

# BEYOND THE HEADLINES

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

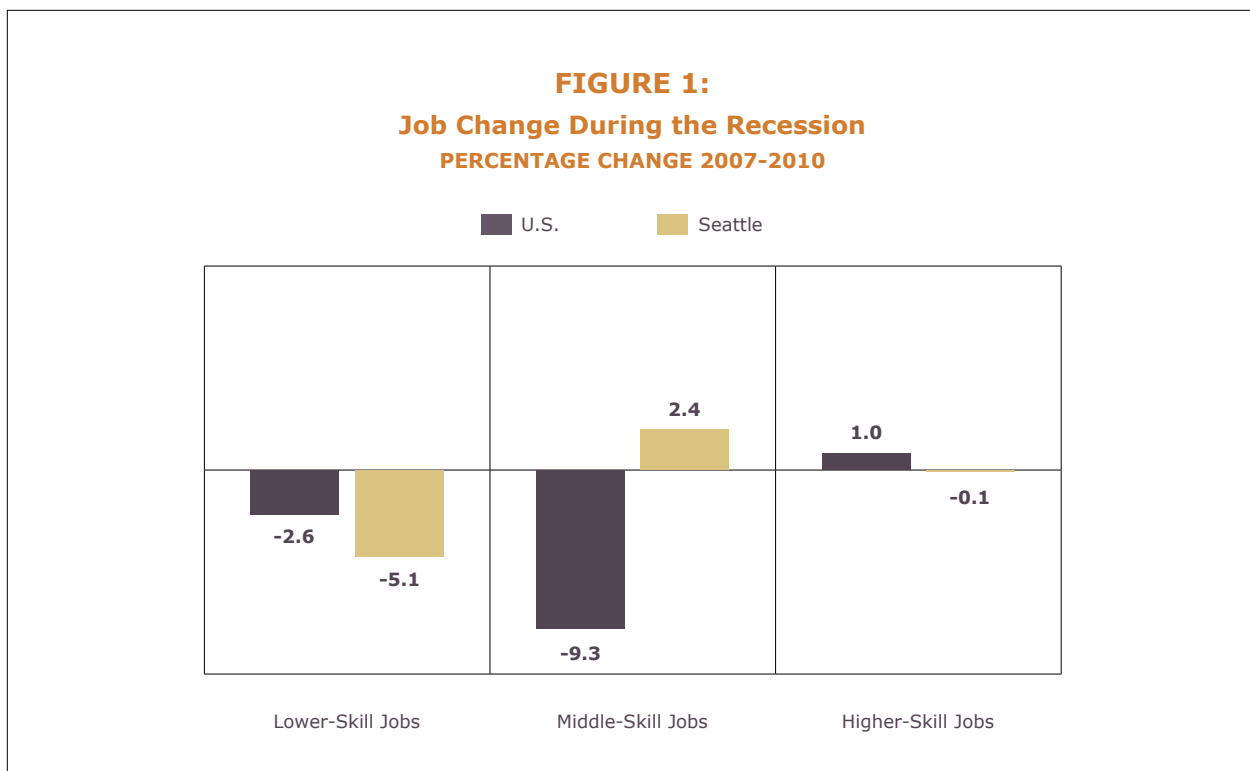
SEPTEMBER 2014

FOCUS: UNITED STATES & SEATTLE

### The Return of Middle-Skill Jobs in Seattle

In its May 2014 *Regional Economic Update*, the Federal Reserve Bank of New York reported that employment has returned to pre-recession levels for the United States; however, the jobs created have been concentrated at the higher and lower ends of the skills distribution. Middle-skill jobs, including those in construction, elementary education, and administrative support, were largely cut during the recession, and they are not coming back.<sup>1</sup>

While the nation has seen a significant drop in middle-skill jobs, Seattle has not experienced the same decline. For the purposes of this analysis, lower-skill jobs are those requiring a high school diploma or less, middle-skill jobs are those

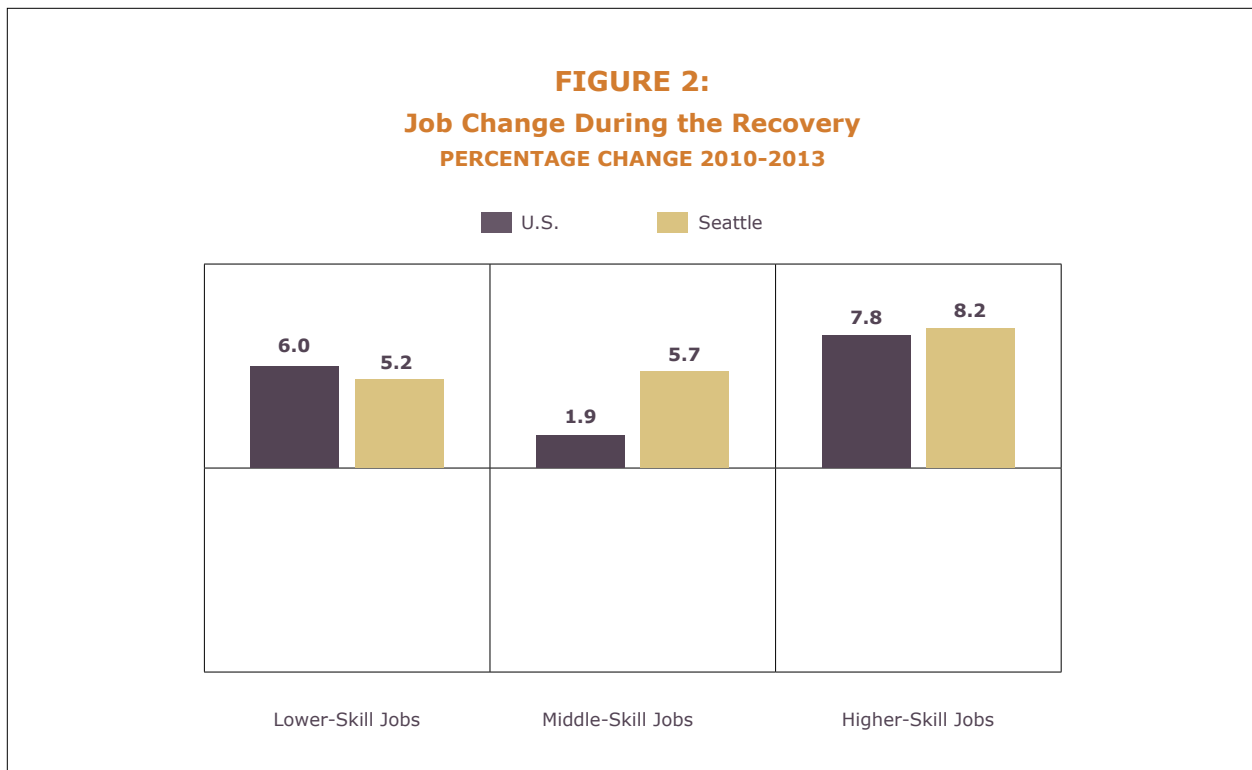


SOURCE: Seattle - EMSI 2014.2 Class of Worker, QCEW + Non-QCEW Employees; U.S. - Federal Reserve Bank of New York, Regional Economic Press Briefing, May 21, 2014

requiring some postsecondary education but less than a bachelor’s degree, and higher-skill jobs are those requiring a bachelor’s degree or higher.

**Figure 1**<sup>2</sup> displays the overall change in employment for lower-, middle-, and higher-skill jobs during the recession period in Seattle compared to the U.S. While the nation experienced the largest decline in middle-skills jobs, at 9.3 percent, Seattle’s lower-skill jobs were most impacted by the downturn, losing 16,188 (5.1 percent) jobs.<sup>3</sup> Lower-skill jobs across the U.S. experienced a decline of 2.6 percent. At the same time that middle-skill jobs declined nationally, Seattle actually experienced employment growth of 2.4 percent, adding 1,277 middle-skill jobs. Nationally and locally in Seattle, higher-skill jobs experienced little to no growth during the recessionary period.

During the recovery period from 2010 to 2013, middle-skill jobs have been underrepresented on a national level. These jobs experienced the largest decline in employment during the recession, and they are not returning as the economy recovers. Rather, lower- and higher-skill jobs are being added.<sup>4</sup> Seattle’s employment climate, however, has not mirrored this trend. Jobs are coming back more evenly distributed across lower-, middle-, and higher-skill jobs, as shown in **Figure 2**. Higher-skill jobs have added nearly 17,000 jobs, contributing to its over eight percent job growth. Lower- and middle-skill jobs have grown between five and six percent, adding 15,418 and 11,569 jobs, respectively.



SOURCE: Seattle - EMSI 2014.2 Class of Worker, QCEW + Non-QCEW Employees; U.S. - Federal Reserve Bank of New York, Regional Economic Press Briefing, May 21, 2014

Though Seattle's economy is recovering faster than the rest of the nation and all skill levels are bouncing back, it is important to note that middle-skill jobs are small in number compared to lower- and higher-skill jobs. Of the almost 500,000 jobs in Seattle (according to 2013 estimates), only about 53,600, or 11 percent, are middle-skill.<sup>5</sup> So while these jobs have not diminished as they have across the nation, they still only account for a small portion of the jobs in Seattle. Seattle's economic development efforts should continue to focus on preserving these jobs, which provide a pathway to living wages for low-income residents with additional training.

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1. Jaison R. Abel, "What Kind of Jobs Have Been Created During the Recovery?," (Regional Economic Press Briefing, Federal Reserve Bank of New York, 2014), 2. <http://www.newyorkfed.org/newsevents/mediaadvisory/2014/Abel%20presentation%2005.21.2014.pdf>.
  2. Seattle data included in this analysis was derived from Economic Modeling Specialists, Int'l (City of Seattle by Zip Code, 2007-2013, 2014.2 Class of Worker).
  3. *Ibid.*, 13.
  4. *Ibid.*, 15.
  5. Economic Modeling Specialists, Int'l (City of Seattle by Zip Code, 2013 Employment Estimates, 2014.2 Class of Worker).

**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***

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