

Job Trends Report

F E B R U A R Y 2 0 1 0



RECESSION – 2 YEAR REPORT

The last two years have been tough for the national economy and labor market. The economic environment continues to struggle with recessionary impacts – decreased job growth and staggering unemployment rates. While initial predictions may have indicated that Puget Sound would weather the storm, the reality points to a deeper impact and longer recovery for the region.

This SJI Job Trends Report takes a look at the data available for the region and nation – and how things stack up in terms of job growth/losses and unemployment over the last 2 years. In addition, it highlights the areas of opportunity and what is hoped to be the slow and steady economic improvement needed for the region's families and economic well-being.

Total Job Losses

Since the start of the current recession in December 2007, 7.2 million jobs have been lost nationwide.¹ While the Puget

Sound looked as if it were going to weather the economic storm relatively well initially,² the region has since caught up with the pace of the nation in terms of job losses.

Figure 1 illustrates relative job growth for the Seattle Metropolitan Statistical Area (MSA),³ Washington State and the nation, with December 2007⁴ job numbers as a benchmark. This chart reveals that, though the recession officially began in December 2007, it wasn't until late in 2008 that either Washington State or Seattle began to show job losses. Since then, however, both the region and state have caught up with the nation.

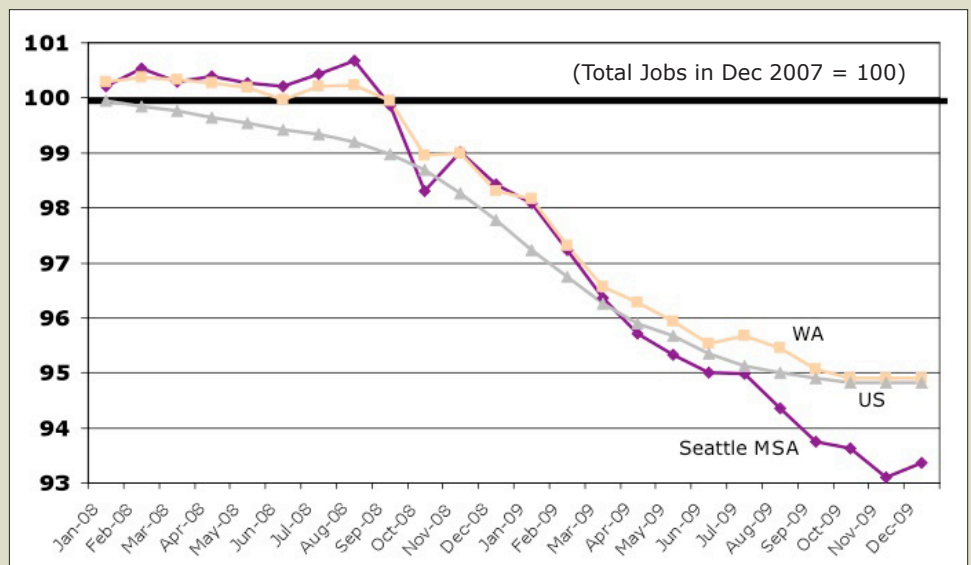
1 Center for American Progress – Economic Snapshot January 2010

2 enterpriseSeattle Economic Forecast Conference, January 14, 2009.

3 Also referenced as the Seattle Metropolitan Division (MD), in general, these areas are subdivisions of metropolitan areas with a core population of at least 2.5 million.

4 National Bureau of Economic Research, December 11, 2008.

FIGURE 1: Index of Total Jobs, December 2007 - December 2009



Calculated from seasonally adjusted numbers.
 Washington State Employment Security Department,
 Non-agricultural Wage and Salary workers in Washington
 State and Seattle MSA. US Data from Current
 Employment Statistics, Bureau of Labor Statistics.

**TABLE 1: Job Growth by Select Industries
December 2007 – December 2009**

INDUSTRY	US	WA	SEA - MSA
Natural Resources & Mining	- 40,000 - 5%	- 2,200 - 28%	-300 - 30%
Construction	- 1,616,000 - 22%	- 57,200 - 27%	- 33,000 - 33%
Manufacturing	- 2,147,000 - 16%	- 37,500 - 13%	- 17,800 - 11%
Trade, Transportation & Utilities	- 1,763,000 - 7%	- 40,300 - 7%	- 20,900 - 8%
Information	- 219,000 - 7%	- 1,500 - 1%	100 0%
Financial Activities	- 548,000 - 7%	- 12,100 - 8%	- 9,600 - 11%
Professional & Business Services	- 1,295,000 - 7%	- 21,000 - 6%	- 21,900 - 10%
Education & Health Services	886,000 5%	24,200 7%	13,100 8%
Leisure and Hospitality	- 455,000 - 3%	- 17,400 - 6%	- 10,200 - 7%
Other Services	- 143,000 - 3%	- 2,200 - 2%	- 600 - 1%
Government	98,000 0.4%	10,500 2%	2,900 1%
TOTAL	- 7,242,000	- 156,700	- 98,200

Calculated from seasonally adjusted numbers. Washington State Employment Security Department, Non-agricultural Wage and Salary workers in Washington State and Seattle MSA. U.S. Data from Current Employment Statistics, Bureau of Labor Statistics.

Job Losses By Industry

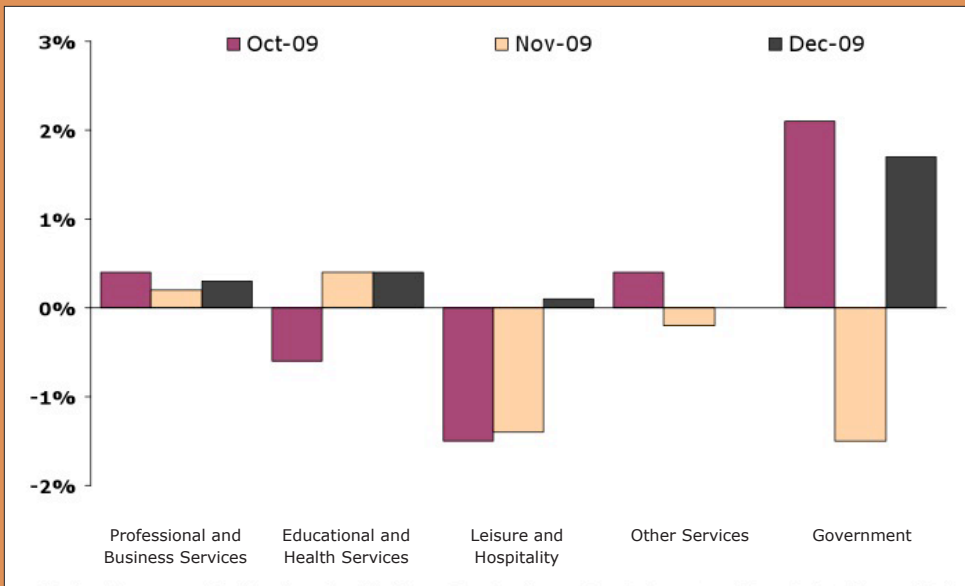
Nationally, some industries have fared worse than others during the recession. Overall, the only two industries that have gained jobs throughout this time period have been Education & Health Services and Government.

Meanwhile, Washington State and Seattle MSA have seen significant hemorrhaging of jobs in some key industry areas, most notably Construction, which has seen a third of its jobs lost since the start of the recession.

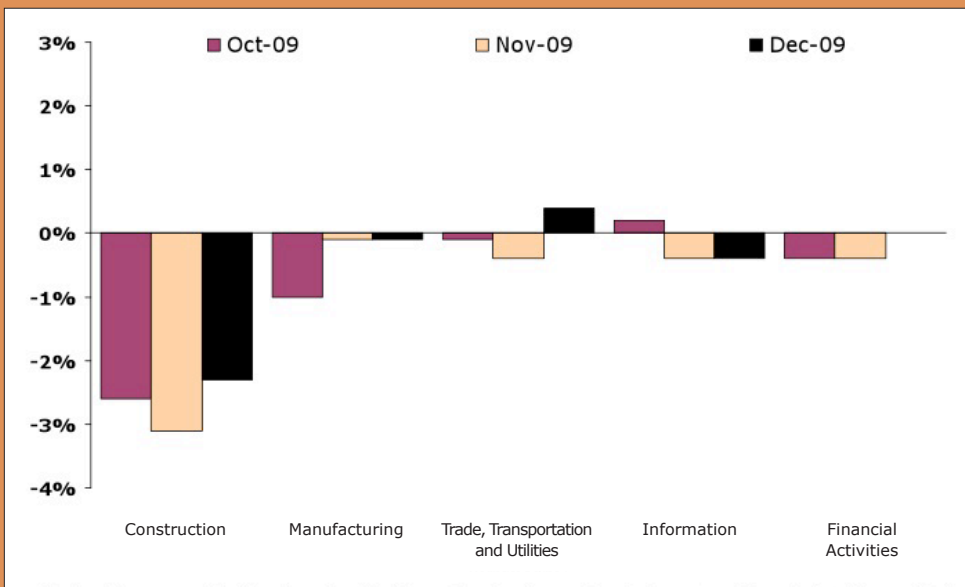
Manufacturing has suffered across the nation, though seems to be faring better regionally. Seattle and Washington's Information industries seem to be resilient to the recession effects, with small percentages of loss if any.

Government and Other Services, both locally and nationally, also saw small losses.

Figures 2 and 3: Job Growth Rate by Industry for King County, October 2009 – December 2009



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Calculated from seasonally adjusted numbers. Washington State Employment Security Department, Non-agricultural Wage and Salary workers in Washington State and Seattle MSA. U.S. Data from Current Employment Statistics, Bureau of Labor Statistics.

2009 Industries for King County

A closer look at the last 3 months reveals that job losses have slowed for some industries in King County.

- **Construction** continues to lose jobs at a steady rate of between 2 and 3% a month.
- Losses in **Manufacturing** and **Financial Activities** slowed in the last quarter, resting at less than 1% for each industry. **Other Services** also jumped between positive and negative growth for the quarter.
- **Information** job losses remain steady at -0.4% for the last two months, retracting small gains made in October 2009.
- **Trade, Transportation and Utilities** and **Leisure and Hospitality** showed positive jobs growth in December, making up a small portion of losses over October and November.
- **Government** saw an erratic three months in terms of job creation and loss, likely due to elections locally. October saw a 2% increase, while November tempered these gains with a 1% loss, and December made up these losses.
- **Professional and Business Services** showed positive job growth for the 4th quarter of 2009.
- **Education and Health Services** saw a brief loss of jobs in October 2009, but continues to show steady job creation overall.

Unemployment

This recession has resulted in unemployment rates climbing to rates not seen since the early 1980s. Nationally, unemployment peaked in October 2009 at 10.1%, while Washington climbed to a recent high of 9.5% in December 2009.

The total number of unemployed now stands at 15.3 million nationally. This compared to the start of the recession, when 7.7 million were unemployed and the unemployment rate was 5 percent.⁵ The total number of unemployed workers in Washington reached an all-time high in March at 344,000 (not seasonally adjusted).⁶

King County has shown similar increases in unemployment rates, from 3.6% at the start of the recession in December 2007 to a high of 8.8% in June of 2009. Still, King County has fared better than the state and nation as a whole.

Meanwhile, Washington surpassed the national rate in the first quarter of 2009, but then leveled off around 9% as the nation continued to rise. December 2009's preliminary estimates, however, reveal a 0.5% rate increase in unemployment for the state.

In all, signals of unemployment slowing have appeared only recently and have been mixed, and experts predict that these

rates will remain high for some time. It likely won't be until the 2nd quarter of 2010 that regional employment turns around, and not until 2013 that employment rates will return to levels witnessed by the region in the months preceding the start of the recession.⁷

Underemployment

In addition to those individuals out of work and actively looking, a larger group is facing difficulties finding appropriate placement based on their wants and needs for employment. 9.2 million individuals were working part-time jobs involuntarily (i.e. they wanted to work full-time but their hours were cut/they couldn't get full-time work) in December 2009. An additional 2.5 million individuals were marginally attached to the labor force (they indicated wanting to work but hadn't searched for more than a month).⁸

5 Bureau of Labor Statistics, Current Population Survey

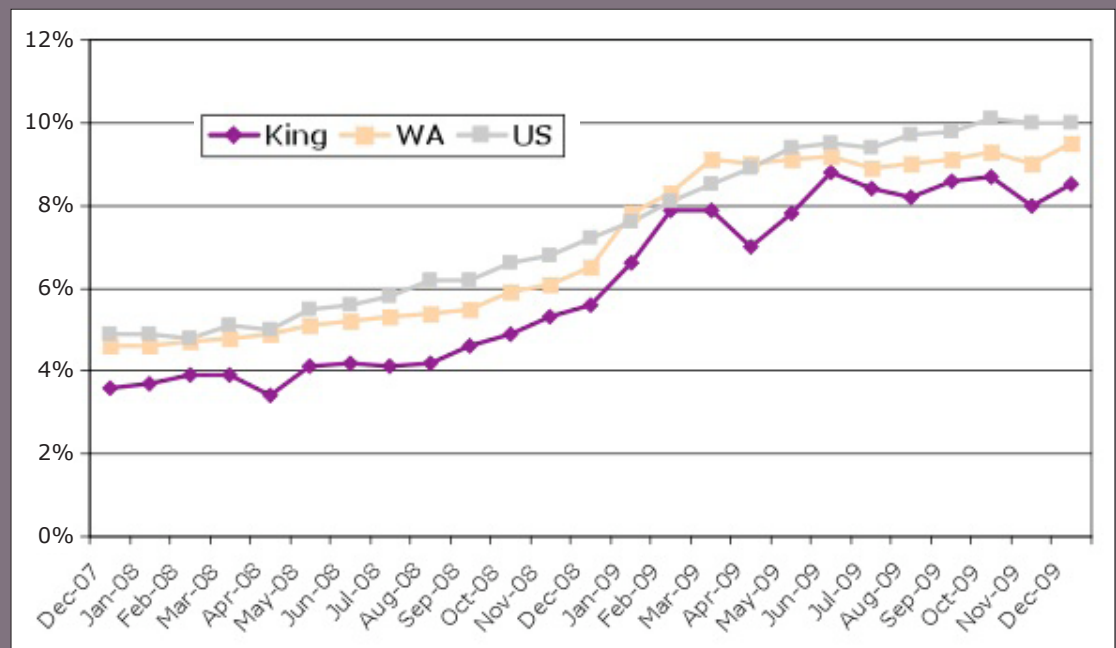
6 WA Employment Security Department. Dec 29, 2009 Release. "2009: A record-setting year for unemployment claims, job-seekers." This number includes only the unemployed who were actively seeking work, not those who would like a job but had quit looking.

7 Dick Conway, presentation to enterpriseSeattle Economic Forecast Conference, January 14, 2010.

8 Bureau of Labor Statistics, Employment Situation Summary – December 2009. January 8, 2010.

FIGURE 4:
Unemployment Rates
for King County,
Washington and U.S.
December 2007 –
December 2009

Calculated from seasonally adjusted numbers. Labor Market and Economic Analysis Branch, Washington State Employment Security Department, Resident Civilian Labor Force and Employment in Washington State and King County. U.S. Data from Current Population Survey, Bureau of Labor Statistics.



		Washington		United States	
		2007	2008	2007	2008
Annual Average		4.6%	5.3%	4.6%	5.8%
GENDER	Men	4.8%	5.8%	4.7%	6.1%
	Women	4.4%	4.8%	4.5%	5.4%
AGE	16 - 19 years	17.6%	25.7%	15.7%	18.7%
	20 - 24 years	9.0%	7.8%	8.2%	10.2%
	25 - 34 years	3.7%	4.5%	4.7%	5.8%
	35 - 44 years	3.4%	4.4%	3.4%	4.6%
	45 - 54 years	2.9%	3.5%	3.2%	4.1%
	55 - 64 years	4.0%	4.1%	3.1%	3.7%
	65 years and older	3.3%	2.7%	3.3%	4.2%
RACE/ETHNICITY	White	4.6%	5.3%	4.1%	5.2%
	Black/African American	9.3%	7.1%	8.3%	10.1%
	Hispanic/Latino	6.8%	7.9%	5.6%	7.6%

**TABLE 2:
Unemployment Rates by
Select Demographics,
2007 v. 2008**

Current Population Survey, Bureau of
Labor Statistics

Variations in Unemployment

The effects of the recession have widespread impacts on the workforce. However, these impacts vary in degree based on a number of socio-economic factors.

Gender

Table 2 reveals that, while both men and women are seeing increased rates of unemployment, this is doubly true for men, both at the state and national levels.⁹

Age

In terms of age, the data reveals that youth are bearing the brunt of unemployment during this recession. In December 2009, youth unemployment stood at a high 27.1 percent.¹⁰ In Washington, while many age groups saw increases from 2007 to 2008, the 20 - 24 age group actually showed decreases in unemployment.

At the other end of the age spectrum, mature members of the workforce are maintaining low levels of unemployment. Two major factors may be contributing to this phenomenon – in one case, individuals may be staving off retirement if they have work due to the unforeseen drain of tough economic times on savings and investments. At the other end,

some individuals may be forced to retire early, leaving the workforce all together.¹¹

Race/Ethnicity

Finally, race and ethnicity correlates strongly with key economic and employment indicators. People of color are hurt most by recession.¹² Comparison of 2007 to 2008 reveals that people of color saw significant increases in unemployment rates. While Whites saw a 1.1% average annual increase in unemployment from 2007 to 2008, Hispanics & Latinos reported twice the rate of increase, from 5.6% to 7.6%. African Americans saw similar a similar increase of 2.8%, but up from 8.3% in 2007 to 10.1% in 2008, almost twice the rate of Whites. More recently, while the overall unemployment rate was 10.0% in November 2009, the African-American unemployment rate that month stood at 15.6%, the Hispanic unemployment rate at 12.7%, and the unemployment rate for whites at 9.3%.¹³

9 "In Downturn's Wake, Women Hold Half of U.S. Jobs." Kelly Evans. The Wall Street Journal. November 12, 2009.

10 Center for American Progress – Economic Snapshot January 2010

11 "For Older Workers, a Reluctant Retirement." Kelly Evans and Sarah E. Needleman. The Wall Street Journal. December 8, 2009.

12 "Measuring the Recession: An Impact Index." Center for Social Inclusion. October 2009.

13 Center for American Progress – Economic Snapshot December 2009

Variations in Unemployment, cont'd

Education

Education is also a major factor when thinking about the effects of hard economic times on various groups. In general, education is inversely correlated with unemployment rates. Specifically, based on the national data included in Table 3, we can see that those individuals with less than a high school diploma are three times more likely to be unemployed than those with a 4-year degree.

Education by Race/Ethnicity

Essential to understanding the interplay between unemployment and these various socioeconomic factors is to look more closely at education for various populations. Table 4 details some information about education for various racial categories.

The table reveals that, while 57% of Whites nationally report education beyond high school, only 47% of African Americans do so. For Washington State, this disparity is less prominent, with 66% of White and 62% of African Americans reporting some education beyond high school. For King County, however, this difference is greater, with 77% of Whites reporting some college or more, while only 58% of African Americans reporting the same.

Drawing a connection between educational attainment and race, we are able to surmise that this recession and accompanying unemployment is hitting certain populations hard – specifically young minority populations with little or no education beyond high school.

Table 3: Unemployment Rates by Educational Attainment, 2009

	July 2009	August 2009	September 2009	October 2009	November 2009
Less than high school diploma	15.4%	15.6%	15.0%	15.5%	15.0%
High school diploma, no college	9.4%	9.7%	10.8%	11.2%	10.4%
Some college/AA	7.9%	8.2%	8.5%	9.0%	9.0%
BA	4.7%	4.7%	4.9%	4.7%	4.9%

Current Population Survey, Bureau of Labor Statistics

Table 4: Educational Attainment by Race/Ethnicity, 2006-2008 Pooled Estimates

	Less than high school	High school diploma/ GED	Some college/ AA	BA+
US				
White	13%	30%	28%	29%
Black/African American	20%	33%	30%	17%
Hispanic/Latino	39%	27%	21%	13%
WASHINGTON				
White	9%	25%	35%	31%
Black/African American	14%	25%	41%	20%
Hispanic/Latino	42%	25%	21%	12%
KING COUNTY				
White	5%	18%	30%	47%
Black/African American	15%	25%	38%	21%
Hispanic/Latino	33%	24%	22%	21%

American Community Survey, U.S. Census Bureau

Projections

Estimates suggest that there are short- and long-term growth opportunities available in a variety of industries and occupations.

Short-term occupation growth

A large number of occupational opportunities are expected for jobs in the health care industry. Of the top 10 occupations slated for growth (see Table 5), 7 are in health-related fields. Much of this anticipated employment growth is expected to be those occupations in the middle, requiring some education beyond high school.¹⁴

The largest growth by occupation in terms of the numbers of openings available between 2008 and 2010 are child care workers.

Short-term industry growth

Industries slated for short-term growth are lead by private health care and social assistance, which is echoed in the occupational projections detailed above.

¹⁴ Washington's Forgotten Middle-Skill Jobs: 2009 Update. October 2009. National Skills Coalition.

Table 5: Top 10 Occupations by Short-Term Growth Projections (Annual Openings 2008-2010), King County

Title	Estimated Employment 2008 Q2	Estimated Employment 2010 Q2	Avg. Annual Growth Rate 2008 Q2 - 2010 Q2	Avg. Annual Opening Due to Growth 2008 Q2 - 2010 Q2	Avg. Annual Total Openings 2008 Q2 - 2010 Q2
Child Care Workers	12,782	13,145	1.4%	182	578
Registered Nurses	20,586	20,920	0.8%	167	444
Personal and Home Care Aides	9,058	9,363	1.7%	153	300
Medical Secretaries	6,635	6,904	2.0%	135	228
Home Health Aides	4,460	4,670	2.3%	105	138
Medical Assistants	3,814	3,994	2.3%	90	131
Nursing Aides, Orderlies and Attendants	7,402	7,577	1.2%	88	142
Computer Software Engineers, Applications	21,123	21,294	0.4%	86	357
Landscaping and Groundskeeping workers	8,140	8,286	0.9%	73	174
Dental Assistants	3,688	3,819	1.8%	66	126

Washington Occupational Employment Projections, June 2009, Labor Market and Economic Analysis Branch, Washington Employment Security Department

Table 6: Top Industries by Short-Term Growth Projections (Annual Openings 2008-2010), King County

Industry	Estimated Employment 2008 Q2	Estimated Employment 2010 Q2	Avg. Annual Growth Rate 2008 Q2 - 2010 Q2	Avg. Annual Total Openings 2008 Q2 - 2010 Q2
Health Care & Social Assistance – Private	110,300	115,400	2.3%	578
Private Education Services	23,000	24,500	3.2%	444
Administrative & Support (except Employment Services), Waste Management	41,500	42,200	0.8%	300
Government Hospitals	10,000	10,500	2.5%	228
Federal Government	21,400	21,800	0.9%	138
Software Publishers	48,200	48,600	0.4%	131

Washington Industry Employment Projections, June 2009, Labor Market and Economic Analysis Branch, Washington Employment Security Department

Table 7: Top 10 Occupations by Long-Term Growth Projections (Annual Openings 2007-2012), King County

TITLE	Estimated Employment 2007	Estimated Employment 2012	Estimated Employment 2017	Avg. Annual Growth Rate 2007 - 2012	Avg. Annual Growth Rate 2012 - 2017	Avg. Annual Opening Due to Growth 2007 - 2012	Avg. Annual Opening Due to Growth 2012 - 2017	Avg. Annual Total Openings 2007 - 2012	Avg. Annual Total Openings 2012 - 2017
Computer Software Engineers, Applications	20,043	22,991	26,605	2.8%	3.0%	590	723	862	1,122
Computer Software Engineers, Systems Software	13,905	15,830	18,382	2.6%	3.0%	385	510	573	785
Registered Nurses	20,202	21,825	23,905	1.6%	1.8%	325	416	605	860
Janitors and Cleaners, Except Maids and Housekeeping Cleaners	15,324	16,506	17,954	1.5%	1.7%	236	290	519	637
Landscaping and Groundskeeping Workers	7,755	8,755	9,828	2.5%	2.3%	200	215	300	344
Combined Food Preparation and Serving Workers, Including Fast Food	17,989	18,957	19,780	1.1%	0.9%	194	165	500	575
Sales Reps, Wholesale and Manufacturing (except Technical and Scientific Products)	16,956	17,908	19,079	1.1%	1.3%	190	234	551	663
Network Systems and Data Communications Analysts	5,621	6,536	7,816	3.1%	3.6%	183	256	294	412
Child Care Workers	12,544	13,432	14,136	1.4%	1.0%	178	141	575	506
Computer Programmers	8,441	9,298	10,509	2.0%	2.5%	171	242	338	464

Washington Occupational Employment Projections, June 2009, Labor Market and Economic Analysis Branch, Washington Employment Security Department

Table 8: Top 10 Occupations by Long-Term Growth Projections (Annual Openings 2012-2017), King County

TITLE	Estimated Employment 2007	Estimated Employment 2012	Estimated Employment 2017	Avg. Annual Growth Rate 2007 - 2012	Avg. Annual Growth Rate 2012 - 2017	Avg. Annual Opening Due to Growth 2007 - 2012	Avg. Annual Opening Due to Growth 2012 - 2017	Avg. Annual Total Openings 2007 - 2012	Avg. Annual Total Openings 2012 - 2017
Computer Software Engineers, Applications	20,043	22,991	26,605	2.8%	3.0%	590	723	862	1,122
Computer Software Engineers, Systems Software	13,905	15,830	18,382	2.6%	3.0%	385	510	573	785
Retail Salespersons	32,972	33,577	36,069	0.4%	1.4%	121	498	1,259	1,442
Laborers and Freight, Stock, and Material Movers, Hand	20,166	19,776	22,001	-0.4%	2.2%	-78	445	609	1,058
Office Clerks, General	23,941	24,608	26,795	0.6%	1.7%	133	437	578	903
Registered Nurses	20,202	21,825	23,905	1.6%	1.8%	325	416	605	860
Carpenters	18,288	16,902	18,513	-1.6%	1.8%	-277	322	0	591
Bookkeeping, Accounting, and Auditing Clerks	21,688	21,930	23,407	0.2%	1.3%	48	295	354	684
Janitors and Cleaners, Except Maids and Housekeeping Cleaners	15,324	16,506	17,954	1.5%	1.7%	236	290	519	637
Network Systems and Data Communications Analysts	5,621	6,536	7,816	3.1%	3.6%	183	256	294	412

Washington Occupational Employment Projections, June 2009, Labor Market and Economic Analysis Branch, Washington Employment Security Department

Long-term occupation growth

Despite current circumstances showing job losses for many industries continuing, long-term estimates suggest that employment growth will be set to resume in 2011.¹⁵

While health care occupations seem to hold the lead in terms

of short-term occupational growth, occupations in Computer Software present themselves as long-term opportunities, holding the number one spot for both growth through 2012 and through 2017.

¹⁵ Georgetown University Center on Education and the Workforce, December 15, 2009.

Long-term industry growth

Long-term industry growth is expected in Professional, Scientific and Technical Services, where many of the above occupations in engineering can be expected to be employed.

Table 9: Top Industries by Long-Term Growth Projections (Annual Openings 2007-2012), King County

Industry	Estimated Employment 2007	Estimated Employment 2012	Estimated Employment 2017	Avg. Annual Growth Rate 2007 - 2012	Avg. Annual Growth Rate 2012 - 2017
Professional, Scientific & Technical Services	92,500	105,400	120,000	2.6%	2.6%
Employment Services	34,100	32,000	42,900	-1.3%	6.0%
Software Publishers	45,900	52,800	62,200	2.8%	3.3%
Health Care & Social Assistance – Private	106,400	117,300	126,200	2.0%	1.5%
Administrative & Support (except Employment Services), Waste Management	39,300	44,400	50,100	2.5%	2.4%
Educational Services – Government	76,500	78,100	82,400	0.4%	1.1%
Other Retail	77,400	78,800	83,100	0.4%	1.1%
Accommodation & Food Services	90,300	91,600	95,400	0.3%	0.8%
Private Education Services	21,300	25,600	29,300	3.7%	2.7%
Arts, Entertainment & Recreation	21,500	23,600	26,500	1.9%	2.3%

Washington Industry Employment Projections, June 2009, Labor Market and Economic Analysis Branch, Washington Employment Security Department

Table 10: Top Industries by Long-Term Growth Projections (Annual Openings 2012-2017), King County

Industry	Estimated Employment 2007	Estimated Employment 2012	Estimated Employment 2017	Avg. Annual Growth Rate 2007 - 2012	Avg. Annual Growth Rate 2012 - 2017
Professional, Scientific & Technical Services	92,500	105,400	120,000	2.6%	2.6%
Health Care & Social Assistance – Private	106,400	117,300	126,200	2.0%	1.5%
Software Publishers	45,900	52,800	62,200	2.8%	3.3%
Administrative & Support (except Employment Services), Waste Management	39,300	44,400	50,100	2.5%	2.4%
Private Education Services	21,300	25,600	29,300	3.7%	2.7%
Arts, Entertainment and Recreation	21,500	23,600	26,500	1.9%	2.3%
Educational Services government	76,500	78,100	82,400	0.4%	1.1%
Other Retail	77,400	78,800	83,100	0.4%	1.1%
Accommodation & Food Services	90,300	91,600	95,400	0.3%	0.8%
Government Hospitals	9,700	11,000	12,200	2.5%	2.1%

Washington Industry Employment Projections, June 2009, Labor Market and Economic Analysis Branch, Washington Employment Security Department

In Summary:

This labor market report aims to illustrate some of the hard numbers of the recession regionally and nationally. Below are some take-away points to remember:

- This recession, dubbed the Great Recession by some, officially began in December 2007. Washington and the Puget Sound region however, lagged in feeling the effects, with downturns in employment not occurring until late in 2008.
- Some industries have been hit hard – notably construction. Regionally, education and health services continue to show resilience against recessionary effects.
- Unemployment edges ever upward, with December 2009 rates of 8.5% for King County, 9.5% for Washington State, and 10% for the nation.
- Unemployment will likely remain high well into 2010, and pre-recession job numbers won't reappear until well into 2013.
- Youth, people of color, and individuals with lower levels of education are more likely to be unemployed. This reality is compounded in tough economic times.
- Opportunities for growth exist in the short- and long-term, many in health care occupations and related industries, as well as professional and technical fields.

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