

BEYOND THE HEADLINES

At a Glance: Jobs, Workers & the Economy

Brought to you by Seattle Jobs Initiative



DECEMBER 2011 FOCUS: U.S., WASHINGTON STATE, SEATTLE

A Look Back: Beyond the Headlines 2011

During the past year, Seattle Jobs Initiative has published a series of monthly *Beyond the Headlines* reports, intended to help workforce development stakeholders get quickly underneath the latest news 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 2011, presenting some of the highlights from our earlier reports.

Today, there are many fewer jobs -- and a different mix of jobs -- than existed prior to the Great Recession.

WE HAVE FEWER JOBS¹...

	Jobs Lost During Recession (Peak Jan/Feb '08 - Through Feb '10)	Jobs Regained to Date (Feb '10 - Nov '11)	Add'l Growth Needed to Regain Jobs Lostⁱⁱ
U.S.	8,750,000	2,462,000	6,288,000
Washington State	205,300	69,800	135,500
Seattle MSA	117,300	48,400	68,900

...AND A DIFFERENT MIX OF JOBS²

In Washington State:

Occupations paying less than \$12/hour and \$12-\$16/hour lost about 11% and 9% of their jobs during the Recession, respectively. Occupations paying \$24-\$28/hour and \$28+/hour lost only about 4% and 1% of their jobs, respectively.

In Seattle:

Occupations Experiencing MAJOR JOB LOSS – SKEWED LOW/MIDDLE-WAGE (2007-2011)

Occupation	2011 Median Hourly Wage
Office & Administration Support	\$17.94
Sales & Related	\$16.54
Construction	\$26.78
Production (Manufacturing)	\$17.44
Transportation & Material Moving	\$19.71

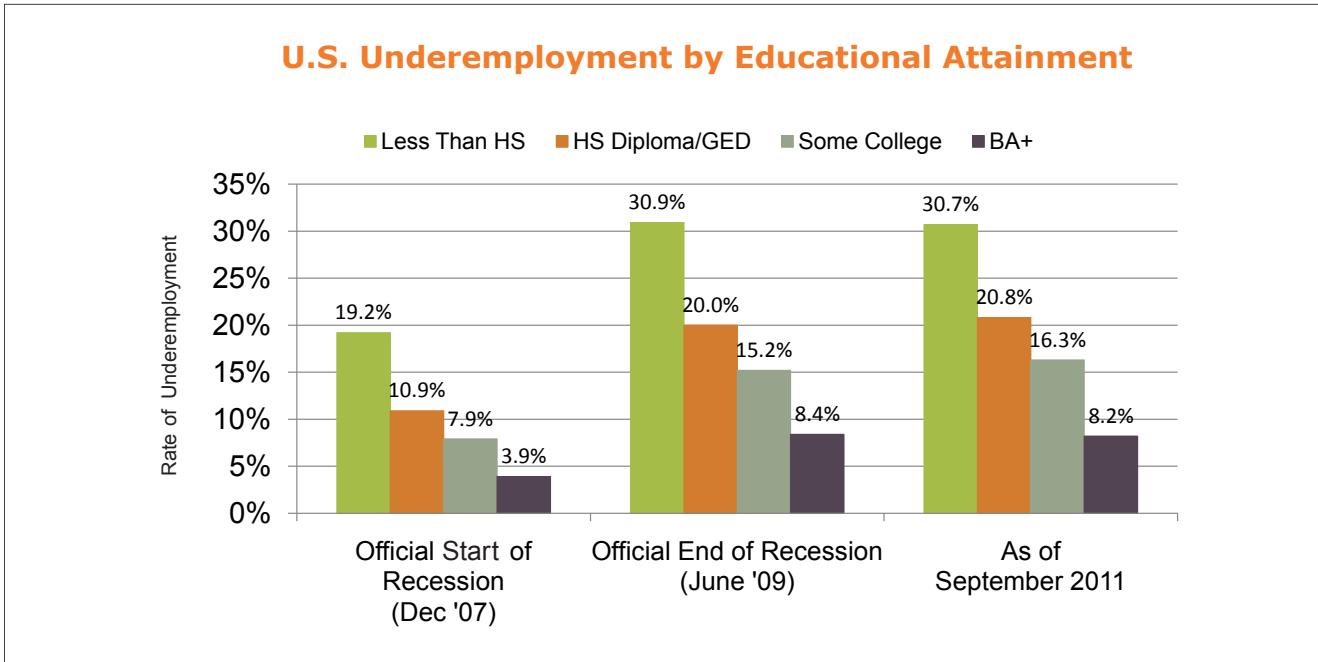
Occupations Experiencing JOB GROWTH – SKEWED HIGHER-WAGE (2007-2011)

Occupation	2011 Median Hourly Wage
Education	\$35.89
Healthcare	\$37.83
Computer and Mathematical Science	\$40.24

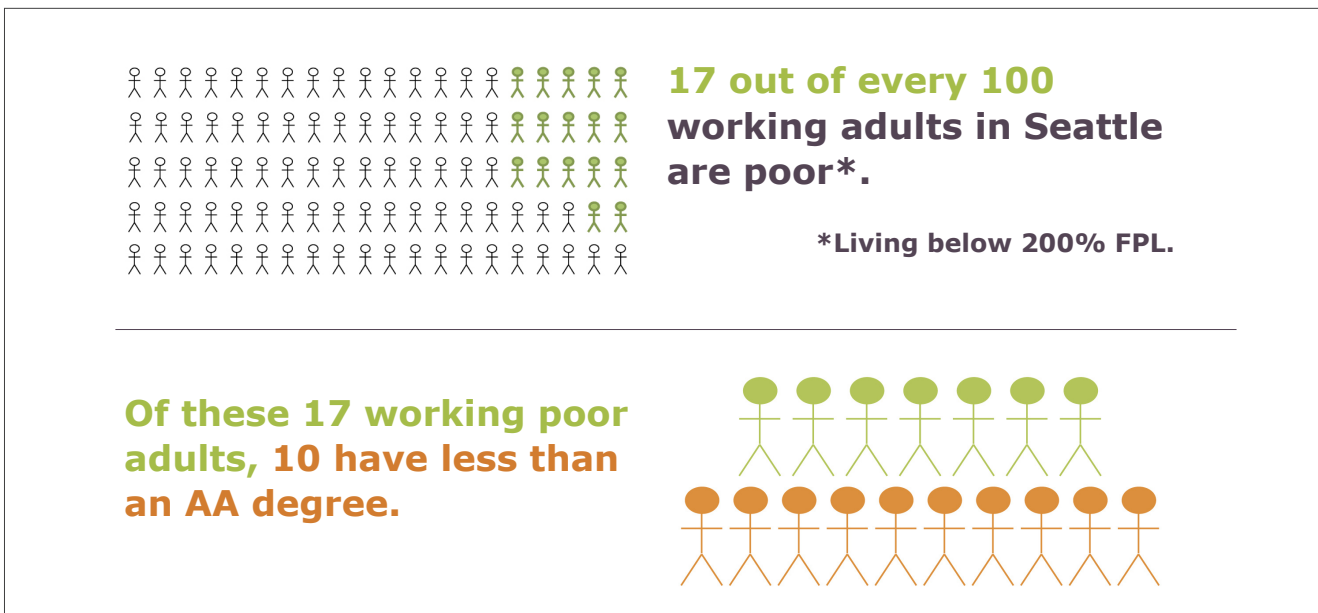
1. See SJI's March and April *Beyond the Headlines* reports
2. See SJI's June *Beyond the Headlines* report

This pattern of job loss has had a disproportionate impact on low-skill residents.

The unequal loss of lower- and middle-skill jobs has left more low-skill and low-income residents unemployed and in need of more skills to compete for the mix of jobs that exists. And not only are low-skill residents more likely to be unemployed than higher-skill residents, they are much more likely to be *underemployed* as well.³



Moreover, in Seattle, recent labor market dynamics have made it increasingly true that we are experiencing a “tale of two cities”: our large number of highly-educated workers remains employed in a relative abundance of well-paying jobs. Yet low-skill workers in Seattle are much more apt to be unemployed or “working poor”. The correlation between low skills and poverty is seen in the large number of working poor adults in Seattle who have low levels of educational attainment.⁴



3. See SJI’s November *Beyond the Headlines* report

4. See SJI’s July *Beyond the Headlines* report

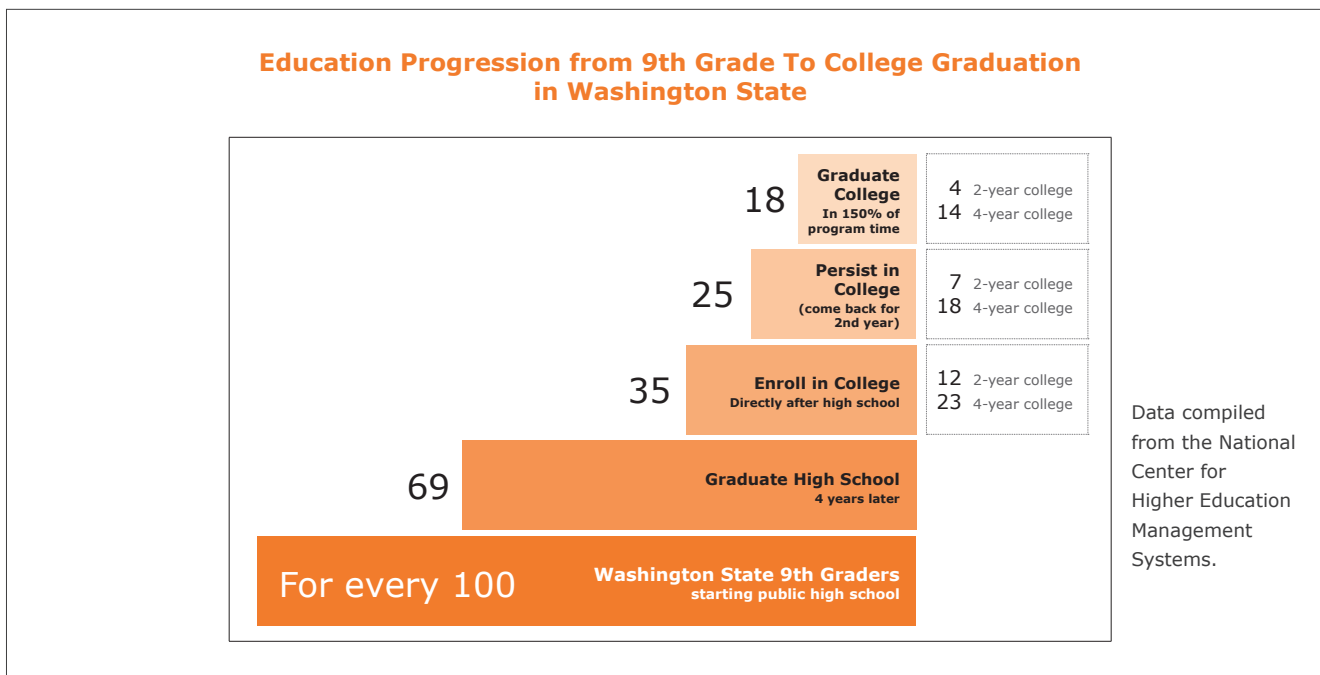
More than ever, people need more skills to compete for the well-paying jobs that exist now and that will be created in the future, but not enough is being done to provide these skills.

Higher skills pay off for individuals not only in terms of lower rates of un/underemployment, but also in higher lifetime earnings.⁵

Net Lifetime Financial Gain of College Graduates vs. High School Graduates

High School Graduate Only	Associate's Degree	Bachelor's Degree
Lifetime Earnings: \$770,000	Lifetime Earnings: \$1,000,000	Lifetime Earnings: \$1,420,000
Less foregone earnings + cost of college: (\$0)	Less foregone earnings + cost of college: (\$50,000)	Less foregone earnings + cost of college: (\$100,000)
Net Gain: \$770,000	Net Gain: \$950,000	Net Gain: \$1,320,000
	The average Associate's Degree holder earns \$180,000 more over their career than a person with a high school degree alone.	The average Bachelor's Degree holder earns \$550,000 more over their career than a person with a high school degree alone, and \$370,000 more than a person with an AA.

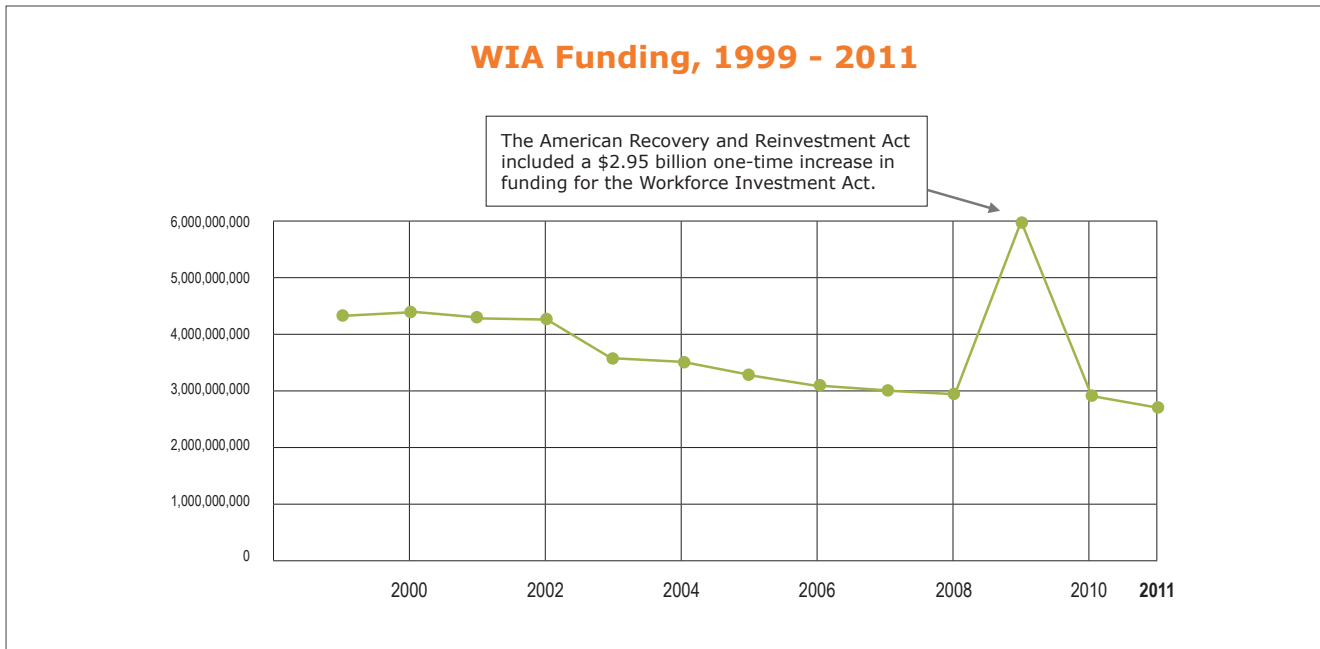
Despite the benefits of greater educational attainment, today we are not doing enough to skill up our residents. In Washington State, for example, a surprisingly small percentage of our state's young people go on to graduate from college.⁶



5. See SJI's August Volume 1 *Beyond the Headlines* and August Volume 2 *Beyond the Headlines* reports

6. See SJI's May Volume 2 *Beyond the Headlines* report

Further, we are investing fewer and fewer dollars in education and training services through our public workforce development system. Over the past decade, federal funding (Workforce Investment Act) for workforce development has been slashed by about 1/3. According to The National Skills Coalition, the U.S. currently ranks 22nd out of 30 developedⁱⁱⁱ countries in public investments made in job training.⁷



7. See SJI’s May Volume 1 *Beyond the Headlines* report

END NOTES

- i. Source: U.S. Bureau of Labor Statistics and Washington State Employment Security Department
- ii. As we noted in the March issue of *Beyond the Headlines*, because the labor pool is continuing to grow with the increase in population, the true number of jobs we must add in order to return to pre-Recession unemployment levels is significantly higher than the number needed simply to regain total jobs lost.
- iii. Countries that are members of the Organization for Economic Cooperation and Development.

We look forward to providing you with more monthly BEYOND THE HEADLINES in 2012!

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

For questions or suggestions, please email David Kaz, SJI Director of Policy and Development at: dkaz@seattlejobsinit.com

