

How Racial and Gender Bias Impede Progress toward Good Jobs

By Anthony P. Carnevale, Kathryn Peltier Campbell, Artem Gulish, Ban Cheah, and Jeff Strohl

2022



GEORGETOWN UNIVERSITY
McCourt School of Public Policy
Center on Education and the Workforce

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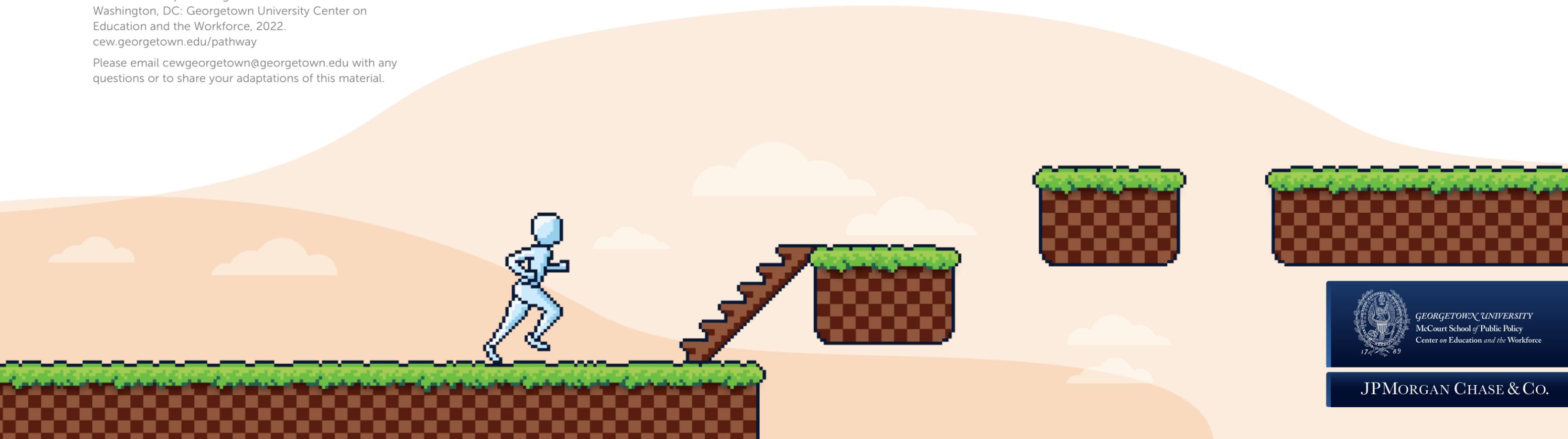
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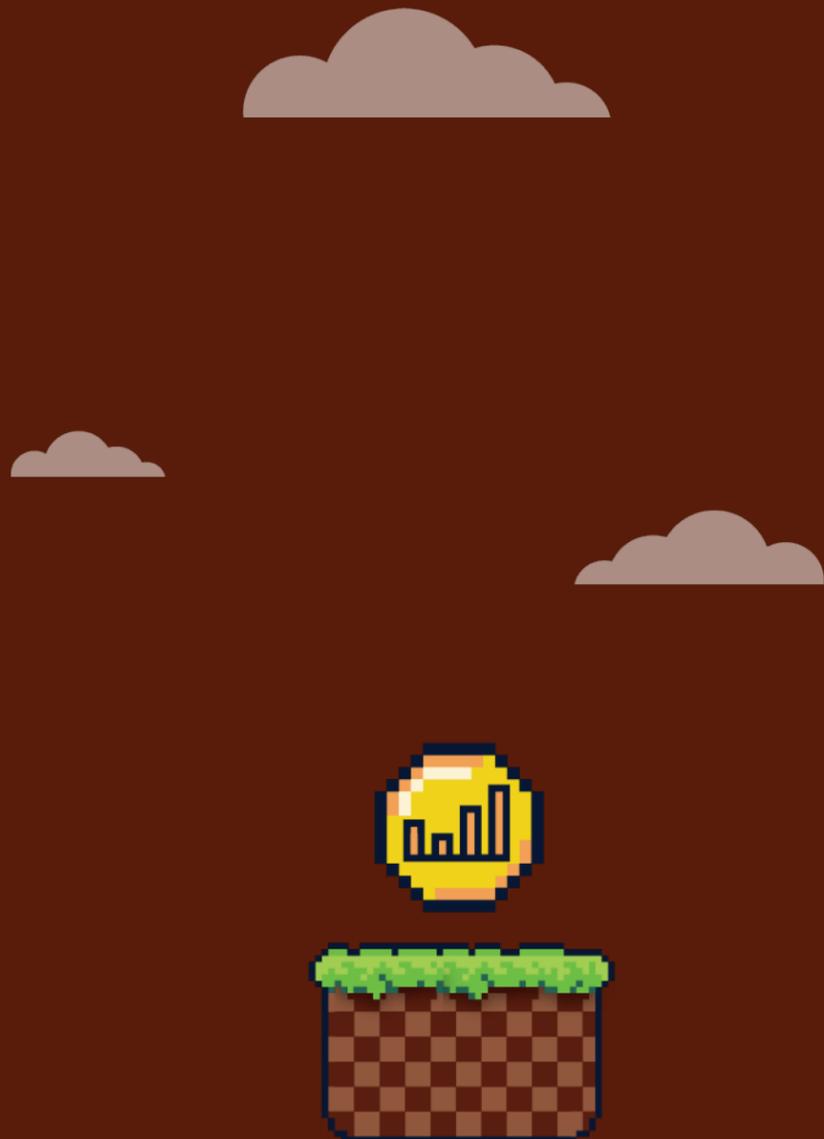
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INTRODUCTION

Americans share a strong belief that the country offers access to opportunity. In 2017, 82 percent of Americans said they had achieved the American Dream or were on their way to achieving it.¹ But do all Americans—regardless of race, ethnicity, gender, or socioeconomic status—have equal access to the American Dream?

Overwhelmingly, the evidence indicates that the answer to this question is no. Despite our belief that the United States is the land of opportunity, the ability to choose one's pathway through life depends on access to financial resources. And access to financial resources is too often defined by structural inequalities, such as educational resource gaps and multigenerational wealth disparities, as well as discrimination tied to historical and cultural prejudices. Opportunity gaps between rich and poor are a substantial problem, yet research clearly indicates that race/ethnicity and gender have independent and intersecting effects on these gaps.²

As young people make the transition to adult independence, they often find that achieving the life they want requires a certain amount of financial stability and security. A good job that provides for basic needs and supports entry into the middle class—one that pays at least \$35,000 per year for young workers, adjusted for local cost of living³—can

¹ Smith, "Most Think the 'American Dream' Is within Reach for Them," 2017.

² Research in economics, sociology, and law, among other disciplines, has established that race has an impact distinct from the effect of socioeconomic status. For example, researchers have found that White and Hispanic children experience more upward mobility relative to their parents than do Black or American Indian children (Chetty et al., "Race and Economic Opportunity in the United States," 2019). Other researchers have argued that outcomes such as high school graduation rates are affected by the interactions among multiple dimensions, including race, class, and place (Storer et al., "Moving beyond Dichotomies," 2012). We examined the interaction among race and class inequality in Carnevale and Strohl, *Separate & Unequal*, 2013.

³ We define a good job as one that pays at least \$35,000 for workers younger than 45 and at least \$45,000 for workers ages 45 and older. Carnevale et al., *Three Educational Pathways to Good Jobs*, 2018. We adjusted the \$35,000 threshold using the local living wage to account for differences in cost of living among states, based on data from the Massachusetts Institute of Technology (MIT), "Living Wage Calculator," 2020. <https://livingwage.mit.edu/>.

Young people today have more equal access to opportunity compared to previous generations, but their chances of succeeding in the American economy are far from equitable.

help them pursue their dreams. At the median, these good jobs pay \$57,000 for young workers ages 25 to 35 nationwide.⁴

Unfortunately, there are significant disparities in young people's access to good jobs. In fact, the likelihood of having a good job as a young adult depends on many factors outside of young people's control—including their race/ethnicity and gender. The deep and pernicious inequality of opportunity that is embedded throughout our country's history continues to affect the experiences of young Americans. And while millennial workers are the most diverse generation currently in the workforce, inequality persists.

Young people today have more equal access to opportunity compared to previous generations, but their chances of succeeding in the American economy are far from equitable.



About This Report

This report is part of a series on young people's pathways to good jobs. In it, we examine racial/ethnic and gender gaps in who has a good job as a young adult.

We explore how the likelihood of having a good job is affected by the intersection of race/ethnicity and gender and related opportunity gaps in

- educational attainment;
- field of study;
- occupation;
- full-time work;
- access to high-quality work-based learning;
- experiences with structural racism and sexism; and
- intergenerational wealth.

These elements work together to perpetuate inequality of opportunity for young Americans.

For a broad discussion of generational change in the likelihood of having a good job, see the companion to this report, *How Limits to Educational Affordability, Work-Based Learning, and Career Counseling Impede Progress toward Good Jobs*.

⁴ Georgetown University Center on Education and the Workforce analysis of data from the US Census Bureau, American Community Survey (ACS), 2009–19.

What Is a Good Job?

In this report, we explore the pathway from youth economic dependency to a good job. We consider a good job to be one that meets a minimum earnings standard for economic self-sufficiency. Many good jobs provide room for growth toward a higher salary, but at a baseline, they allow workers to support themselves in the modern economy.

At the national level, we define a good job as one that pays at least \$35,000 for workers younger than age 45 and at least \$45,000 for workers ages 45 and older. These good jobs pay \$57,000 at the median for young workers (ages 25 to 35) nationwide. There is substantial variation in earnings associated with good jobs for young workers: for workers born between 1981 and 1985, one-quarter of good jobs pay from \$35,000 to \$45,000, while one-quarter pay more than \$80,000.

Depending on local cost of living, the minimum earnings necessary to achieve economic independence may be higher or lower than \$35,000. To account for the geographical differences in cost of living, we adjusted the \$35,000 threshold by state using the living wage in each state and the District of Columbia. We found that the minimum earnings associated with a good job varied by more than \$17,000, from \$29,700 in South Dakota to \$47,400 in the District of Columbia (Table 1). We take these differences into account in the data analysis underlying our discussions in this report.

While our good jobs definition does not include employer benefits, the vast majority of workers who have good jobs (89 percent) have access to health insurance coverage at work, compared to a lower share (63 percent) of workers who don't have good jobs. Workers with good jobs are also much more likely to have access to an employer-sponsored retirement plan.*

TABLE 1. The minimum threshold of earnings associated with a good job varies geographically.

State	Adjusted minimum good jobs threshold
Highest good jobs thresholds	
1 District of Columbia	\$47,400
2 Hawaii	\$44,300
3 New York	\$43,600
4 Massachusetts	\$43,300
5 California	\$42,000
Lowest good jobs thresholds	
47 Kansas	\$30,400
48 Ohio	\$30,400
49 West Virginia	\$30,300
50 Arkansas	\$29,900
51 South Dakota	\$29,700

Source: Georgetown University Center on Education and the Workforce estimates based on data from the Massachusetts Institute of Technology (MIT), "Living Wage Calculator," 2020. For a complete list of adjusted thresholds, see Table A1 in Appendix A.

* Georgetown University Center on Education and the Workforce analysis of data from the US Census Bureau and Bureau of Labor Statistics, Current Population Survey (CPS), 2020. While the CPS data show that workers with good jobs are twice as likely to have access to an employer-sponsored retirement plan as workers without good jobs, we do not report the exact estimates because they appear to significantly understate retirement plan coverage. Based on data from the US Bureau of Labor Statistics, "National Compensation Survey," 2021, more than 70 percent of civilian workers have access to a retirement plan at work, and the group of workers most likely to lack access to a retirement plan are those in the bottom quartile of earnings.

An unjust hierarchy of economic opportunity by race/ethnicity and gender persists for young Americans.

This report is part of a two-report exploration of the elongated pathway to a good job. In the companion to this report, *How Limits to Educational Affordability, Work-Based Learning, and Career Counseling Impede Progress toward Good Jobs*, we explore how education beyond high school became the most-traveled pathway to the American middle class, and we describe how this change has complicated young people's transitions to economic independence.

Gaps in postsecondary educational attainment play a bigger role in economic inequality than they did in the past.

In the industrial economy of the 1970s, the pathway from youth dependency to adult economic independence most often began in high school and concluded when young people were in their mid-20s. But new technologies have driven dramatic structural changes in the economy since then, making postsecondary education and work experience increasingly important to securing a good job. The new knowledge economy demands new kinds of human capital that are typically built through education after high school, alongside applied learning on the job.

As a result of the rising demand for education and work experience, the journey to economic independence has grown longer, often extending

into young people's early 30s and beyond. Moreover, gaps in postsecondary educational attainment play a bigger role in economic inequality than they did in the past. Between 60 and 70 percent of the increase in earnings inequality since 1980 is attributable to differences in postsecondary access and completion, according to analysis by economists Claudia Goldin and Larry Katz.⁵ Precisely because of their increasing economic importance, postsecondary education and training have become capstones in the intergenerational reproduction of inequality.

In this report, we build on these general findings by examining how the likelihood of attaining a good job as a young adult differs among demographic groups.⁶ We find that racial/ethnic and gender gaps in several areas associated with having a good job—including postsecondary attainment, major field of study, occupation, and full-time work—combine with persistent discrimination and bias to create an unjust hierarchy of economic opportunity:

- **Higher educational attainment confers greater benefits to more advantaged groups.** Young White and Asian/Asian American men and women, who have higher educational attainment on average than other groups, also have a greater likelihood of having good jobs. Equalizing postsecondary attainment among different racial/ethnic and gender groups would help narrow gaps in the likelihood of having a good job. It wouldn't entirely close these gaps, however, because good jobs gaps occur even among similarly qualified workers. For example, although women earn more degrees than men at every level of attainment,

⁵ Goldin and Katz, "Long-Run Changes in the Wage Structure," 2007; see also Autor, "Skills, Education, and the Rise of Earnings Inequality among the 'Other 99 Percent,'" 2014.

⁶ We explore mobility by socioeconomic status in the companion to this report, *How Limits to Educational Affordability, Work-Based Learning, and Career Counseling Impede Progress toward Good Jobs*.

women generally need one degree higher than men to achieve comparable earnings.⁷ Even among workers with a bachelor's degree or higher, young White men have a higher share of good jobs than young men or women in any other racial/ethnic group.⁸

- Differences in fields of study also contribute to earnings inequality among young people.** Science, technology, engineering, and mathematics (STEM) majors have the highest earnings potential of all bachelor's degree holders, and White and Asian/Asian American men are more likely than Black/African American men and women of most races/ethnicities to major in these fields. In addition, Black/African American and Hispanic/Latino workers who major in these fields of study consistently are paid less than similarly qualified White and Asian/Asian American workers, just as female workers who major in these fields are paid less than similarly qualified male workers.⁹
- Differences in occupation also play a role in who gets a good job.** At the occupational level, young Black/African American, Hispanic/Latino, American Indian/Alaska Native, and Native Hawaiian/Pacific Islander men are concentrated in blue-collar and food and personal services occupations, in which the chances of having a good job are relatively low (42 percent and 22 percent, respectively). Young Black/African American women are the most likely among young workers to work in healthcare support

occupations, in which only 22 percent of young workers have good jobs. American Indian/Alaska Native, Hispanic/Latina, and Native Hawaiian/Pacific Islander young women also have relatively high representation in healthcare support occupations.

- Unequal access to high-quality work experience through work-based learning (WBL) programs and youth employment further contributes to gaps in good jobs.** Many employers increasingly require prior work experience, even for entry-level jobs.¹⁰ Young White and Asian/Asian American adults are most likely among all racial/ethnic groups to have completed a work-based learning program. In addition, work-based learning is a more viable alternative to the bachelor's degree for young men than it is for young women. In part, this is because young men are more likely than young women to participate in work-based learning programs in higher-paying fields.
- Student debt dampens the positive economic effects of educational attainment, constraining the ability to accrue wealth among the groups most likely to hold educational debt.** Among college graduates, Black/African American women are the race/gender group most likely to hold educational debt and the group with the highest median educational debt. This debt constrains the ability to build wealth for borrowers both with and without degrees.

The lack of an effective career navigation system connecting educational programs to jobs exacerbates these problems. Further, the unjust hierarchy in access to good jobs compounds existing gaps in wealth, calcifying economic disparities that have been established over generations and that are passed along from parents to children.

Structural barriers and cultural expectations perpetuate inequality.

Young adults' choices and chances of landing a good job are bound by structural barriers, cultural expectations, and inadequate guidance. Individual choice, ability, and effort play a role in whether young people are able to secure a good job, but factors outside of individual control also play a role. These factors include differences in school resources, access to high-quality preschool, opportunity to pursue college-level coursework in high school, access to selective colleges and universities, resource disparities between selective and open-access colleges, and the availability of high-quality career counseling and work-based learning.

In other words, young people's choices are affected by socioeconomic, cultural, and institutional context. For example, the subjects that young people study in school and the occupations they choose can have a strong effect on their earnings as young adults. But these choices are constrained by contextual factors like systemic racism and sexism, historical injustices, social norms, family obligations, and cultural barriers,¹¹ along with insufficient counseling and guidance.

Substantial gaps in educational quality and social capital affect young people's lives at every point of their trajectory.

The chances of landing in an academic major or occupation with a high share of good jobs reflect the impact of unequal educational opportunity that begins in preschool. A kindergartner who has high test scores but comes from a family in the bottom quarter of socioeconomic status has only a 3 in 10 chance of being in the top half of socioeconomic status as a young adult. In contrast, a kindergartner with low test scores who comes from a family in the top quarter of socioeconomic status has a 7 in 10 chance of being in the top half of socioeconomic status as a young adult. These differences reflect substantial gaps in educational quality and social capital that affect young people's lives at every point of their trajectory.¹²

Importantly, a student's choice of major or occupation is shaped by social and cultural expectations as well as individual interests. It is often further restricted by systemic limitations. For example, admission to the most prestigious programs may be selective even within open-access colleges, and the lack of high-quality, data-driven career navigation services leaves many young people poorly informed about the implications of their choices.

Thus, early promise can't outweigh resource gaps that extend throughout the school-to-work pipeline. This is especially true when those resource gaps are compounded by systems that track girls and

⁷ Carnevale et al., *Women Can't Win*, 2018.

⁸ While young Asian/Asian American men generally have similar shares of good jobs as young White men, not all Asian/Asian American men have earnings parity with White men. For a discussion of Asian/Asian American men's earnings relative to those of White men, see Kim and Sakamoto, "Have Asian American Men Achieved Labor Market Parity with White Men?," 2010.

⁹ For example, a White engineer with no more than a bachelor's degree earns \$90,000 per year on average, whereas a Black engineer with a graduate degree earns \$87,000 per year. Carnevale et al., *Mission Not Accomplished*, 2021.

¹⁰ Morgan, "Why Inexperienced Workers Can't Get Entry-Level Jobs," 2021.

¹¹ For more about historical injustice dynamics that impact Black and Latino workers, see Carnevale et al., *The Unequal Race for Good Jobs*, 2019; for more on social norms and cultural barriers that block access to well-paying jobs for women, see Carnevale et al., *Women Can't Win*, 2018.

¹² Carnevale et al., *Born to Win, Schooled to Lose*, 2019.

students from underserved racial and ethnic groups toward lower-paying jobs.¹³

Ultimately, gaps in good jobs help perpetuate longstanding intergenerational wealth gaps. Young adults who earn less have less opportunity to accrue wealth, especially if they have to pay off educational debt. College is generally a good investment, yielding higher lifetime earnings at the median (\$2.8 million) than those associated with a high school diploma (\$1.6 million).¹⁴ At the same time, educational debt curtails the ability to accrue wealth. For groups that are more likely to have higher levels of educational debt and less likely to have a good job even with high levels of education—in particular, Black/African American women—good choices can’t compensate for persistent intergenerational gaps in wealth. Indeed, racial wealth gaps persist among Black/African American and White households with similar earnings.¹⁵

These gaps widen with successive generations. Even among children who grew up in households with similar parental income, Black/African American children are less likely than White children to move up the income distribution and more likely to move down when they reach adulthood.¹⁶

To close these gaps, we will need to address all the elements that contribute to them, including implicit and explicit bias and discrimination in the workforce, residential segregation, disparate treatment in the criminal justice system, differential access to financial services, and divergent social networks. We will also need to provide targeted supports to help

offset the past and present injustices that have led to persistent gaps in economic outcomes.

Fragmented supports on the journey from youth dependency to economic independence exacerbate the challenges young people face.

Longstanding silos occupied by pre-kindergarten schools, elementary schools, middle schools, high schools, and postsecondary education and training institutions complicate the journey to economic independence. The gaps on the education and career pathway have a disproportionate impact on students facing structural barriers, who often do not have access to additional support mechanisms through their families and social networks. Meanwhile, admissions tests like the SAT and ACT, as well as Advanced Placement course enrollment and gifted curricula, have provided a scientific veneer that disguises differences in educational opportunity as differences in ability.¹⁷

Thus, the elongated pathway from early childhood to a good job is a continuous journey from cradle to career for all young people, regardless of their race/ethnicity or gender. But the education, training, and workforce system through which they travel is far from unified, especially for students facing structural barriers. Fragmentation along the pathway from schooling to a good job compounds differences in educational opportunity and access to high-quality work experiences, including high-quality work-based learning.

The largest structural gap in the integration of education and careers is the disconnect between educational institutions and labor markets. Ideally, young people would experience career exposure no later than middle school, participate in internships and work-based learning in high school, and gain high-quality work experience related to their postsecondary education and training programs.

Even as the strength of the relationship between education and careers grows, the aspiration to connect high schools to college and careers remains a work in progress. Advanced Placement, International Baccalaureate, and magnet programs have long existed as fast tracks to college and career success for advantaged students. Newer pathways that introduce high school students to college-level coursework include dual-enrollment and early-college programs. These types of programs that help smooth transitions between high school and postsecondary education are often more available to White students than to Black/African American, Hispanic/Latino, and American Indian/Alaska Native students.¹⁸

Some reformers also seek to strengthen career and technical education (CTE) and connect it to college and careers. Schools are attempting to offer work-based learning and career development opportunities to more students, including career exploration in middle school; internships in high school; and practicums, cooperative education experiences (co-ops), and internships related to major fields of study in college. In addition, there are models that connect high schools to postsecondary programs and ultimately to career pathways, such as Linked Learning, guided pathways, and

apprenticeships. Some programs focus specifically on building connections among high schools, postsecondary programs, and employers. Examples include those of the National Academy Foundation, Career Academies, the Pathways to Prosperity Network, P-TECH, the Urban Alliance, YouthBuild, Year Up, Per Scholas, and Genesys Works. But even in combination, these programs have fairly limited reach in improving the prospects of students facing structural barriers.¹⁹

Alongside institutional reforms, an information and counseling capability is emerging to connect the dots between pre-K–12 and postsecondary education and training, as well as between individual postsecondary programs and employment and earnings data drawn from employer wage records and job postings. The emerging information and counseling strategy builds on the foundation of 21st-century information systems, including the US Department of Education’s College Scorecard, the State Longitudinal Data Systems (SLDS), and the Census Bureau’s Post-Secondary Employment Outcomes (PSEO) project. These longitudinal data sets have become the core asset in defining education and career pathways at both the state and national levels. With proper disaggregation, the data on educational experiences and labor market outcomes can also be used to draw attention to persistent inequality and to help identify possible points of intervention.²⁰

It has become increasingly clear that providing effective supports for young people will require an all-one-system approach. In an all-one-system approach, widely available professional career counseling would help individuals use information to make fully informed choices about the many

¹³ Carnevale et al., *Born to Win, Schooled to Lose*, 2019.

¹⁴ Carnevale et al., *The College Payoff*, 2021.

¹⁵ Darity et al., “What We Get Wrong about Closing the Racial Wealth Gap,” 2018.

¹⁶ Chetty et al., “Race and Economic Opportunity in the United States,” 2019.

¹⁷ Carnevale et al., *The Merit Myth*, 2020. More subjective admissions criteria—such as those based on extracurricular accomplishments, recommendation letters, and essays—can also reinforce privilege. Rosinger et al., “The Role of Selective College Admissions Criteria in Interrupting or Reproducing Racial and Economic Inequities,” 2019.

¹⁸ Xu et al., “College Acceleration for All?,” 2021; Kettler and Hurst, “Advanced Academic Participation,” 2017; Executive Office of the President, *2014 Native Youth Report*, 2014.

¹⁹ Carnevale et al., *Youth Policy*, 2021.

²⁰ Carnevale et al., *Youth Policy*, 2021.

complex options available. The counseling workforce would need to reflect the demographic composition of the students, clients, and workers they serve, and every counseling professional would need to use culturally responsive approaches and embrace their clients' socioeconomic, racial/ethnic, and gender diversity.²¹

Counseling would improve young people's journeys to economic independence and could help address gaps in information and differences in social capital. But by itself, it will not suffice to narrow the racial/ethnic and gender gaps in access to good jobs. To ensure that all young people truly have equal opportunity to reach economic independence by young adulthood, we need to address disparities that originated in centuries of discrimination and are outside any individual's control. These disparities include gaps in educational quality, opportunity to engage in work-based learning, and access to good jobs. We also need to address persistent racism and sexism that sustain pay gaps among equally qualified individuals in the American labor market.

We need to address opportunity gaps on the pathway to adult economic independence.

Regardless of frequent public debates about the value of education, Americans still tend to believe that education is a reliable pathway to economic opportunity. This is especially true among parents from marginalized racial and ethnic groups. Among adults with children under 18, a full 86 percent of Hispanic/Latino adults and 79 percent of Black/African American adults say it is "extremely important" or "very important" for their children to earn a college degree, compared to 67 percent of White adults.²² These statistics may reflect a commitment to education as a gateway to opportunity as well as the fact that educational credentials are often more necessary for members of marginalized groups to achieve financial stability.

In the following pages, we explore whether education is in fact an equitable pathway to opportunity for all groups or whether some groups benefit more than others from pursuing certain education and career pathways.

After a brief analysis of historical trends in young adults' access to good jobs, we examine how education, academic major, occupation, and type of employment (full-time or part-time) combine to determine which young adults get a good job today. We also discuss how bias and discrimination interact with these elements to constrain opportunity for young adults in marginalized groups, especially women. We describe how gaps in good jobs feed into long-term economic inequality as measured by personal wealth, particularly for those who take on educational debt.

Finally, we offer seven recommendations for narrowing the gaps in outcomes:

1. Embrace our country's diversity and reject racial/ethnic and gender injustice, including through investments in culturally responsive teaching and counseling.
2. Apply an equity lens to all policy and programmatic reforms by measuring inequality and crafting policies and programs designed to address it.
3. Provide targeted, wraparound educational and social supports to young people from cradle to career, including universal pre-kindergarten and equitably funded public schools.
4. Invest in programs that treat education and labor markets as a single system extending from early childhood to the first good job, including programs with strong employer involvement.
5. Help young people—especially those who are most marginalized by the education and employment system—pursue and attain their education and career goals simultaneously using career exposure and work-based learning.
6. Create a transparent, data-based education and career navigation system that is accountable for making outcomes more effective and equitable.
7. Make college more accessible and narrow the racial/ethnic gaps in college financing by investing in free college, incremental credentialing, community college baccalaureate programs, and better transfer pathways.

²¹ Carnevale et al., *Youth Policy*, 2021.

²² Stepler, "Hispanic, Black Parents See College Degree as Key for Children's Success," 2016.

PART 1.

Divergent Paths on the Journey to a Good Job

The economic status of young people in the 21st century is causing considerable concern. Young adults are taking longer than they have in the past to attain a good job—one that pays at least \$35,000²³ with a median of \$57,000 for young workers ages 25 to 35 nationwide.²⁴ In the 1970s, the majority of young people attained a good job by their mid-20s. Now, additional education and work experience requirements mean that it takes longer to latch on to a good job. Many young people don't attain a good job until their 30s, and many from less-advantaged groups don't latch on to a good job at all. By the time they reach their 30s, however, young adults are more likely to have a good job than young adults were in the past.

Many young people don't attain a good job until their 30s, and many from less-advantaged groups don't latch on to a good job at all.

Beneath these trends are ongoing disparities by race/ethnicity and gender in the economic fortunes of young adults. These disparities reflect persistent societal inequality and economic injustice. As a result, some racial/ethnic and gender groups are

more likely to have higher educational attainment than others, more likely to have higher earnings than equally qualified peers of other racial/ethnic and gender identities, and more likely to accumulate more wealth by their mid-30s.

Overall, young adults are less likely to have a good job in their 20s—and more likely to have a good job in their 30s—than they were in the past.

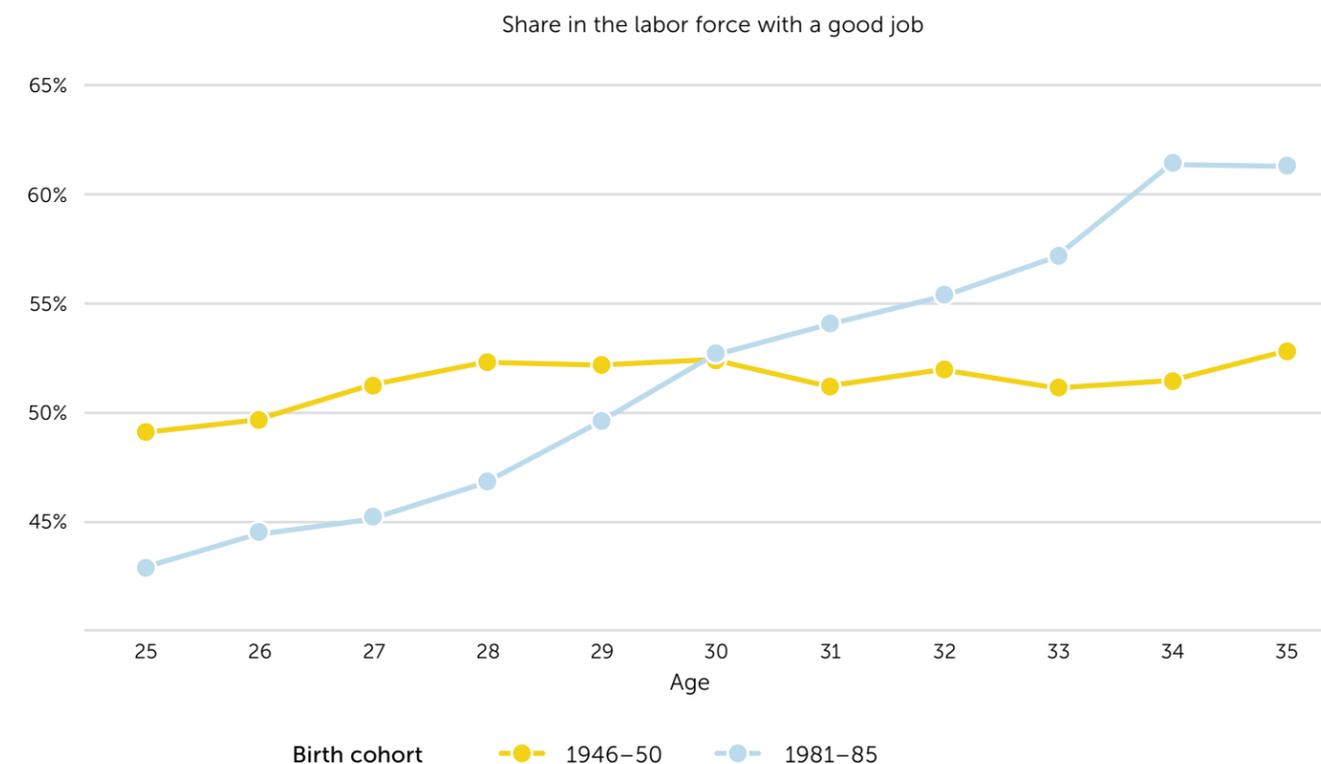
Changes in the likelihood of having a good job as a young adult are driven by substantial changes in the American economy. The labor market that young people face today is very different from the one their parents faced. It places greater value on experience, education, and social capital and less value on the hands-on physical abilities that once gave young people an edge in employment. As a result, young people today typically need more education and work experience to attain a good job than previous generations did.²⁵

Young people are less likely to have a good job in their 20s, when they are typically still in school or just starting work, than their counterparts were in the past. Once they pass age 30, however, young people's chances of having a good job are considerably better than those of the earlier generation. Most older millennials (those born from 1981 to 1985) had a good job by age 30. After age 30, millennials in this cohort were more likely to have a good job than the

comparable group of baby boomers (born from 1946 to 1950) were at that age (Figure 1).

The story is much more complicated than the overall trend suggests, however. Good jobs are more available to young women and young Black/African American and Hispanic/Latino workers than in the past. But young men and young White workers still have the best chances of landing a good job, and they tend to do so earlier.

FIGURE 1. By age 30, the oldest millennials were more likely to have a good job than the oldest baby boomers were at the same age.



Source: Georgetown University Center on Education and the Workforce analysis of data from the US Census Bureau and Bureau of Labor Statistics, Current Population Survey (CPS), 1972-86, 2007-20.

Note: Data are for 25-to-35-year-olds in the labor force. Young workers with good jobs are those with earnings of \$35,000 or more nationwide. We adjusted the good jobs threshold based on cost-of-living differences among states using 2018-19 data from the Massachusetts Institute of Technology (MIT), "Living Wage Calculator," 2020.

²³ We define a good job as one that pays at least \$35,000 for workers ages 25 to 44. We adjusted the \$35,000 threshold using the local living wage to account for differences in cost of living among states using 2018-19 data from the Massachusetts Institute of Technology (MIT), "Living Wage Calculator," 2020, <https://livingwage.mit.edu/>.

²⁴ Georgetown University Center on Education and the Workforce analysis of data from the US Census Bureau and Bureau of Labor Statistics, Current Population Survey (CPS), 2020.

²⁵ For more details about how the journey to good jobs has changed for all young workers, see Carnevale et al., *How Limits to Educational Affordability, Work-Based Learning, and Career Counseling Impede Progress toward Good Jobs*, 2022.

Young women’s chances of having a good job have improved but still lag behind those of young men.

Sweeping cultural and economic changes over the second half of the twentieth century brought more women into the full-time workforce, and these female workers are more likely than in the past to have higher levels of education.²⁶ Women’s labor-force participation rose from around 40 percent in the 1960s to around 60 percent in the 2010s.²⁷ The share of women workers with a bachelor’s degree or higher roughly tripled over the same timeframe as women with postsecondary degrees entered the workforce in unprecedented numbers.²⁸ As young women came to play a larger role in the workforce, the share of young workers who were women increased from 41 percent among the oldest baby boomers to 46 percent among the oldest millennials.²⁹

As law and common practice changed to permit more women to establish and maintain a professional identity, more young women recognized that they could derive personal satisfaction and lifelong economic returns by investing in their education and work experience.³⁰ While women of lower socioeconomic status have always worked by necessity, many women of all social classes started envisioning their future jobs as potential careers and began seeking more education.³¹ More young women began to earn

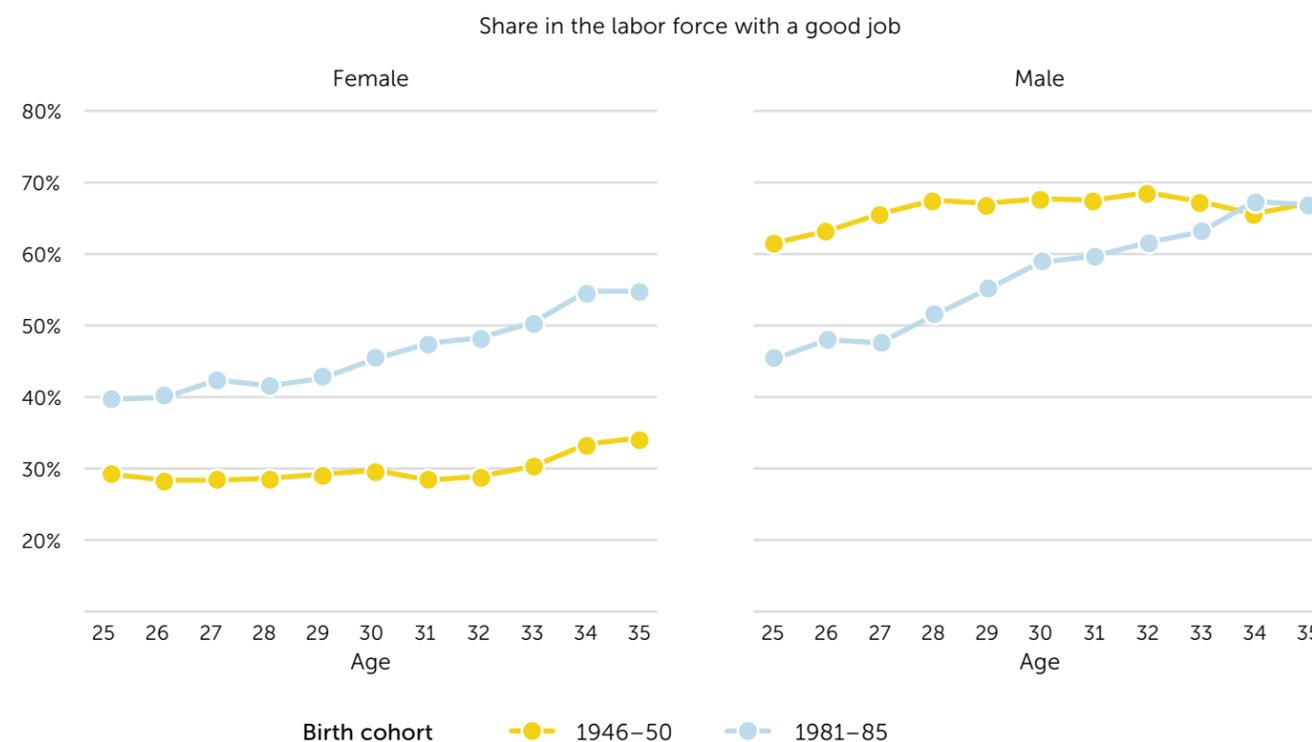
degrees leading to work in highly paid fields, such as business, law, and medicine.³² With new credentials in hand, young women in the older cohort of millennials became more likely to have a good job in their late 20s and early 30s than the oldest baby boomers were at the same age. Whether they were White, Black/African American, or Hispanic/Latina, their prospects had improved relative to those of their counterparts from the earlier generation (see Figure B1 in Appendix B).

For young men, widespread economic change had a different effect. Deindustrialization and the related decline of employment in some blue-collar sectors like manufacturing hit men particularly hard, cutting off a once-reliable avenue to economic opportunity.³³ Thus, young men became less likely to have a good job relative to young men of the earlier generation. This pattern generally held for men across racial/ethnic groups, with young Black/African American, Hispanic/Latino, and White men all experiencing declining prospects compared to the earlier generation (see Figure B1 in Appendix B).

Alongside this change in opportunity for young men, there was a change in workforce composition. The share of young workers who were men declined from 59 percent among the oldest baby boomers to 54 percent among the oldest millennials.³⁴ Since three in five workers in the mid-20th-century labor

market were men, young men’s lower likelihood of having a good job today relative to their same-age counterparts in the past may be contributing to the impression that young workers today are worse off than their parents were at the same age (Figure 2).

FIGURE 2. Young men have consistently been more likely to have a good job than young women, but only young women have become more likely to have a good job over time.



Source: Georgetown University Center on Education and the Workforce analysis of data from the US Census Bureau and Bureau of Labor Statistics, Current Population Survey (CPS), 1972–86, 2007–20.

Note: Data are for 25-to-35-year-olds in the labor force. Young workers with good jobs are those with earnings of \$35,000 or more nationwide. We adjusted the good jobs threshold based on cost-of-living differences among states using 2018–19 data from the Massachusetts Institute of Technology (MIT), “Living Wage Calculator,” 2020.

³⁴ Georgetown University Center on Education and the Workforce analysis of data from the US Census Bureau and Bureau of Labor Statistics, Current Population Survey (CPS), 1972–2020.

²⁶ In 1970, 41 percent of women who worked at some point during the year did so full time and year-round, compared to 62 percent in 2016. US Bureau of Labor Statistics, “Women in the Labor Force: A Databook,” 2018.

²⁷ US Bureau of Labor Statistics, “Women in the Labor Force: A Databook,” 2018.

²⁸ US Bureau of Labor Statistics, “Women in the Labor Force: A Databook,” 2018.

²⁹ Georgetown University Center on Education and the Workforce analysis of data from the US Census Bureau and Bureau of Labor Statistics, Current Population Survey (CPS), 1972–2020.

³⁰ It was once customary for women to leave the workforce after marriage, with some fields instituting “marriage bars” prohibiting married women from working. Goldin, “The Quiet Revolution that Transformed Women’s Employment, Education, and Family,” 2006.

³¹ Goldin, “The Quiet Revolution that Transformed Women’s Employment, Education, and Family,” 2006.

³² Goldin, “The Quiet Revolution that Transformed Women’s Employment, Education, and Family,” 2006.

³³ Carnevale et al., *Upskilling and Downsizing in American Manufacturing*, 2019.

White workers are catching up to the earlier generation at younger ages than Black/African American or Hispanic/Latino workers.

Today’s young workforce is more diverse than the young workforce of the past. At the same time, White workers continue to earn a wage premium relative to Black/African American and Hispanic/Latino workers. Thus, while the workforce has diversified, the persistence of pay gaps by race/ethnicity means that there are more workers today from racial/ethnic groups with lower average earnings. (Due to data limitations, our discussion of historical trends in this report includes analysis only for these three groups. For more explanation, see the box below.)

The two cohorts had very different workforce demographics. White workers went from representing 82 percent of young workers in the older baby boomer cohort to 52 percent of workers in the older millennial cohort. In the same time period, Hispanic/Latino workers went from being 5 percent to 20 percent of the young workforce, and Black/African American workers went from 10 percent to 12 percent.³⁵ These dramatic changes in the racial composition of the young workforce were driven largely by an expansion of the Hispanic/Latino presence in the United States through a combination of immigration and US births.³⁶ Today, the majority of the Hispanic/Latino population in the United States (65 percent) is US-born, and the US-born population has accounted for most of the Hispanic/Latino population growth in recent decades.³⁷

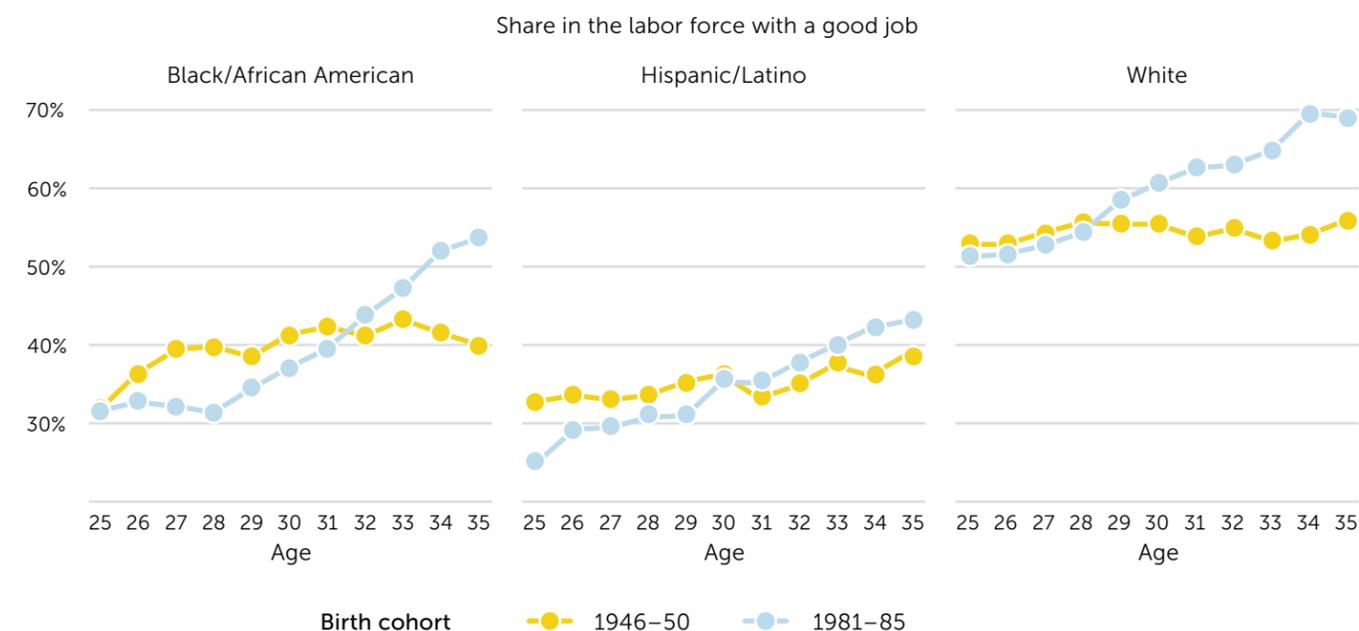
Among young adults entering the workforce, White workers remain more likely to have a good job than Black/African American workers or Hispanic/Latino workers. At each age between 25 and 35, White workers are the most likely of these three racial/ethnic groups to have a good job, just as was the case for the earlier generation (Figure 3).

All three racial/ethnic groups attain good jobs more slowly than the earlier generation, and all are eventually more likely than their counterparts in the earlier generation to have good jobs. Compared to baby boomers of the same race/ethnicity, millennial workers in all three groups are less likely to have a good job in their early 20s but more likely to have a good job in their early 30s.

However, young White workers have a strong advantage. They are almost as likely to have a good job in their 20s as their past counterparts were at the same age, and they have made stronger gains over those past counterparts in their early 30s relative to the gains made by young Black/African American and Hispanic/Latino workers. In contrast, in their 20s, young Black/African American and Hispanic/Latino workers lag more noticeably behind their past counterparts than do White workers. In both generations, Hispanic/Latino workers were least likely of the three groups to have a good job.

The age at which each racial/ethnic group begins to do better than the earlier generation varies. White millennial workers cross the threshold into greater

FIGURE 3. Relative to the earlier generation, White workers are more likely to have a good job at a younger age than Black/African American or Hispanic/Latino workers.



Source: Georgetown University Center on Education and the Workforce analysis of data from the US Census Bureau and Bureau of Labor Statistics, Current Population Survey (CPS), 1972-86, 2007-20.

Note: Data are for 25-to-35-year-olds in the labor force. Young workers with good jobs are those with earnings of \$35,000 or more nationwide. We adjusted the good jobs threshold based on cost-of-living differences among states using 2018-19 data from the Massachusetts Institute of Technology (MIT), “Living Wage Calculator,” 2020.



Why Our Historical Analysis Doesn’t Include Detailed Racial/Ethnic Groups

In this report, we focus on fewer racial and ethnic groups in our historical analysis than in our analysis of contemporary data. The US government now reports data on race and ethnicity for a larger number of racial/ethnic groups than it did in the past. As a result, we are better able to analyze the experiences of different racial and ethnic groups today than in the past.

With population growth among demographic minority groups and growing attention to substantial cultural differences among subgroups, US government agencies have continued to adapt and refine the racial categories they use in their data

collection. This allows us to conduct more detailed analysis of economic outcomes for young millennial workers than is possible for young workers in the baby boom generation.*

It is important to recognize that the racial and ethnic aggregations in this report conceal within-group differences. Factors like country of origin, ancestry, and tribal membership all affect individuals’ access to opportunity. No group is a monolith. Nonetheless, in the absence of detailed information, data on larger demographic groups can help to identify opportunity gaps across the system.

* Ahmad and Weller, *Reading between the Data*, 2014.

³⁵ Georgetown University Center on Education and the Workforce analysis of data from the US Census Bureau and Bureau of Labor Statistics, Current Population Survey (CPS), 1970-2020.

³⁶ Carnevale et al., *The Unequal Race for Good Jobs*, 2019.

³⁷ US Census Bureau, Current Population Survey, March Supplement, 2019 (Table 7).

likelihood of having a good job at a younger age than Black/African American or Hispanic/Latino millennial workers. For White workers, the crossover point comes at age 29, compared to age 32 for Black/African American workers and age 31 for Hispanic/Latino workers.

Young White workers are substantially more likely to have a good job in their mid-20s than young Black/African American and Hispanic/Latino workers. In fact, it takes Black/African American and Hispanic/Latino workers until their mid-30s to have roughly the same chances of having a good job as White workers have by their mid-20s. It takes until age 34 for more than half of young Black/African American workers to transition into a good job; for young Hispanic/Latino workers, fewer than half transition to a good job by age 35. Despite high hopes for racial justice in the 21st century, structural inequality persists, leaving equal opportunity more of a dream than a reality.

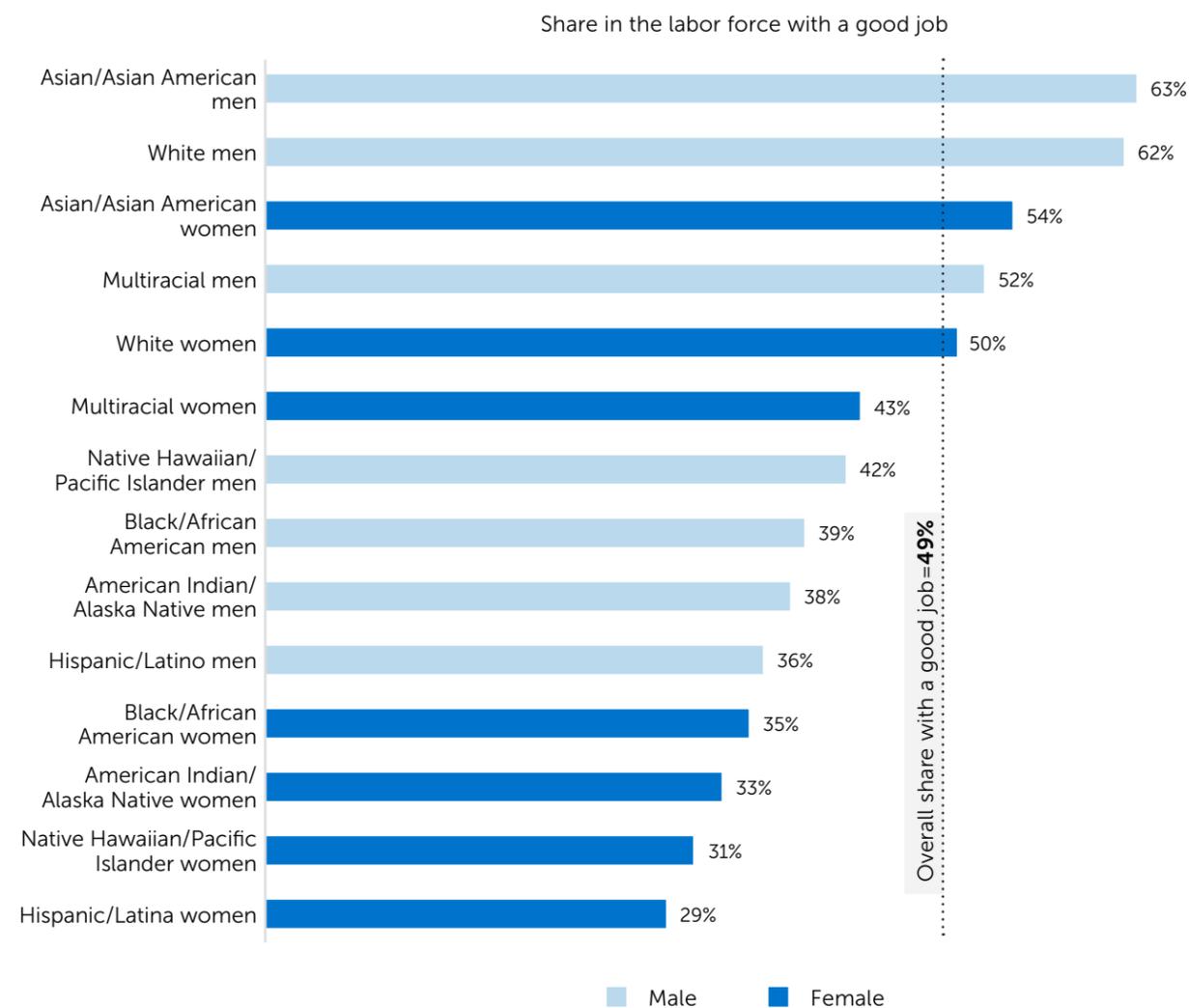
The unjust hierarchy of good jobs by race/ethnicity and gender follows historical trends.

The trends described above have led to a hierarchy in young people’s likelihood of having a good job that reflects historical injustices and continuing structural inequalities. Our analysis of good jobs among the cohort of older millennials (born between 1981 and 1985) reveals a hierarchy by race and gender in the likelihood of having a good job as a young adult. Asian/Asian American men and White men are most

likely among these young workers to have a good job, followed by Asian/Asian American women, Multiracial men, and White women. Women from many marginalized racial/ethnic groups—specifically Hispanic/Latina women, Native Hawaiian/Pacific Islander women, American Indian/Alaska Native women, and Black/African American women—are least likely among working millennials in this age group to have a good job. In fact, young White and Asian/Asian American men in this cohort are more than twice as likely to have a good job as young Hispanic/Latina women (Figure 4).

In the next section of this report, we explore the factors that affect the likelihood of having a good job, including educational attainment, major field of study, occupation, work experience (measured through employment during the teen years or participation in work-based learning), and likelihood of having a full-time job, and identify how these factors vary by race/ethnicity and gender. These factors all reflect ongoing structural inequities, and they all feed into the differences in likelihood of having a good job by race/ethnicity and gender. At the same time, these factors do not completely explain the presence of persistent gaps in good jobs among young adults. As we discuss in the next section, discrimination and bias based on race/ethnicity and gender continue to play a role in young adults’ economic outcomes once they enter the workforce.

FIGURE 4. Young Hispanic/Latina, Native Hawaiian/Pacific Islander, and American Indian/Alaska Native women are least likely to have a good job.



Source: Georgetown University Center on Education and the Workforce analysis of data from the US Census Bureau, American Community Survey (ACS), 2009–19 (pooled).

Note: Data are for young adults in the labor force who were born from 1981 to 1985 and who ranged in age from 25 to 35 during the survey years. Young workers with good jobs are those with earnings of \$35,000 or more nationwide. We adjusted the good jobs threshold based on cost-of-living differences among states using 2018–19 data from the Massachusetts Institute of Technology (MIT), “Living Wage Calculator,” 2020.

PART 2

The Uneven Route to a Good Job

The chances of getting a good job by young adulthood vary substantially based on the pathways young people take through education and early work experiences. Some pathways into the workforce are clear and well-maintained, ensuring that young people have better chances of seamlessly reaching a good job. Others cover rocky ground that increases young people’s chances of stumbling or hitting a snag along the way. Some paths are broadly accessible, while others require specific credentials or connections for entry.

Surveying the current landscape of good jobs reveals some real differences not just in the pathways, but also in who travels which paths. Through a combination of chance, choice, and design, young people’s likelihood of being on a clear pathway to a good job differs by gender and race/ethnicity. The clearest pathways to good jobs are often most open to those with racial/ethnic and gender privilege, while the most hazardous pathways suffer from the systemic neglect that too often defines the experiences of marginalized groups.

In this section of the report, we examine the factors associated with having a good job as a young adult, including educational attainment, major field of study, occupation, work experience (employment as a teenager or participation in work-based learning), and full- or part-time work. We also discuss factors that are more difficult to measure directly, such as the impact of discrimination and bias on economic opportunity. We establish how these factors vary by race and gender, and we explore what changes would be necessary to equalize young people’s chances of having a good job.

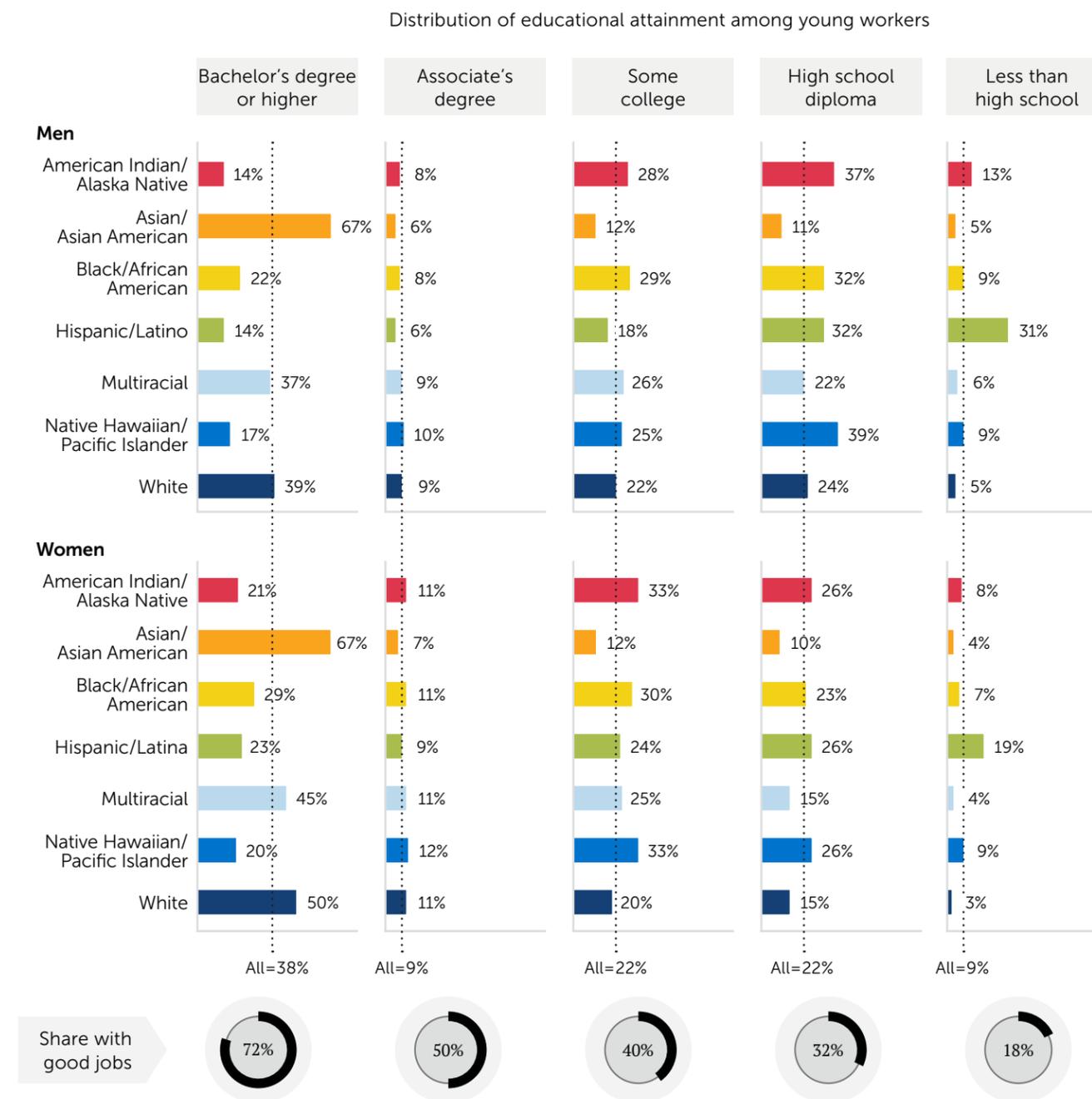
Inequality in educational attainment lays the groundwork for inequality in good jobs.

Having a bachelor’s degree or higher undeniably improves the chances of having a good job. Among young workers (ages 25 to 35), 72 percent of those with bachelor’s degrees or higher have good jobs, compared to 50 percent of those with associate’s degrees, 40 percent of those with some college, and 32 percent of those with a high school diploma as their highest level of attainment. Thus, one of the most promising ways for young workers to increase their chances of having a good job is to pursue additional postsecondary education, especially a bachelor’s or graduate degree.

Because educational attainment plays such an important role in young people’s likelihood of having a good job, persistent equity gaps in educational attainment lay the groundwork for equity gaps in the workforce. In other words, inequality in educational attainment is projected into the workforce, where it translates into inequality in good jobs.

Among young adults, White men and women and Asian/Asian American men and women, as well as Multiracial women, are all more likely than the overall young population to have a bachelor’s degree or higher (Figure 5). Meanwhile, Black/African American, American Indian/Alaska Native, Hispanic/Latino, and Native Hawaiian/Pacific Islander men and women, as well as Multiracial men, are all less likely than the young adult population at large to have a bachelor’s degree or higher. Across genders,

FIGURE 5. Among young adults (ages 25 to 35), Hispanic/Latino men and American Indian/Alaska Native men are least likely to have a bachelor’s degree or higher, one of the primary obstacles in their access to good jobs.



Source: Georgetown University Center on Education and the Workforce analysis of data from the US Census Bureau, American Community Survey (ACS), 2009–19 (pooled).

Note: Data are for young adults in the labor force who were born from 1981 to 1985 and who ranged in age from 25 to 35 during the survey years. Young workers with good jobs are those with earnings of \$35,000 or more nationwide. We adjusted the good jobs threshold based on cost-of-living differences among states using 2018–19 data from the Massachusetts Institute of Technology (MIT), “Living Wage Calculator,” 2020. Values may not sum to 100 percent due to rounding.

Asian/Asian American young adults are most likely to have a bachelor's degree or higher, and Hispanic/Latino young adults are most likely to have less than a high school diploma.

Equal outcomes in educational attainment would help narrow the gaps in the likelihood of having a good job as a young adult. But educational outcomes are themselves affected by the systemic and sociocultural factors described below, which restrain individuals' ability to make optimal choices. On an individual level, young people may be motivated to pursue more education by the payoff associated with higher levels of attainment. Given the systemic factors at play, however, it would be far too simplistic to assume that individual choices alone can close these racial/ethnic and gender gaps.

Racial/ethnic inequality is built into the education-to-workforce system from the very beginning of children's lives, with more educational resources going to affluent children—who are most often White—from an early age. Black/African American, Hispanic/Latino, and American Indian/Alaska Native children are much more likely than White children to come from households with the lowest socioeconomic status (SES).³⁸ Because school funding is often tied to property taxes, coming from a low-SES household often means having less access to the resources that are typically available to wealthy children.³⁹ Racially discriminatory federal housing policy that enforced neighborhood segregation and suppressed the value of Black/African American homeowners' property further

intensified resource disparities.⁴⁰ American Indian/Alaska Native groups face continued economic and educational disadvantages as a result of oppressive policies and practices stretching back to European colonization, including the seizure of Native lands, the concentration of Native populations in high-poverty areas, and the use of boarding school programs to forcibly separate Indigenous youth from their culture.⁴¹

Despite decades of attempted reforms to equalize education, disparate resources in pre-K and elementary school continue to set the stage for tracking in secondary and postsecondary education. In 1983, the US National Commission on Excellence in Education released *A Nation at Risk*, inspiring reforms that mitigated tracking based on race and gender by weakening vocational education and promoting a curriculum intended to prepare all students for college or work.⁴² But the US Supreme Court has decided that the Constitution does not guarantee educational equality,⁴³ and stratification by social identity has continued both within and across educational institutions, in both the K–12 and postsecondary systems.⁴⁴

Students begin to be sorted onto different academic tracks as early as kindergarten, and these different tracks correlate with socioeconomic status and race before students enter high school. For example, Black/African American, Hispanic/Latino, and Indigenous students are less likely than their peers of other races to be placed in Algebra I by eighth grade.⁴⁵ Black/African American students in

particular are less likely to earn credits in college preparatory curricula like Advanced Placement, International Baccalaureate, and dual-enrollment coursework in high school.⁴⁶ To a large degree, this is because they are more likely to be in poorly resourced schools that don't adequately prepare them for these courses and because guidance counselors are less likely to recommend that they enroll in these courses.⁴⁷ At the college level, Black/African American and Hispanic/Latino students remain concentrated in open-access public colleges, where their chances of graduation are comparatively low, while White students have increasingly enrolled at well-resourced selective institutions.⁴⁸ To interrupt these patterns at their source, we need to address the systemic inequality that defines our educational system at every juncture in the pipeline.

We also need to loosen the stranglehold on opportunity currently held by the bachelor's degree by improving pathways to good jobs for workers without four-year degrees. Requiring that workers have a bachelor's degree has racially disparate effects because Black/African American, Hispanic/Latino, and Indigenous workers are less likely than White and Asian/Asian American workers to have four-year degrees. Even as we improve the pathway to four-year degrees for all Americans, we also need to improve the options for those without four-year degrees. This would involve expanding non-baccalaureate training options, including work-based learning opportunities like internships,⁴⁹ and ensuring that all workers receive a living wage.

Differences in major field of study contribute to gaps by race/ethnicity and gender in the likelihood of attaining a good job.

Among workers with bachelor's degrees or higher, differences in field of study play a substantial role in differences in the likelihood of having a good job. In fact, earnings can vary more by field of study within educational levels than they do across educational attainment levels. For example, the median lifetime earnings of workers with a bachelor's degree in architecture and engineering are \$1.8 million higher than the median lifetime earnings of workers with a bachelor's degree in education. In contrast, the overall median lifetime earnings of workers with a bachelor's degree are \$800,000 higher than the overall median lifetime earnings of workers with an associate's degree.⁵⁰

While workers with a bachelor's degree or higher are more likely than those with lower levels of formal education to have a good job, the choice of major field of study also affects the likelihood of having a good job. Among young workers with a bachelor's degree or higher, those who majored in science, technology, engineering, and mathematics (STEM) are most likely (78 percent) to have good jobs. In contrast, young workers who majored in arts, liberal arts, and humanities are least likely (59 percent) to have good jobs. On the whole, young workers who majored in STEM, health, or business and communications are more likely than the average bachelor's degree holder

³⁸ Georgetown University Center on Education and the Workforce analysis of data from the US Department of Education, Education Longitudinal Study of 2002 (public use data), 2002.

³⁹ Carnevale et al., *Born to Win, Schooled to Lose*, 2019.

⁴⁰ Rothstein, *The Color of Law*, 2017.

⁴¹ Executive Office of the President, *2014 Native Youth Report*, 2014.

⁴² Gardner et al., *A Nation at Risk*, 1983; Carnevale et al., *Youth Policy*, 2021.

⁴³ *San Antonio Independent School District v. Rodriguez*, 411 U.S. 1 (1973).

⁴⁴ Carnevale et al., *Youth Policy*, 2021; Carnevale et al., *The Merit Myth*, 2020.

⁴⁵ US Department of Education, "A Leak in the STEM Pipeline," 2018.

⁴⁶ US Department of Education, National Center for Education Statistics, "Advanced Placement, International Baccalaureate, and Dual-Enrollment Courses," 2019, Table 5.

⁴⁷ Francis et al., "Do School Counselors Exhibit Bias in Recommending Students for Advanced Coursework?," 2019.

⁴⁸ Carnevale et al., *Our Separate & Unequal Public Colleges*, 2018.

⁴⁹ Carnevale et al., *How Limits to Educational Affordability, Work-Based Learning, and Career Counseling Impede Progress toward Good Jobs*, 2022.

⁵⁰ Carnevale et al., *The College Payoff*, 2021.

to have a good job, while those who majored in education and public service, career-focused fields,⁵¹ or the arts, liberal arts, and humanities were less likely than the average bachelor's degree holder to have a good job.

Two areas of study in particular play a large role in who has a good job as a young adult: STEM fields (representing 23 percent of bachelor's degrees) and business and communications (26 percent of bachelor's degrees). Differences in who majors in these popular, lucrative fields contribute to good jobs gaps. With the exception of Asian/Asian American women and Native Hawaiian/Pacific Islander women, young women of all races and ethnicities remain less likely than average to major in STEM (Figure 6). Young American Indian/Alaska Native women, Black/African American women, Hispanic/Latina women, and White women are at least 10 percentage points less likely to major in STEM than the average young worker with a bachelor's degree. In contrast, Asian/Asian American men are more likely to major in STEM than the average young worker with a bachelor's degree, with 61 percent of young Asian/Asian American men with a bachelor's degree or higher having majored in one of these fields.⁵² In business and communications, the participation gaps are much smaller, although

FIGURE 6. Majoring in STEM gives young workers a favorable chance of having a good job, but young women workers are less likely than young men to have majored in STEM.



⁵¹ Education and public service majors include education, law, public policy, psychology, and social work. Career-focused fields include agricultural and natural resources and industrial arts, consumer services, and recreation.

⁵² In recent decades, the United States has increasingly relied on high-skilled immigration to meet a growing demand for STEM workers; Hanson and Slaughter, "High-Skilled Immigration and the Rise of STEM Occupations in US Employment," 2018. At the same time, Asian/Asian American workers have made up a growing share of immigrants to the United States, such that 71 percent of Asian/Asian American adults today were born outside the United States; Budiman and Ruiz, "Key Facts about Asian Americans," 2021. These dynamics suggest that the high concentration of young Asian/Asian American college graduates with STEM majors is at least partially tied to the immigration of high-skilled Asian/Asian American workers to the United States.

Source: Georgetown University Center on Education and the Workforce analysis of data from the US Census Bureau, American Community Survey (ACS), 2009–19.

Note: Data are for young adults with bachelor's degrees in the labor force who were born from 1981 to 1985 and ranged in age from 25 to 35 during the survey years. Young workers with good jobs are those with earnings of \$35,000 or more nationwide. We adjusted the good jobs threshold based on cost-of-living differences among states using 2018–19 data from the Massachusetts Institute of Technology (MIT), "Living Wage Calculator," 2020. Values may not sum to 100 percent due to rounding.

* We have omitted American Indian/Alaska Native men with health majors and American Indian/Alaska Native women with career-focused majors due to small sample sizes.

Asian/Asian American men have the lowest likelihood of all groups (18 percent, compared to 26 percent overall) to have majored in business and communications fields.

While differences in field of study among workers with bachelor's degrees are most pronounced between men and women, there are also notable differences by race/ethnicity among men and women. For example, while few men major in health, the share of Black/African American men who major in health (4 percent) is double the share of White men who major in health (2 percent). And while women are in general more likely to major in education and public service fields than men, only 10 percent of Asian/Asian American women major in education and public service fields, compared to 26 percent of Black/African American, Hispanic/Latina, and White women and 32 percent of American Indian/Alaska Native women.

While choice of field of study can help explain gaps in the likelihood of having a good job among young

workers with bachelor's degrees, it is uncertain how much attempts to equalize field of study by race and gender would help shrink the gaps in good jobs. Decades of work to recruit more women to STEM fields and more Black/African American and Hispanic/Latino students of any gender to lucrative subfields like engineering—and to close the completion gaps among students enrolled in these fields—have so far failed to erase field-of-study gaps,⁵³ much less gaps in earnings. A significant body of research describes how factors like imposter syndrome (in which affected individuals unjustly feel that they are “imposters” among others who are more qualified), stereotype threat (through which a person's anticipation of others' prejudice against their social identity negatively affects their performance), and unwelcoming classroom climates can discourage women and Black/African American, Hispanic/Latino, and Indigenous students from pursuing STEM degrees.⁵⁴

Occupational segregation affects access to good jobs as young people join the workforce.

Influenced by but separate from field of study, occupation plays a significant role in the likelihood of having a good job. Young workers in STEM occupations are most likely to have a good job (83 percent), followed by workers in managerial and professional office occupations (76 percent) and healthcare professional and technical occupations (74 percent). In contrast, only 22 percent of young workers in healthcare support and food and personal services have a good job. Thus occupation can be a major driver in determining worker's prospects of having good jobs-level earnings.

Because occupation is so crucial to the likelihood of having a good job, segregation by race/ethnicity and gender within occupations has a substantial impact on differences in the likelihood of having a good job. For example, young American Indian/Alaska Native men, Black/African American men, Hispanic/Latino men, and Native Hawaiian/Pacific Islander men are all concentrated in blue-collar and food and personal services occupations, in which the likelihood of having a good job is relatively low—42 percent and 22 percent, respectively. In contrast, young Asian/Asian American men and women and young White men are more likely than young workers in general to work in STEM and managerial and professional office occupations, in which the likelihood of having a good job is high—83 percent and 76 percent, respectively (Figure 7).

Furthermore, although workers in some occupations have higher rates of postsecondary attainment than workers overall, occupational segregation by race/ethnicity and gender exists even among workers with the same level of educational attainment. For example, among workers with a bachelor's degree or higher, there are major disparities in occupational distribution among different racial/ethnic and gender groups: 41 percent of Asian/Asian American men with a bachelor's degree or higher work in STEM occupations, compared to 5 percent of Black/African American women, 5 percent of Hispanic/Latina women, and 3 percent of American Indian/Alaska Native women.⁵⁵

Like differences in field of study, differences in occupation are a difficult issue to address. Instead of waning, they have persisted and even increased over the past several decades. Occupational segregation by gender fell fairly steadily from the 1960s through the 1990s before the decline dwindled in the early 2000s. In contrast, occupational segregation by race fell considerably in the 1960s and 1970s, but then began increasing in the 1980s.⁵⁶

The explanations for occupational segregation are many and complex. It is difficult, if not impossible, to disentangle occupational choice from social norms and cultural factors that influence individuals' preferences and the options available to them. In the case of gender, research has shown that social norms affect the occupational interests and skills that women develop, often leading them toward lower-paying occupations. Socialization also frequently leads women to take on more family caretaking responsibilities than men, which can limit their capacity for engaging in paid work.⁵⁷ In

⁵³ Carnevale et al., *Mission Not Accomplished*, 2021.

⁵⁴ For a discussion of the factors discouraging women from pursuing STEM degrees, see Carnevale et al., *Women Can't Win*, 2018; Corbett and Hill, *Solving the Equation*, 2015; Schuster and Martiny, “Not Feeling Good in STEM,” 2017; and Jensen and Deemer, “Identity, Campus Climate, and Burnout among Undergraduate Women in STEM Fields,” 2019. For discussions of the effects of structural racism and campus racial climate in STEM, see McGee, “Interrogating Structural Racism in STEM Higher Education,” 2020, and Lee et al., “If You Aren't White, Asian or Indian, You Aren't an Engineer,” 2020.

⁵⁵ See Figure B2 in Appendix B for the likelihood of working within specific occupational clusters by race/ethnicity and gender among workers with a bachelor's degree or higher.

⁵⁶ Rio and Alonso-Villar, “The Evolution of Occupational Segregation in the United States, 1940–2010,” 2015.

⁵⁷ Carnevale et al., *Women Can't Win*, 2018.

FIGURE 7. Young Black/African American, Hispanic/Latino, American Indian/Alaska Native, and Native Hawaiian/Pacific Islander men are concentrated in blue-collar and food and personal services occupations, in which the likelihood of having a good job is low.



Source: Georgetown University Center on Education and the Workforce analysis of data from the US Census Bureau, American Community Survey (ACS), 2009–19 (pooled).

Note: Data are for young adults in the labor force who were born from 1981 to 1985 and who ranged in age from 25 to 35 during the survey years. Young workers with good jobs are those with earnings of \$35,000 or more nationwide. We adjusted the good jobs threshold based on cost-of-living differences among states using 2018–19 data from the Massachusetts Institute of Technology (MIT), "Living Wage Calculator," 2020. Values may not sum to 100 percent due to rounding.

that context, workplace policies like insufficient or nonexistent paid family leave and societal factors like the high cost of childcare discourage women with caretaking responsibilities from participating in the labor market,⁵⁸ or may push them toward occupations that better allow them to fulfill caretaking responsibilities.⁵⁹

Regardless of its source, occupational segregation can disadvantage workers not only by concentrating marginalized groups in lower-wage jobs, but also by making them additionally vulnerable when recessions disproportionately affect the occupations in which they are concentrated.⁶⁰ For example, during the Great Recession, workers in blue-collar occupational groups like construction and extraction and production experienced the largest job losses.⁶¹

Working full time is essential to increasing the chances of having a good job.

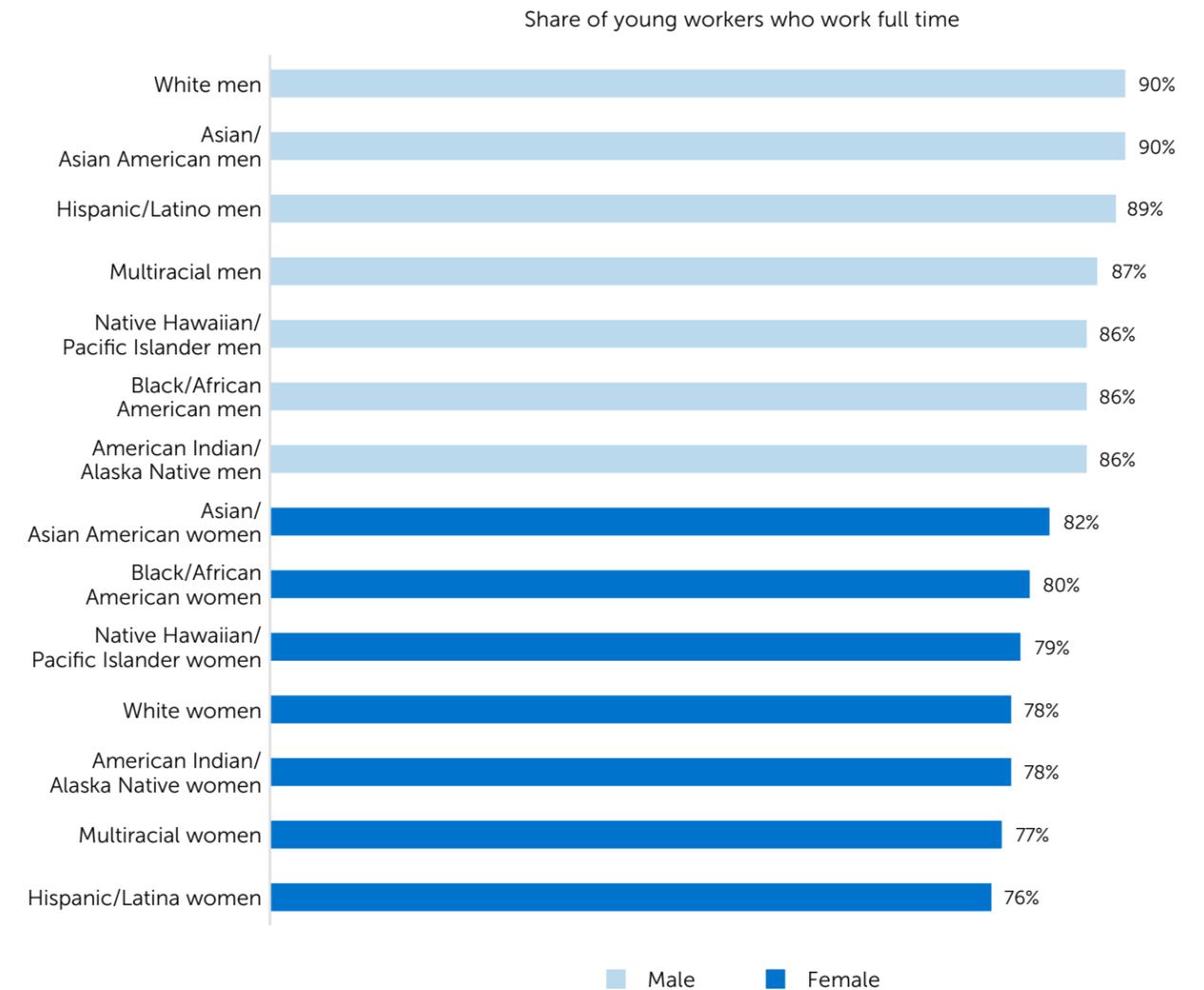
A full 97 percent of young people with good jobs work full time. Differences in the likelihood of working full time contribute to the differences in the likelihood of having a good job. On its face, the relationship between good jobs and full-time work is straightforward: people who work more hours are more likely to meet the earnings threshold for a good job.

Differences in who works full time by race/ethnicity and gender therefore affect differences in the likelihood of having a good job. Among young workers, women are less likely than men to work

full time, with Hispanic/Latina women (76 percent), Multiracial women (77 percent), American Indian/Alaska Native women (78 percent), and White women (78 percent) least likely to work full time. In contrast, White men (90 percent), Asian/Asian American men (90 percent), and Hispanic/Latino men (89 percent) are most likely to work full time (Figure 8).

While working full time is important to having a good job, it would be overly simplistic to suggest that disparities in good jobs can be alleviated by encouraging more young women and young adults in underrepresented racial and ethnic groups to work full time. About three-quarters of people who work part time do so “voluntarily”—meaning that they are working part time for reasons other than an inability to find full-time work. Their reasons for working part time vary widely and include childcare and other family obligations, health and medical considerations, and enrollment in school or training. They may be pulled out of the workforce by family obligations or pushed out by workplace policies and economic factors related to those obligations, such as insufficient family leave or high childcare costs. Among prime-age workers, women are three to five times as likely as men to work part time voluntarily, with married women especially likely to be voluntary part-time workers. Given the range of reasons that might prompt someone to work part time voluntarily, it’s reasonable to think that some workers are choosing part-time work to allow them to provide other modes of support to their households, and that this choice may be constrained by societal expectations.⁶²

FIGURE 8. Young women are less likely to work full time than young men, regardless of race or ethnicity.



Source: Georgetown University Center on Education and the Workforce analysis of data from the US Census Bureau, American Community Survey (ACS), 2009–19 (pooled).

Note: Data are for young adults in the labor force who were born from 1981 to 1985 and who ranged in age from 25 to 35 during the survey years.

⁵⁸ Shaw and Hartmann, “A Woman-Centered Economic Agenda,” 2019.

⁵⁹ Cortés and Pan, “Prevalence of Long Hours and Skilled Women’s Occupational Choices,” 2016; Wasserman, *Hours Constraints, Occupational Choice, and Gender*, 2019.

⁶⁰ Alonso-Villar et al., “The Extent of Occupational Segregation in the United States,” 2012.

⁶¹ Carnevale et al., *America’s Divided Recovery*, 2016.

⁶² Dunn, “Who Chooses Part-Time Work and Why?,” 2018.

Young people's choices don't adequately explain gaps by gender and race/ethnicity.

While young people's chances of having a good job increase with higher educational attainment, high-paying majors and occupations, and working full time, none of these factors fully explain the gaps in the likelihood of having a good job. There is ample empirical evidence from both statistical analysis and field experiments that discrimination plays a role in hiring decisions and wage gaps.⁶³ Whether intentional or unintentional, discrimination reflecting systemic racism and sexism still contributes to earnings inequality.⁶⁴

Discrimination can take many forms, all of which are difficult to quantify. The prejudices and stereotypes that contribute to these forms of discrimination can be conscious or unconscious, and discrimination can be perpetuated even when individuals do not hold any prejudices or biases.⁶⁵ While explicit discrimination on the basis of race/ethnicity and gender is generally illegal, discrimination often operates in a variety of subtle ways that are difficult to identify or litigate.

At the individual level, the most explicit form of discrimination is "taste discrimination," which occurs when hiring or promotional decisions are affected by the explicit prejudices of employers, clients, or coworkers against members of specific demographic groups.⁶⁶ "Statistical discrimination,"

which is based on stereotyping and in some cases risk aversion, involves making assumptions about members of a group based on the group's average attributes or the variation of attributes within a group.⁶⁷ For example, an employer who avoids hiring members of a particular group because their level of conscientiousness is thought to vary widely compared to other groups is practicing statistical discrimination.

Discrimination can also operate at the institutional or systemic level. "Institutional discrimination" occurs when the rules, norms, laws, regulations, or practices that govern organizations result in restricted opportunity for some groups, even when the governing principles seem to be race-neutral or gender-neutral. For example, employers who rely on referrals to fill open positions and whose current workforce consists primarily of White workers will be disproportionately likely to hire White workers, even if individual hiring managers do not discriminate or even exhibit a preference for diversity.⁶⁸ Social networks also matter beyond hiring, as they are often vehicles for informal mentorships, support, and information sharing, all of which contribute to opportunities for professional advancement.⁶⁹

Another form of discrimination, "structural discrimination," deals with how a country's economic, political, and cultural systems disadvantage certain groups. This form of discrimination reflects present-day prejudices and historical injustices that have framed the

organization of society. For example, in the United States, redlining in housing policies and Jim Crow laws resulted in residential segregation and unequal distribution of resources between White and Black/African American residents. Modern-day systems then continue to perpetuate inequalities between historically advantaged and historically disadvantaged groups by basing the distribution of resources and the treatment of individuals on social structures that formed under the influence of prejudices. For example, Black/African American and Hispanic/Latino students are substantially more likely than White students to attend high-poverty schools that receive fewer resources per student than schools in wealthy districts as a result of the reliance on property taxes to fund education. Structural discrimination across different domains and life stages often results in cumulative disadvantages; each outcome builds on previous ones that themselves were affected by discrimination.⁷⁰

The collective effects of these interlocking forms of discrimination partly explain the observable gaps in good jobs among equally qualified young

workers. Across races and ethnicities, young women's chances of having a good job are smaller than young men's at almost every level of educational attainment. The exceptions are White women and Asian/Asian American women with a bachelor's degree or higher, who are more likely to have a good job than Hispanic/Latino men, Native Hawaiian/Pacific Islander men, American Indian/Alaska Native men, and Black/African American men at the same level of educational attainment.

Consequently, women generally need more education than men to have the same chances of having a good job. Within the same education levels and the same racial/ethnic groups, men are always more likely to have a good job than women. Among male workers, White men are the only group that is more likely than young workers overall to have a good job at every education level (Figure 9).

⁶³ Neumark, "Experimental Research on Labor Market Discrimination," 2018.

⁶⁴ For discussions of the impact of discrimination on earnings gaps, see Carnevale et al., *The Unequal Race for Good Jobs*, 2019, and Carnevale et al., *Women Can't Win*, 2018.

⁶⁵ Neumark, "Experimental Research on Labor Market Discrimination," 2018; Small and Pager, "Sociological Perspectives on Racial Discrimination," 2020.

⁶⁶ Becker, *The Economics of Discrimination*, 1957; Neumark, "Experimental Research on Labor Market Discrimination," 2018.

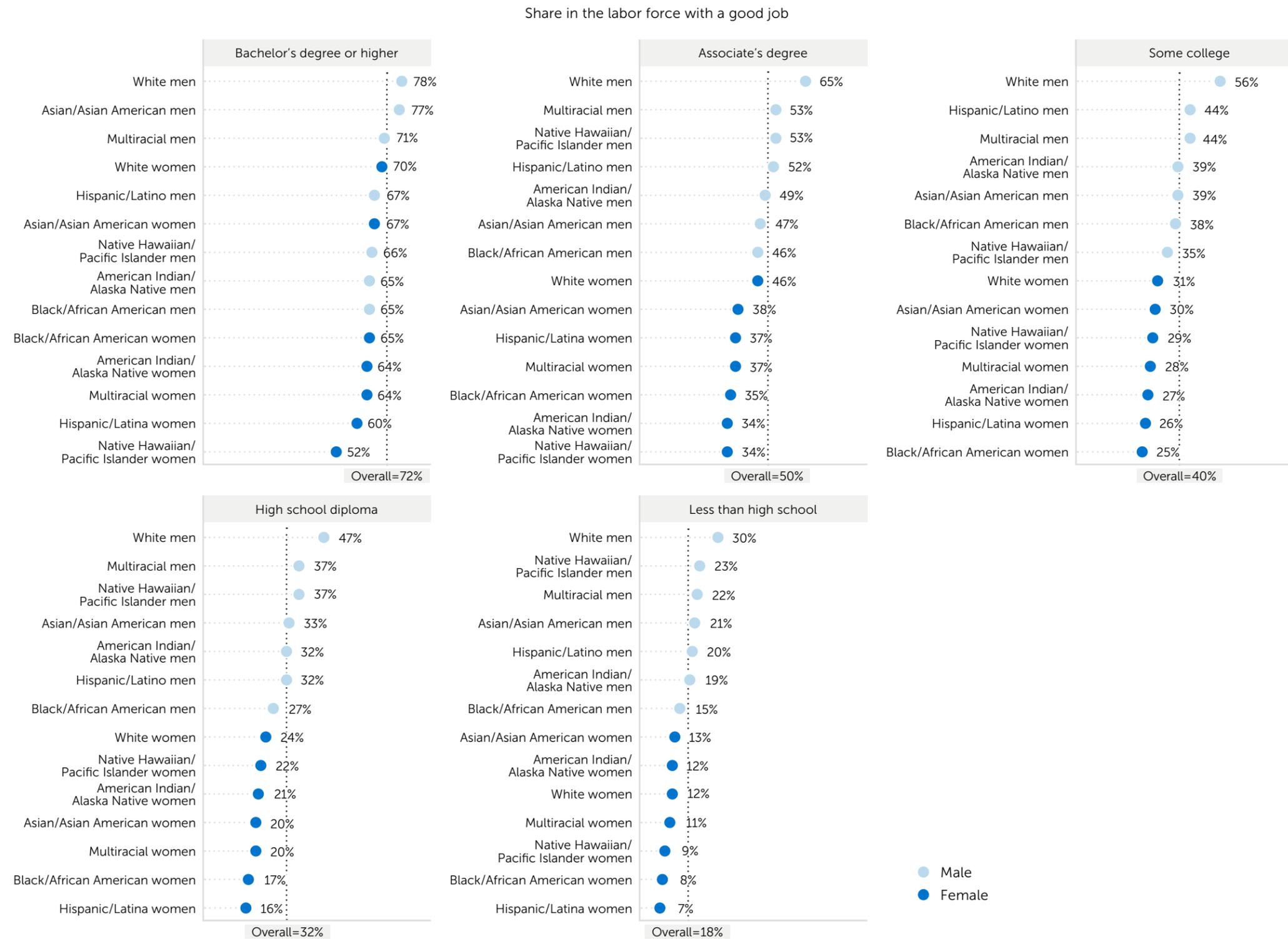
⁶⁷ Neumark, "Experimental Research on Labor Market Discrimination," 2018.

⁶⁸ Small and Pager, "Sociological Perspectives on Racial Discrimination," 2020.

⁶⁹ Pager and Shepherd. "The Sociology of Discrimination," 2008.

⁷⁰ Pager and Shepherd. "The Sociology of Discrimination," 2008.

FIGURE 9. At every education level, young women are less likely to have a good job than young men within the same racial/ethnic groups.



When we account for multiple factors simultaneously, we find that wage inequality persists even among workers with similar education, occupation, and full-time status. For example, among young full-time, full-year workers ages 25 to 35, a White man with a bachelor's degree working in business and financial operations earns \$6,500 more at the median than a similarly situated Hispanic/Latino man; \$10,700 more than a similarly situated Black/African American man; \$15,000 more than a similarly situated Hispanic/Latina woman; and \$15,800 more than a similarly situated Black/African American woman. Similarly, among young full-time, full-year workers with a high school diploma in a production occupation, a White man earns \$7,200 more at the median than a Hispanic/Latino man; \$8,400 more than a Black/African American man; \$14,200 more than a Black/African American woman; and \$16,800 more than a Hispanic/Latina woman.⁷¹

All things considered, no single factor fully explains why young women earn less than young men or why young Black/African American, Hispanic/Latino, American Indian/Alaska Native, and Native Hawaiian/Pacific Islander adults earn less than young White and Asian/Asian American adults. Persistent gaps in young adults' economic outcomes are a result of choice to some degree, but they are also affected by luck and other circumstances outside of one's control—which, crucially, include bias and discrimination. Outcomes simultaneously reflect individual decisions, which are constrained by the social expectations of particular historical moments, and ongoing racism and sexism in our educational system and labor markets.

Source: Georgetown University Center on Education and the Workforce analysis of data from the US Census Bureau, American Community Survey (ACS), 2009–19 (pooled).

Note: Data are for young adults in the labor force who were born from 1981 to 1985 and who ranged in age from 25 to 35 during the survey years. Young workers with good jobs are those with earnings of \$35,000 or more nationwide. We adjusted the good jobs threshold based on cost-of-living differences among states using 2018–19 data from the Massachusetts Institute of Technology (MIT), "Living Wage Calculator," 2020.

⁷¹ Georgetown University Center on Education and the Workforce analysis of data from the US Census Bureau, American Community Survey (ACS), 2009–19 (pooled). Median wage comparisons are for workers ages 25 to 35.

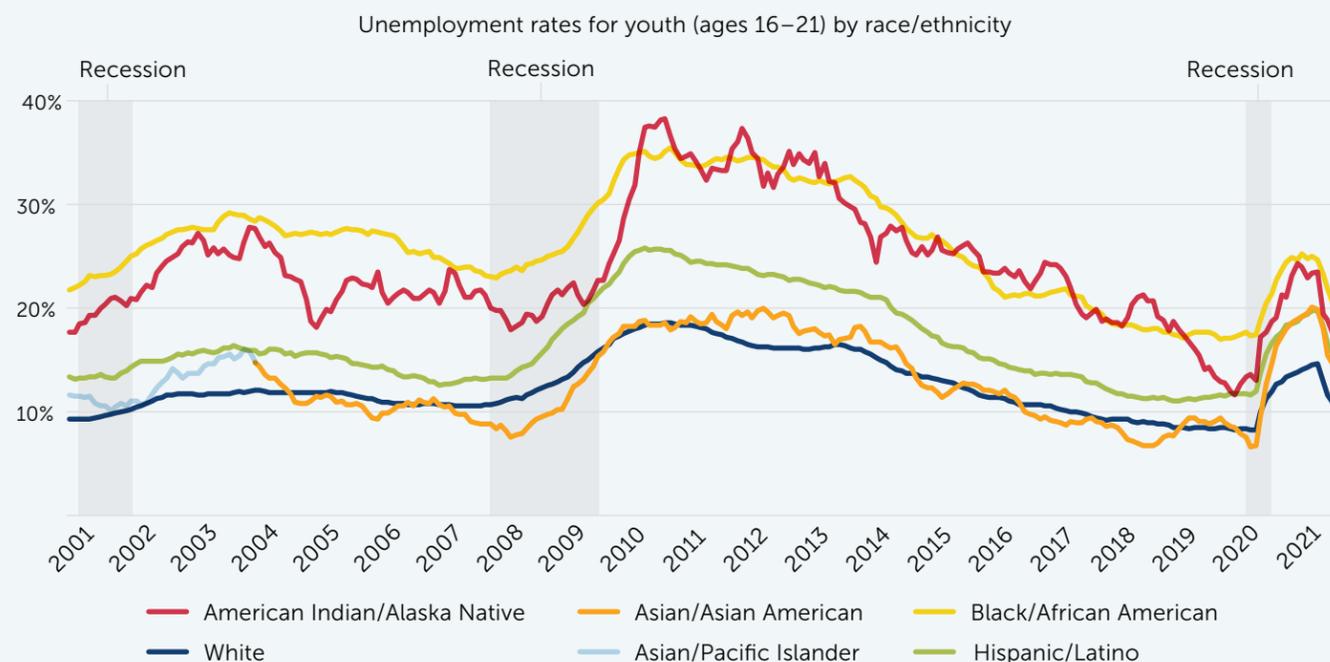


Do Differences in Early Work Experiences Contribute to Gaps in the Likelihood of Having a Good Job?

Work experience at an early age, whether gained through teen employment or work-based learning (WBL), has been linked to higher job quality for young adults,⁷² particularly those from historically disenfranchised backgrounds.⁷³ However, despite the value of having work experience or work-based learning, Black/African American and Hispanic/Latino youth and young adults are less likely than White or Asian/Asian American youth and young adults to attain such experience.

Many people get their first professional experience by working as teenagers. However, it can be harder for some teens to find youth employment than others. For the past 20 years, Black/African American and American Indian/Alaska Native youth (ages 16 to 21) have had unemployment rates that are around double those of White youth, and Hispanic/Latino youth have also generally had higher unemployment rates than White youth (Figure 10).

FIGURE 10. For the past 20 years, Black/African American youth and American Indian/Alaska Native youth have had unemployment rates double those of White youth.



Source: Georgetown University Center on Education and the Workforce analysis of data from the US Census Bureau and Bureau of Labor Statistics, Current Population Survey (CPS), Basic Monthly, 2000–21.
 Note: This chart shows the unemployment rates of youth (ages 16 to 21) by race/ethnicity, based on a 12-month trailing moving average. Before 2004, the Current Population Survey combined the Pacific Islander and Asian race/ethnicity groups. The shaded areas indicate recessions based on official National Bureau of Economic Research (NBER) dates.

⁷² Carnevale et al., *How Limits to Educational Affordability, Work-Based Learning, and Career Counseling Impede Progress toward Good Jobs*, 2022.
⁷³ Ross et al., *Pathways to High-Quality Jobs for Young Adults*, 2018.

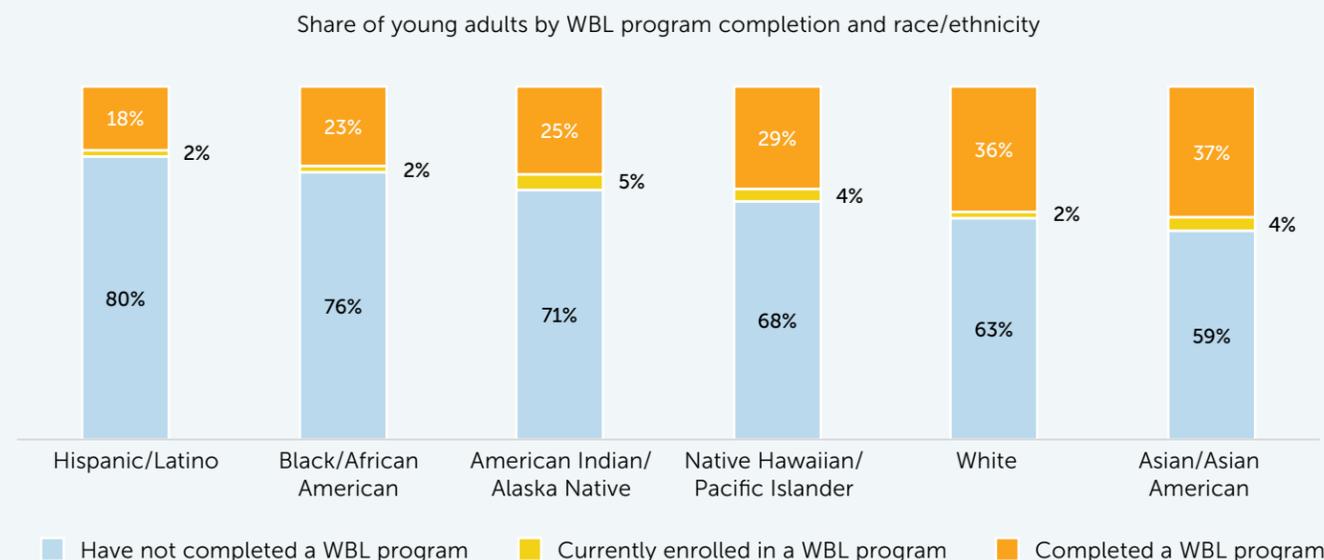
Similar gaps appear among participants in WBL. Hispanic/Latino (18 percent), Black/African American (23 percent), American Indian/Alaska Native (25 percent), and Native Hawaiian/Pacific Islander (29 percent) young adults are less likely to have completed a WBL program than White (36 percent) and Asian/Asian American (37 percent) young adults (Figure 11).⁷⁴

While young women (ages 25 to 35) are more likely overall (37 percent) to complete a WBL program compared to young men (23 percent),⁷⁵ women

are less likely than men to participate in certain types of WBL programs. In particular, 91 percent of apprentices in federally registered apprenticeships are men.⁷⁶ In addition, the National Association of Colleges and Employers (NACE) 2021 Internship and Co-Op Survey found that the majority of interns and co-op participants at responding organizations were men.⁷⁷

Some policymakers hope that WBL might be a viable pathway to opportunity for those without a bachelor’s degree. That outcome is much more likely

FIGURE 11. Hispanic/Latino and Black/African American young adults are least likely to have completed a work-based learning (WBL) program, while White and Asian/Asian American young adults are most likely to have completed such a program.



Source: Georgetown University Center on Education and the Workforce analysis of data from the US Department of Education, Adult Training and Education Survey (ATES), 2016.

Note: Data are restricted to adults ages 25 to 35. Values may not sum to 100 percent due to rounding.

⁷⁴ In this analysis, work-based learning includes such activities as internships, cooperative education experiences (co-ops), practicums, clerkships, residencies, clinical experiences, apprenticeships.
⁷⁵ Georgetown University Center on Education and the Workforce analysis of data from the US Department of Education, Adult Training and Education Survey (ATES), 2016.
⁷⁶ US Department of Labor, Employment and Training Administration (ETA), “Registered Apprenticeship National Results Fiscal Year 2020,” 2020.
⁷⁷ National Association of Colleges and Employers (NACE), *2021 Internship & Co-Op Survey Report*, 2021.

for men than for women, however: among young workers without a bachelor's degree who completed a WBL program, nearly half (48 percent) of young men (ages 25 to 35) earn more than \$40,000 annually, compared to 19 percent of young women.⁷⁸

Comparing young adults who participated in WBL to those who did not, we find that WBL programs appear to offer an advantage for young men without a bachelor's degree, but not for young women at the same level of educational attainment. Among young male workers without a bachelor's degree who have not completed a WBL program and are not enrolled in one, 38 percent earn more than \$40,000. Among similarly situated young female workers, that share is 15 percent.⁷⁹ Thus, among young men without bachelor's degrees, completing a WBL program gives a 10-percentage-point advantage in the likelihood of having a job paying more than \$40,000 annually, while for young women, it gives a 4-percentage-point advantage.⁸⁰

In part, this gender gap occurs because young men and young women without bachelor's degrees who complete WBL programs are pursuing different

fields. These young men are much more likely than young women to complete a WBL program in skilled trades, a field in which 71 percent of young workers without a bachelor's degree who completed a WBL program earn more than \$40,000. Skilled trades programs constitute one-third of WBL programs completed by young men without bachelor's degrees, but they account for only 0.3 percent of WBL programs completed by young women without bachelor's degrees. More than half (55 percent) of WBL programs completed by young women without bachelor's degrees were in healthcare, and only 25 percent of young workers without a bachelor's degree who completed one of these WBL programs earn more than \$40,000.⁸¹

To address these gender gaps, institutions that offer subbaccalaureate education and training programs that incorporate WBL should disclose the earnings of program completers by gender. In addition, with input from women students, instructors, completers, and workers in relevant fields, WBL programs in higher-paying, male-dominated fields should implement practices and cultural changes to

recruit and support more women through successful completion and entry into the workforce. These approaches have their limits, however: as long as WBL prepares women predominantly for jobs that are undercompensated relative to their true economic and societal value, fair pay will remain elusive.

On the whole, for some young adults, early work experience and participation in WBL can help improve the chances of getting a good job. Positive effects are not consistent across groups, however. More research is needed to determine which early work experiences and WBL programs are promising pathways to good jobs, and for whom.

⁷⁸ We use a threshold of \$40,000 in this part of the analysis because the US Education Department's Adult Training and Education Survey (ATES) uses a categorical variable to capture earnings that does not allow for direct application of our good jobs standard.

⁷⁹ Georgetown University Center on Education and the Workforce analysis of data from the US Department of Education, Adult Training and Education Survey (ATES), 2016.

⁸⁰ The differences between men and women are partially attributable to whether young workers are employed full time, full year. Among young workers without a bachelor's degree, 65 percent of men are employed full time full year, compared to 54 percent of women. Among young men without a bachelor's degree who work full time full year, 52 percent of those who completed a WBL program earn more than \$40,000 annually, compared to 47 percent of those who didn't complete a WBL program. Among young women without a bachelor's degree who work full time full year, 29 percent of those who completed a WBL program earn more than \$40,000 annually, compared to 25 percent who didn't complete a WBL program.

⁸¹ For this analysis, WBL program fields included the following: skilled trades (carpenter, electrician, plumber, or pipefitter; sheet metal worker or structural steel worker; other building and construction trades; driving, piloting, or other transportation; machinist or tool and die maker; mechanic or repair worker); healthcare (medical professions; nursing or nursing assistant; other healthcare); professional office (accounting, finance, insurance, or real estate; computer networking or information technology; engineering or architecture; legal practice; management or administration); other (chef, cook, or food preparation; cosmetology; funeral service or mortuary science; law enforcement, security, or firefighting; printing; social work, counseling, or religious vocations; teaching; utility or telecommunications technician; TV, radio, and broadcasting; other). Georgetown University Center on Education and the Workforce analysis of data from the US Department of Education, Adult Training and Education Survey (ATES), 2016.

PART 3

How Divided Pathways to Good Jobs Exacerbate Wealth Gaps in This Generation and the Next

Higher education is an expensive and time-consuming investment, with future returns that can be quite substantial—more than \$1.5 million in additional earnings over the course of a career for a typical worker with a graduate degree.⁸² These returns are not the same for all groups, however. The odds of having a good job are lower for women than for men even at higher levels of educational attainment; therefore, the returns for women tend to be lower. Moreover, the costs associated with earning a degree can have uneven effects for men and women of different races and ethnicities, depending on whether they have to take on student loan debt to finance their education. Among all racial/ethnic and gender groups, Black/African American women are most likely to hold educational debt among those who hold a degree or certificate; they also have the highest debt levels among student loan borrowers at every education level.⁸³

Accruing more debt and earning less for the same degree can substantially undermine young adults'

financial health by inhibiting wealth accumulation. A young person's educational debt repayments draw on income that they might otherwise direct toward savings and investments. In fact, adults with educational debt have indicated that if this debt were forgiven, they would be most likely to spend the money paying down other debts, saving for emergencies, saving for retirement, or saving for a mortgage—all means of improving financial stability by either reducing debt or building wealth.⁸⁴

For young people who have taken on debt to earn a degree, then, educational debt limits the positive impact that their credentials can have on their financial well-being. Young people who take out loans but don't earn a degree are in an especially dire position, having assumed the risk of investing in education without enjoying the rewards. Among young adults (ages 25 to 35) with student loans, 21 percent do not have a credential.⁸⁵

In the United States, wealth gaps by race/ethnicity are substantial and span generations. An estimated

35 to 45 percent of personal wealth comes from bequests, limiting the potential for young adults to close wealth gaps through their earnings.⁸⁶ Moreover, within racial/ethnic groups, women hold less wealth on average than men. While individuals with postsecondary credentials are generally in a better position to accrue personal wealth than those without a credential, disparities in educational debt have the effect of extending and even exacerbating wealth gaps.

Among people who complete postsecondary credentials, young Black/African American women are especially likely to hold educational debt.

Having a postsecondary credential is especially important for young women, since women need one degree higher than men to reach the same earnings on average.⁸⁷ At the same time, women are more likely than men of the same race or ethnicity to need to take on educational debt to earn similar credentials, with Black/African American women being especially likely among those with a degree or certificate to hold student loan debt. Black/African American and Hispanic/Latino men who earn bachelor's or graduate degrees are also more likely

to hold debt than White and Asian/Asian American men at similar levels of educational attainment. Among workers with graduate degrees, Black/African American and Hispanic/Latina women are most likely to have student loan debt (Figure 12).⁸⁸

In addition to being more likely to hold educational debt, Black/African American women graduates also hold the largest amounts of debt at each level of attainment, followed closely by Black/African American men. Strikingly, at graduation, Black/African American women with graduate degrees hold almost twice as much debt as White men with graduate degrees (Figure 13). While data on student loan debt is limited for American Indian/Alaska Native youth, high poverty rates among this population suggest substantial educational affordability barriers.⁸⁹

Thus, even as they improve their earnings potential by completing a degree or certificate, Black/African American adults are at a substantial disadvantage relative to many other groups when it comes to their educational debt load. Researchers have attributed their higher educational debt to a range of factors, including lower parental wealth, a higher likelihood of attending institutions where students tend to have more debt (like for-profit⁹⁰ and underfunded nonprofit colleges), and lower average salaries for

⁸⁶ Kopczuk and Lupton, "To Leave or Not to Leave," 2005; Carnevale et al., *The Cost of Economic and Racial Injustice in Postsecondary Education*, 2021.

⁸⁷ Carnevale et al., *Women Can't Win*, 2018.

⁸⁸ The individual educational debt amount used in the debt-to-income ratio calculation includes student loans for graduate and professional education. Therefore, we would expect the debt-to-income ratio to be higher for those who are still completing their graduate or professional education or who recently completed their graduate or professional education.

⁸⁹ Center for Native American Youth, "Drawing Strength from Our Cultures," 2016. The limited available data indicate that among bachelor's degree holders, 70 percent of American Indian/Alaska Native men have student loans when they graduate from bachelor's degree programs, and those with loans graduate with a median debt load of \$26,000; 80 percent of American Indian/Alaska Native women have student loans, and those with loans graduate with a median student loan debt of \$25,000. Georgetown University Center on Education and the Workforce analysis of data from the US Department of Education, National Postsecondary Student Aid Study (NPSAS), 2016.

⁹⁰ Research on for-profit colleges has documented predatory recruitment practices that compound the problems associated with acquiring debt to attend college. McMillan Cottom, *Lower Ed*, 2017.

⁸² Carnevale et al., *The College Payoff*, 2021.

⁸³ In this part of the report, we have excluded data on American Indian/Alaska Native and Native Hawaiian/Pacific Islander young adults due to small sample sizes in many of our data sets. However, at the bachelor's degree level, Native Hawaiian/Pacific Islander men (92 percent) and women (87 percent) have among the highest borrowing rates, and Native Hawaiian/Pacific Islander women have among the highest median student loan debt amounts (\$38,000); Georgetown University Center on Education and the Workforce analysis of data from the US Department of Education, National Postsecondary Student Aid Study (NPSAS), 2016.

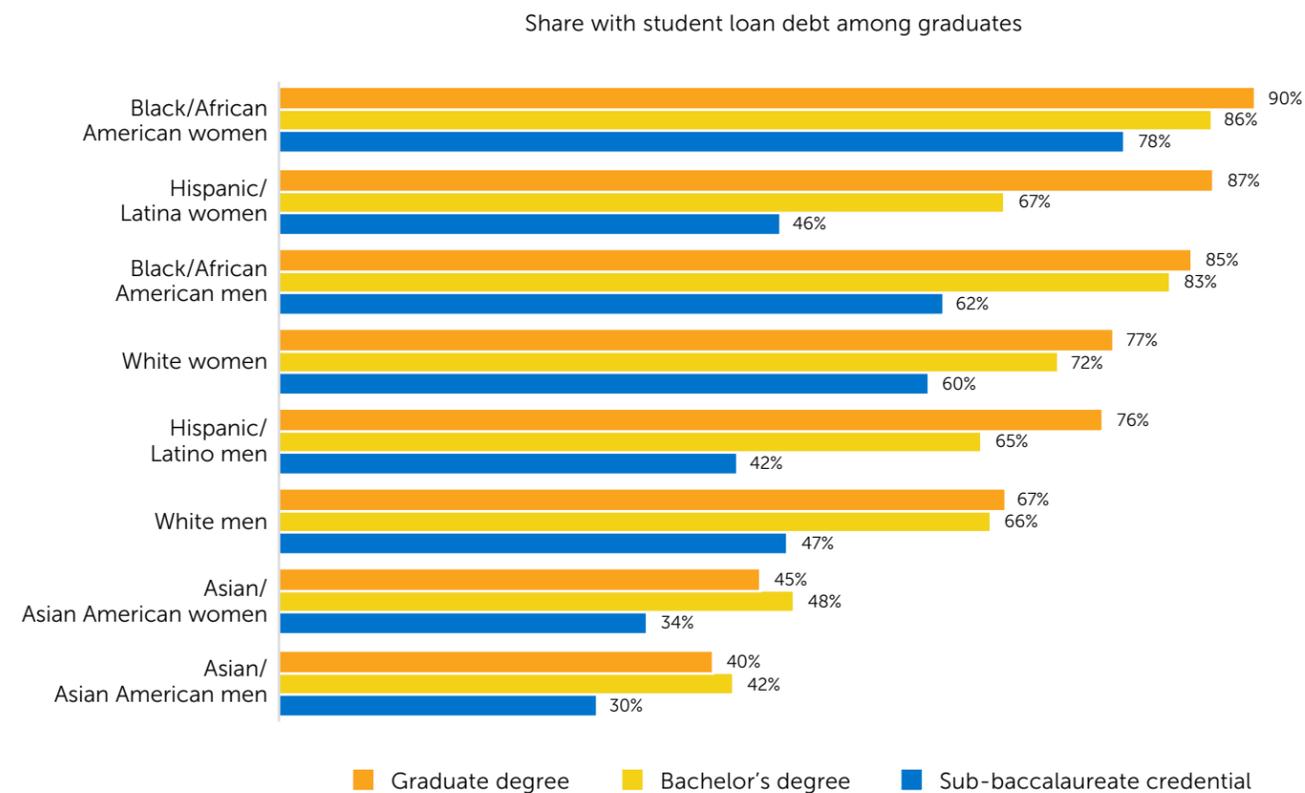
⁸⁴ Roll et al., "Student Debt Forgiveness Would Impact Nearly Every Aspect of People's Lives," 2021.

⁸⁵ For this analysis, credentials include certificates, associate's degrees, bachelor's degrees, and graduate degrees, but not certifications. Georgetown University Center on Education and the Workforce analysis of data from the US Census Bureau, Survey of Income and Program Participation (SIPP), 2014 (wave 1) and 2018 (wave 1).

the same credentials.⁹¹ Regardless of the reason, until their loans are paid off, this debt load offsets the financial gains they experience by earning a credential and can delay major steps like buying a home.⁹² Moreover, for young Black/African American women and men who do get a bachelor's

or graduate degree, these debts may not pay off to the same extent that they do for other groups. As shown in the previous section, a young Black/African American woman with a bachelor's degree is as likely as a young White man with an associate's degree to have a good job.

FIGURE 12. Black/African American women are most likely to need to take out loans to finance their education at every level of postsecondary attainment.



Source: Georgetown University Center on Education and the Workforce analysis of data from the US Department of Education, National Postsecondary Student Aid Study (NPSAS), 2016.

Note: This chart shows the share of graduates with educational debt at the time they completed their credentials. For graduate degree completers, student loan debt includes undergraduate and graduate debt; for sub-baccalaureate and bachelor's degree completers, it includes only undergraduate student loan debt. In this section of the report, we have excluded data on the wealth of American Indian/Alaska Native and Native Hawaiian/Pacific Islander young adults due to small sample sizes in many of our data sets.

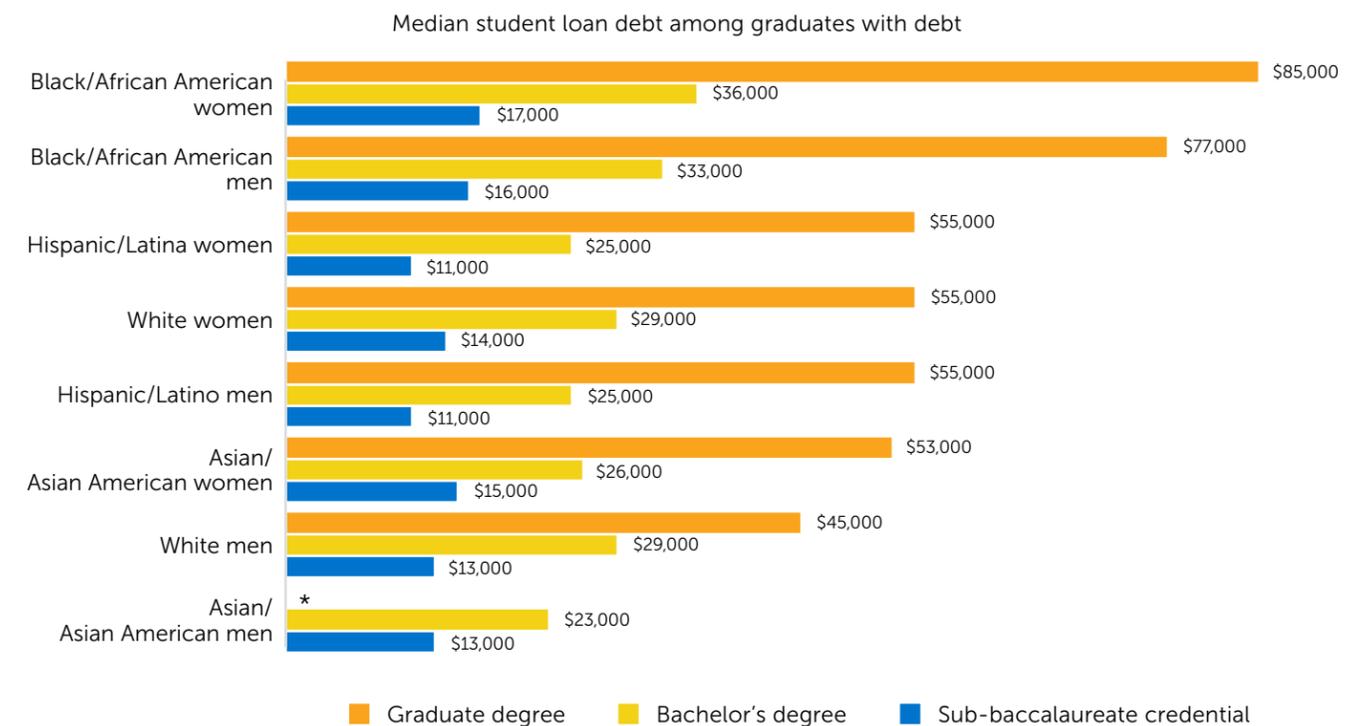
⁹¹ Addo et al., "Young, Black, and (Still) in the Red," 2016; Baker, "Testimony before the U.S. Senate Committee on Banking, Housing, and Urban Affairs," 2021.

⁹² Researchers at the Federal Reserve Board Division of Research & Statistics estimated in 2019 that "a \$1,000 increase in student loan debt ... causes a 1 to 2 percentage point drop in the homeownership rate for student loan borrowers during their late 20s and early 30s." Mezza et al., "Can Student Loan Debt Explain Low Homeownership Rates for Young Adults?," 2019.

These disparities make it all the more difficult for young Black/African American adults, particularly young Black/African American women, to pay off their student loans. Four years after college graduation, Black/African American graduates have almost twice as much remaining student loan debt as White graduates overall.⁹³ They have higher student loan default rates⁹⁴ and late payment rates⁹⁵

than borrowers from other racial or ethnic groups. In fact, researchers have found that the gap between Black/African American and White student debt triples within four years of graduation.⁹⁶ Others have found that increases in the Black-White student loan debt gap over time mean that educational debt plays a growing role in wealth gaps as young adults age.⁹⁷

FIGURE 13. Black/African American graduates have the largest median amounts of educational loan debt.



Source: Georgetown University Center on Education and the Workforce analysis of data from the US Department of Education, National Postsecondary Student Aid Study (NPSAS), 2016.

Note: This chart shows the cumulative student debt balances of graduates with educational debt at the time they completed their credentials. The data are inflation-adjusted to 2019 dollars. For graduate degree completers, student loan debt includes undergraduate and graduate debt (with graduate debt representing 78 percent of the cumulative debt at the median); for sub-baccalaureate and bachelor's degree completers, it includes only undergraduate student loan debt. In this section of the report, we have excluded data on the wealth of American Indian/Alaska Native and Native Hawaiian/Pacific Islander young adults due to small sample sizes in many of our data sets.

* We have omitted graduate debt for Asian/Asian American men due to small sample size.

⁹³ Huelsman, *The Debt Divide*, 2015.

⁹⁴ Miller, "The Continued Student Loan Crisis for Black Borrowers," 2019.

⁹⁵ Lin et al., *The State of U.S. Financial Capability*, 2019.

⁹⁶ Scott-Clayton and Li, *Black-White Disparity in Student Loan Debt More Than Triples after Graduation*, 2016.

⁹⁷ Houle and Addo, "Racial Disparities in Student Debt and the Reproduction of the Fragile Black Middle Class," 2019.

Too many young adults have educational debt but no credential.

Among young adults who have educational debt, approximately one in five don't have a credential to show for it.⁹⁸ Completing a credential is key for an investment in education to pay off, so those young adults with debt but no degree or certificate have taken on risk but don't get the full reward they likely anticipated when signing their loan agreements.

Having educational debt but no postsecondary credential is not the outcome most young adults hope for when they enter college. Overall,

6 percent of young adults ages 25 to 35 have educational debt but no credential—but the odds of ending up with this outcome are not equal among all racial groups, reflecting the broader inequalities in the education system and society. Black/African American men and women are particularly likely (8 percent) to have debt but no credential, compared to White men and women (6 percent), Hispanic/Latino men and women (5 percent), and Asian/Asian American men and women (2 percent and 1 percent, respectively) (Figure 14).

Fortunately, most young adults with educational debt have earned a credential. In total, four of every

five young adults with educational debt have some educational achievement to show for it, whether a certificate, associate's degree, bachelor's degree, or graduate degree. Nonetheless, among young people with educational debt, Black/African American men (66 percent) and Hispanic/Latino men (69 percent) are at least 10 percentage points less likely than young people overall (79 percent) to have earned a degree or certificate.⁹⁹ This suggests that the risks of taking on debt to pursue higher education are greater for young adults in these groups. Further, even when they do earn a college degree, Black/African American men and women, Hispanic/Latino men and women, and White women who take on student loans face worse prospects of securing a good job than White men and Asian/Asian American men and women borrowers. Among student loan borrowers who completed a bachelor's degree, 72 percent of Black/African American women had a good job 10 years after degree completion, as did 79 percent of Black/African American men, 78 percent of Hispanic/Latina women, 79 percent of Hispanic/Latino men, and 80 percent of White women. By comparison, 89 percent of White men, 91 percent of Asian/Asian American men, and 86 percent of Asian/Asian American women borrowers who completed their degrees had a good job within the same timeframe.¹⁰⁰

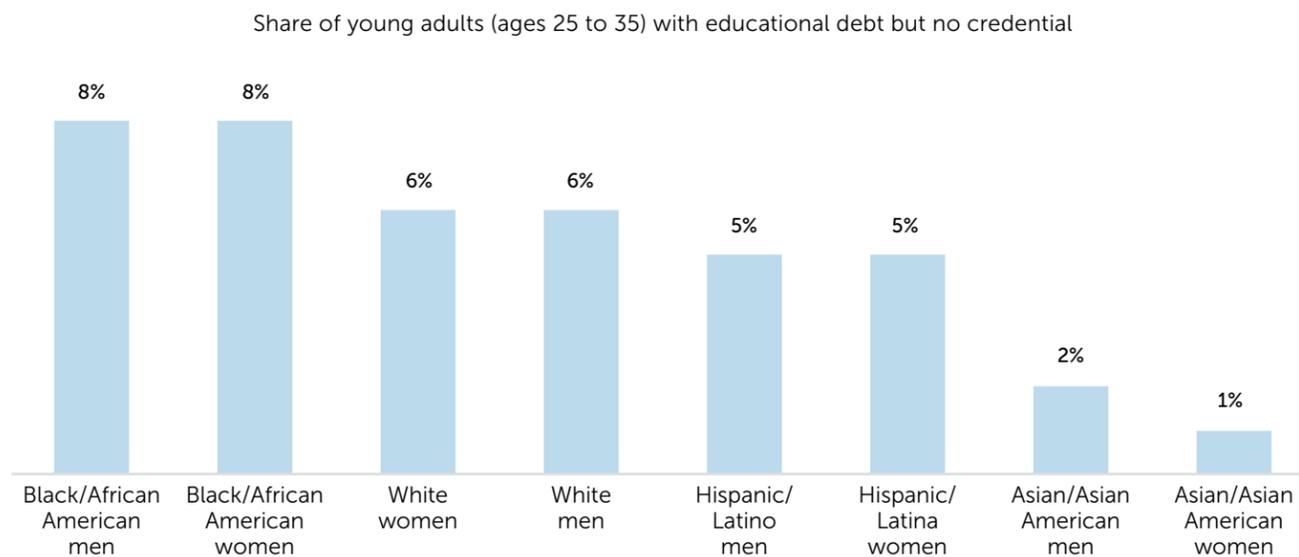
Disparities in the ability to save contribute to persistent wealth gaps.

Whether or not they complete a credential, educational debt suppresses young people's ability to build wealth, pulling down their net worth at a time when they are often trying to build a nest egg so they can make it on their own. For young Black/African American women in particular, the lower-than-average likelihood of having a good job at any level of educational attainment combines with the higher-than-average chances of having educational debt to prevent them from building personal wealth.

For young adults, personal wealth has concrete consequences for their life decisions. It enables young people to feel secure in their economic situations and take the personal and financial risks that allow them to pursue new opportunities. It's the monetary base on which they can draw to gain more education without taking on educational debt. It may eventually allow them to finance education for their children, thus passing socioeconomic advantage from one generation to the next.

While the earnings gaps between different racial/ethnic and gender groups are substantial, the wealth gaps between groups are just as dramatic and, arguably, a more relevant measure of financial stability. Among young adults ages 25 to 35, young Black/African American men and women have especially low net worth.¹⁰¹ Young adults with higher levels of education generally have higher net worth than those with less education. Young men generally have higher net worth than young women. Young

FIGURE 14. Young Black/African American women and men are most likely to have educational debt but no educational credential.



Source: Georgetown University Center on Education and the Workforce analysis of data from the US Census Bureau, Survey of Income and Program Participation (SIPP), 2014 (wave 1) and 2018 (wave 1).

Note: In this section of the report, we have excluded data on the wealth of American Indian/Alaska Native and Native Hawaiian/Pacific Islander young adults due to small sample sizes in many of our data sets.

⁹⁸ Among young adults (ages 25 to 35) with educational debt, 21 percent do not have a credential and 79 percent have a credential. See Table B1 in Appendix B. This statistic differs from a commonly cited cohort-based statistic from research by Mark Huelsman, who determined that 39 percent of students who entered college in 2011–12 and took out student loans over the next six years had graduated as of 2017. Specht, “Almost 40% of Borrowers with Loan Debt Didn’t Finish Their Degree,” 2021.

⁹⁹ Georgetown University Center on Education and the Workforce analysis of data from the US Census Bureau, Survey of Income and Program Participation (SIPP), 2014 (wave 1) and 2018 (wave 1). For complete information on the share of young adults with debt who hold an educational credential, see Table B1 in Appendix B.

¹⁰⁰ Georgetown University Center on Education and the Workforce analysis of data from the National Center on Education Statistics, Baccalaureate and Beyond Longitudinal Study (B&B): 2008/2018, 2018. Due to data limitations with the longitudinal data set, the earnings threshold for good jobs used in this analysis is a minimum annual earnings of \$35,000 and is not adjusted for cost of living by state.

¹⁰¹ Net worth captures the difference between the value of assets (such as savings, bonds, stocks, retirement plans, and real estate) and liabilities (such as home mortgages, student loans, car loans, credit card debt, and other debt).

White and Asian/Asian American men with bachelor's degrees have much higher net worth than young adults in other groups (Figure 15).

High debt and low net worth create a self-perpetuating cycle that prevents some groups from building their net worth over time. The wealth gaps among young adults result in part from differences

in wealth among their parents, which affect their financial needs and propensity to take out loans when they apply to college. And wealth gaps extend farther than just one generation. Killewald and Bryan (2018) found that intergenerational advantages and disadvantages account for more than 40 percent of the Latino-White wealth gap and half of the Black-

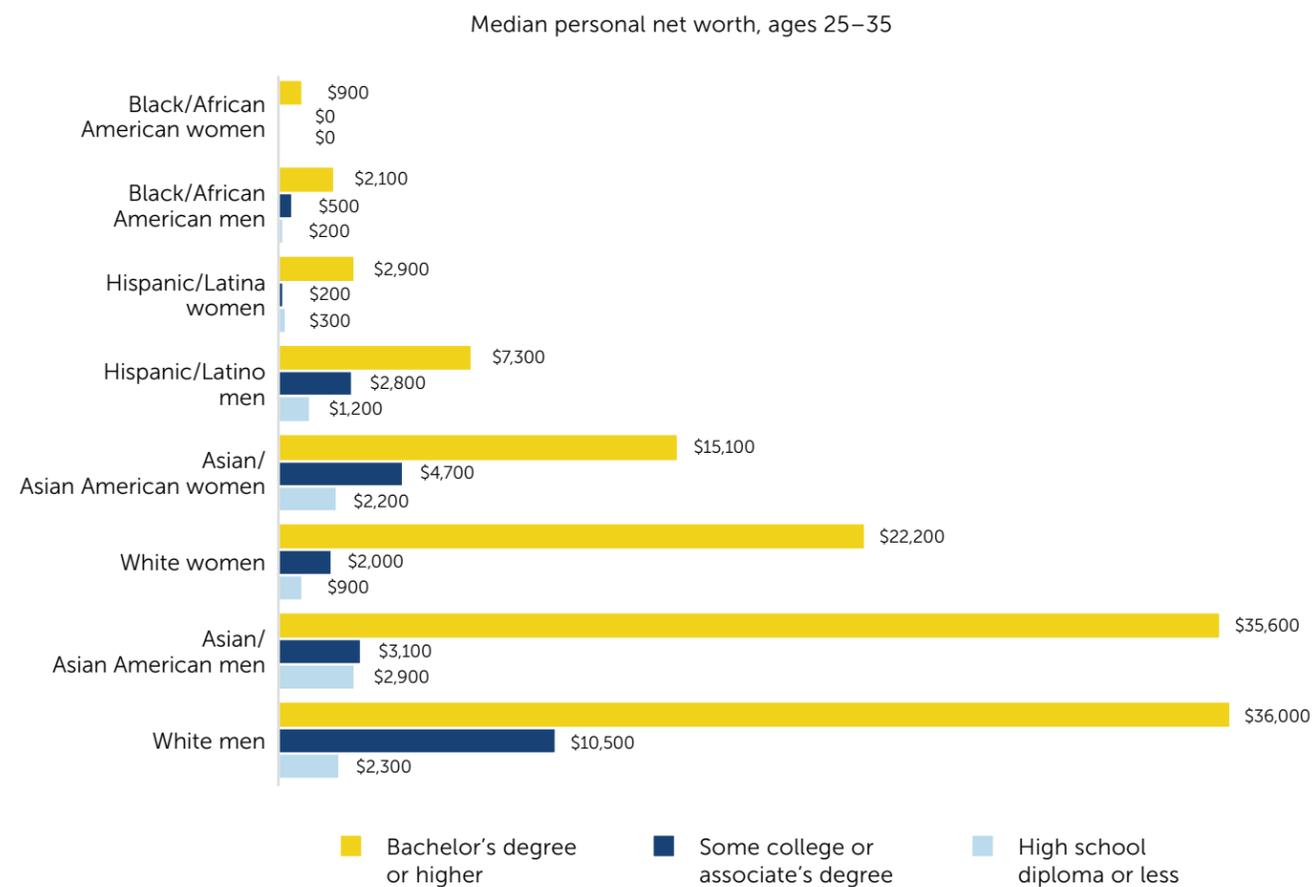
White wealth gap and that these intergenerational factors have a larger impact during young adulthood than during other stages of life.¹⁰²

The racial wealth gap in particular stretches back through centuries of discrimination and oppression. The wealth gap between Black/African Americans and White Americans has roots running through the segregated schools and discriminatory lending practices of the 20th century, preserved by the Jim Crow laws that arose after the Civil War, and originating in the grave injustice of American slavery.¹⁰³ The wealth gap between Hispanic/Latino Americans and White Americans stems from both the long history of prejudice that Hispanic/Latino Americans have faced in the United States and the barriers to accumulating wealth associated with immigrant status,¹⁰⁴ as 35 percent of the Hispanic/Latino American population in 2019 was born outside the United States.¹⁰⁵ Immigrants often face many economic barriers in their new country, such as the devaluation of their prior education, training, and work experience; their unfamiliarity with the dominant language and culture; and discrimination in the labor market.¹⁰⁶ Indigenous peoples have been systematically denied access to wealth as the US government seized their lands and assets, forced them to relocate to more remote geographic areas, and denied their right to self-determination.¹⁰⁷ Regardless of the cause, wealth disadvantages often persist across generations.

For individuals, educational attainment can make a big difference in the ability to accumulate personal wealth. At age 65, a Black/African American woman with less than a high school diploma might have considerably less personal wealth, on average, than a Black/African American woman with a doctoral degree, accounting for both Black/African American women's average wealth accrued through earnings and the average inherited wealth. But the average wealth of a Black/African American woman with a doctoral degree still would not match the average wealth of a White man with a bachelor's degree at the same age—and even if it did, ensuring that all Black/African American women earn a doctoral degree is not a reasonable strategy to address societal wealth gaps.¹⁰⁸

In fact, education has been associated with greater decreases in wealth for Black/African American families during economic downturns. Paradoxically, Black/African American families with more education lost a greater percentage of wealth during the Great Recession than those with less education; for White families, education had the opposite effect. The different effects of education are partly explained by differences in family circumstances: in addition to helping their children, college-educated Black/African American adults may be providing financial support to their parents and extended families. Black/African American adults with college degrees

FIGURE 15. Young Black/African American women have less than \$1,000 median net worth at all levels of educational attainment, while young Black/African American men and young Hispanic/Latina women have less than \$3,000.



Source: Georgetown University Center on Education and the Workforce analysis of data from the US Census Bureau, Survey of Income and Program Participation (SIPP), 2014 (wave 1) and 2018 (wave 1).

Note: The data are inflation-adjusted to 2019 dollars. In this section of the report, we have excluded data on the wealth of American Indian/Alaska Native and Native Hawaiian/Pacific Islander young adults due to small sample sizes in many of our data sets.

¹⁰² Killewald and Bryan, "Falling Behind," 2018.

¹⁰³ Carnevale et al., *The Unequal Race for Good Jobs*, 2019.

¹⁰⁴ Carnevale et al., *The Unequal Race for Good Jobs*, 2019.

¹⁰⁵ US Census Bureau, Current Population Survey, March Supplement 2019 (Table 7).

¹⁰⁶ Campbell and Kaufman, *Racial Differences in Household Wealth*, 2005.

¹⁰⁷ Fletcher, "Systemic Racism and the Dispossession of Indigenous Wealth in the United States," 2021; Center for Native American Youth, "Drawing Strength from Our Cultures," 2016.

¹⁰⁸ Carnevale et al., *The Monetary Value of Economic and Racial Justice in Postsecondary Education*, 2021.

are substantially more likely than White adults to transfer money to their parents; in contrast, White adults are substantially more likely than Black/African American adults to receive money from their parents, whether in the form of funding for education or support for a down payment on a home.¹⁰⁹ Research has also found that Hispanic families receive less financial support than either White non-Hispanic or Black families—in fact, they give more money to others than they receive in support—and that Hispanic families are more than five times as likely to provide financial support to their parents as White non-Hispanic families.¹¹⁰

Thus, by young adulthood, wealth gaps between men and women and among different racial

and ethnic groups are already evident. While educational attainment is associated with greater wealth, educational attainment alone can't close the substantial wealth gaps that exist among groups, especially given the wage gaps that exist among equally qualified workers.

Equalizing the chances of getting a good job may help reduce wealth gaps among groups. But educational opportunity is not, by itself, a sufficient lever to close these gaps. To equalize young people's chances of reaching a financially stable future regardless of their race/ethnicity or gender, we will need comprehensive reforms across the policy landscape.

CONCLUSION

Disparities by race/ethnicity and gender are evident in almost all the aspects of young people's lives that determine their chances of having good jobs as young adults. Unequal educational attainment among different racial/ethnic groups lays the groundwork for inequality in the chances of having a good job; differences in field of study and occupation, especially among men and women, compound these gaps, as do differences in the likelihood of working full time.

None of these factors on their own fully explain the gaps in the likelihood of having a good job, however. Socialization and socioeconomic differences may nudge women and members of underrepresented minority groups toward lower-paying fields and occupations. But even after accounting for such differences among groups, labor market discrimination remains. For many young women and young men from racial and ethnic minority groups, this discrimination reduces their chances of being hired or promoted and depresses their wages.

Gaps in the labor market translate into gaps in young people's financial stability. With young people starting out on uneven footing because of differences in family wealth, inequality in the likelihood of having a good job serves to exacerbate wealth differences, even among equally qualified young adults. For example, young Black/African American women with a bachelor's degree or higher have a median net worth of \$900—less than half of what similarly educated Black/African American men have, and less than one-thirty-sixth of what similarly educated White men have.

Reducing the racial/ethnic and gender gaps in young people's economic circumstances will require comprehensive reforms that improve the chances

of latching on to a good job as a young adult, especially for young women and young men from underrepresented racial and ethnic groups. We need to do the following:

Seven Recommendations for Comprehensive Reform

1. Embrace our country's diversity and reject racial/ethnic and gender injustice, including through investments in culturally responsive teaching and counseling.
2. Apply an equity lens to all policy and programmatic reforms by measuring inequality and crafting policies and programs designed to address it.
3. Provide targeted, wraparound educational and social supports to young people from cradle to career, including universal pre-kindergarten and equitably funded public schools.
4. Invest in programs that treat education and labor markets as a single system extending from early childhood to the first good job, including those with strong employer involvement.
5. Help young people—especially those who are most marginalized by the education and employment system—pursue and attain their education and career goals simultaneously using career exposure and work-based learning.
6. Create a transparent, data-based education and career navigation system that is accountable for making outcomes more effective and equitable.
7. Make college more affordable and more convenient by investing in free college, incremental credentialing, community college baccalaureate programs, and better transfer pathways.

¹⁰⁹ Meschede et al., "Family Achievements?," 2017.

¹¹⁰ McKernan et al., "Do Racial Disparities in Private Transfers Help Explain the Racial Wealth Gap?," 2014.

1 Embrace our country's diversity, including through investments in culturally responsive teaching and counseling.

Diversity is one of our country's great cultural and economic strengths. The variety of talents, perspectives, and life experiences of the American people enriches the public sphere. Some researchers have identified a positive relationship between cultural diversity and economic development.¹¹¹ Others have argued that the costs associated with discrimination offer a strong case for inclusion.¹¹² Thus, there is an economic and moral argument for capitalizing on our diversity and ensuring that the benefits are shared equitably across groups.

This means that we need culturally responsive teaching and counseling that embrace the potential of youth from diverse racial, ethnic, and economic backgrounds and provide the positive supports that all youth need to succeed in education and the economy. We need positive engagement between our educational and economic institutions and the diverse communities they serve, strengthening opportunities for young people to connect with role models and build a sense of purpose. We also need to diversify the pre-K–12 and postsecondary teaching, training, and counseling workforces to better reflect the composition of the students, clients, and workers these professionals serve. And we need to promote efforts to integrate schools and colleges, neighborhoods, communities, and social networks.

2 Apply an equity lens to all policy and programmatic reforms by measuring inequality and crafting policies and programs designed to address it.

Achieving racial/ethnic and gender justice will require us to invest in equity. We can't expect equal outcomes without funding the programs that are necessary to achieve those outcomes, including programs that provide targeted resources to close opportunity gaps for underserved groups. Equity gaps will continue to grow as long as the greatest public and private investments go to the people with the least need.

To identify where investments in equity are merited, we need to take stock of where gaps by race/ethnicity and gender exist across the education system and labor market, and we need to evaluate the possible contributors to those gaps. Where are traditionally underserved students overrepresented and underrepresented? What are the educational and economic consequences of those representation gaps? This report is one step in an ongoing and necessary process of assessment.

Once we have identified equity gaps, we need to seek solutions. We need to identify the changes that would be needed to reduce inequality in who gets a degree or a good job as a young adult. Some of those changes will require us to look beyond traditional education and training solutions to address skewed social structures, cultural biases, ethnocentrism, workplace discrimination affecting pay and hiring, attrition of people from underrepresented groups in high-paying fields

like STEM, disparate treatment by the criminal justice system, residential segregation, disproportional exposure to poverty, lack of access to relatable role models for young people from marginalized groups, insufficient support for entrepreneurs from underrepresented groups, and differential access to borrowing and financial services. We also need to anticipate the equity implications of any proposed reforms, including the potential unintended consequences.

3 Dismantle funding inequality and provide targeted, wraparound educational and social supports to young people from cradle to career, including high-quality universal pre-kindergarten and equitably funded public schools.

An opportunity gap exists for young people as soon as they are born, based on factors like their parents' income and substantial funding disparities in public schools. These disparities disproportionately harm Black/African American, Hispanic/Latino, and American Indian/Alaska Native children, who are overrepresented among low-income groups.¹¹³

For many children, the opportunity gap widens as they travel through the education system. Tracking by race and gender begins early, and on- and off-ramps between paths become more difficult to navigate as children age. We need to guard against tracking by race, ethnicity, and gender at every step of the school-to-career pipeline, including by equipping teachers and administrators with the tools to overcome personal and systemic bias.

To give every child the best chance at educational and economic success, we need to ensure universal access to free, high-quality education beginning before kindergarten. We need to dismantle funding inequality in our public school systems so children don't have to live in the wealthiest zip codes—or the whitest neighborhoods—to get the best possible public education. And we need to make sure that all children have the material supports they need to thrive, including access to healthy food and good jobs for their parents and guardians.

To achieve equitable outcomes, funding for these wraparound supports should be distributed based on need. Judicial intervention may be necessary to make equitable funding a reality. The US Supreme Court has denied that Americans have a Constitutional right to an equal and adequate education, but legal action in state courts could be a path toward ensuring the equitable distribution of resources.¹¹⁴

4 Invest in programs that treat education and labor markets as a single system extending from early childhood to the first good job, including programs with strong employer involvement.

We need to connect the institutional and policy silos that span cradle to career while integrating supports at each stage of the pipeline. To ensure that all young people have equal opportunities to travel successfully from youth dependency to adult economic independence, we must match resources to needs and implement targeted and affirmative efforts to counter existing inequities by race,

¹¹¹ Ashraf and Galor, "Cultural Diversity, Geographical Isolation, and the Origin of the Wealth of Nations," 2011.

¹¹² Organisation for Economic Co-operation and Development, *All Hands In?*, 2020.

¹¹³ Georgetown University Center on Education and the Workforce analysis of data from the US Department of Education, Education Longitudinal Study of 2002 (public use data), 2002.

¹¹⁴ Carnevale et al., *Youth Policy*, 2021.

class, and gender. One potential way to ensure equity and accountability would be to create a formalized youth cabinet within the federal government with representation from agencies and departments whose work touches on the youth-to-adulthood transition.

Taking an all-one-system approach to education and work means breaking down the artificial pedagogical barriers between education and training as well as the artificial institutional barriers between education and labor markets. For example, we need to recognize that classroom learning, applied learning, occupational exploration, and work-based learning (WBL) are complementary approaches. We also need to expand successful models for linking secondary education to postsecondary education and careers and ensure equitable access to these opportunities. These models include broad approaches like career academies, guided pathways, Linked Learning, apprenticeships, and school-to-work programs, as well as specific programs like Year Up and Braven.

To break down pedagogical barriers, we need to involve employers in developing and providing work-based learning. Especially in the postsecondary system, work-based learning programs and internships should parallel fields of study as much as possible. We need more employer-based models like apprenticeships, more paid internships so youth from low-income backgrounds can participate, and more programs like those sponsored by the National Academy Foundation, the Pathways to Prosperity Network, and P-TECH. Practices like dual credit, early-college high schools, Advanced Placement, International Baccalaureate, and

dual-enrollment programs also let young people start earning college credit before they even leave high school

5 Help young people—especially those who are most marginalized by the education and employment system—pursue and attain their education and career goals simultaneously using career exposure and work-based learning (WBL). America’s education system is increasingly our primary means of providing workforce training, but the connections between education and work are too often an afterthought. We need to provide more career exposure to all young people beginning in middle school and continuing through college, and we need to help all young people develop their interests and aptitudes while engaging in the general education and specific skills-based learning opportunities that will benefit them in the labor market.

Expanded work-based learning opportunities are crucial to meeting this goal. Work-based learning builds human networks and positive relationships, yielding social and cultural capital that helps young people navigate the workforce. It also provides hands-on work experience and hands-on learning. The critical catalytic element within work-based learning programs is the opportunity for participants to reflect on the experience and its meaning for their futures.

Work-based learning is scattered across the education domain in a variety of ways. Within secondary schools, it is often delivered through Career and Technical Education (CTE)—next-generation vocational education programs that use applied contexts in a variety of occupation clusters to teach both job-specific skills and general academic

skills. In addition, CTE high schools and career academies teach basic academics in an applied fashion, and service-learning gives young people a chance to develop skills while engaging with their communities. There are paid and unpaid internships, work-study programs, cooperative education programs, and formal apprenticeships linked to schooling. Programs that support young entrepreneurs offer another avenue for young people to develop professional skills.

Work-based learning can have positive effects on career outcomes. But while participation in work-based learning seems to increase the chances of securing a well-paid job, work-based learning opportunities seem to benefit those with bachelor’s degrees or higher more than those with sub-baccalaureate credentials. Access to work-based learning and the benefits of participating in work-based learning also differ substantially by gender and race/ethnicity. For example, among young adults without a bachelor’s degree, it appears that men benefit significantly more from work-based learning than women. Providers need to disclose the earnings outcomes of program completers by field and by race/ethnicity and gender, while a policy approach that expands work-based learning must ensure that these opportunities are of high quality, are equally accessible across demographic groups, and have equitable earnings outcomes for young adults of all races and ethnicities.¹¹⁵ In addition, providers of sub-baccalaureate WBL programs need to successfully recruit and train more women in fields that offer better pay and greater access to good jobs. Public policy also needs to address the fact that as long as the

jobs in which women are overrepresented—such as healthcare support and education—remain undercompensated relative to their true economic and societal value, fair pay at a societal level will remain elusive.

6 Create a transparent, data-based education and career navigation system that is accountable for making outcomes more effective and equitable. That means a counseling system that provides the information and mentorship that students and workers need to plan and pursue their educational and career goals. Both high schools and postsecondary institutions should offer required credit-bearing courses in which students formulate data-based plans for their own education and career pathways.

To ensure that students have accurate information about possible pathways, all publicly funded postsecondary education and training programs should be transparent about completion rates and employment and earnings outcomes. From an accountability standpoint, career-specific job training programs should receive public subsidies only if they fill the needs of both employers and workers and meet an established standard for employment and earnings. Moreover, all programs should disaggregate their data by race/ethnicity and gender and use this information to ensure that participation and outcomes are equitable across demographic groups.

Crucially, academic and career exposure opportunities need to be equally available to all students, regardless of their gender and race/ethnicity. In providing access to these

¹¹⁵ Carnevale et al., *How Limits to Educational Affordability, Work-Based Learning, and Career Counseling Impede Progress toward Good Jobs*, 2022.

opportunities, teachers, administrators, and counselors must guard vigilantly against tracking students toward pathways based on their social identities. All students should receive complete information about the educational and career pathways available to them and the likely outcomes of those pathways. All students also should be exposed to role models and mentors who share their social identities, understand their communities, and are invested in their success over the long term, not just on the next step of their educational pathway.

To incentivize educational institutions to ensure that students receive this counseling, we need to hold institutions accountable for students' long-term outcomes, at both the institutional and the program level. We need to connect the dots from kindergarten to college to the workforce, using shared data on outcomes and transitions to treat educational institutions and employers as a single ecosystem with a shared stake in young people's attainment of economic independence.

7 Make college more accessible and narrow the racial/ethnic gaps in college financing by investing in free college, incremental credentialing, community college baccalaureate programs, and better transfer pathways. Everyone who wants to pursue postsecondary education should be able to do so without taking on enormous amounts of debt. Educational debt is a particularly heavy burden for Black/African American women, who have the highest student loan debt burden, the greatest likelihood of having educational

debt, and the lowest net worth of all race/ethnicity and gender groups. Therefore, we need to address college affordability as a matter of racial and gender justice. Free-college plans like the ones already implemented in many states can help make college more affordable.¹¹⁶ Institutional policies that prioritize need-based aid over merit aid can help interrupt intergenerational privilege. Any plan to improve college affordability should consider potential impacts on race, class, and gender equality.

In addition, we need to reform the student loan system to ensure that low-income borrowers from marginalized groups do not end up in default because of administrative burdens and procedural confusion. The freeze on student loan payments during the COVID-19 pandemic has demonstrated that the Department of Education is able to provide relief without requiring borrowers to navigate a complex maze of requirements.¹¹⁷ Moreover, the evidence in this report indicates that marginalized groups bear a disproportionate amount of the student loan burden, suggesting the need for policy approaches that would target relief to borrowers from these groups.

We also need to create more opportunities for people to stop out and reenter postsecondary education and training on their own timetable. Postsecondary institutions should improve credit articulation to facilitate the creation of more flexible pathways. In addition, four-year colleges should reserve one-fifth of the seats in their undergraduate junior cohort for transfer students from community colleges. Incremental credentialing is another approach that would improve flexibility and equity by

enabling students who complete a portion of their studies to demonstrate their knowledge and skills to potential employers and to receive academic credit for that work if they later resume their studies.¹¹⁸ Colleges and universities need to be held accountable for racial/ethnic and gender equity in transfer and completion, which will require transparency about racial/ethnic and gender gaps in outcomes.

At the same time, we need to make all options equally available to young people regardless of their race/ethnicity or gender, and we need to ensure that young people from underserved groups are not concentrated in

parts of the system in which opportunity is scarce. To make opportunity more fully available, we need to simultaneously improve educational quality at institutions across the selectivity spectrum and broaden access to the most well-resourced schools. We also need to breach the boundaries between community colleges and four-year institutions while discouraging tracking by race and class. This can be accomplished in part by tying federal dollars to policies that improve transfer rates and by allowing community colleges to grant bachelor's degrees, especially in fields important for local and regional labor markets, as 24 states already do.¹¹⁹

Making good on these broad recommendations will require creative thinking and coordination across all parts of the system, along with constant reassessment of how far we have gone toward racial and gender justice and how far we have left to go. This kind of comprehensive commitment is necessary, however, to live up to American ideals that have fallen far short of their potential.

¹¹⁸ Examples of incremental credentialing programs include the Credential as You Go initiative at the State University of New York (SUNY) Empire State College and the Western Interstate Commission for Higher Education (WICHE)'s Interstate Passport. See Carnevale et al., *Youth Policy*, 2021.

¹¹⁹ Bragg et al., "New Findings and More Questions on the Community College Baccalaureate," 2021.

¹¹⁶ Carnevale et al., *Dollars and Sense of Free College*, 2020.

¹¹⁷ US Department of Education, "COVID-19 Emergency and Federal Student Aid," 2021.

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APPENDIX A

Methodology and Data Sources

Good jobs, geographically adjusted

We defined a good job using a minimum threshold of \$35,000 in annual earnings for young workers (ages 25 to 35), adjusted according to the cost of living in each state based on living wage data downloaded in October 2020 from the MIT "Living Wage Calculator." To perform this adjustment, we multiplied the nationwide threshold by the annual state living wage for one adult with no children and divided by \$26,000, which roughly represents a nationwide average living wage for a single adult with no children.

For example, in Minnesota, the state living wage for one adult with no children was \$12.05 per hour, or \$25,064 per year for an adult working full time (2,080 hours per year). We adjusted the threshold for a good job by multiplying \$35,000 by 0.964, or the ratio of \$25,064 to \$26,000. Thus, we determined that individuals in Minnesota earning at least \$33,740 met our threshold for having a good job (Table A1).

TABLE A1. The adjusted minimum good jobs threshold for young workers varies substantially by state.

State	Adjusted Good Jobs Threshold	State	Adjusted Good Jobs Threshold	State	Adjusted Good Jobs Threshold
Alabama	\$31,500	Kentucky	\$30,700	North Dakota	\$30,900
Alaska	\$35,700	Louisiana	\$32,000	Ohio	\$30,400
Arizona	\$33,600	Maine	\$34,900	Oklahoma	\$30,600
Arkansas	\$29,900	Maryland	\$40,800	Oregon	\$37,800
California	\$42,000	Massachusetts	\$43,300	Pennsylvania	\$32,300
Colorado	\$37,600	Michigan	\$31,800	Rhode Island	\$35,900
Connecticut	\$37,500	Minnesota	\$33,700	South Carolina	\$32,900
Delaware	\$35,300	Mississippi	\$30,500	South Dakota	\$29,700
District of Columbia	\$47,400	Missouri	\$31,200	Tennessee	\$30,700
Florida	\$34,700	Montana	\$30,700	Texas	\$32,900
Georgia	\$35,400	Nebraska	\$30,700	Utah	\$32,500
Hawaii	\$44,300	Nevada	\$31,500	Vermont	\$35,700
Idaho	\$30,900	New Hampshire	\$35,300	Virginia	\$39,200
Illinois	\$35,800	New Jersey	\$39,300	Washington	\$37,700
Indiana	\$30,900	New Mexico	\$31,900	West Virginia	\$30,300
Iowa	\$30,800	New York	\$43,600	Wisconsin	\$31,900
Kansas	\$30,400	North Carolina	\$33,500	Wyoming	\$30,900

Source: Georgetown University Center on Education and the Workforce estimates based on data from the Massachusetts Institute of Technology (MIT), "Living Wage Calculator," 2020.

Share of young workers with a good job by age, race/ethnicity, and gender (historical trends)

Data on young workers with a good job came from two sources: the Current Population Survey (CPS) Annual Social and Economic (March) Supplement, from 1972 through 1986 and from 2007 through 2020, and the American Community Survey (ACS) data from 2009 through 2019.

For the historical analysis in this report, we compared two birth cohorts (those born from 1946 to 1950 and those born from 1981 to 1985) using CPS data. Due to limitations in the CPS data on race/ethnicity from 1969 to 1987, we limited the historical analysis to three race/ethnicity groups: Black/African American, Hispanic/Latino, and White.

Good jobs, educational attainment, major, occupation, and full-time employment by race/ethnicity and gender

For the analysis in Part 2 and Figure 4 in Part 1, including the likelihood of having a good job, educational attainment, major fields of study for bachelor’s degree holders, occupations, and full-time employment, we used ACS data. We pooled the data for 2009 to 2019 and included 25-to-35-year-olds in the labor force (either employed or unemployed) during this time frame. For continuity with the historical analysis, we limited the sample to young adults from the cohort born from 1981 to 1985. We assigned annual earnings of zero to individuals who were unemployed.

We divided the analysis into 14 groups by race and gender: American Indian/Alaska Native men, American Indian/Alaska Native women, Asian/Asian American men, Asian/Asian American women, Black/African American men, Black/African American women, Hispanic/Latino men, Hispanic/Latina women, Multiracial men, Multiracial women, Native Hawaiian/Pacific Islander men, Native Hawaiian/Pacific Islander women, White men, and White women.

Wealth and student loan debt

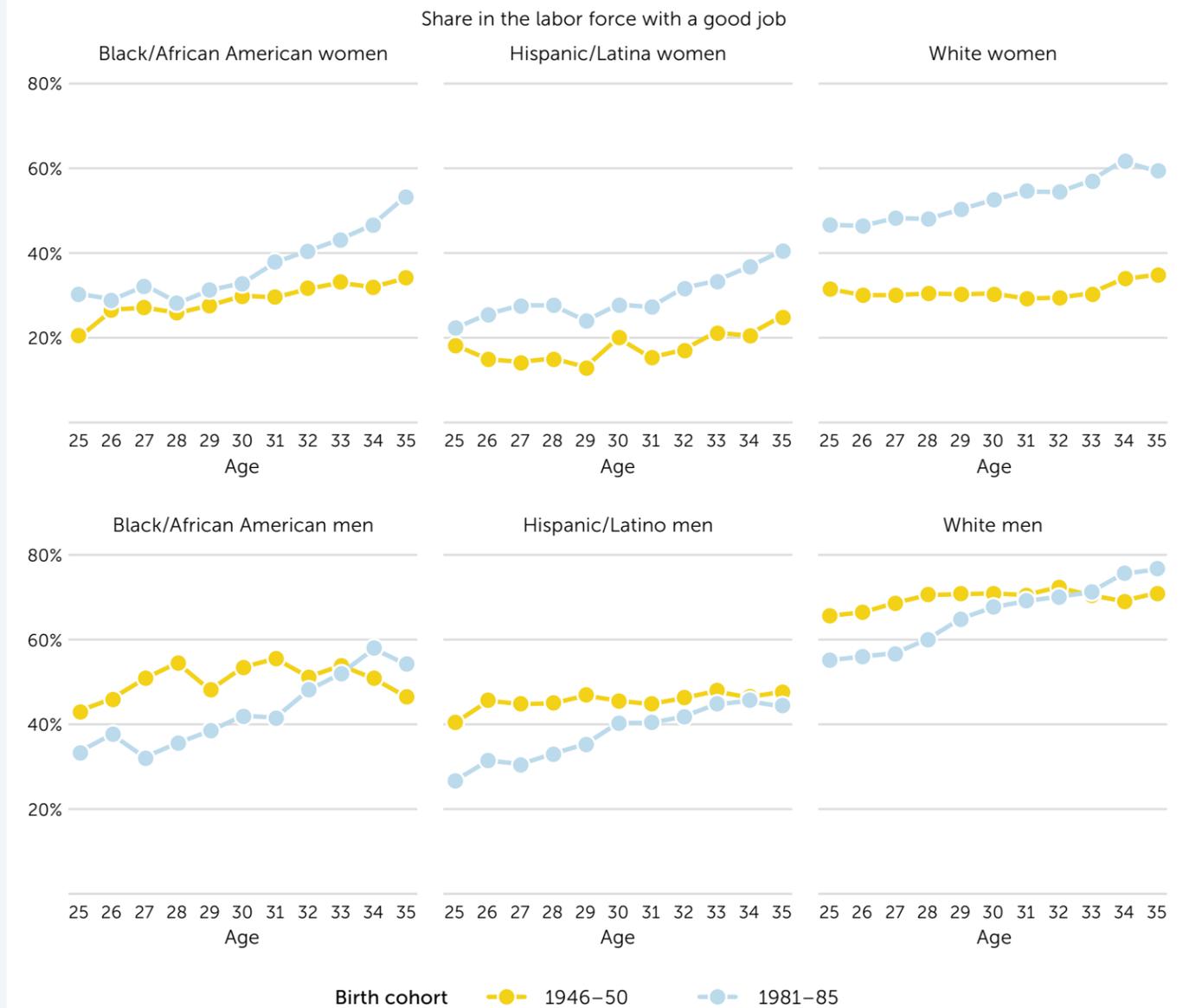
Wealth and student debt information came from two data sources: the Survey of Income and Program Participation (SIPP) and the National Postsecondary Student Aid Study (NPSAS).

We used NPSAS public-use data from the 2016 survey year to analyze student loan debt at graduation. More specifically, we examined the share of college graduates who have student loan debt and the median student loan debt at graduation among graduates with debt. We excluded four groups from this analysis because the sample sizes were too small to produce reliable estimates for these groups: American Indian/Alaska Native men, American Indian/Alaska Native women, Native Hawaiian/Pacific Islander men, and Native Hawaiian/Pacific Islander women. Nominal dollars from NPSAS data are inflation-adjusted to 2019 dollars in this report.

We used SIPP to examine the share of young adults (ages 25 to 35) who have educational debt but no credential. We also used it to examine the median personal net worth for young adults (ages 25 to 35). We pooled two waves of survey data (2014, wave 1, and 2018, wave 1) for this analysis. We excluded four groups from this analysis because the sample sizes were too small to produce reliable estimates for these groups: American Indian/Alaska Native men, American Indian/Alaska Native women, Native Hawaiian/Pacific Islander men, and Native Hawaiian/Pacific Islander women. Nominal dollars from SIPP data are inflation-adjusted to 2019 dollars in this report.

APPENDIX B Additional Figures and Tables

FIGURE B1. Share of young adults (ages 25 to 35) with a good job by gender and race/ethnicity



Source: Georgetown University Center on Education and the Workforce analysis of data from the US Census Bureau and Bureau of Labor Statistics, Current Population Survey (CPS), 1972-86, 2007-20.

Note: Data are for 25-to-35-year-olds in the labor force. Young workers with good jobs are those with earnings of \$35,000 or more nationwide. We adjusted the good jobs threshold based on cost-of-living differences among states using 2018-19 data from the Massachusetts Institute of Technology (MIT), "Living Wage Calculator," 2020.

FIGURE B2. Likelihood of working within an occupational cluster by race/ethnicity and gender, for workers with a bachelor's degree or higher

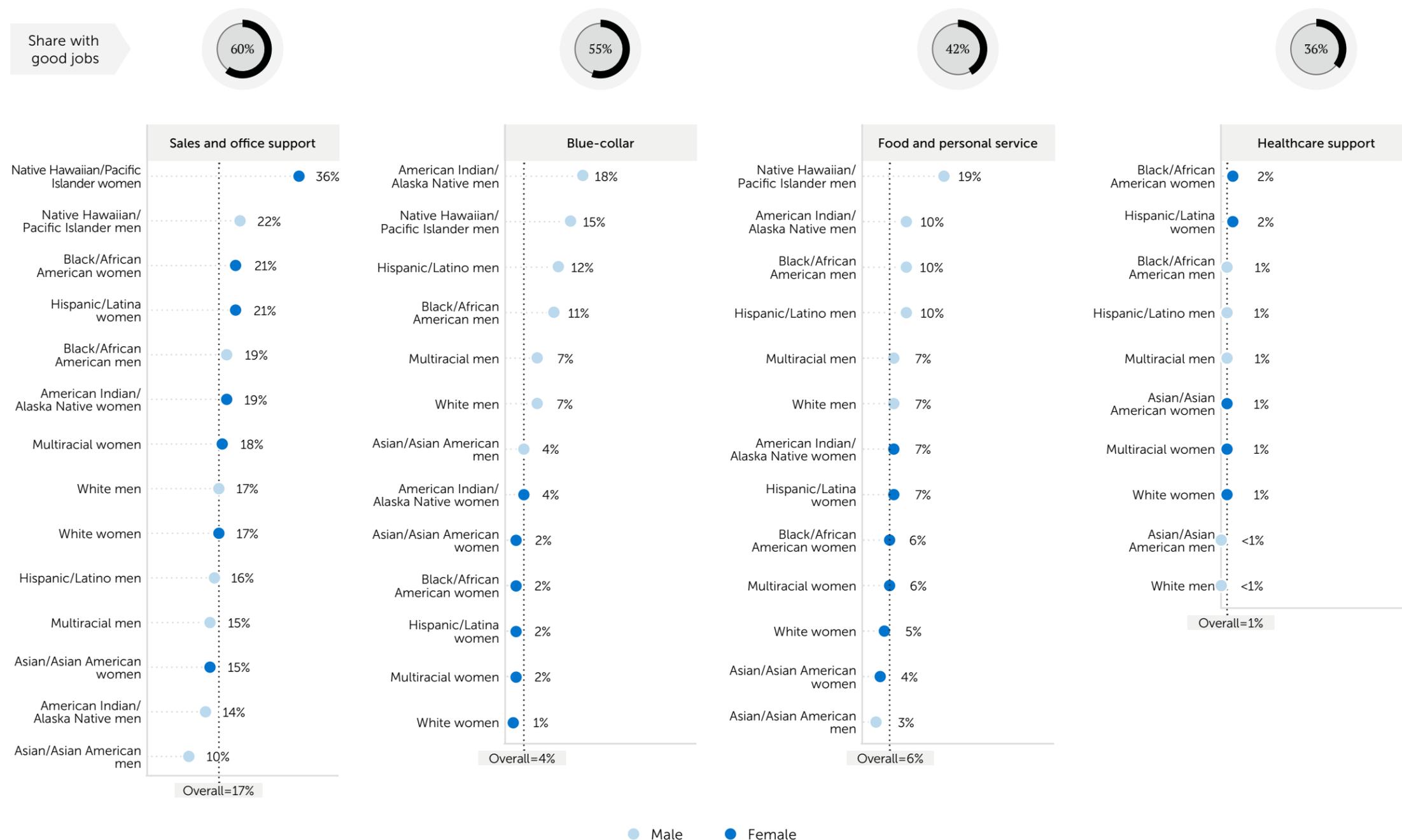


Source: Georgetown University Center on Education and the Workforce analysis of data from the US Census Bureau, American Community Survey (ACS), 2009–19 (pooled).

Note: Data are restricted to adults ages 25 to 35. Young workers with good jobs are those with earnings of \$35,000 or more nationwide. We adjusted the good jobs threshold based on cost-of-living differences among states using 2018–19 data from the Massachusetts Institute of Technology (MIT), "Living Wage Calculator," 2020.

The following categories have been excluded due to insufficient sample size: Native Hawaiian/Pacific Islander men in healthcare support, education, healthcare practitioners and technical, community service and the arts, and blue-collar occupations; Native Hawaiian/Pacific Islander women in healthcare support, food and personal service, STEM, healthcare practitioners and technical, community service and the arts, and blue-collar occupations; American Indian/Alaska Native men in healthcare support and healthcare practitioners and technical occupations; American Indian/Alaska Native women in healthcare support and blue-collar occupations.

FIGURE B2. continued.



Source: Georgetown University Center on Education and the Workforce analysis of data from the US Census Bureau, American Community Survey (ACS), 2009–19 (pooled).

Note: Data are restricted to adults ages 25 to 35. Young workers with good jobs are those with earnings of \$35,000 or more nationwide. We adjusted the good jobs threshold based on cost-of-living differences among states using 2018–19 data from the Massachusetts Institute of Technology (MIT), “Living Wage Calculator,” 2020.

The following categories have been excluded due to insufficient sample size: Native Hawaiian/Pacific Islander men in healthcare support, education, healthcare practitioners and technical, community service and the arts, and blue-collar occupations; Native Hawaiian/Pacific Islander women in healthcare support, food and personal service, STEM, healthcare practitioners and technical, community service and the arts, and blue-collar occupations; American Indian/Alaska Native men in healthcare support and healthcare practitioners and technical occupations; American Indian/Alaska Native women in healthcare support and blue-collar occupations.

TABLE B1. Share of young adults (ages 25 to 35) with an educational credential

	Share with a credential		
	Among those without debt	Among those with debt	Overall
Asian/Asian American men	72%	85%	74%
Asian/Asian American women	79%	93%	81%
Black/African American men	36%	66%	43%
Black/African American women	41%	79%	55%
Hispanic/Latino men	24%	69%	31%
Hispanic/Latina women	33%	77%	42%
White men	50%	78%	57%
White women	57%	84%	66%
Overall	48%	79%	56%

Source: Georgetown University Center on Education and the Workforce analysis of data from the US Census Bureau, Survey of Income and Program Participation (SIPP), 2014 (wave 1) and 2018 (wave 1).

Note: Credentials include certificates, associate's degrees, bachelor's degrees, and graduate degrees, but not certifications.



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The Uncertain Pathway from Youth to a Good Job: How Racial and Gender Bias Impede Progress toward Good Jobs can be accessed online at cew.georgetown.edu/pathway.



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