

BEYOND THE HEADLINES

At a Glance: Jobs, Workers & the Economy

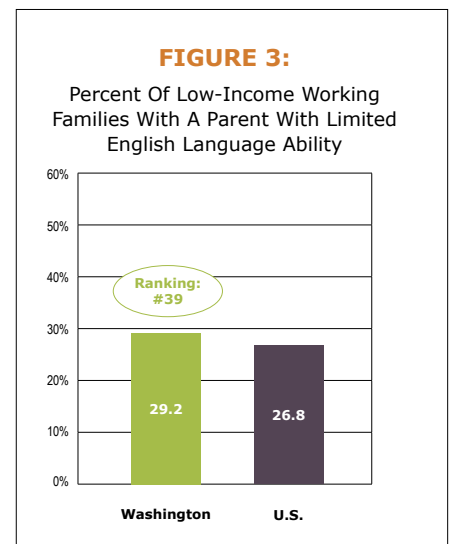
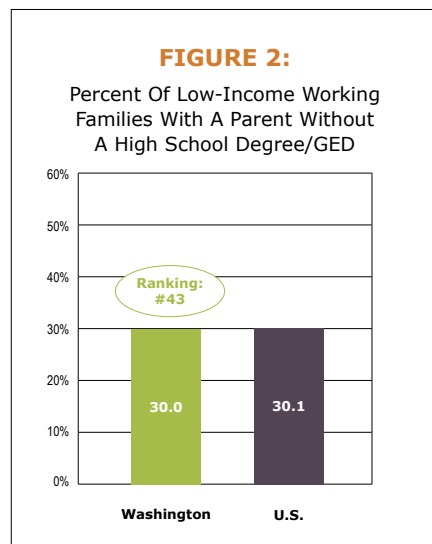
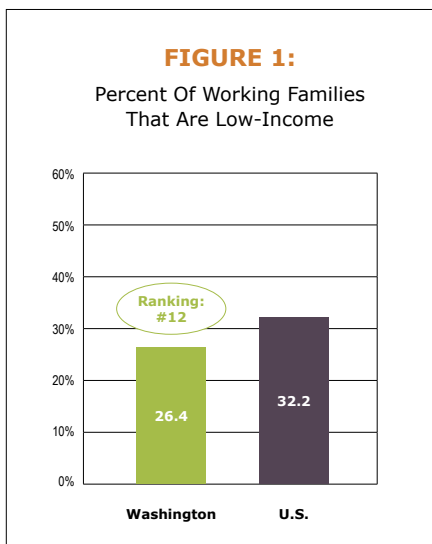
DECEMBER 2013 | FOCUS: WASHINGTON STATE, KING COUNTY & SEATTLE

A Look Back: *Beyond the Headlines* 2013

During the past year, Seattle Jobs Initiative has published a series of *Beyond the Headlines* reports, intended to help workforce development stakeholders get quickly underneath the latest news, research and data on the economy, labor market and education/training, and to better understand what this information may mean for low-income residents seeking more skills and better-paying jobs. This issue of *Beyond the Headlines* takes a look back at 2013, presenting some local highlights for Washington State, King County and Seattle from our earlier reports.

Employment Conditions for the Working Poor in Washington: A Mixed Bag

In May we reported on new data from the Working Poor Families Project on the state of the working poor in Washington. The data show that Washington compares well with other states in its overall percentage of working families that are low-income, but has a comparatively high percentage of working individuals with limited educational attainment and/or limited English who are low-income.



SOURCE: Working Poor Families Project, generated by Population Reference Bureau using American Community Survey Data (2011).

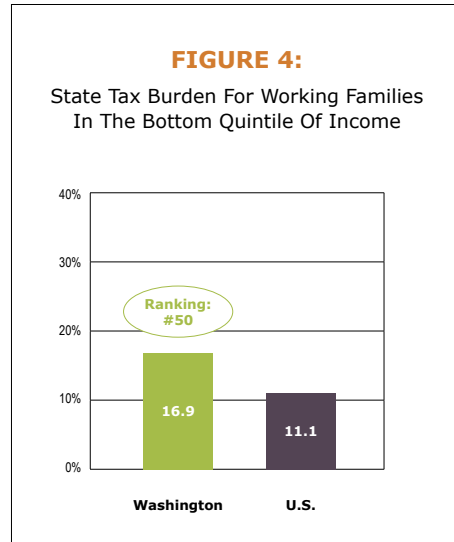
In addition, Washington has the highest minimum wage in the nation, but also places the largest tax burden on its low-income families among all fifty states.

Minimum wage:

Washington is one of 21 states with a minimum wage that exceeds the federal minimum wage standard.

At \$9.19/hour, this is currently the highest minimum wage standard in the U.S.

SOURCE: Working Poor Families Project, using U.S. Department of Labor data (January 1, 2013).



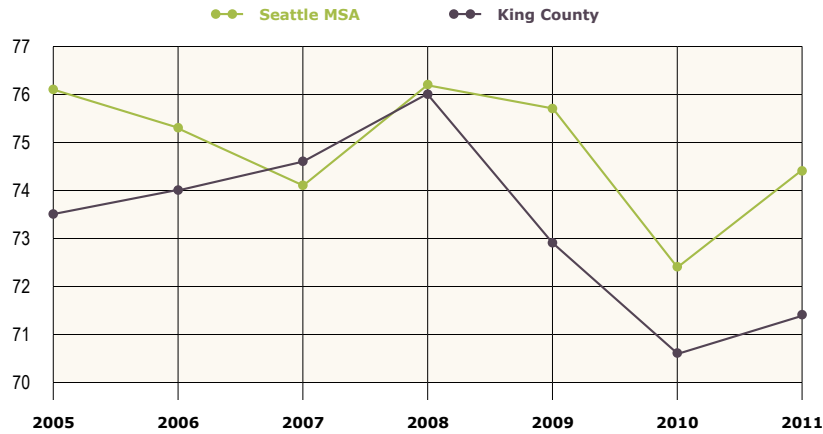
SOURCE: Working Poor Families Project, using data from Institute of Taxation and Economic Policy, 2013.

While Local Unemployment Rates Have Improved, Fewer Individuals Are Participating in the Labor Market

In March we reported that an important driver of declining unemployment rates post-Recession has been individuals leaving the workforce altogether due to the challenge of finding work.ⁱ This is evidenced in the **employment-to-population ratio** (EPOP), which measures employment as a percentage of the working-age population (16 – 64-year-olds). EPOP in the U.S. fell from 63.4 percent prior to the Recession to a low of 58.2 percent in the summer of 2011 (an 8.2 percent decline), and has remained basically flat since.

Seattle and King County have significantly higher EPOP numbers than the U.S. overall. As illustrated in **Figure 5**, on the following page, Seattle’s EPOP had rebounded well by the end of 2011 (down only 2.4 percent from its pre-Recession peak), while King County’s EPOP has been recovering much more slowly.

**FIGURE 5:
Employment-Population Ratios in Seattle MSA & King County
2005 – 2011**



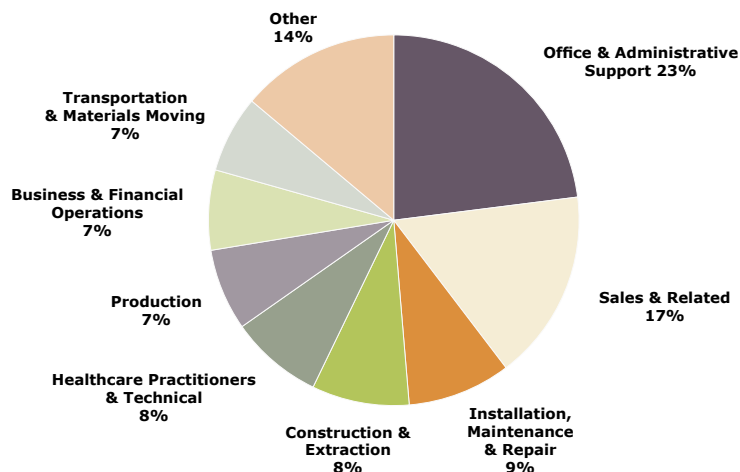
SOURCE: U.S. CENSUS BUREAU, 2005 – 2011 AMERICAN Community Survey data

Locally, There Are Relatively High Numbers of Middle and Middle-Wage Jobs

In January we looked at “middle jobs” in King County: those requiring less than a B.A but some education beyond high school and having average minimum earnings of \$35,000 or more.ⁱⁱ About 450,000 middle jobs exist in King County, representing about 30 percent of all jobs. This well exceeds the 21 percent rate of jobs nationwide that are middle jobs. Within King County, middle jobs are concentrated in key occupational groupings, as depicted in **Figure 6**, below.

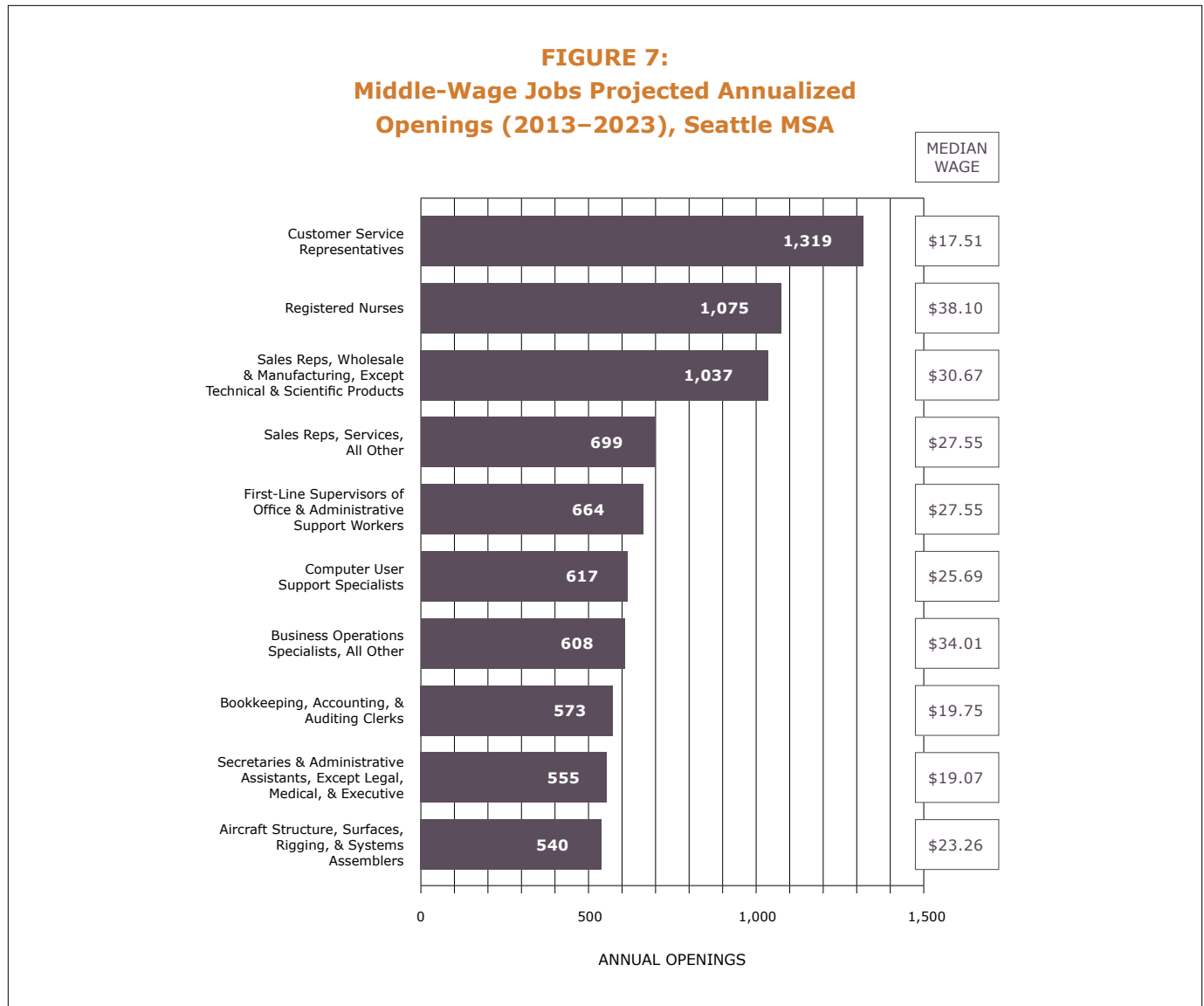
FIGURE 6:

Middle Jobs by Occupational Grouping: King County 2012



SOURCE: Bureau of Labor Statistics

In August we listed the top local “middle-wage jobs” (SJI’s definition for jobs requiring less than a B.A. but some education beyond high school and paying at least \$17 per hour or \$35,360 annually).ⁱⁱⁱ **Figure 7**, below, portrays the middle-wage occupations in Seattle with the greatest number of projected annual openings over the next 10 years.

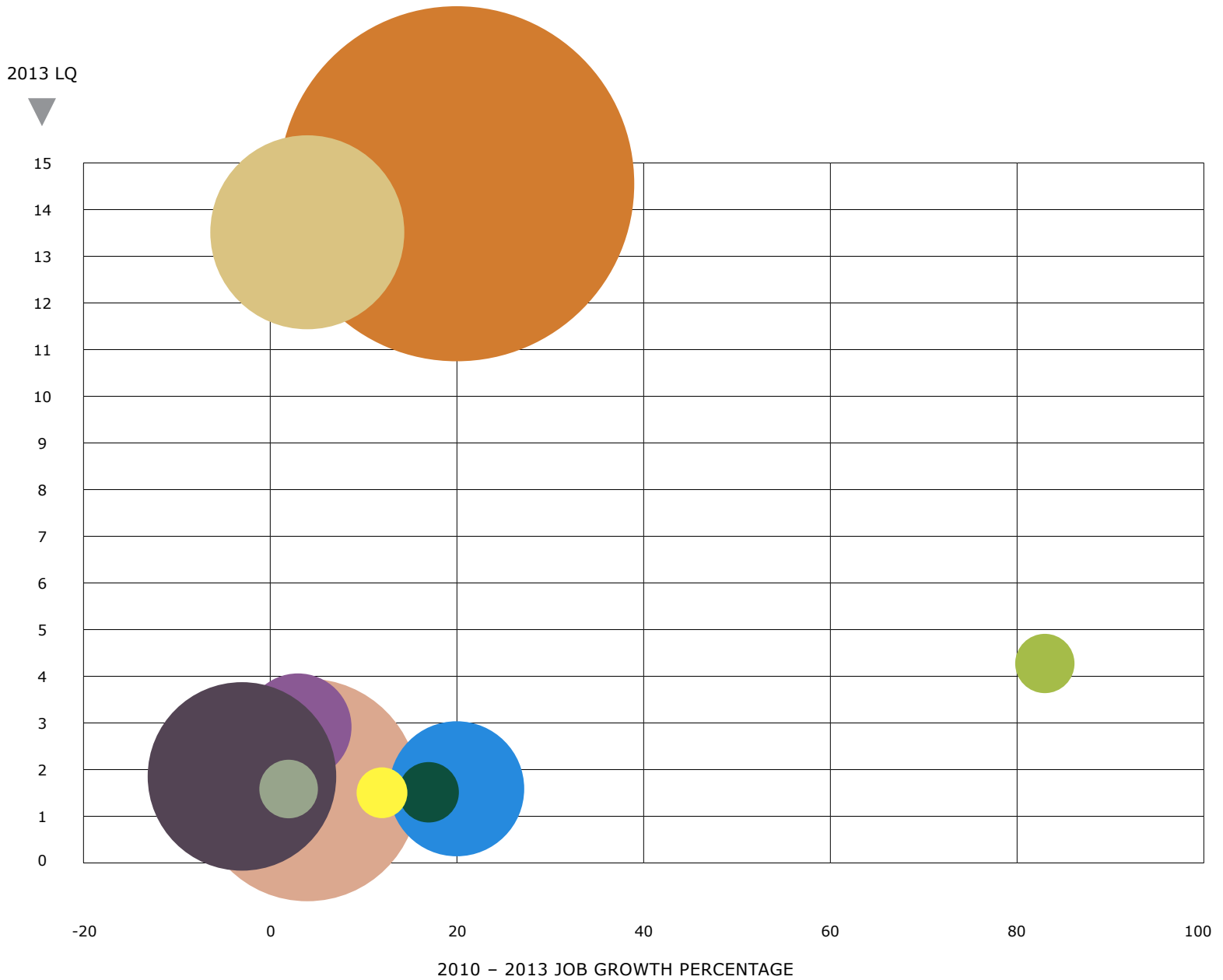


SOURCE: Bureau of Labor Statistics

“Location Quotient” Metric Illustrates Seattle’s Diverse Economic Base

In September we listed the ten industries^{iv} in Seattle with the highest location quotients in 2013 that also had a minimum of 10,000 jobs. These are portrayed in **Figure 8**, on the following page. “Location quotient” (LQ) measures how concentrated a particular industry is in a geographic area relative to other areas, including the nation as a whole, illustrating what is comparatively unique about an area’s economy. Industries with both a high LQ and high total job numbers can be said to form an area’s economic base.^v

**FIGURE 8:
Seattle Industry Location Quotients**



COLOR KEY & CHART DATA

	INDUSTRY	2013 JOBS	2013 LQ	2010-13 JOB GROWTH %
●	Aerospace Product & Parts Manufacturing	95,107	14.56	20%
●	Software Publishers	51,955	13.52	4%
●	Electronic Shopping & Mail-Order Houses	15,883	4.28	83%
●	Private Households (fn)	28,670	2.92	3%
●	Federal Government, Military	50,489	1.86	-3%

	INDUSTRY	2013 JOBS	2013 LQ	2010-13 JOB GROWTH %
●	Building Finishing Contractors	15,684	1.74	2%
●	Computer Systems Design & Related Services	36,171	1.58	20%
●	Education & Hospitals (State Government)	59,622	1.57	4%
●	Community Care Facilities for the Elderly	16,177	1.52	17%
●	Outpatient Care Centers	13,604	1.51	12%

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- i. Baker, Dean. *Job Growth Picks Up Steam in February*, Jobs Byte. Center for Economic and Policy Research, March 8, 2013.
 - ii. Carnevale, Anthony P., Jayasundera, Tamara, and Hanson, Andrew R., *Career and Technical Education: Five Ways That Pay Along the Way to the B.A.*, Georgetown University Center on Education and the Workforce. September 2012. Report can be accessed online at: <http://cew.georgetown.edu/ctefiveways/>
 - iii. Sommers, Paul, Gardner, Mark and Scarpa, Juliet, *Skills Required: Preparing Puget Sound for Tomorrow's Middle-Wage Jobs*, Seattle Jobs Initiative. March 2008. This and later iterations of Seattle Jobs Initiative's middle-wage jobs research can be accessed at: <http://www.seattlejobsinitiative.com/innovations/research-publications/labor-market-economy/>.
 - iv. Industries are described at the four-digit NAICS Code level.
 - v. Economic Modeling Specialists International (EMSI) Resource Library document: "Understanding Location Quotient." See <http://www.economicmodeling.com/2011/10/14/understanding-location-quotient-2/>

We look forward to providing you with more
monthly *Beyond the Headlines* in 2014!

BEYOND THE HEADLINES: Policy & Labor Market Updates for Those Working to Help Low-Income and Low-Skill Individuals Advance through Education, Training & Living-Wage Jobs

About Seattle Jobs Initiative

Seattle Jobs Initiative creates opportunities for students, workers and business to succeed by helping education and job training programs meet the demands of a new economy. We find and apply solutions for people to gain the skills they need for good jobs that create prosperity for all in today's marketplace.

Supported by the City of Seattle Office of Economic Development

Contact Information

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