

Skills Required:

Preparing Puget Sound for Tomorrow's Middle-Wage Jobs



Troubling Trends in the Labor Market

Employers Are Desperate for Middle-Skilled Workers...

The much-predicted worker shortage is upon us in Washington as it is throughout the U.S. A 2006 report by the state Workforce Board found that about 70,000 Washington employers—around one in three—had difficulty finding qualified job applicants in the previous year.

Statewide, the most acute shortage is of workers with the middle range of skills. These are workers with some education and training beyond high school but less than a B.A. According to recent state surveys, there is a shortfall of more than 4,000 trained workers annually for jobs requiring this middle range of skills.

...But There Simply Are Not Enough Workers to Meet the Need

In 2006, while an estimated 94 percent of Puget Sound residents over aged 18 had graduated from high school, nearly 6 in 10 did not have a B.A. And nearly half of working age Puget Sound residents—over 900,000 people—had no post-secondary credential.

A high school diploma is no longer sufficient to secure these middle skill jobs, which are becoming more complex and are requiring at least some post-secondary training, anything from a few college courses to an associates degree and beyond.

Low-Skilled Working Adults Require Job Skills Training

Training Helps Employers...

The sheer number of Puget Sound workers without a post-secondary credential points to an untapped pool of workers who, with training, could be meeting the need of employers for middle-skill workers.

...Training Helps Families

At the same time, it is imperative that these low-skill workers, who are typically low-income, get the training necessary to secure these middle-skill jobs in order to move out of poverty. According to a recent report by Washington's Partnership for Learning, by 2014, 77 percent of new job openings in Washington that are family-supporting will require education or training beyond high school.

Focusing on Jobs That Pay: SJI's Middle Wage Jobs Report

Why Middle-Wage Jobs and What Are They?

The critical need for a strategy to help both employers and low-income/low-skill workers prompted SJI to ask the fundamental question: how can we meet the middle-skill worker shortage faced by local employers while ensuring that mid-level training leads low-skill working adults to jobs that pay well?



SJI identified those jobs in the Puget Sound that can provide a middle class income¹ for individuals with education beyond high school but less than a B.A. We refer to these jobs in our research as middle-wage jobs. Our research determined that roughly 1 in 4 Puget Sound jobs are middle wage jobs.

Where the Middle Wage Jobs Are in the Puget Sound

SJI's research takes an in-depth look at several promising growth industry clusters targeted by regional economic development efforts and poised for varying degrees of growth over the next 10 years. These sectors are:

- Construction
- Health Care
- Aerospace
- Professional & Business Services
- Logistics & International Trade
- Leisure & Hospitality
- Green Building
- Clean Technology

We looked at the middle wage job openings that will be created in each of these sectors through 2014. A summary of findings is below:

Total Jobs by Cluster in 2004 and Projected Growth by 2014 for the Puget Sound Region

	2004 Total Employment	Projected 2014 New Direct ² Employment	Number of new MW jobs	Percent of Cluster that are MW Jobs
TRADITIONAL INDUSTRIES				
Construction	98,010	21,398	17,474	82%
Aerospace	61,069	14,253	6,181	43%
Logistics & International Trade	54,561	7,757	3,959	51%
SERVICE SECTOR INDUSTRIES				
Health Care	107,781	28,671	7,739	27%
Professional & Business Services	38,628	12,481	2,063	17%
Leisure & Hospitality	54,861	6,850	978	14%
EMERGING INDUSTRIES				
Green Building Construction ³	9,801	2,139	1,747	82%
Clean Technology ⁴	1,091	306	168	55%

In addition to calculating the size of middle-wage job growth in these industries, the report details various new middle-wage occupations within each industry cluster. Finally, we illustrate the current education and training pathways available for individuals seeking these accessible middle wage jobs, and the need for strengthening local education career pathways.

We Must Take Action

If the Puget Sound region is to meet the need of both employers for middle-skill labor and of low-income/low-skill workers for family-supporting jobs, we must invest now in effective strategies to train these workers for the middle-wage jobs of the future. This training must be targeted toward the right sectors—those with sufficient numbers of middle-wage jobs—and organized into career pathways that are accessible and responsive to low-income working adults.

¹ We determined a middle-wage job to be one that paid \$17/hr in 2004. This assumes full-time work throughout the year for a two-earner family, which equates to roughly the median family income for King County.

² Industry cluster growth stimulates job growth by both direct and indirect occupation creation. Direct jobs are those jobs created in the industry. The growth of these clusters will impact the rest of the regional economy through multiplier effects, which provide for estimation of indirect job creation – for every one direct industry job created, a certain number of indirect jobs are created in other industry-related sectors.

³ The Green Building Construction Industry Cluster is assumed to represent roughly 10% of the total Construction Industry.

⁴ The Clean Technology Industry Cluster is made up of the following industries, as identified by the Puget Sound Regional Council: Other Electric Power Generation; Environmental Consulting Services; Solid Waste Combustors and Incinerators; Air Purification Equipment Manufacturing; Materials Recovery Facilities; Environment, Conservation and Wildlife Organizations; and Hazardous Waste Treatment and Disposal.