

# BEYOND THE HEADLINES

## At a Glance: Jobs, Workers & the Economy

JANUARY 2013 | FOCUS: U.S. AND KING COUNTY

### A New Look at “Middle Jobs”

For the past six years, Seattle Jobs Initiative has focused its labor market research on identifying what we term “middle-wage jobs” in the local economy: jobs that pay at least \$17 per hour (\$35,360 annualized) and that require less than a B.A. but some education and training beyond high school.<sup>i</sup> SJI has maintained that the local workforce system should concentrate its efforts on training low-income residents for middle-wage jobs within growing industry sectors. These jobs provide individuals with low skills the best chance to advance out of poverty with a relatively limited amount of additional education and training.

In the fall of 2012, the Georgetown Center on Education and the Workforce released a study<sup>ii</sup> that looks at a similar set of jobs in the U.S. – what it terms “middle jobs”. While there are some important distinctions between SJI’s middle-wage jobs and middle jobs (see sidebar), the latter are also occupations requiring less than a B.A. but some education and training beyond high school and having average minimum earnings of \$35,000 or more.

This edition of *Beyond the Headlines* looks at some of the key findings from the Georgetown research relating to the numbers and types of middle jobs in the U.S., and then examines comparable data for middle jobs in Seattle/King County.

### More Education Needed for Middle-Class Earnings

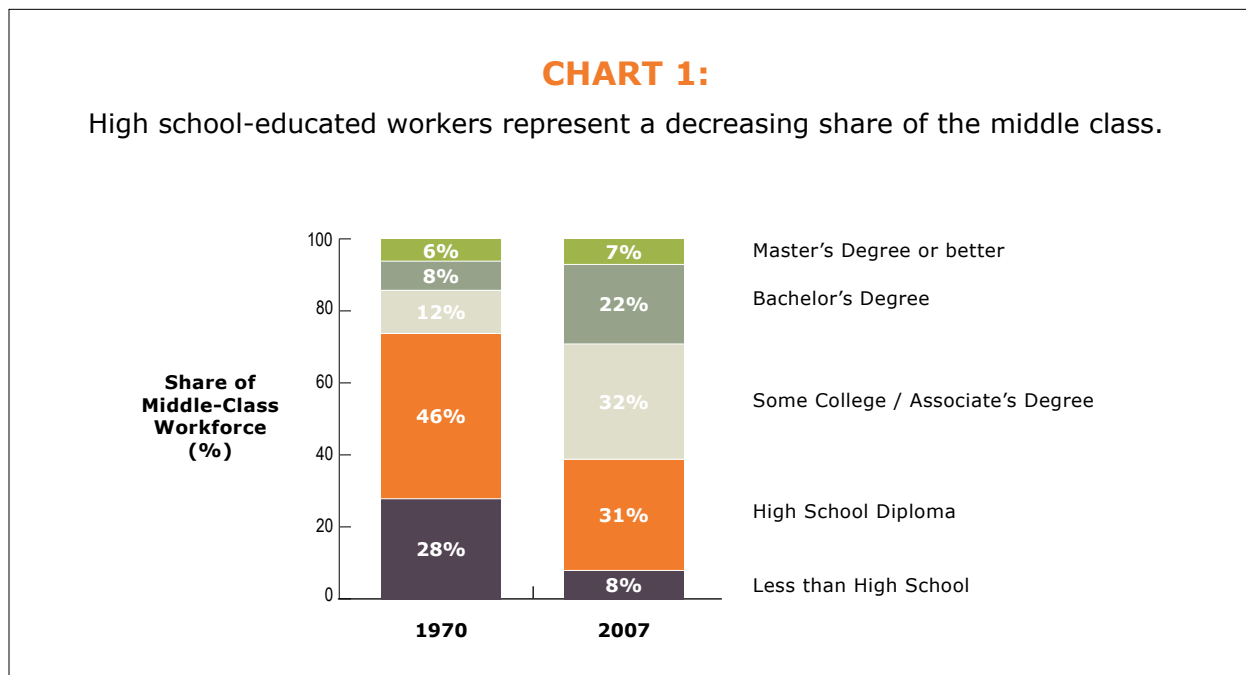
More than ever, to earn a middle wage – at least \$35,000 per year – one needs education and training beyond high school. As depicted in the **Chart 1**, adapted from the Georgetown report, in 1970 about three-quarters of individuals earning a “middle-class” income (defined here as \$35,000 -

### SJI’s Middle-Wage Jobs vs. Middle Jobs

The Georgetown report and this *Beyond the Headlines* look at “middle jobs” – those that pay at least \$35,000 annually and require some education and training beyond high school but less than a B.A. In SJI’s research, “middle-wage jobs” are defined with essentially the same wage parameters (\$35,360 annually, or \$17 per hour)<sup>iii</sup>. However, whereas middle jobs are based upon *minimum education and training requirements* for occupations, middle-wage jobs are based upon *incumbent worker educational attainment* within occupations.

Specifically, for a job to be a middle-wage job, at least 60% of U.S. workers in that job must have less than a B.A. but some education and training beyond high school (meaning up to 40% might have a B.A. or higher). SJI’s earlier research found that about 22-23% of jobs in King County met the definition of a middle-wage job. In comparison, 30% of King County jobs meet the definition of a *middle job*, as set out in this report.

\$70,000<sup>iv</sup>) had only a high school diploma or less. By 2007, more than 60% of middle-class earners had at least some education and training beyond high school. This is largely reflective of the changes in the labor market as a whole. Irrespective of wages, in 1973 three-quarters of the jobs in the U.S. required a high school diploma or less; by 2020, about two-thirds of jobs will require some postsecondary attainment.<sup>v</sup>



SOURCE: Analysis by authors of *Career and Technical Education: Five Ways That Pay Along the Way to a B.A.*, of March Current Population Survey (CPS) data, various years. The CPS is a monthly survey of households by the U.S. Census Bureau for the U.S. Labor Department's Bureau of Labor Statistics. For this comparison, the middle class represents workers with annual income between \$35,000 and \$70,000.

## A Significant Proportion of U.S. Jobs are Middle Jobs; King County Has an Even Higher Proportion

Nationwide, there are an estimated 29 million middle jobs. As depicted in **Chart 2** (following page), these comprise about one in five (21%) of approximately 139 million U.S. jobs.<sup>vi</sup>

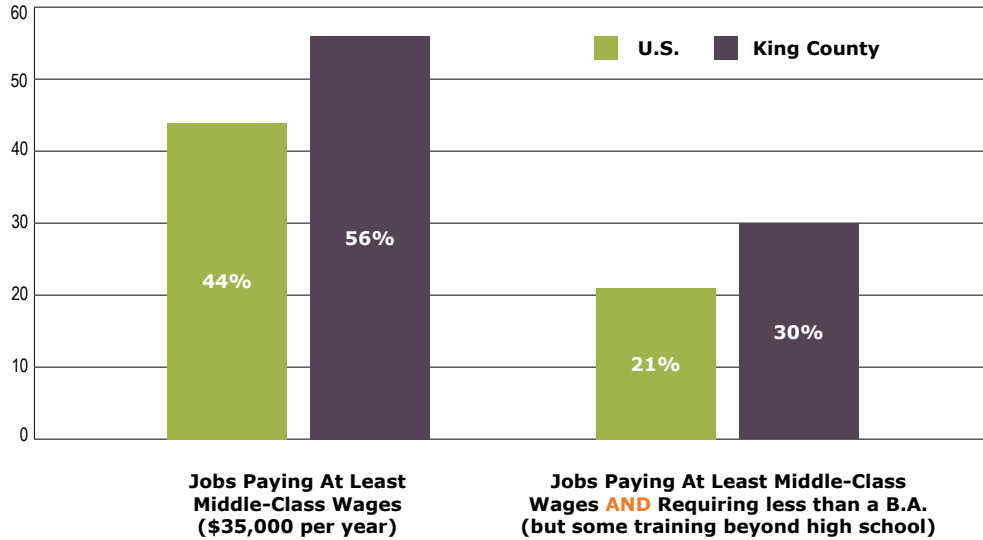
Using the Georgetown report's definition of middle jobs, SJI estimates that more than 450,000 such jobs exist in King County, comprising 30% of the roughly 1.5 million jobs in the county.

## Where Are The Middle Jobs?

The Georgetown study determined in which occupational groups the 29 million middle jobs in the U.S. are to be found, as portrayed in **Chart 3** (following page). The majority of middle jobs are in blue collar occupations (31.5%). About half are in office occupations, comprised of managerial and professional office jobs (24.9%) and sales and office support jobs (22.3%).<sup>vii</sup>

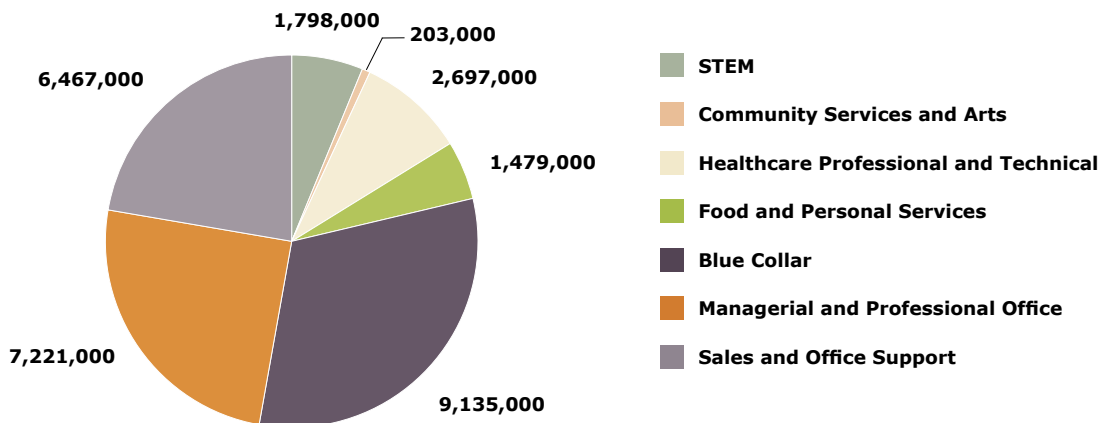
### CHART 2:

Percentage Share of Total Jobs



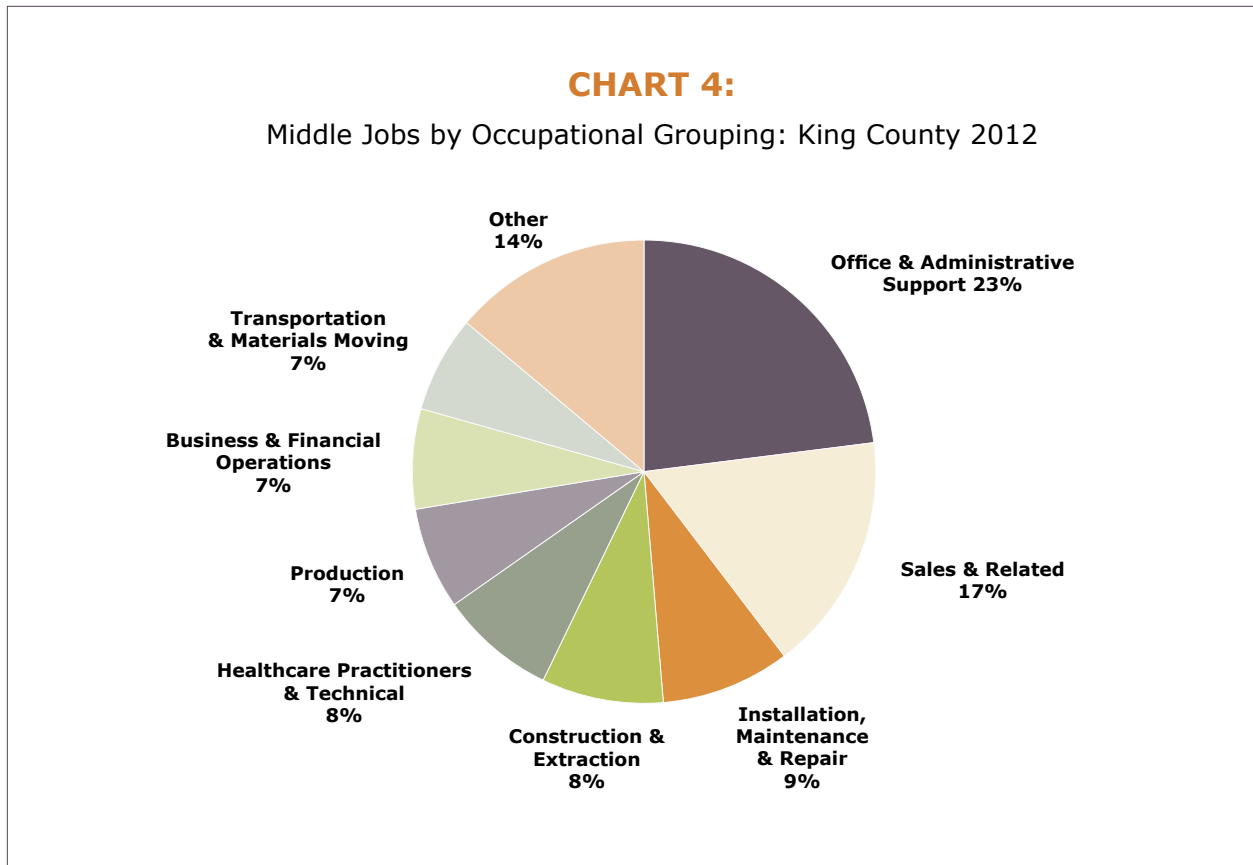
### CHART 3:

Nearly half of the 29 million middle jobs are in office occupations, while another third are in traditional blue-collar occupations.



SOURCE: Estimate by authors of *Career and Technical Education: Five Ways That Pay Along the Way to a B.A.*, using American Community Survey, 2010.

King County’s 450,000 middle jobs are found in occupational groups as portrayed below (note that the Georgetown report combines occupational groups; here, we use strictly Standard Occupational Classification groups). As illustrated in **Chart 4**, about half of King County’s middle jobs are in office occupations, including office and administrative jobs (23%), sales and related jobs (17%), and business and financial operations jobs (7%). A significant number of jobs are found in occupational groups that parallel the Georgetown study’s “blue collar” category, including installation, maintenance and repair (9%), construction and extraction (8%), production (7%), and transportation and material moving (7%).



### A Need for Greater Focus and Resources on Middle Jobs

The Georgetown study concludes much as SJI has in its past research: workforce systems need to focus more attention and resources on training individuals for middle/middle-wage jobs, and specifically on career and technical education strategies that are proven effective at this. King County already holds a significant number of middle/middle-wage jobs, many of which SJI’s research has shown are expected to grow in the coming years.

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- i. 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/>
  - 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. SJI selected a wage of \$17 per hour (\$35,360 per year) to define middle-wage jobs because a household with two earners each making this amount is earning the median household income for King County, which was \$70,556 in the 2007-11 period. (U.S. Census Bureau).
  - iv. Elsewhere in the Georgetown report, the authors define "middle-class" income as \$35,000 - \$95,000 annually.
  - v. *Ibid.*, page 2.
  - vi. *Ibid.*, page 3.
  - vii. *Ibid.*, pp. 4, 33.

**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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