

The Economic Milestones of Young Californians

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20-Somethings Are in Trouble

They're more depressed, more anxious, and lonelier than any other age group in America—but their distress has gone widely unnoticed.

By Faith Hill


[San Francisco Chronicle](#)
[e-Edition](#)
 Account

'Literally life or death': California kids are disappearing from school and the workforce. No one knows where they are

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ECONOMY

Half a million young Californians aren't in school or work. Most are men

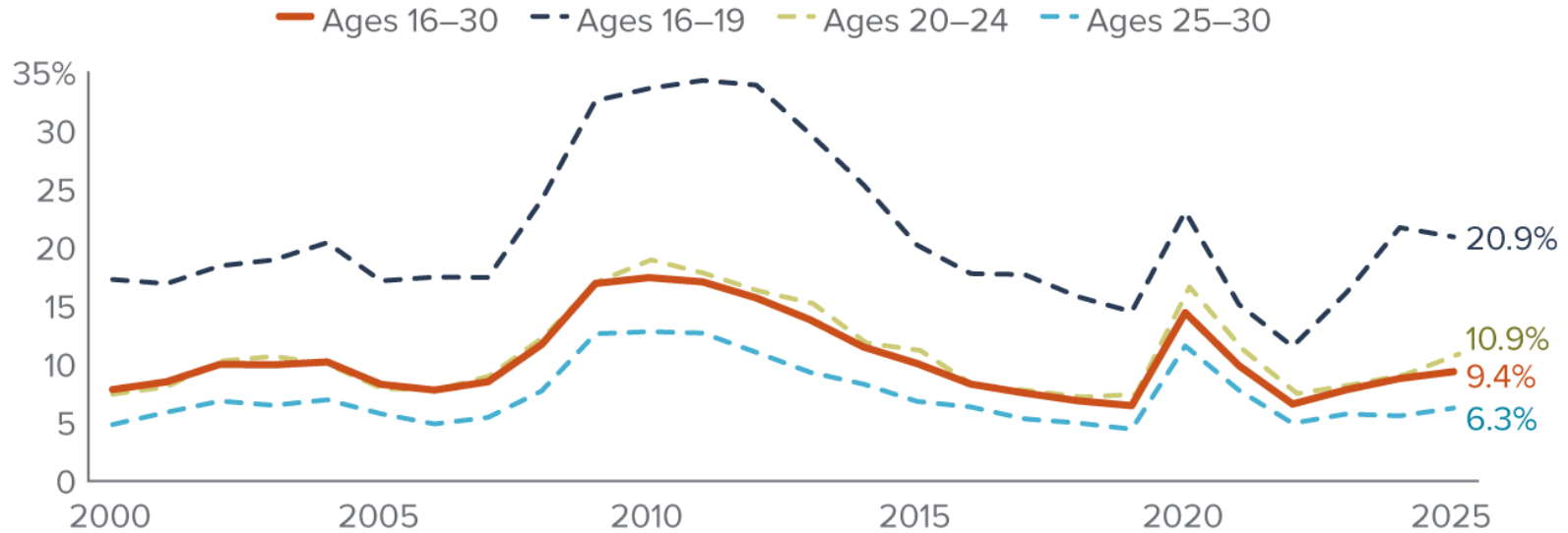
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Most Young Adults Had Not Reached Key Milestones of Adulthood in 2024

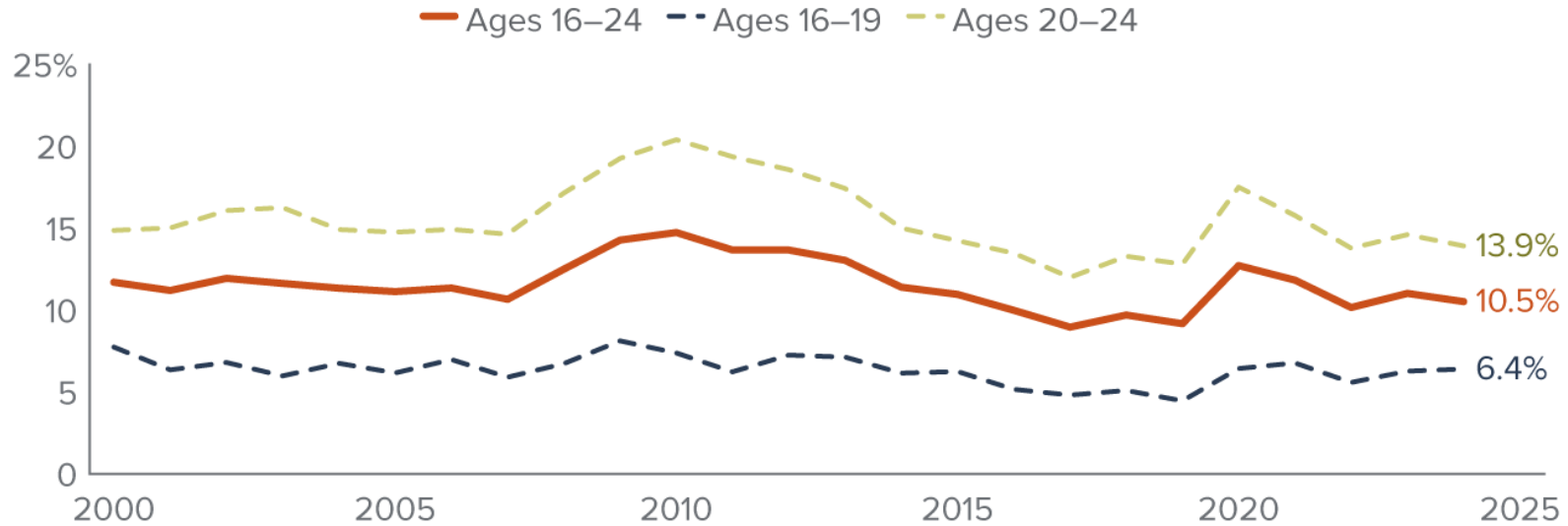
Young adult unemployment in California has increased since 2022

Unemployment rate



The share of California young adults not in school nor working remains above 2019 levels

Share of young adults not working nor in school

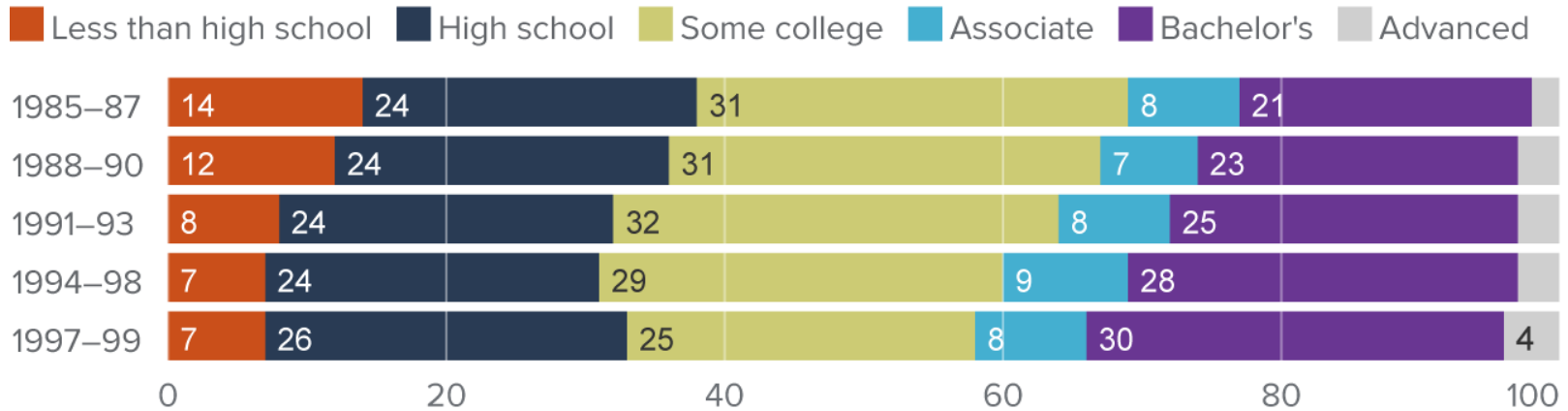


Young adults make critical choices between ages 16 to 24

- Key milestones:
 - College attendance and completion
 - Employment and early career outcomes
 - Life milestones like household formation
- Progression along key milestones have long-term consequences
 - Labor force participation, income, health, civic engagement
- Track birth cohorts using Census data for California

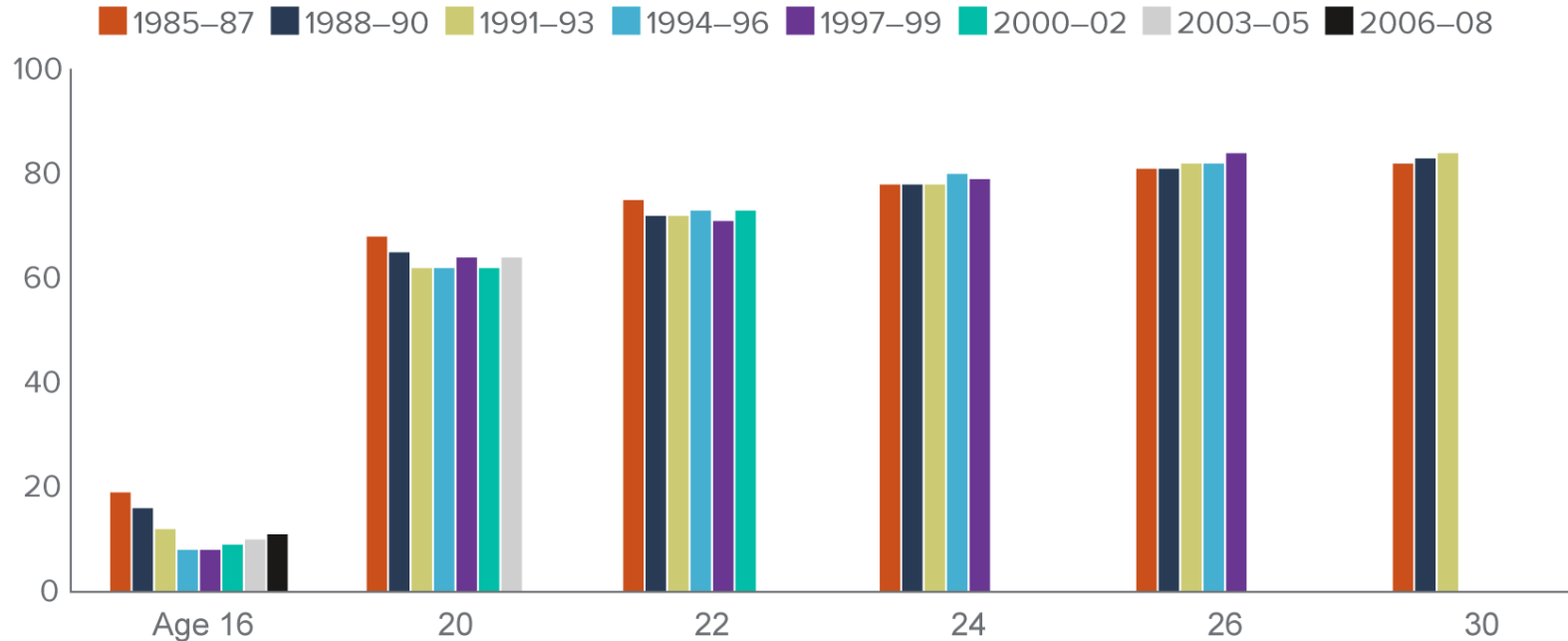
Educational attainment has increased across generations

Educational attainment by age 24 (%)



Young adults start work later—but more are working by their mid-20s

In the labor force (%)

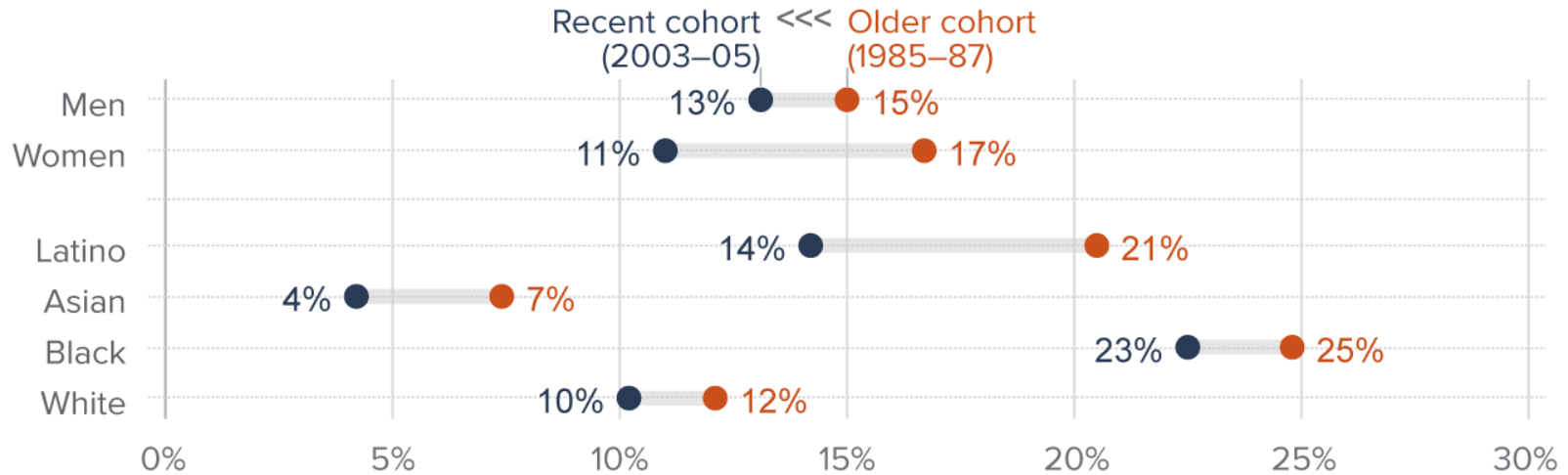


Career outcomes have improved for young adults

- Completing a bachelor's drives better labor market outcomes
 - Median wages are slightly higher for more recent cohorts
- Gender differences in labor force participation have narrowed
 - 1985-87: Men 82%, women 75%
 - 1997-99: Men 81%, women 78%
- Black men and Latino women have lower rates of labor force participation—but recent increases are notable

Being out of school and work is less common

Young adults out of school and work at age 20

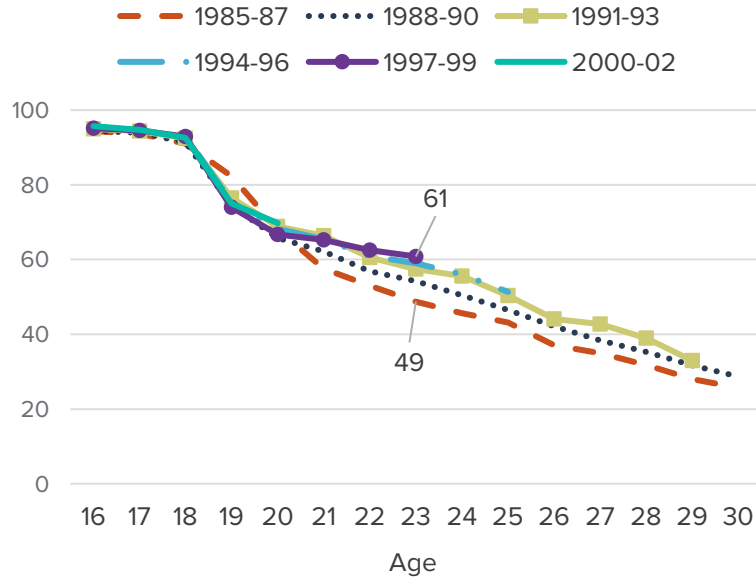


Being out of school and work is temporary

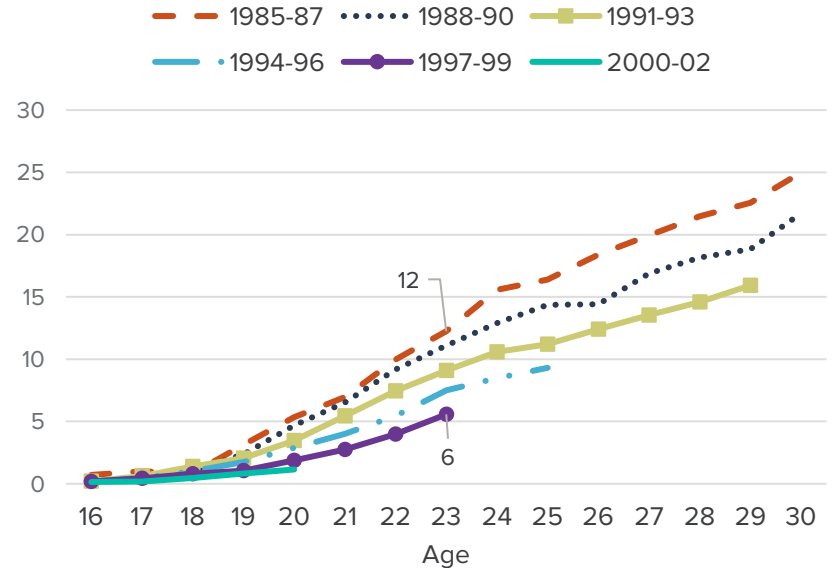
- Most age 20 to 24 do not change status year to year
 - Youngest are mostly in school
 - Oldest are mostly in the labor force
- Share out of school and work for two consecutive years has fallen
 - From 8% in 1985–89 cohort to 4% in 2000–04 cohort
 - Women went from 11% to 2% and men remain at around 6%

Household milestones occur later for more recent generations

Living with parents (%)



Have children under 5 years-old (%)



What to make of these trends?

- Progress in education, employment, earnings
 - Other milestones occurring later
- What drives changes?
 - Economic conditions are important
 - Changing demographics of the state
- Concerns for today's young adults are warranted
 - Labor market has slowed, especially in California
 - Rising unemployment for young adults
 - Overall uncertainty around economy

Early warnings and interventions

- Lower odds of being out of school or work correlate with:
 - Higher family socioeconomic status in high school
 - Better high school math performance
 - Individual expectations for educational attainment
 - Finishing high school and earning a diploma
- Interventions and supports are key
 - High school completion
 - Connection to postsecondary education
 - Engagement with work and work-based learning

Notes on the use of these slides

These slides were created to accompany a presentation. They do not include full documentation of sources, data samples, methods, and interpretations. To avoid misinterpretations, please contact:

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Thank you for your interest in this work.