



SJI Job Trends Report

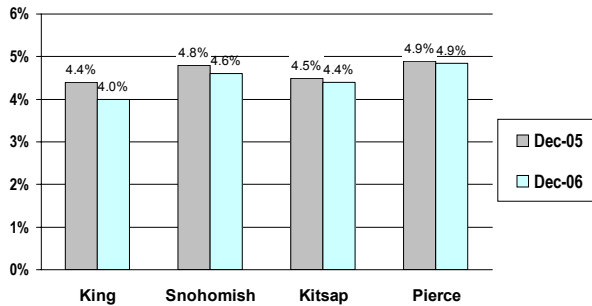
Seattle Jobs Initiative, May 1, 2007

Inside:

- ❖ **New jobs in Health Care in King County -- p. 2**
- ❖ **King County job growth trends by industry -- p. 4**

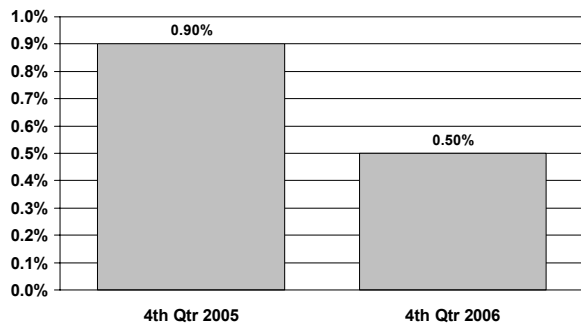
Trend Tracker: What's Changing in the Local Job Market?

Unemployment Rates Low in Each Puget Sound County: Dec. 2005 v. Dec. 2006



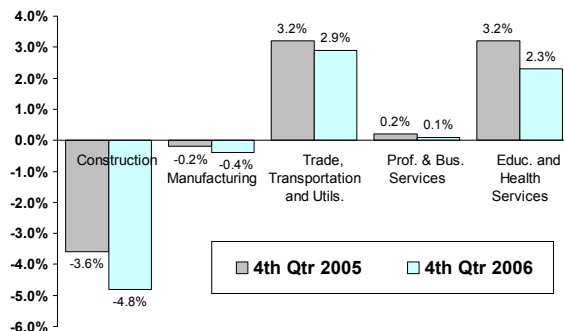
Source: Calculated from Washington State Employment Security Department, *Nonagricultural Wage and Salary Workers Employed in Washington State*

King County Job Growth Slowing in Comparison to Last Year: 4th Quarter 2005 and 4th Quarter 2006



Source: Calculated from Washington State Employment Security Department, *Nonagricultural Wage and Salary Workers Employed in Washington State*

King County Job Growth by Selected Industrial Sector: 4th Quarter 2005 and 4th Quarter 2006



Source: Calculated from Washington State Employment Security Department, *Nonagricultural Wage and Salary Workers Employed in Washington State*

Jobs in the Spotlight – A digest of workforce and economic news

- **The future of manufacturing in Seattle**
- **Opportunity Grants pass in legislature**
- **Other 2007 legislative highlights**

Manufacturing on the ropes in Seattle?

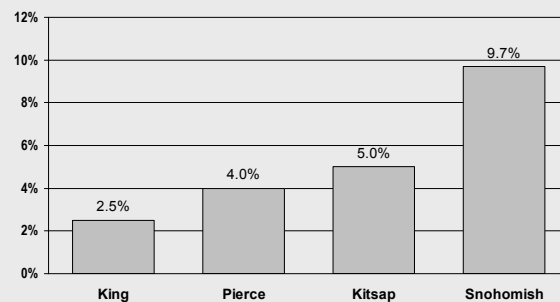
Recently, a series of articles appeared in local media about efforts to rezone existing industrial land in Seattle to other uses, as well as ongoing efforts to find ways to protect limited manufacturing land from conversion to housing, offices, and retail. This is part of a longstanding debate over what is the “highest and best use” of industrial land in the city. Although in real estate terms the best use is the one that produces the highest rate of return for the owner, this may conflict with public policy goals of retaining industrial uses and the family-sustaining jobs they produce.

As reported in the *Puget Sound Business Journal*, a local immigration lawyer and his partners have used a federal job-development program to assemble a very large (about 40 acres) set of parcels in the area surrounding the city’s sports stadiums. The investment group is seeking a rezone to allow low-rise office buildings. In addition, the group just purchased a property currently leased by MacMillan-Piper Inc., the largest Port-related freight transloading company in the area. According to the article, some industrial firms fear being unable to keep their facilities in the area as rents rise. In addition, speculators are buying up land elsewhere in the city, including the Duwamish industrial area, and requesting city zoning changes for the parcels.

[see <http://seattle.bizjournals.com/seattle/stories/2007/03/26/story2.html>]

Continued -- See Jobs in the Spotlight, p. 2

Manufacturing Job Growth in King lags other Puget Sound Counties: Percent Change in jobs Dec. 2005 to Dec. 2006

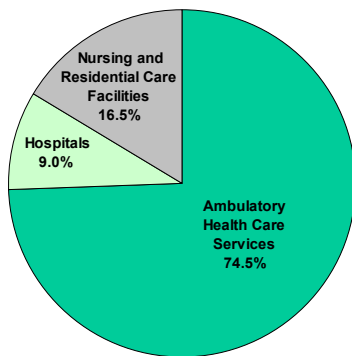


Calculated from data from Washington State Employment Security Department, *Nonagricultural Wage and Salary Workers Employed in Washington State*, http://www.workforceexplorer.com/admin/uploadedPublications/4482_industry_historical.xls

Focus on Health Care: Where are the new jobs?

There has been substantial discussion of the health care personnel shortage, with a strong focus on nurses in the hospital sector. However, it appears the nursing shortage is based mostly on retirements and burnout, rather than rates of job growth, at least in King County. Overall employment growth in hospitals has been slow if steady over the 2000-2006 period in the county, with hospitals accounting for only 9% of new health care jobs over the period. Conversely, employment in ambulatory health care settings (outpatient surgery, offices of doctors and dentists, etc.) made up three-quarters of health care sector job growth in the period (although growth in this industry area slowed in 2005-06). The remaining new jobs (16.5%) were found in Nursing homes and other Residential Care Facilities.

Proportion of 2000-2006 new jobs accounted for by each health care sector



Calculated from data from Washington State Employment Security Department, *Nonagricultural Wage and Salary Workers Employed in Washington State*, http://www.workforceexplorer.com/admin/uploadedPublications/4482_industry_historical.xls
2000 and 2006 numbers are based on annual average employment for each year.

A regular job opening survey conducted by the state Employment Security Department provides a snapshot in time of the openings (as opposed to all jobs) in industry and occupational groups in King County. Health care and social assistance had the third largest number of openings among all industry groups at 3,272 in October 2006. Further industry breakdowns for the health care industry sector are not available from this survey.

More details are available from the survey at the occupational level, however. Within health care occupational groups, Healthcare Practitioners and Technical occupations accounted for the most openings at 1,132, followed by Healthcare Support at 784.

Continued -- See *Health care focus*, p. 3

Jobs in the Spotlight, continued

Manufacturing, continued

According to an article in the *Seattle Weekly*, developer Nitze-Stagen has asked for a study of a possible rezone of a multiblock area surrounding the current Starbucks headquarters southwest of the stadiums to allow a possible major expansion of the company's office space.

[see <http://www.seattleweekly.com/2007-04-04/news/double-tall.php>]

As a result of these and other ongoing pressures and conflicts between industrial and other uses, the City of Seattle, assisted by the Seattle Planning Commission, is updating its industrial lands strategy to identify lands that need to be protected for industrial use, and to find ways to lessen conflicts between industrial and other uses. Reports from this ongoing study can be found at the link below.

[see <http://www.seattle.gov/dpd/Planning/IndustrialLands/RelatedLinks/default.asp>].

Opportunity Grant expansion passes in legislature

The 2007 state legislature has passed an expanded version of the Opportunity Grants program (Second Substitute House Bill 1096), which provides substantial support for low income students to attend a community college, with study focusing on high demand fields. The grants pay for one year's tuition and books, and also provide a \$1500 grant to colleges to provide support services. The program will be limited to people at or below 200% of the federal poverty level. The House and Senate budget funds the program for \$15 million in the 2007-09 period. Implementation of the program awaits the Governor's signature.

Other 2007 Legislative results of note:

- Community college tuition capped at 2% increase for the 2007-09 period
- State Need Grant eligibility expanded to 70% of family median income
- Extension for 4 years of a pilot program allowing less than part-time students to access the State Need Grant
- Expansion of high-demand enrollments at community colleges by 1,300
- 500 more I-BEST vocational language learning slots
- 300 apprenticeships added
- 1,250 new ABE slots added

Health care focus, continued

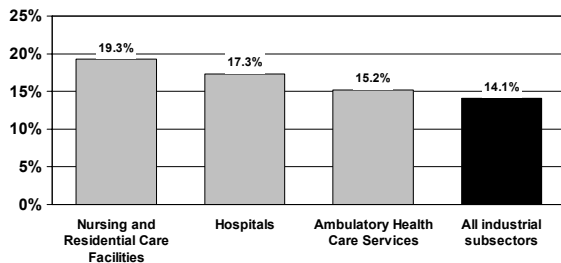
Although health care support occupations tend to be more accessible to those with less education, they also pay less, with national data indicating a median wage of only \$10.64 per hour across all occupations in this group.

Looking at specific occupations, RN's accounted for the most openings in King County at 608, followed by Nursing Aides, Orderlies, and Attendants at 492, and Personal and Home Care aides at 416. The latter two positions are generally available to those with some technical training post-high school but less than a degree.

One factor affecting the relative number of openings in an industry or occupation is the age of its workforce. As the following chart shows, all three broad industry subsectors in health care have a higher proportion of older workers than the average for all industries in King County. This will increase the number of job openings regardless of the job growth trajectory within the industry.

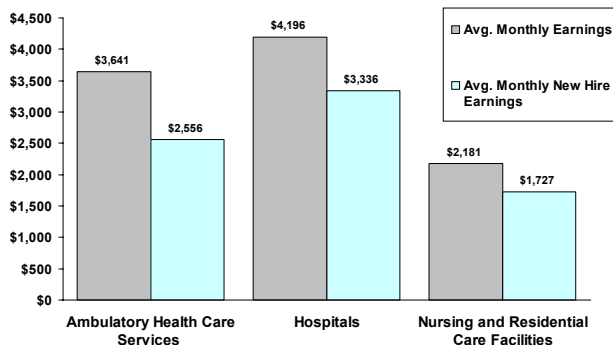
Wages in health care industry subsectors vary substantially. The chart at bottom left shows that hospital wages are highest on average, followed by ambulatory health care, with nursing and residential care facilities paying the lowest wages on average. However, within these subsectors wages also vary dramatically according to occupation.

Percent of King County Workforce in Health Care (and all) Sectors That are Age is 55 and up



Source: Analysis of data from Longitudinal Employer Household Dynamics database, US Census Bureau, <http://lehd.dsd.census.gov/led/datatools/qwiapp.html>

Average King County Monthly Wages by Health Care Subsector (2nd Qtr. 2006 to 1st Qtr. 2006)



Source: Analysis of data from Longitudinal Employer Household Dynamics database, US Census Bureau, <http://lehd.dsd.census.gov/led/datatools/qwiapp.html>

1. Extracted from Longitudinal Employer Household Dynamics database, US Census Bureau, <http://lehd.dsd.census.gov/led/datatools/qwiapp.html>

Average wages in ambulatory health care, for example, are increased by the presence of credentialed professionals who work in these settings, but these highly-educated workers are often supported by large numbers of poorly paid administrators and assistants. For example, in the first quarter of 2006, ambulatory health care average monthly wages for males - who tend to hold the higher paying professional positions - was \$6,229, compared to \$3,260 for females, who are found mainly in support and administrative positions.¹

The following chart shows changes in health care industry employment for the 2000-05 period in some detail.

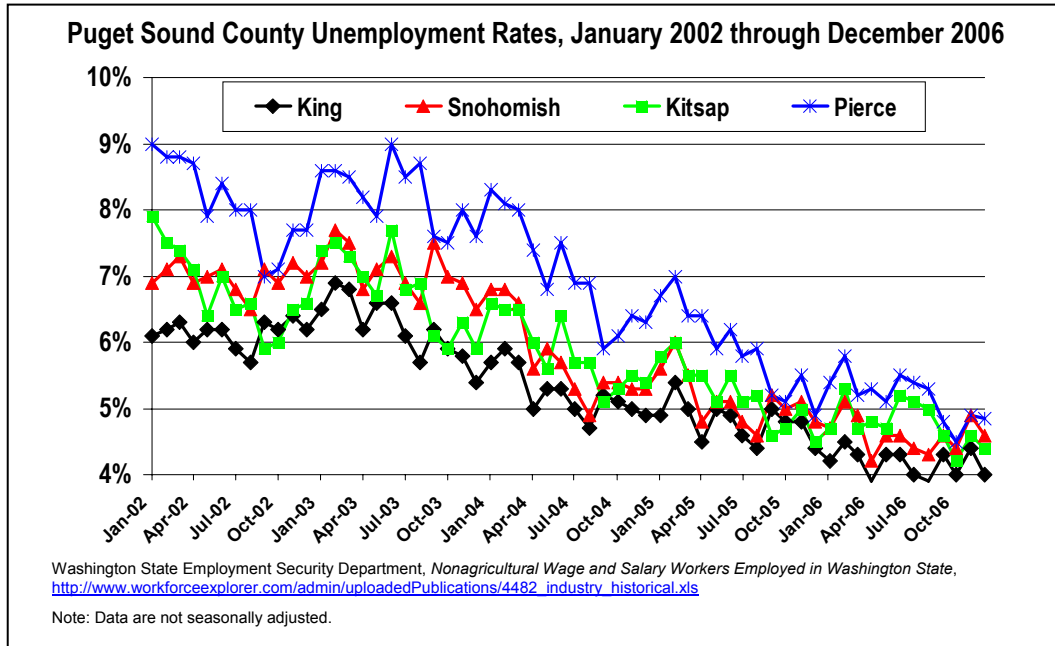
	2000	2005	change in jobs	% change in jobs	2005 King County Wages
AMBULATORY HEALTH CARE					
Offices of physicians	12,458	13,260	802	6.4%	\$56,608
Offices of dentists	7,501	8,094	593	7.9%	\$34,387
Offices of other health practitioners	3,356	4,499	1,143	34.1%	\$30,182
Outpatient care centers	5,671	7,292	1,621	28.6%	\$47,812
Medical and diagnostic laboratories	1,977	1,972	-5	-0.2%	\$48,652
Home health care services	1,847	3,660	1,812	98.1%	\$24,168
Other ambulatory health care services	1,733	2,199	466	26.9%	\$42,823
HOSPITALS					
General medical and surgical hospitals	33,503	35,614	2,111	6.3%	\$56,211
NURSING AND RESIDENTIAL CARE FACILITIES					
Nursing care facilities	7,919	7,069	-850	-10.7%	\$29,433
Residential mental health facilities	2,164	2,151	-13	-0.6%	\$27,674
Community care facilities for the elderly	5,624	7,452	1,828	32.5%	\$24,642
Other residential care facilities	360	368	8	2.2%	\$21,900

Source: Quarterly Workforce Indicators data, provided by Washington State Employment Security Department

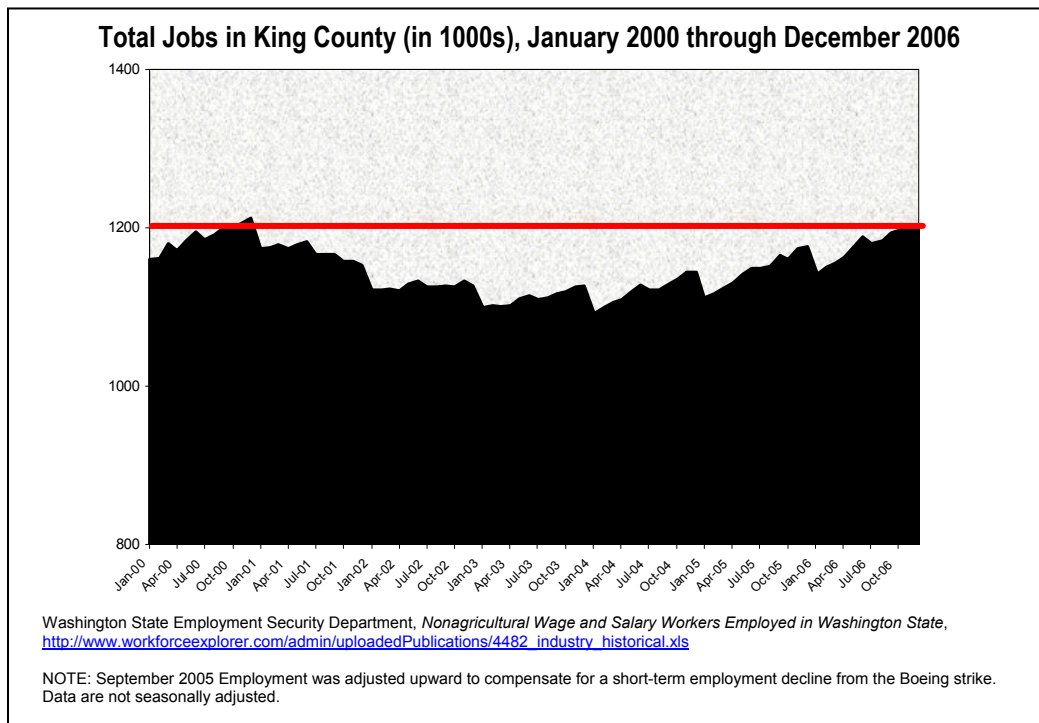
Despite a slower rate of growth, hospitals still accounted for a large number of new jobs given the large size of that sector, although ambulatory as a whole greatly exceeded the hospital gain. Community care facilities for the elderly also added substantial numbers of new jobs. This industry sub-sector is low-paying, with an average annual wage of \$24,642. Within ambulatory, the three top subsectors by absolute and percentage growth were Home Health Care Services, Outpatient Care Centers, and Offices of Other Health Care Practitioners. Pay within these areas ranged from a low of \$24,168 in home health to \$47,812 in outpatient care. As previously mentioned, the higher paying jobs within each of these areas generally go to practitioners with advanced degrees.

Section 2: Long Term King County Unemployment and Job Trends

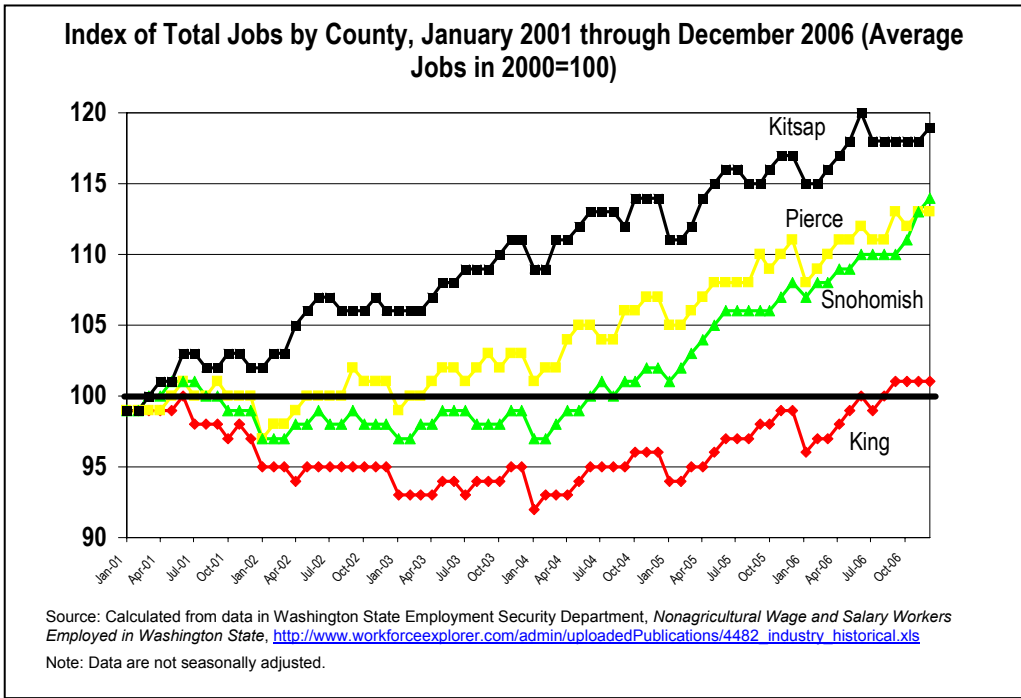
This section provides long-term trend data on Puget Sound area unemployment and job growth trends by industry in King County.



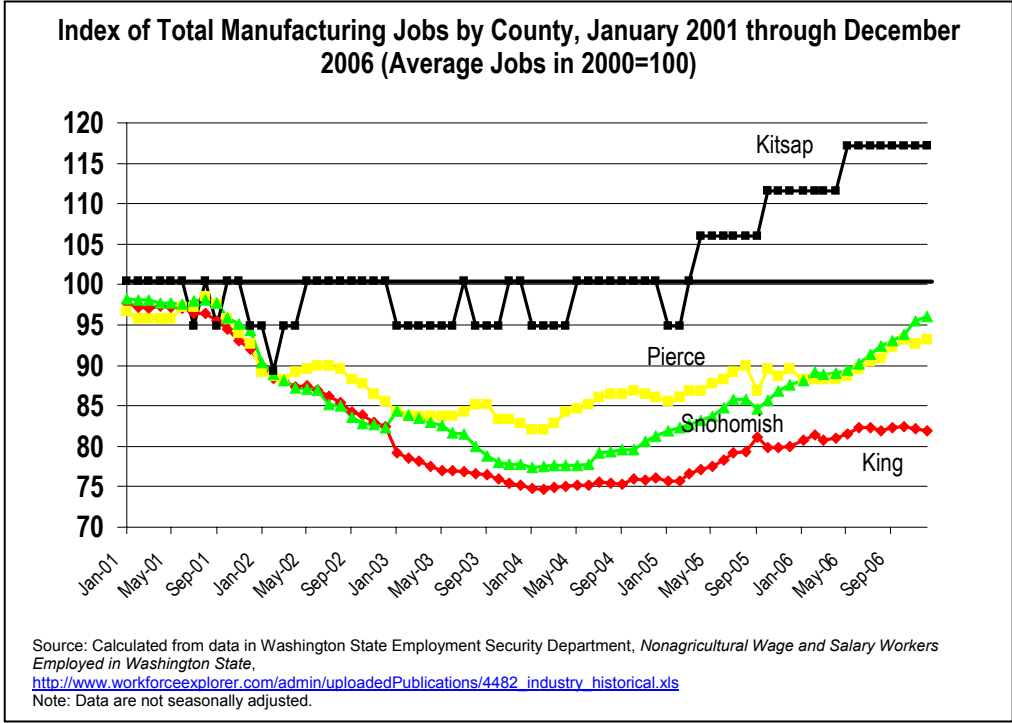
- Unemployment rates in the Puget Sound counties were all below 5% for December 2006.



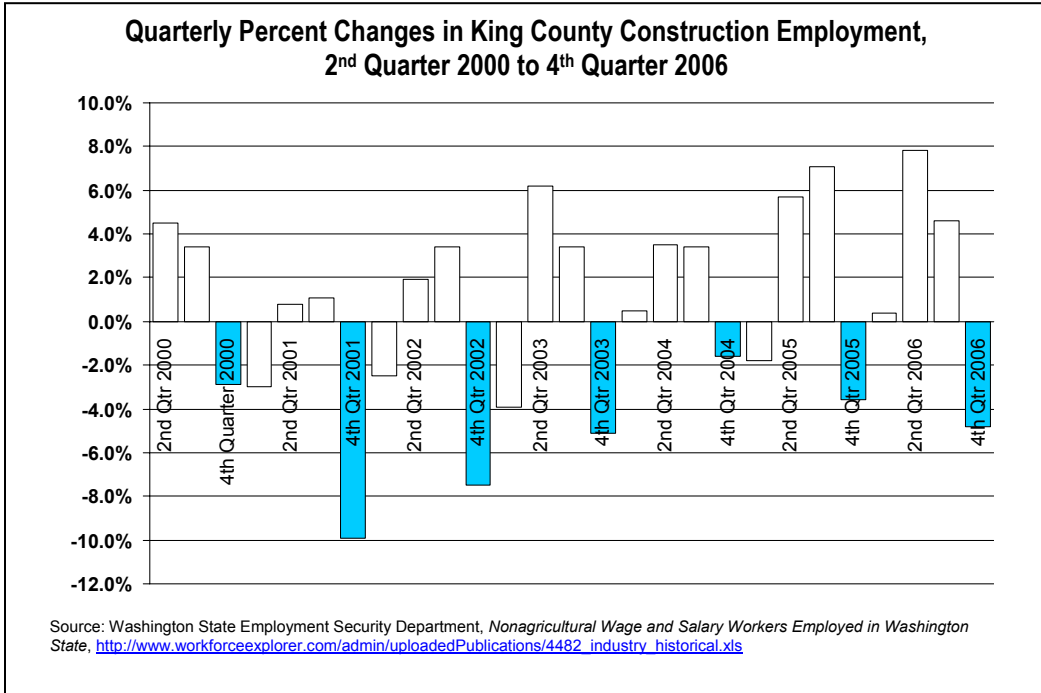
- By the end of 2006, total King County jobs were at about the level reached in 2000.



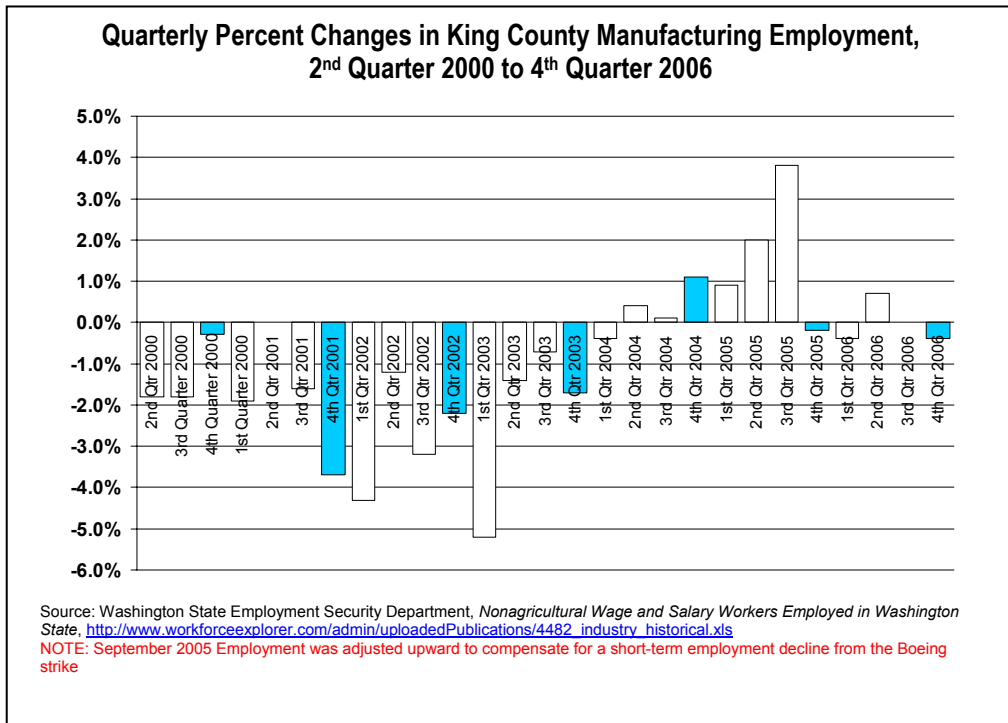
- This chart converts job changes into an index, with average jobs in 2000 as a reference. Only Kitsap shows sustained employment growth over the period. Snohomish shows strong job growth beginning in mid-2004. Pierce saw an early recovery of jobs lost in the recession, although recent growth rates are lower than in Kitsap and Snohomish. In the second half of 2006, King County finally recovered all the jobs lost after 2000.



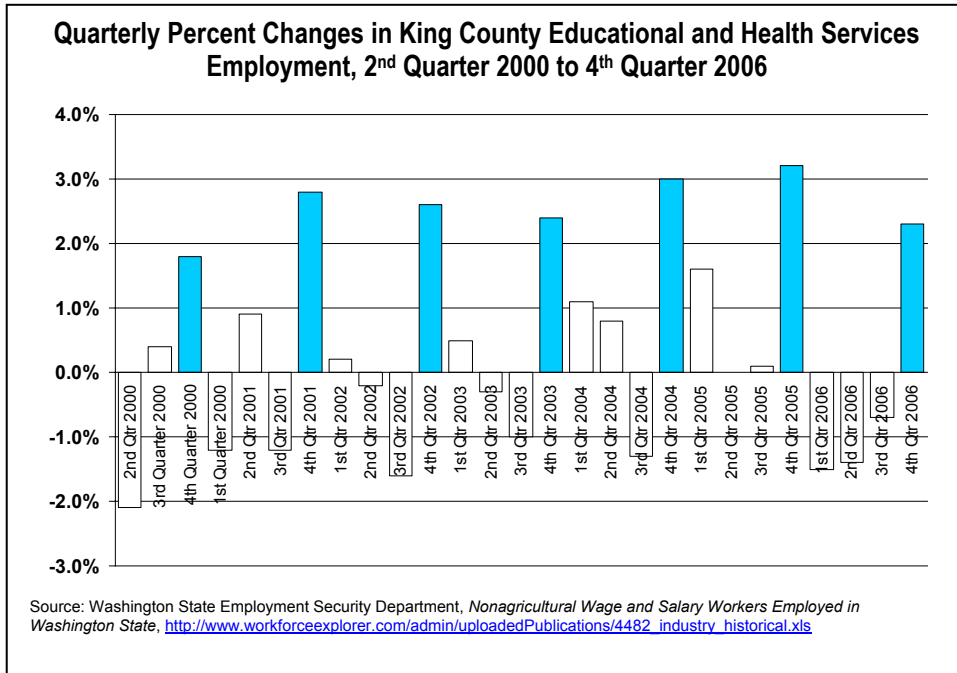
- The manufacturing jobs recovery shows some evidence of stalling out in King county.
- Manufacturing jobs in Kitsap are up over year 2000 average levels, and jobs in Pierce and Snohomish also appear to be maintaining an upward trend.



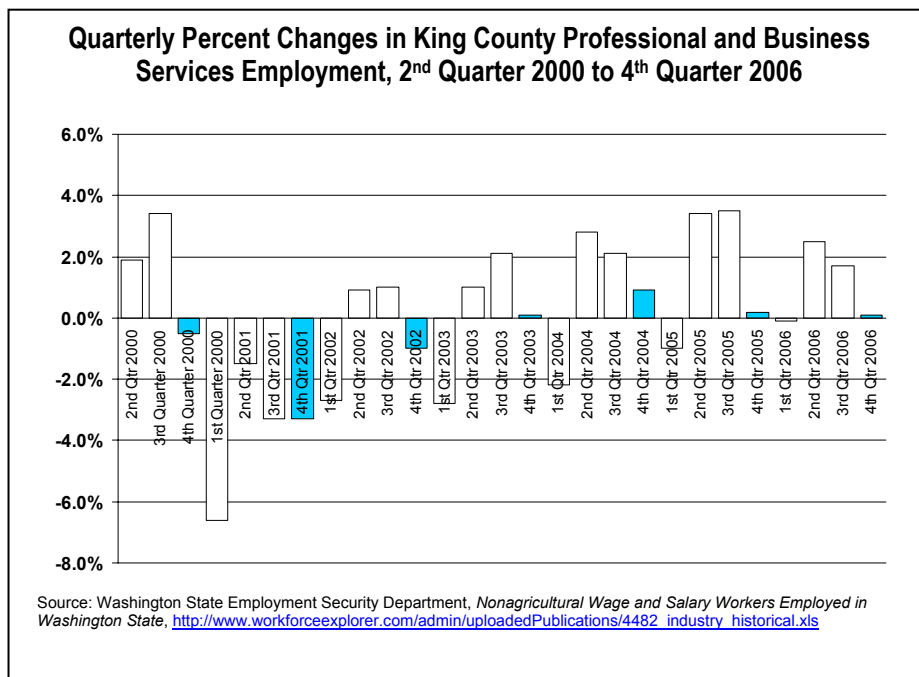
- Construction employment shows seasonal patterns of expansion and contraction. Construction employment declined faster in the last quarter of 2006 than in the 4th quarter of the prior two years.



- Manufacturing jobs contracted slightly in the last quarter of 2006.



- Educational and Health Services shows strong seasonal trends in employment. Employment grew strongly in the 4th quarter of 2005, but growth slowed somewhat by the 4th quarter of 2006.



- There was virtually no job growth in Professional and Business Services in late 2006.

Data Table: King County Employment, Unemployment, and Jobs							
Measure	Dec. 2006	Sept. 2006	Dec. 2005	# Change from 3 Months Ago*	% Change from 3 Months Ago*	# Change From 1 Year Ago	% Change From 1 Year Ago
Civilian Labor Force ¹	1,049,400	1,040,100	1,032,600	9,300	0.9%	16,800	1.6%
Number Employed ¹	1,007,100	995,400	986,700	11,700	1.2%	20,400	2.1%
Number Unemployed ¹	42,300	44,700	45,900	-2,400	-5.4%	-3,600	-7.8%
Unemployment Rate ¹	4.0%	4.3%	4.4%	-0.3%	n/a	-0.4%	n/a
Total King County Jobs (non-farm) ²	1,200,200	1,193,900	1,175,900	6,300	0.5%	24,300	2.1%
Construction Jobs ²	71,600	75,200	66,700	-3,600	-4.8%	4,900	7.3%
Manufacturing Jobs ²	112,700	113,100	109,900	-400	-0.4%	2,800	2.5%
Trade, Transport, and Utilities Jobs ²	234,200	227,700	232,900	6,500	2.9%	1,300	0.6%
Information Jobs ²	75,900	74,600	71,200	1,300	1.7%	4,700	6.6%
Financial Activities Jobs ²	76,400	76,500	77,800	-100	-0.1%	-1,400	-1.8%
Prof. and Business Services Jobs ²	186,800	186,600	179,600	200	0.1%	7,200	4.0%
Educational and Health Jobs ²	127,200	124,400	124,500	2,800	2.3%	2,700	2.2%
Leisure and Hospitality Jobs ²	109,500	112,800	108,000	-3,300	-2.9%	1,500	1.4%
Other Services Jobs	42,200	42,300	41,900	-100	-0.2%	300	0.7%
Government Jobs	163,000	160,100	162,600	2,900	1.8%	400	0.2%
<p>1. Household-based data. Employed persons could be working in any county. As a result, the number of employed from the household survey does not match the number of jobs in the establishment survey (see also note #2).</p> <p>2. Establishment data. Jobs are physically located in King County.</p> <p>* NOTE: 3 month changes may reflect seasonality rather than long-term trends.</p> <p>Source of unemployment data: http://www.workforceexplorer.com/admin/uploadedPublications/1886_laui_historical.xls.</p> <p>Source of industry employment data: Washington State Employment Security Department, <i>Nonagricultural Wage and Salary Workers Employed in Washington State</i>, http://www.workforceexplorer.com/admin/uploadedPublications/4482_industry_historical.xls.</p>							

Brief Notes on Employment Data

- There is a critical distinction between sources that collect information from “business establishments,” as opposed to those based on household surveys of individuals. Establishment surveys count jobs on a geographical basis. For example, from this type of survey, King County jobs include only those physically located in the county.
- One frequently cited measure, the unemployment rate, is derived mainly from a survey of *households*. A King County resident is counted as employed if they have a job anywhere (e.g. they work for Boeing in Snohomish County). Because of this, the number of jobs in the establishment and household surveys for a particular area usually do not match.
- Household surveys pick up self-employed individuals, but establishment surveys do not.
- In order to be considered unemployed in the household survey someone has to be looking for work. If they are no longer looking for work, they are not considered unemployed (because they are no longer in the “labor force”).
- Because of the somewhat narrow definition of unemployment, other measures may be used as supplements. For example, the “employment-to-population ratio” captures the percent of those over age 16 who are employed, whether or not they are looking for work. A sharp decline in this measure is likely to indicate a weak job market. Other measures may include underemployment (e.g. proportion of workers involuntarily in part-time positions).

Resources

- Washington State Employment Security Department, “Workforce Explorer”:
<http://www.workforceexplorer.com/>
- U.S. Bureau of Labor Statistics: <http://www.bls.gov/home.htm>
- Puget Sound Regional Council: <http://www.psrc.org/>
- FDIC, Regional Economic Conditions, <http://www2.fdic.gov/recon/>
- Puget Sound Business Journal, <http://www.bizjournals.com/seattle/>
- Manpower Employment Outlook Survey,
<http://www.us.manpower.com/uscom/contentSingle.jsp?articleid=75>

Seattle Jobs Initiative is a nonprofit organization that creates opportunities for people to support themselves and their families through living wage careers. All of our work is designed to eliminate barriers to good paying, long-term work. We creatively align support services - including housing, childcare, transportation and counseling - with job skills training and job placement assistance. Our policy work supports legislative changes that improve access to training and services for low-income individuals. Through partnerships and innovative approaches, we help people chart a path to economic self-sufficiency. See <http://www.seattlejobsinitiative.com/>