

Study shows state's middle-class jobs not expected to grow

Even when employment starts growing, middle-class jobs will lag as the economy in Washington and the U.S. slowly becomes more polarized between high- and low-wage work, forecasts show.

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By Drew DeSilver, Seattle Times business reporter

Robert Osborn has done enough acting to know that it's not the most secure profession in the world: "When you do a play, you know it's going to be over in a few weeks and you're going to be out auditioning for the next thing."

But Osborn, who has a theater degree from Indiana University, didn't expect to become an itinerant player on the economic stage.

He hasn't had a full-time, permanent job since he moved in 2007 to Tacoma from his native Indiana, where he'd worked as a welfare-fraud investigator. One job was eliminated before he'd even completed orientation. Then he worked at the Census Bureau, but he hasn't found a steady job since that national tally ended.

The 41-year-old expected his varied office-work experience would be enough to get him another decent-paying job. Now, he's started applying for lower-wage retail work.

"You get to a point where you're just applying anyplace," he said.

Osborn is hardly alone. The Great Recession eliminated hundreds of thousands of middle-income jobs, those paying between \$30,000 and \$50,000 a year. Employers haven't added many back during the sluggish recovery.

But even after the economy begins generating large numbers of jobs again, midlevel workers such as Osborn likely won't find as many opportunities as even a decade ago.

Over the coming decade in Washington, for instance, the fastest growth will be in occupations with median salaries of \$75,000 or above, according to a Seattle Times analysis of wage data and job projections from the federal Bureau of Labor Statistics (BLS) and the state Employment Security Department. Such jobs typically require at least a bachelor's degree or specialized training.

The next-fastest growth will be in low-wage, low-skill jobs, such as home health aides or food preparers.

Middle-wage jobs are projected to just barely keep pace with population growth. Given the faster growth in the other categories, that means middle-wage occupations will be a smaller and smaller slice of the overall state economy.

That trend has Osborn and his wife, Deborah, worried that they'll be squeezed out of the middle class permanently. As it is, they're surviving on Robert's unemployment, Deborah's pay as a private caregiver, and the corn, vegetables and chicken eggs they raise in the backyard.

"We need middle-class Americans to do middle-class jobs at middle-class wages," Deborah Osborn said. "We're the spenders who keep corporations in their wealth, and our tax dollars support the most fragile and economically challenged of our society. If you cut the middle class out, who's going to support the upper and lower classes?"

Routine midlevel jobs are particularly susceptible to automation or outsourcing, said MIT economist David Autor, who has studied what he terms the "polarization" of the U.S. job market for years.

As more people bank online, banks need fewer tellers. Insurers can automate tasks such as enrolling customers and processing claims. Facebook posts and Groupon deals don't have to be delivered by postal carriers. Utility meters can be read remotely.

In contrast, Autor said, the fastest-growing jobs - from physician assistants and registered nurses to home-care aides - tend to require specialized skills, individual judgment, physical presence at the worksite, or all three.

Of the 10 occupations the BLS projects to grow fastest nationally over the next several years, seven typically require a bachelor's degree or higher. (In another indicator of polarization, two of the top 10 - home health aides and personal and home care aides, among the lowest-paying occupations - require only short-term on-the-job training.)

In Washington, the fastest-growing jobs will be those requiring a two-year associate degree or a four-year bachelor's degree, according to The Times analysis. Jobs requiring moderate- or long-term on-the-job training - most of which are middle-income - are projected to lag overall jobs growth.

That's not good news for people such as Kimberly Wolfe, of Tukwila. Wolfe, 47, has alternated between temporary and permanent office-administrative jobs during her working life, using the former to pick up skills that she's been able to deploy in the latter; she said she's generally been able to maintain a pay rate of \$15 to \$18 an hour.

"Until this (recession) started, I've never gone more than a month without having a job if I wanted one," Wolfe said as she trolled for job openings online at the Boulevard Park Library.

But now, she said, even temp work is scarce, and when she can find it the pay rate is well-below what she's used to. Employers, she said, expect more skills - and more specific ones - from their workers coming in, and aren't as willing to give people a chance to learn on the job.

Wolfe studied project management at Bellevue College and geographic-information systems at Green River Community College, but didn't finish either program. Now, she acknowledges that she requires more formal training.

"I need to go back to Bellevue and get the project-management certificate, and then maybe the AA in business management, but I need the money to do it," she said.

However, Wolfe's realization didn't come until after the deadline passed for her to apply for Washington's Training Benefits program, which gives people extra weeks of unemployment benefits so they can train for careers in high-demand fields.

Wolfe said that when she filed for unemployment, "I couldn't imagine that I wouldn't have a job in a month or two, and that I'd need more schooling."

"In the past, if you thought that whatever skills you had at your last job probably would be enough for the next job, you'd probably be OK," she said. "Now, you have to be more skilled than you really need for the job you're looking for."

Wolfe expects her benefits to run out by the end of the year. "After that, if I don't have some work, I got nothin'."

Job polarization isn't solely an Internet 2.0 phenomenon or fallout from the Great Recession. Autor's research shows that it's been going on since at least the late 1980s.

Manufacturing, which historically generated many of the nation's midlevel jobs, has been declining in relative terms since the 1950s, as service industries have come to dominate the U.S. economy.

More recently, technology and global trade liberalization have combined to let U.S. firms do more and more of their work overseas, not just manufacturing, but service jobs - from computer support to reading X-rays. And the real-estate collapse has vaporized many middle-income construction jobs.

Many middle-skill blue- and white-collar jobs, Autor said, typically require learning and following a set of rules (which computers can do better than people) but don't necessarily have to be performed on site or in person.

By contrast, he said, most high- and low-end jobs call for more judgment and flexibility than machines can handle - which is why robots (so far at least) neither manage companies nor pick apples.

While many low-skill jobs also have been automated or shifted abroad, many more have been created in service industries such as health care. At the same time, jobs in advanced-technology industries or using advanced information technology almost by definition require more specialized training than most midlevel workers have.

Not all middle-tier jobs are declining. In Washington, some of those that are expected to grow strongly over the next several years include computer-support specialists, medical transcriptionists, surgical technologists and massage therapists.

But those jobs, too, require various kinds of specialized training or education. Workers who don't get that training, Autor said, will face shrinking job opportunities.

"It's rarely the case that the people who are displaced (by structural change) are the same people who benefit," he said. "But if the drywaller's kids are going to become phlebotomists or insurance coders, they're going to have to have a different kind of education."

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