	3.02	446	8.33
✓ Healthcare support occupations	477	16	320	113	19	6	2	-	413	6.32	450	8.57
✓ Protective service occupations	319	11	157	85	41	16	5	2	483	15.92	562	18.11
✓ Food preparation and serving related occupations	1,375	185	877	235	52	19	4	2	359	5.12	404	5.92
✓ Building and grounds cleaning and maintenance occupations	550	34	392	100	9	12	3	>0	371	6.25	419	13.21
✓ Personal care and service occupations	546	64	299	120	46	11	3	2	401	9.58	511	43.39
Sales and office occupations:	4,342	254	2,376	1,125	375	162	20	30	448	4.28	541	14.89
✓ Sales and related occupations	1,937	158	1,011	424	199	104	17	25	423	6.89	560	22.05
✓ Office and administrative support occupations	2,405	96	1,365	701	176	58	4	6	459	4.62	525	20.17
Natural resources, construction, and maintenance occupations:	2,098	61	863	708	260	148	36	23	520	4.49	634	22.69
✓ Farming, fishing and forestry occupations	168	9	107	42	9	1	1	-	404	14.15	454	16.42
✓ Construction and extraction occupations	1,283	42	530	420	154	95	23	19	518	5.79	626	13.26
✓ Installation, maintenance and repair occupations	647	10	227	246	98	52	11	4	562	12.95	698	68.47

16-26 YEAR OLD EMPLOYEES BY OCCUPATION	Total Employed	Under \$249.99	\$250.00 to \$499.99	\$500.00 to \$749.99	\$750.00 to \$999.99	\$1,000.00 to \$1,499.99	\$1,500.99 to \$1,999.99	\$2,000 or more	Median	Standard Error	Mean	Standard Error
Production, transportation and material moving occupations:	2,098	68	1,181	582	166	76	11	13	455	7.06	527	14.85
✓ Production occupations	1,108	27	617	332	89	29	6	9	470	8.55	545	26.94
✓ Transportation and material moving occupations	990	42	564	250	77	47	6	5	434	11.58	508	9.00

Source: 2008 Current Population Survey

UNIVERSE: All employed wage and salaried employees (both full and part time). ALL self-employed persons are excluded, regardless of whether or not their business is incorporated.

Medians are calculated using intervals centered around multiples of \$50. Median and mean weekly earnings are rounded to the nearest whole dollar.

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# Appendix D

**Table 20: Hourly Earnings of Employed Wage and Salaried Employees Paid Hourly Rates by Intermediate Occupation. Annual Average 2008**

(Number of employees in thousands)

16-26 YEAR OLD EMPLOYEES BY OCCUPATION	Total Employed	Under \$5.00	\$5.00 to \$6.99	\$7.00 to \$8.99	\$9.00 to \$11.99	\$12.00 to \$14.99	\$15.00 or more	Under prevailing minimum wage	At prevailing minimum wage	Median	Standard Error	Mean
Total 16-26 years old	19,557	577	1,592	6,395	5,645	2,713	2,636	1,087	170	\$9.24	\$.04	\$10.51
Management, Professional and Related Occupations	2,557	3	93	380	635	511	936	36	10	12.49	.23	14.38
Management, business and financial operations occupations:	629	1	14	79	169	144	222	10	>0	12.76	.32	13.54
✓ Management occupations	395	1	8	57	109	90	130	5	-	12.23	.27	13.29
✓ Business and financial operations occupations	234	-	6	22	60	54	92	5	>0	13.79	.47	13.97
Professional and related occupations:	1,928	2	79	301	465	367	714	26	10	12.39	.23	14.65
✓ Computer and mathematical occupations	173	-	2	20	39	41	71	-	-	13.52	.54	15.64
✓ Architecture and engineering occupations	149	-	2	11	25	25	86	1	-	15.48	.62	17.12
✓ Life, physical and social science occupations	75	-	4	6	23	15	28	1	-	12.39	.72	14.91
✓ Community and social services occupations	117	-	5	19	31	36	26	1	-	12.02	.47	12.64
✓ Legal occupations	71	-	1	3	14	13	38	2	-	15.08	.61	16.36
✓ Education, training and library occupations	493	1	42	127	136	78	108	12	7	10.05	.13	11.95

## Corporate Voices for Working Families A Profile of Young Workers (16–26) in Low-Income Families

16-26 YEAR OLD EMPLOYEES BY OCCUPATION	Total Employed	Under \$5.00	\$5.00 to \$6.99	\$7.00 to \$8.99	\$9.00 to \$11.99	\$12.00 to \$14.99	\$15.00 or more	Under prevailing minimum wage	At prevailing minimum wage	Median	Standard Error	Mean
✓ Arts, design, entertainment, sports and media occupations	257	1	12	58	71	42	72	7	2	10.90	.30	13.23
✓ Healthcare practitioner and technical occupations	594	-	11	56	125	117	285	3	1	14.20	.59	16.75
Service occupations:	6,061	520	790	2,405	1,555	521	270	792	83	8.12	.02	8.64
✓ Healthcare support occupations	677	8	29	160	282	130	69	16	3	10.08	.10	10.83
✓ Protective service occupations	373	8	25	105	129	51	56	20	-	9.88	.11	10.83
✓ Food preparation and serving related occupations	3,403	481	573	1,488	634	167	61	676	52	7.68	.04	7.59
✓ Building and grounds cleaning and maintenance occupations	725	8	48	283	248	94	43	25	10	8.95	.09	9.64
✓ Personal care and service occupations	884	16	114	370	263	79	43	56	19	8.37	.12	9.26
Sales and office occupations:	6,401	22	530	2,607	1,990	790	461	166	66	8.88	.04	9.65
✓ Sales and related occupations	3,285	16	373	1,740	793	226	136	115	38	8.14	.02	8.84
✓ Office and administrative support occupations	3,117	6	157	868	1,198	564	325	50	27	9.93	.04	10.51
Natural resources, construction, and maintenance occupations:	2,025	12	59	274	608	429	644	26	3	11.99	.08	13.29
✓ Farming, fishing and forestry occupations	199	3	12	94	60	15	14	8	-	8.51	.24	9.35
✓ Construction and extraction occupations	1,213	8	34	105	368	272	426	11	3	12.32	.28	13.83
✓ Installation, maintenance and repair occupations	614	1	12	76	181	142	203	6	-	12.23	.35	13.49

16-26 YEAR OLD EMPLOYEES BY OCCUPATION	Total Employed	Under \$5.00	\$5.00 to \$6.99	\$7.00 to \$8.99	\$9.00 to \$11.99	\$12.00 to \$14.99	\$15.00 or more	Under prevailing minimum wage	At prevailing minimum wage	Median	Standard Error	Mean
Production, transportation and material moving occupations:	2,511	15	121	728	855	463	326	67	8	9.98	.04	11.00
✓ Production occupations	1,169	3	22	268	422	271	183	13	-	10.66	.19	11.81
✓ Transportation and material moving occupations	1,343	15	99	462	434	191	144	54	8	9.31	.17	10.29

Source: 2008 Current Population Survey

UNIVERSE: Employed wage and salaried employees who were paid at an hourly rate. ALL self-employed persons are excluded, regardless of whether or not their business is incorporated. Medians are calculated using intervals centered around multiples of 50 cents. Median and mean weekly earnings are rounded to the nearest whole cent.

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# About Corporate Voices for Working Families

Corporate Voices for Working Families is the leading national business membership organization shaping conversations and collaborations on public and corporate policy issues involving working families. A nonprofit, nonpartisan organization, we create and advance innovative policy solutions that reflect a commonality of interests among the private sector both global and domestic, government and other stakeholders.

We are a unique voice, and we provide leading and best-practice employers a forum to improve the lives of working families, while strengthening our nation's economy and enhancing the vitality of our communities.

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