



# Providing Opportunity for California's Low-Wage Workers

Technology and globalization is constantly changing how work is performed in most industries and increasing the level of skills and knowledge required by employers. To keep pace with these changes California's education and workforce institutions must address a series of challenges to ensure that workers, particularly individuals in low-wage employment, have the skills and knowledge required by industry.

The steep growth in income inequality in California threatens the fabric of our society and the economic competitiveness of our state. Real wages of median workers have declined in recent years, while high-wage workers have been gaining ground. In 2014, fully one-third of

California's workforce earned less than \$13.63 per hour, two-thirds of the median wage of a full-time worker. Unless California's education and training institutions address the skill needs of low-wage workers income inequality will continue to grow as larger numbers of Californians face barriers to economic mobility.

California can and must step up to the challenge of providing greater opportunities for low-wage workers. Our Skills Agenda for California's Low-Wage Workers details concrete steps toward a skilled workforce and shared prosperity for all Californians.

## Who Are California's Low-Wage Workers?\*

**One of every three California workers earns low wages.**

One third of California's workforce – or almost 5 million workers – earned less than \$13.63 per hour in 2014.

**Low-wage workers can be found in most industries but 46 percent work in retail (14%), restaurants (14%), and various service industries.** In addition to retail and restaurants, education services employ 6% of California's low-wage workers; administrative and business services, 6%; and personal services and nonprofits, 6%. While some of these industries offer pathways for advancement, in many cases, workers' best opportunities may be in other industries.

**Most low-wage workers do not have the education or training they need to move into higher-wage jobs.** Only 20% of low-wage workers have an Associate's degree or more, compared to 44% of California's workforce overall.

**Low-wage workers face serious barriers to accessing and succeeding in education and skills training, particularly in traditional settings.** Most live in low-

income families and therefore cannot afford to take time off for education or training. Many lack necessary basic English and math skills and some face the challenges of learning a new language, since 56% of California's low-wage workforce is Latino. The high cost of childcare and transportation are also important roadblocks.

**California's low-wage workforce is relatively young, with the ability to benefit from further education and training.** 45% of low-wage workers are under the age of 30; 64% are under the age of 40.

**Education and training for low-wage workers will be critical to ensuring that California is able to close its projected skills gap.** Projections of the impending skills gap identify the need for 1.1 million more bachelor's degrees and 1 million more associate's degrees by 2020. In addition, the California Workforce Development Board has set a goal of 1 million more workers with middle-skill credentials over the next ten years.

*\*Data are from the UC Berkeley Labor Center, Low-Wage Work in California: 2014 Chartbook*

# A Skills Agenda for California's Five Million Low-Wage Workers

One-third of Californians do not earn a middle-class wage. Providing low-skilled workers with ongoing skill development and education has widespread benefits to the individual and their family, local employers, and the community at-large. Workers with solid middle-level skills are able to take advantage of opportunities for advancement offered by their employers or find other good jobs with living wages.

Our vision is for a more equitable and prosperous California that benefits from and rewards the talents of all its workers. To achieve this vision, we must provide low-skilled working Californians access to skills upgrade training and other educational opportunities by redesigning programs, expanding workplace learning, and building partnerships with business and industry.

## Promising Strategies

### Competency-Oriented and Workplace-Based Education and Training

Expand apprenticeship-model training programs in both traditional and non-traditional industries that allow workers to earn a wage while learning a skill.

Invest in incumbent worker training and utilize existing funding sources like Employment Training Panel funds to create opportunities for low-wage workers to move up the career ladder.

Develop models of validating employer-provided training and awarding credit for learning in other settings so workers can advance on the job and/or earn college credit towards degrees and certificates.

### New Approaches to Basic English, Math, and Other Foundational Skills

Provide contextualized basic English and math training at the workplace.

Offer new ways for adults to receive a high school equivalency diploma, including programs that allow individuals to work concurrently toward a postsecondary degree or certificate.

Develop strategies to improve the digital literacy skills of low-income workers across a wide range of occupations.

### Modularized, Accelerated, Accessible Education and Training

Redesign one-year and two-year career education programs into shorter, stackable certificates.

Offer dual enrollment in adult education and expand dual enrollment career education programs.

Expand online career education and training opportunities aimed at low-income workers, with available coaching and other supports.

### Robust Financial and Supportive Services

Fund the creation of an infrastructure of community partnerships to recruit, prepare, and support low-income Californians to improve their access to and completion of education and skills training.

Enhance financial supports for low-income learners to address both the tuition and non-tuition costs of education and training.

Provide adult learners with increased access to transportation, childcare, and other integrated support programs.

