

Adopted Policies

Definition of Underemployment for Out-of-School Youth

Background

Under WIA, at least 30% of available youth funds are to be used for out-of-school youth. An out-of-school youth is defined as an individual who is a) an eligible youth who is a school dropout; or b) an eligible youth who has either graduated from high school or holds a GED, but is basic skills deficient, unemployed, or **underemployed** (WIA Sec. 101(33)).

Underemployment, however, is not specifically defined anywhere in the WIA regulations. Any term that is not specifically defined in the WIA Final Regulations is left to the discretion of the local Workforce Investment Board.

Underemployment

An adult is termed underemployed if an individual is employed, but not earning enough to maintain self-sufficiency. The youth definition allows a working youth access to WIA services, which may lead to higher earnings and increased financial responsibilities, thus helping prevent future underemployment as an adult.

The WIB has defined *underemployment* for out-of-school youth as:

1. Any out-of-school youth who is currently employed, but not earning at the level identified as the Living Wage for the City of Los Angeles, or
2. Is earning at the Living Wage level, but is not employed full-time, which is also known as the full-time equivalency (FTE) status.