



TAY-Hub

Transition-Age Youth
Research & Evaluation Hub



EMPLOYMENT AND EARNINGS OUTCOMES Among Transition-Age Youth in Care

EXECUTIVE SUMMARY

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Introduction

Entering the workforce and securing a livable wage are essential milestones for emerging adults. Nevertheless, young people exiting foster care (also referred to as transition-age youth or TAY) report higher unemployment rates and suppressed wages in comparison to peers who did not live in foster care. Gender and racial disparities in TAY employment rates and earnings are prevalent, with women and youth of color earning significantly less than their White male peers. Several factors likely contribute to suppressed employment and earnings outcomes among TAY exiting care, including past trauma, mental health challenges, and limited social networks. Although California has one of the largest youth populations in care,

little research has examined the employment and earnings outcomes of TAY in California. The CalYOUTH study, a 10-year evaluation that assessed the well-being and outcomes of California youth eligible for extended foster care, provides critical insight into the employment and earnings outcomes of youth exiting care. The enclosed report, *Employment and Earnings Outcomes among Transition-Age Youth in Care*, summarizes CalYOUTH's findings on participating youths' employment and earning outcomes and data from additional sources to compare CalYOUTH participants' outcomes to those of other TAY with foster care experience and youth in California's general population.



Method

The current report compares employment and earnings outcomes from three data sources: the CalYOUTH survey and study reports, administrative case records published by the California Child Welfare Indicators Project, and the American Community Survey. CalYOUTH surveys and reports provided data on employment status, earnings, and sociodemographic information for 727 youth at ages 17, 19, 21, and 23. The California Child Welfare Indicators Project matched administrative child welfare case records with quarterly earnings data from California's Employment Development Department to estimate quarterly earnings among all TAY with foster care experience. Publicly available microdata from the American Community Survey were used to generate employment and earnings estimates for TAY in the general population. These data sources allowed researchers to compare employment and



earnings outcomes between TAY who participated in the CalYOUTH study, all TAY who had foster care experience, and TAY in the general population without foster care experience. Like CalYOUTH participants, youth from the administrative and American Community Survey samples were ages 17, 19, 21, and 23 in 2013, 2015, 2017, and 2019, respectively.



Findings

Results show that although employment rates across all three samples increased as youth matured, TAY with foster care experience in the CalYOUTH and administrative samples had significantly lower employment rates and earnings than youth in the general population. Racial disparities in earnings were detected, with Black and Native American foster care-involved youth earning significantly less than their peers of other racial and ethnic groups.

CalYOUTH women earned significantly less than their male peers and young women in the general population. Among working youth, a greater proportion of CalYOUTH participants than those in the general population reported working full-time. School and other training activities were the most frequently endorsed reasons for working part-time among CalYOUTH participants.



Limitations

Findings underscore the challenges that youth exiting care may experience in securing employment and earning a livable wage. Our results also suggest youth may benefit from assistance to help balance the demands of education and training that can increase their employment and earning potential in the future with their present need to sustain themselves. In sum, there remains a need to build relevant employment services for youth in intensive case management programs staffed by specialized caseworkers to ensure they receive the training and guidance needed to be competitive in the

modern job market. In doing so, policymakers and service providers alike must ensure Black, Native American, female, and other youth from marginalized backgrounds receive the necessary support to overcome systemic barriers to equitable employment opportunities and wages. A central pillar of these efforts may be extending basic financial support past age 21 to reflect the normative time required to complete postsecondary education programs, obtain vocational training, and find well-compensated employment.



The Transition-Age Youth Research & Evaluation Hub (TAY-Hub) seeks to improve policies and practices affecting TAY by monitoring outcomes and through applied research that is grounded in engagement with members of the child welfare services community, including those with lived experience of foster care.

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