Who Are California's Workers?

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California's workers power the economy.

- Most of California's 19 million workers earn wages or salaries (89%), but a sizeable share are <u>self-employed</u> (11%). More than two-thirds (70%) usually work at least 35 hours a week for 50 or more weeks a year.
- About one in ten (8%) workers are full time for just part of the year, while 22% work part time year-round. In 2022, 47% who worked part time would have preferred to work more hours.
- The median full-time, year-round worker in California earns about \$27 an hour, or \$56,000 a year. A third of all workers (33%) have low-wage jobs (which pay less than \$18 per hour).

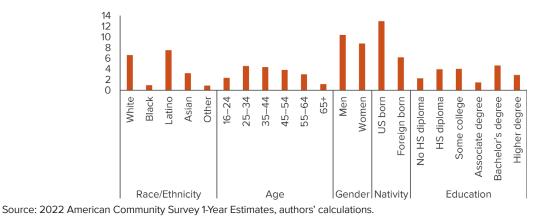
Californians work in a variety of occupations and sectors.

- The most common employment sectors—defined by their key products or services—are health care and social assistance, retail trade, manufacturing, and professional, scientific, and technical services. The San Francisco Bay Area differs from other regions in that a large share of its workers are in professional services.
- Nearly 40% of all workers in California are employed in four occupations: management, office and administrative support, sales, and transportation. Workers sharing an occupation do similar tasks day to day.
- Management is the top occupation in many parts of the state, but workers in the Sacramento area and Los Angeles County are more likely to have office and administrative support jobs, and those in the San Joaquin Valley, Sierras, and Inland Empire are more likely to work in transportation.
- In a number of occupations, workers are primarily members of a single demographic group. For example, 69% of childcare workers are women of color, 74% of farmworkers are immigrants, and more than 95% of workers in construction and installation are men.

California's workforce is demographically diverse.

- Like the state's population, workers in California are predominantly Latino (39%) or white (34%), with Asian/Pacific Islander, Black, and workers of other race/ethnicities comprising the other quarter. As many as half of workers under 35 and those in the central or southern parts of the state are Latino.
- ▶ The average California worker is younger than in the rest of the US, and two-thirds are 25–54—prime working ages. But the state's workforce is aging. The share of workers 55 and older has increased 39% since 2005.
- ▶ Women make up 45% of the workforce, up from 32% in 1962—but growth has slowed since the mid-1980s.
- Nearly a third of workers are immigrants, a three-fold increase since 1960. The largest share of foreignborn workers are from Mexico (38%); 9% come from Central America, 9% are from China, and 8% are from the Philippines. Newly immigrated workers are more likely to be from Asia (39%) than Latin America (12%).

California's workers are demographically diverse Millions of workers



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Educational attainment is rising among workers, but most do not hold four-year degrees.

- About one in four workers in California holds a bachelor's degree, and another 15% hold a higher degree. This combined share (39%) is up from 31% in 2005.
- A third (32%) of workers have high school diplomas or less, while 21% have some college and 8% have associate degrees. Workers in California are more likely than those elsewhere in the US to have less than a high school diploma (12% vs. 8%), although the share without diplomas has declined 28% since 2005.

Most workers live in a household with at least one other working adult.

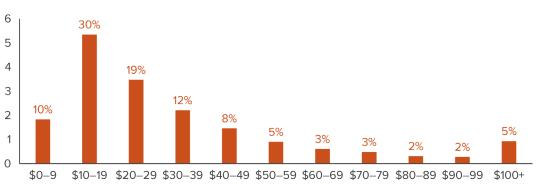
- The vast majority of workers (76%) live in households with at least one other working adult: with adult roommates, siblings, or extended family (30%), in multigenerational households with grandparents, grandchildren, or adult children (23%), or with a spouse or partner (23%).
- Among the 24% who are sole earners, 58% support children and other adults, while 42% live alone. Black women (20%) and white men (18%) are especially likely to be sole earners supporting multi-person households.
- Family and/or personal needs factor into work intensity. Women are less likely than men to work full time (64% vs. 75%); they also spend more time on caregiving than men do, on average.

Wages vary substantially across regions and demographic groups.

- Wages vary substantially across the state, as does the cost of living. The Bay Area has the highest median wage (\$33 an hour); median wages are lowest in the Central Valley, Sierras, and northern region—about \$20 an hour.
- Eight percent of working adults are in households classified as poor by the <u>California Poverty Measure</u>. Full-time workers are relatively unlikely to be poor (5%), while single working parents are especially likely to be living in poverty (28%).
- Women earn less than men; although gender wage gaps narrowed substantially in the late 1970s and the 1980s, progress has slowed since then. California's largest gap is in Silicon Valley, where women working full-time earn \$0.73 compared to men's \$1; the smallest gap is 2 cents, in Napa.
- White and Asian/Pacific Islanders make up 34% and 17% of the workforce, respectively, but just 22% and 12% of low-wage workers, while Californians with other racial/ethnic backgrounds comprise 49% of the workforce and 65% of low-wage workers.
- Wages tend to grow with experience: the typical hourly wage among young workers (age 16–29) is \$22, compared to \$38 among those 30 and over.

A majority of California workers earn less than \$30 an hour

Millions of workers



Source: 2022 American Community Survey 1-Year Estimates, authors' calculations. Notes: Chart shows distribution of workers by estimated hourly wages in 2022, for workers ages 16 and over who worked at any point in the previous year, excluding those who are self-employed. See <u>Technical Appendix</u> for details about methodology.

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Sources: Thorman et al., <u>Technical Appendix: Who Are California's Workers?</u> (PPIC, 2024); American Community Survey (<u>IPUMS-USA</u>); Fry et al., <u>What Is the Gender Wage Gap in Your Metropolitan Area?</u> (Pew, 2022); Bohn and Schiff, <u>Immigrants and the Labor Market</u> (PPIC, 2011); Bohn et al., <u>The Working Poor in California</u> (PPIC, 2023); Sharma et al., <u>"Gender Differences in Caregiving among Family -</u> <u>Caregivers of People with Mental Illnesses</u>," *World Journal of Psychiatry* (2016).