



Quarterly Job Trends Report Seattle Jobs Initiative Quarter Ending June 30, 2006

The SJI Quarterly Job Trends Report summarizes key King County labor market trends in regional perspective for local employment and training professionals. The report is available at: <http://www.seattlejobsinitiative.com/policy/index.html>

INSIDE:

Employment in King County has Regained 2000 Levels:

- Although unemployment has been dropping steadily since 2003, it has taken two years of the current recovery for King County to finally reach 2000 job levels. Despite some growth in manufacturing, total employment in that sector remains about 20% below recent peaks.
- Some industry sectors are slowing in comparison to growth rates last year. The exception is construction, which showed a strong gain in the second quarter of 2006.

Occupational Employment Projections by Wage and Education:

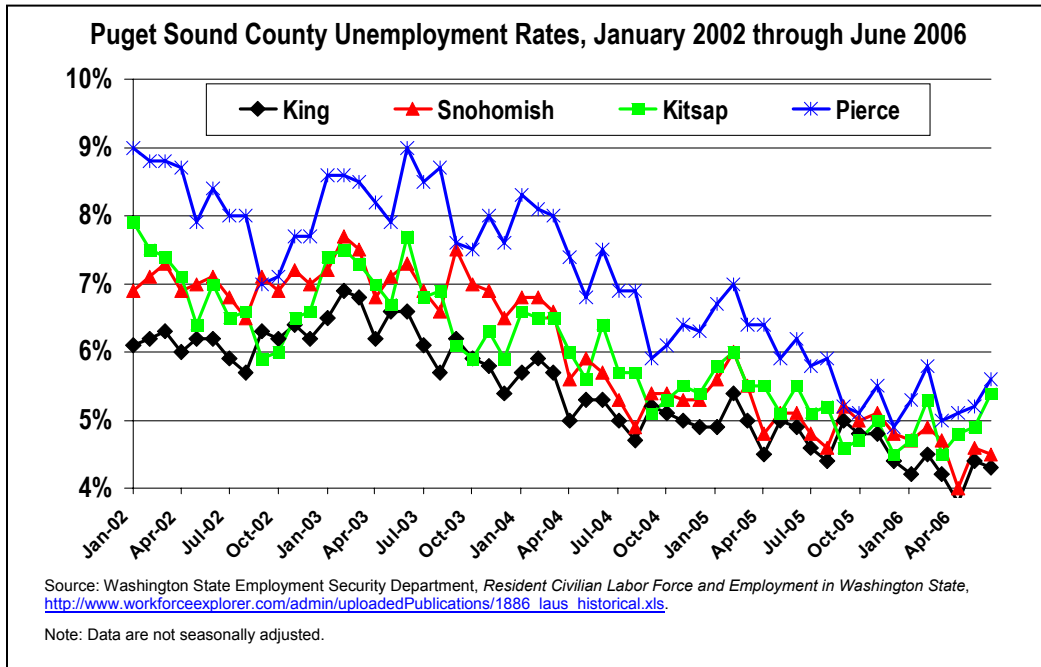
- New occupational projections through 2014 have recently been completed by Employment Security. Looking at the base year (2004), we see that virtually all the employment (97.6%) in the lower paying occupations is in jobs not requiring a BA. Within the mid-range of pay (\$14 to \$25), the proportion is still quite high -- 74.3%. At the highest wage levels (\$25 or more) less than one quarter of employment is found within occupations not requiring a BA.
- Occupational employment in King is projected to grow faster the higher the wage level - unlike national trends showing faster growth at the low and the high ends of the distribution.
- However, within all wage groups, occupations not requiring a BA are expected to grow more slowly than those that do require a BA. This, coupled with a sustained loss of middle wage employment in manufacturing, points to a need to increase the rate of growth of well-paying occupations or sectors that are accessible to those with training post-high school but not a BA.

**Percent of All King County Employment in Occupations Not Requiring a BA*
(by 2004 Median Wage Level of Occupation)**

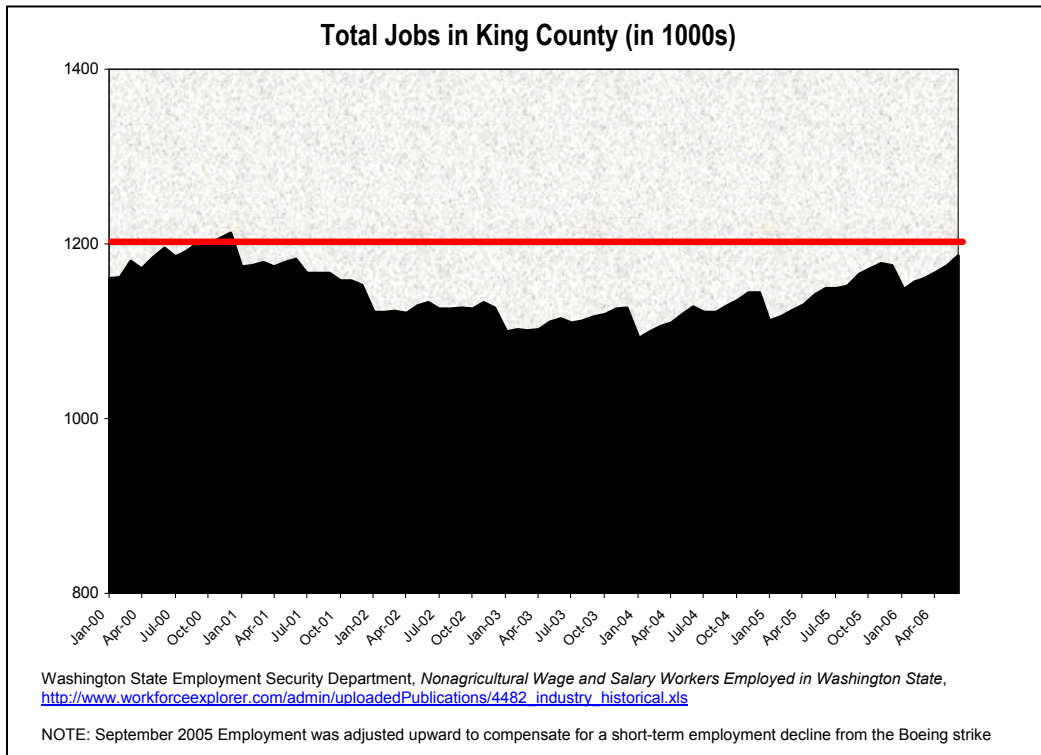


Source: SJI analysis of occupational projection data through 2014 provided by the Washington State Department of Employment Security.
NOTE: Occupations are placed into wage groups according to the median wage of each occupation. Occupations that were missing wage or education data were excluded from the analysis.
*Occupations where 60% or more of the job holders (according to the national Current Population Survey) did not have a BA.

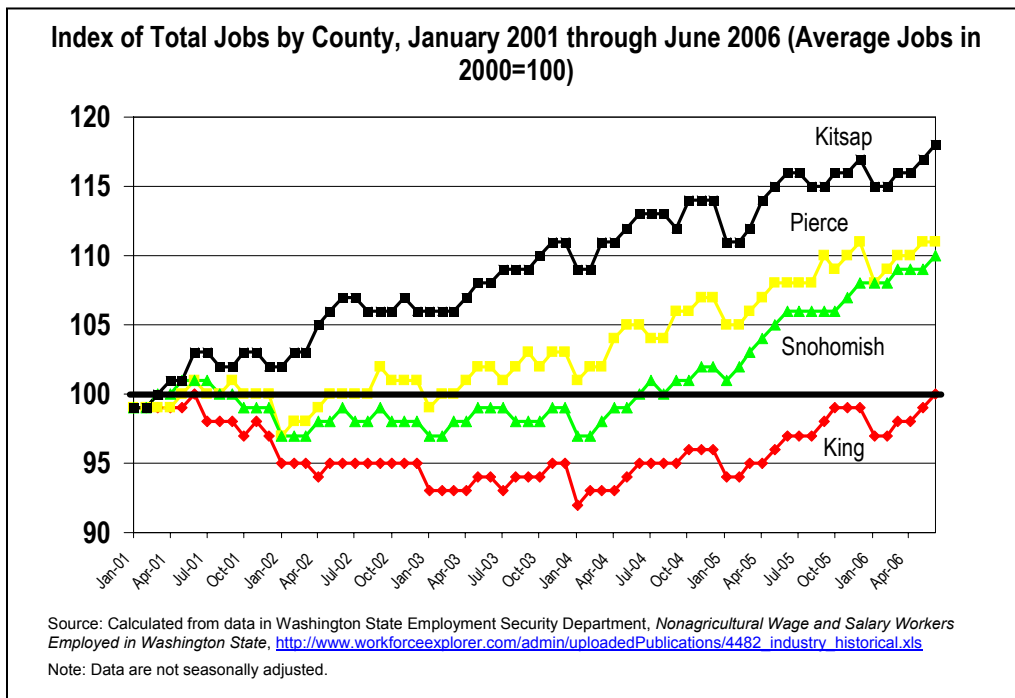
1. Unemployment and Job Creation Trends in Puget Sound Counties



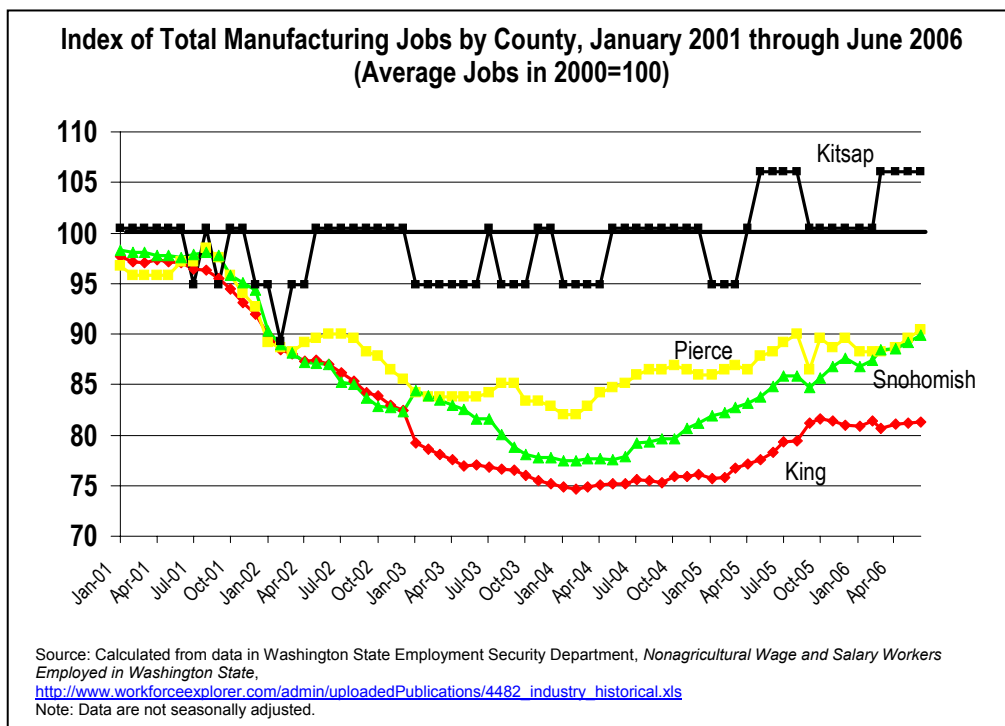
- Although unemployment rates in the Puget Sound counties generally remain low, they edged up a bit in Pierce and Kitsap counties in the second quarter of 2006.



- Total jobs in King County reached 2000 levels on a year-over-year basis, although employment has yet to surpass peak employment reached in December 2000.

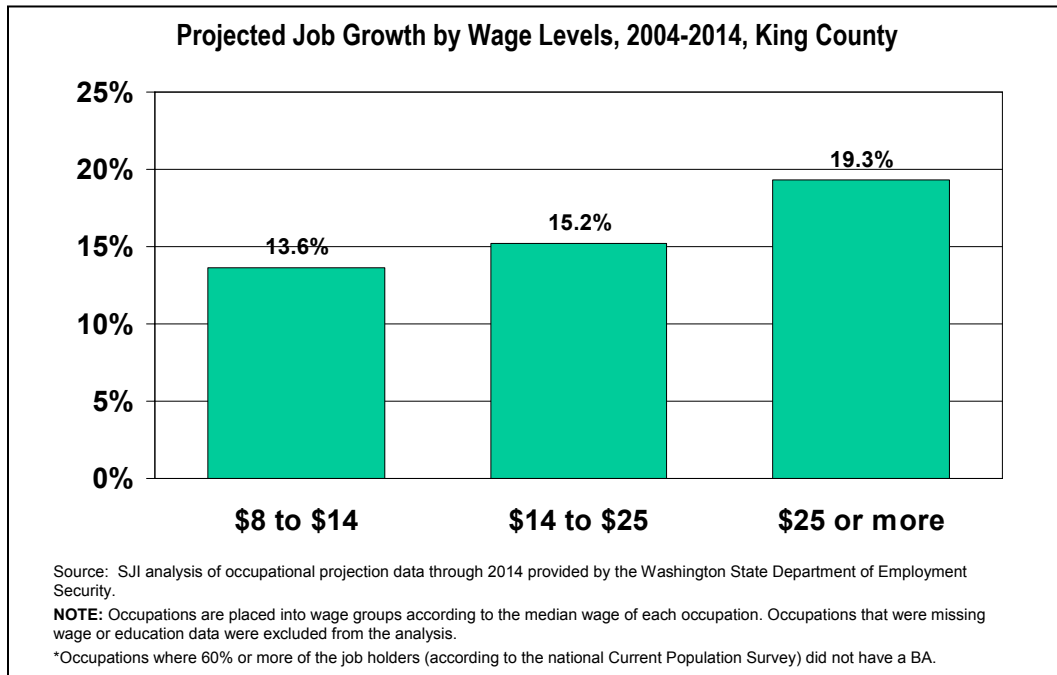


- This chart converts job changes into an index, with average jobs in 2000 as a reference. Only Kitsap shows sustained employment growth over the period. In Pierce, jobs moved into sustained positive territory starting in early 2003 -- a point not reached for Snohomish until mid-2004. By mid-2006, King County finally recovered all the jobs lost after 2000.

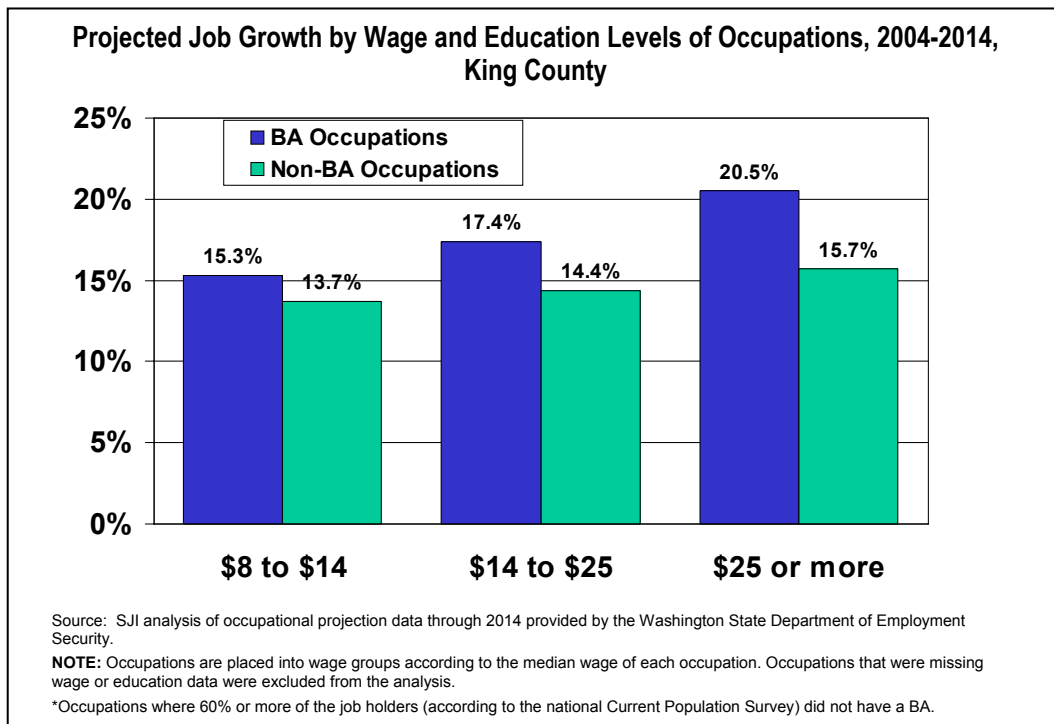


- The manufacturing jobs recovery shows some evidence of stalling out in King and Pierce counties, although it is too early to tell if this is a trend or just a temporary leveling off in job creation.
- Manufacturing jobs in Kitsap are up slightly over year 2000 average levels (the volatility shown in the chart is a result of the relatively small manufacturing job base in the county).

3. Occupational Job Projections by Wage and Education Level of Occupation



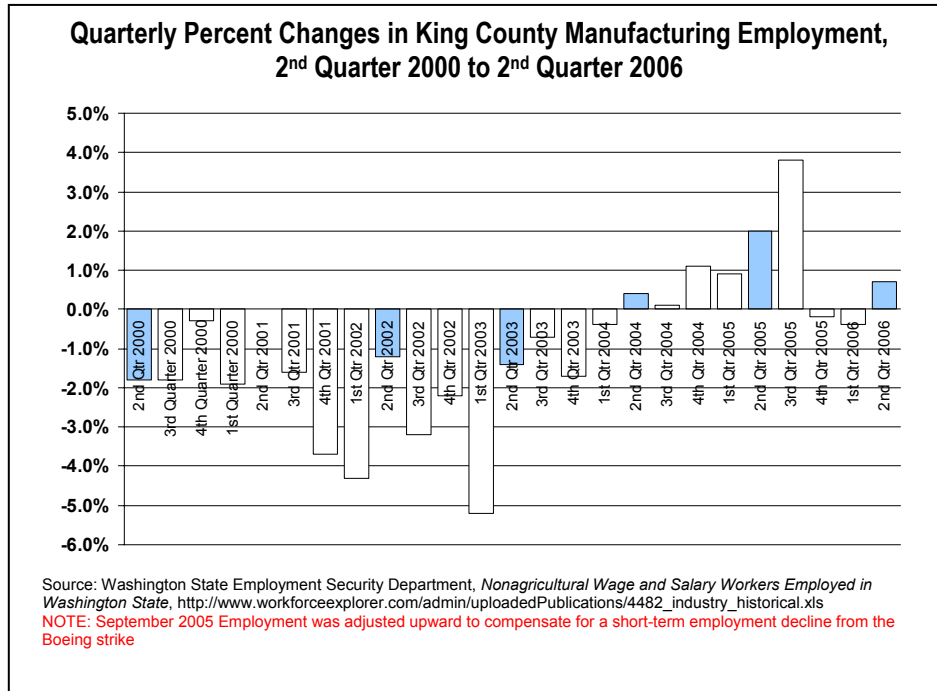
- According to new occupational growth projections for King County, job growth is projected to be fastest among those occupations paying the highest wages. Growth of the highest-paying third of occupations (by 2004 employment) was 5.7 percentage points higher than the lowest-paying occupations.



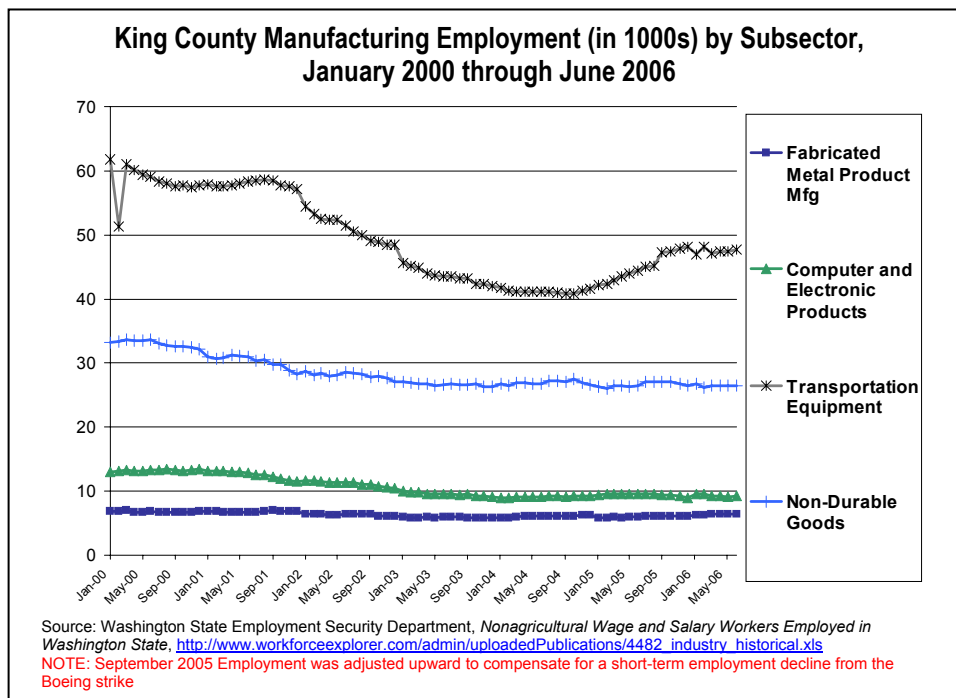
- Within each wage category, employment prospects are better for those occupations requiring a BA. This, combined with structural loss of local manufacturing employment, points to the need to shore up the growth of high-quality jobs for skilled workers who do not have a BA - and to continue efforts to expand access to all levels of higher education.

4. Job Growth by Industrial Sector or Subsector, King County

Changes in Manufacturing Jobs – King County

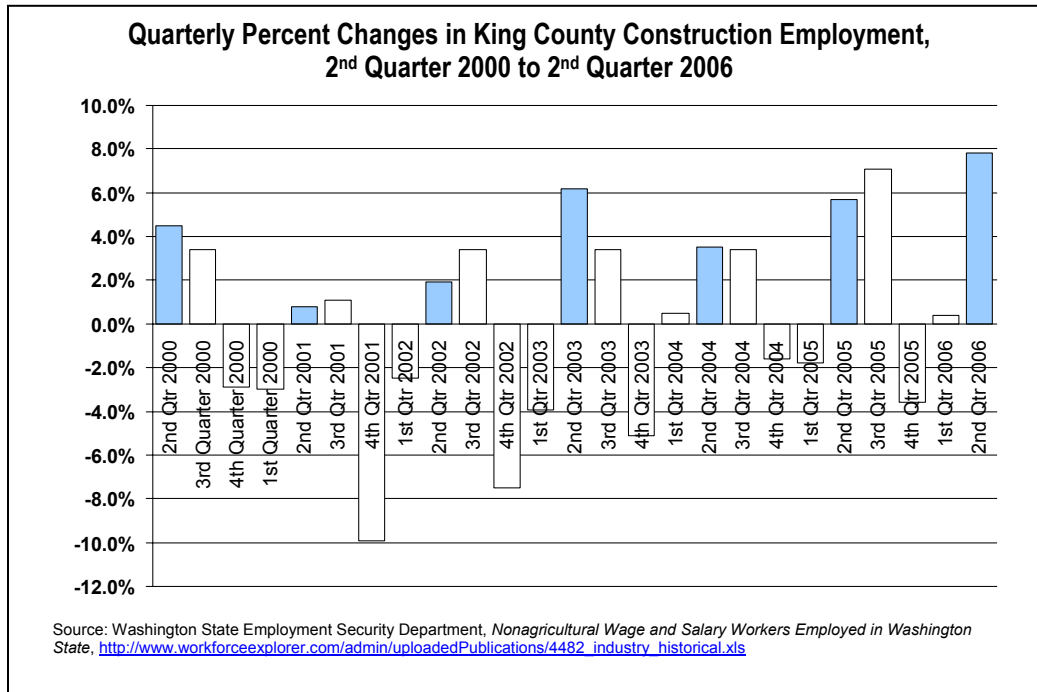


- Manufacturing employment grew a little less than 1% in the second quarter, a slower pace than the same quarter's 2% pace one year ago.

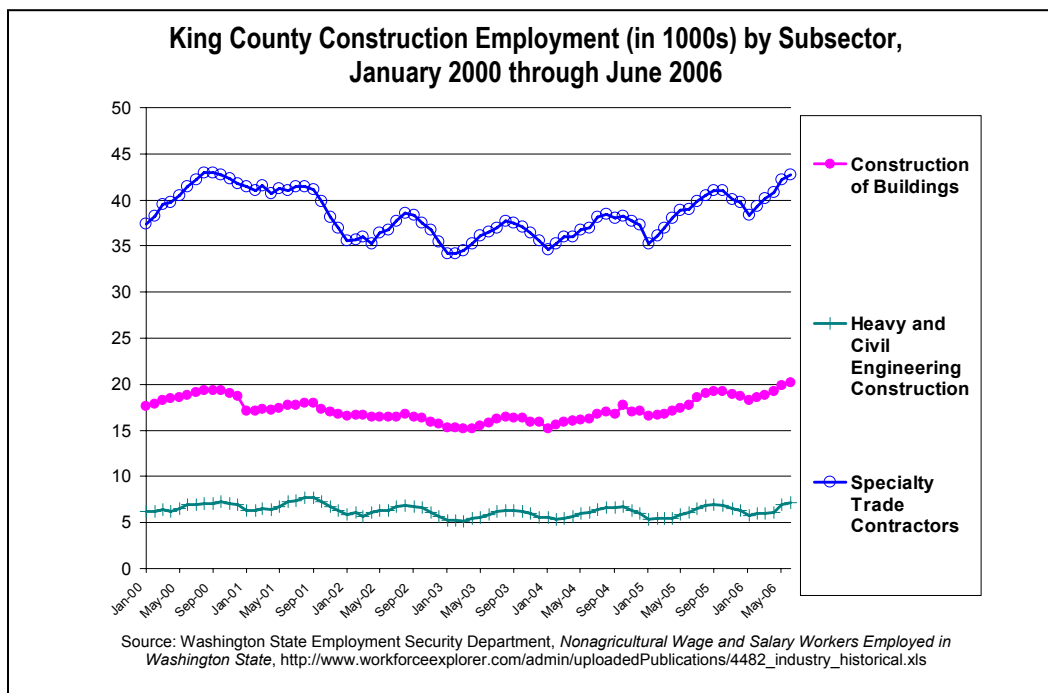


- Increases in manufacturing employment since 2004 have been driven by job growth in the transportation equipment subsector (which includes aerospace). In recent months, growth in that subsector has stalled. Employment in other areas of manufacturing have been relatively flat.

Changes in Construction Jobs – King County

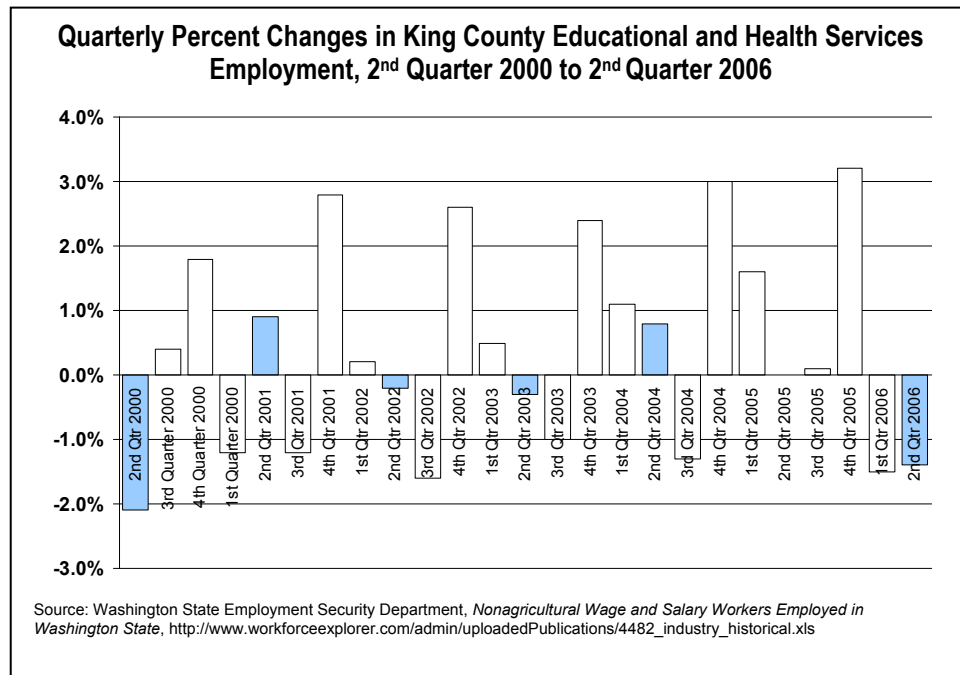


- Construction employment shows seasonal patterns of expansion and contraction. Construction employment increased faster in the second quarter of 2006 than during any other quarter over the 2000-2006 period.

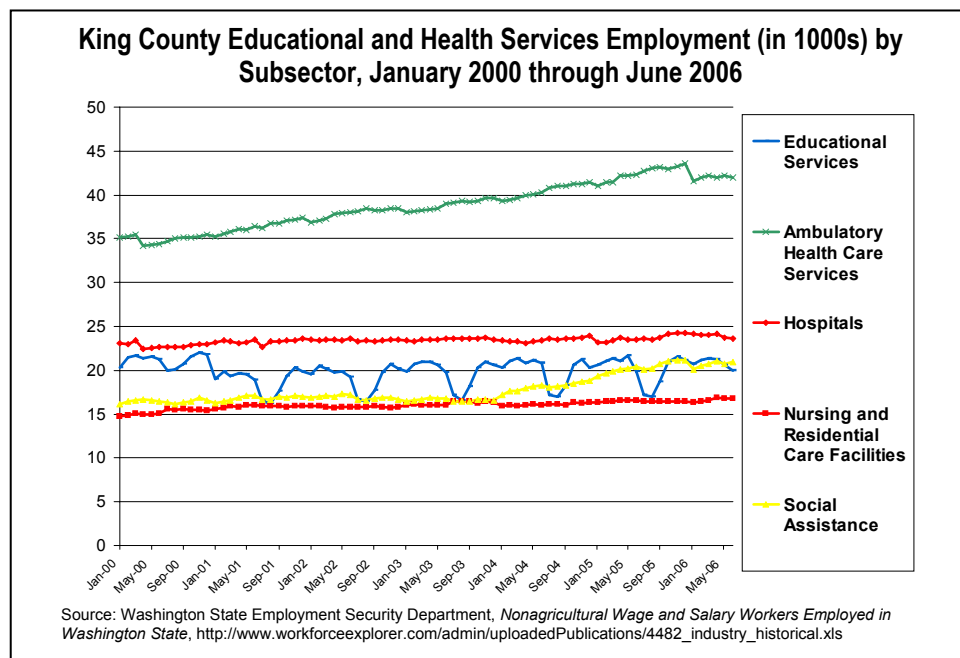


- Job growth in construction is being driven by the Specialty Trade Contractors, and Construction of Buildings subsectors. Employment in Heavy and Civil Engineering Construction remains relatively stagnant.

Changes in Educational and Health Services Jobs – King County

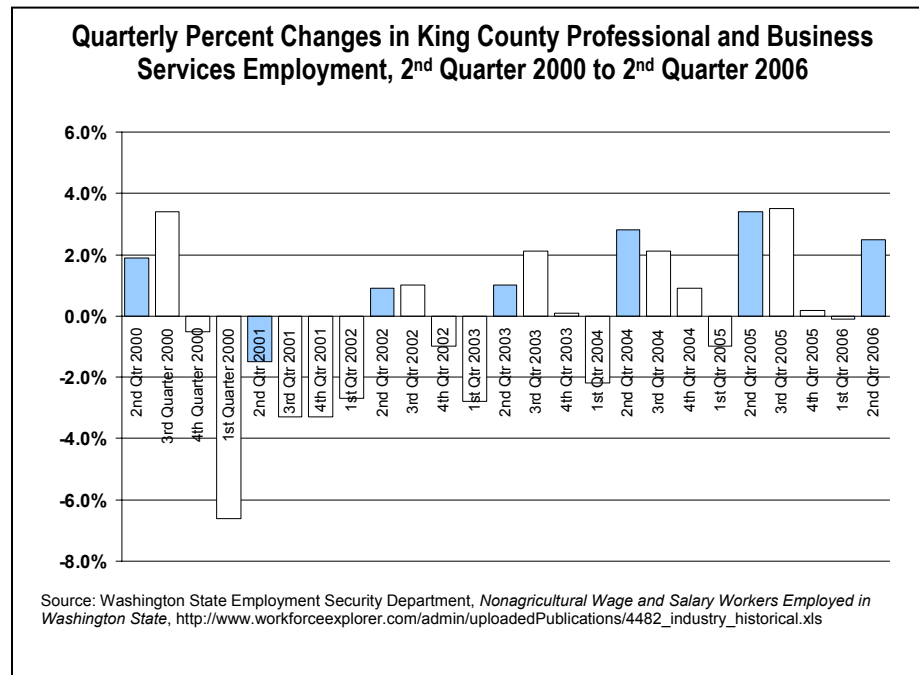


- Educational and Health Services shows strong seasonal trends in employment. Employment grew strongly in the 4th quarter of 2005 but dropped in the first two quarters of this year.

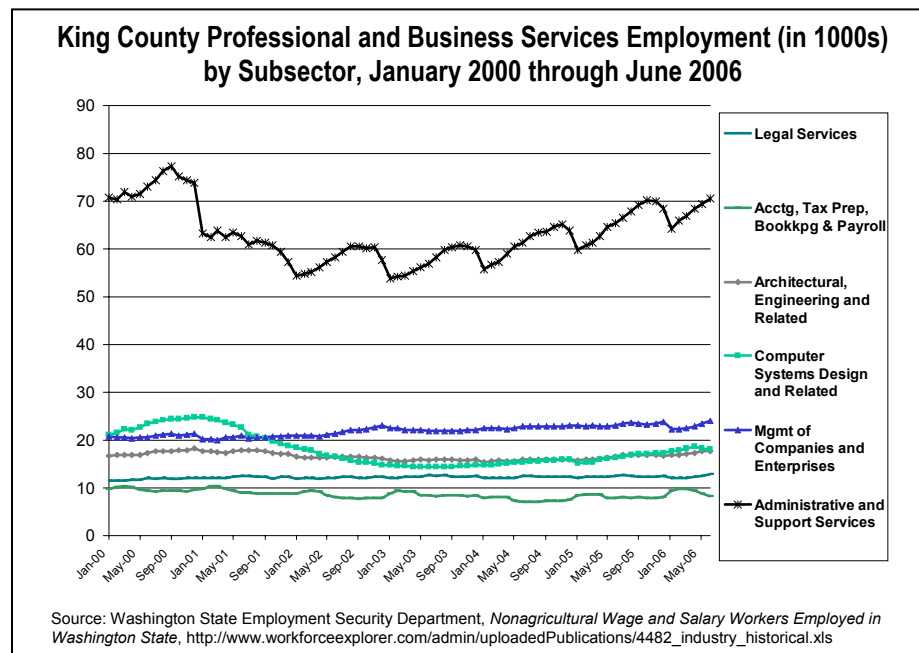


- Employment patterns vary substantially by subsector in the Educational and Health Services industry group. Education shows a strong and predictable seasonal variation, with no discernible upward trend. Social Assistance employment (which includes, for example, child care) was relatively flat over much of the period but began to trend upward in 2004, with growth slowing in 2006.
- Within health care, Ambulatory Health Care Services showed a strong upward trend over the period, although employment growth has stalled recently. Jobs in other subsectors of health care are growing very slowly, with job demand being driven more by retirements and voluntary quits than new job creation.

Changes in Professional and Business Services Jobs – King County



- Employment growth in Professional and Business Services grew at 2.5%, somewhat slower than the growth rate for the same quarter in 2005.



- Employment in the Professional and Business Services sector is dominated by the administrative and support services subsector, which also accounts for its overall cyclicity.
- Employment in Administrative and Support Services showed a strong overall upward trend since 2004 after accounting for seasonality. Jobs totals in Computer System Design and Related employment, and in Architecture and Engineering, started to increase slowly beginning in early 2005.

Data Table: King County Employment, Unemployment, and Jobs

Measure	June 2006	March 2006	June 2005	# Change from 3 Months Ago*	% Change from 3 Months Ago*	# Change From 1 Year Ago	% Change From 1 Year Ago
Civilian Labor Force ¹	1,070,700	1,054,000	1,014,300	16,700	1.6%	56,400	5.6%
Number Employed ¹	1,024,900	1,009,700	964,600	15,200	1.5%	60,300	6.3%
Number Unemployed ¹	45,900	44,000	49,700	1500	3.4%	-3800	-7.6%
Unemployment Rate ¹	4.3%	4.2%	4.9%	+0.1	n/a	-0.6	n/a
Total King County Jobs (non-farm) ²	1,185,860	1,159,870	1,149,320	25,990	2.2%	36,540	3.2%
Construction Jobs ²	70,030	64,970	62,690	5,060	7.8%	7,340	11.7%
Manufacturing Jobs ²	111,770	110,970	107,590	800	0.7%	4180	3.9%
Trade, Transport, and Utilities Jobs ²	225,060	220,810	222,310	4250	1.9%	2750	1.2%
Information Jobs ²	74,010	71,540	69,720	2470	3.5%	4290	6.2%
Financial Activities Jobs ²	77,180	76,210	76,200	970	1.3%	980	1.3%
Prof. and Business Services Jobs ²	183,250	178,820	172,630	4430	2.5%	10,620	6.2%
Educational and Health Jobs ²	123,240	124,930	122,630	-1690	-1.4%	610	0.5%
Leisure and Hospitality Jobs ²	113,250	105,610	109,430	7640	7.2%	3820	3.5%
Other Services Jobs	43,040	42,120	42,070	920	2.2%	970	2.3%
Government Jobs	164,460	163,310	163,440	1150	0.7%	1020	0.6%

1. Household-based data. Employed persons could be working in any county. As a result, the number of employed from the household survey does not match the number of jobs in the establishment survey (see also note #2).

2. Establishment data. Jobs are physically located in King County.

*** NOTE: 3 month changes may reflect seasonality rather than long-term trends.**

Source of unemployment data: http://www.workforceexplorer.com/admin/uploadedPublications/1886_laus_historical.xls.

Source of industry employment data: Washington State Employment Security Department, *Nonagricultural Wage and Salary Workers Employed in Washington State*, http://www.workforceexplorer.com/admin/uploadedPublications/4482_industry_historical.xls.

Brief Notes on Employment Data

- There is a critical distinction between sources that collect information from “business establishments,” as opposed to those derived from household surveys of individuals. Establishment surveys count jobs on a geographical basis. For example, from this type of survey, King County jobs include only those physically located in the county.
- One frequently cited measure, the unemployment rate, is derived mainly from a survey of *households*. A King County resident is counted as employed if they have a job anywhere (e.g. they work for Boeing in Snohomish County). Because of this, the number of jobs in the establishment and household surveys for a particular area may not match.
- Household surveys pick up self-employed individuals, but establishment surveys do not.
- In order to be considered unemployed in the household survey someone has to be looking for work. If they are no longer looking for work, they are not considered unemployed (because they are no longer in the “labor force”).
- Because of the somewhat narrow definition of unemployment, other measures may be used as supplements. For example, the “employment-to-population ratio” captures the percent of those over age 16 who are employed, whether or not they are looking for work. A sharp decline in this measure is likely to indicate a weak job market. Other measures may include underemployment (e.g. proportion of workers involuntarily in part-time positions).

Resources

- Washington State Employment Security Department, “Workforce Explorer”: <http://www.workforceexplorer.com/>
- U.S. Bureau of Labor Statistics: <http://www.bls.gov/home.htm>
- Puget Sound Regional Council: <http://www.psrc.org/>
- EconData.net: <http://econdata.net/>
- FDIC, Regional Economic Conditions, <http://www2.fdic.gov/recon/>
- Puget Sound Business Journal, <http://www.bizjournals.com/seattle/>
- Manpower (see Employment Outlook Survey) <http://www.manpower.com/mpcom/index.jsp>

Seattle Jobs Initiative is a nonprofit organization that creates opportunities for people to support themselves and their families through living wage careers. All of our work is designed to eliminate barriers to good paying, long-term work. We creatively align support services - including housing, childcare, transportation and counseling - with job skills training and job placement assistance. Our policy work supports legislative changes that improve access to training and services for low-income individuals. Through partnerships and innovative approaches, we help people chart a path to economic self-sufficiency. See <http://www.seattlejobsinitiative.com/>