

**WASHINGTON STATE
WORKFORCE TRAINING AND EDUCATION COORDINATING BOARD
MEETING NO. 125
MARCH 27, 2008**

**HIGH SKILLS HIGH WAGES: TOMORROW'S WORKFORCE:
An Overview of Demographic Trends**

This is a draft of the second chapter of *High Skills, High Wages 2008*. The chapter discusses demographic trends in Washington's workforce. Major findings are:

- Washington's workforce is growing more slowly than in the past, with in-migration from other states and abroad contributing to more than half of our future growth.
- Compared to Washington's workforce of today, tomorrow's workforce will be older and more racially and ethnically diverse.
- Many people with disabilities, who account for 16 percent of the state's working-age population, would like to work, but labor force participation for this population has declined over time.
- We benefit from the high educational levels of some new arrivals, but some overseas arrivals and their children will need additional education and training support to prosper here.
- New arrivals are often older youth. Youth in their late teens and early twenties are a very mobile population with a high rate of unemployment.

At the March meeting, the Board will have a presentation of the draft chapter and have the opportunity to discuss the implications of the demographic trends.

Board Action Required: None. For discussion purposes only.

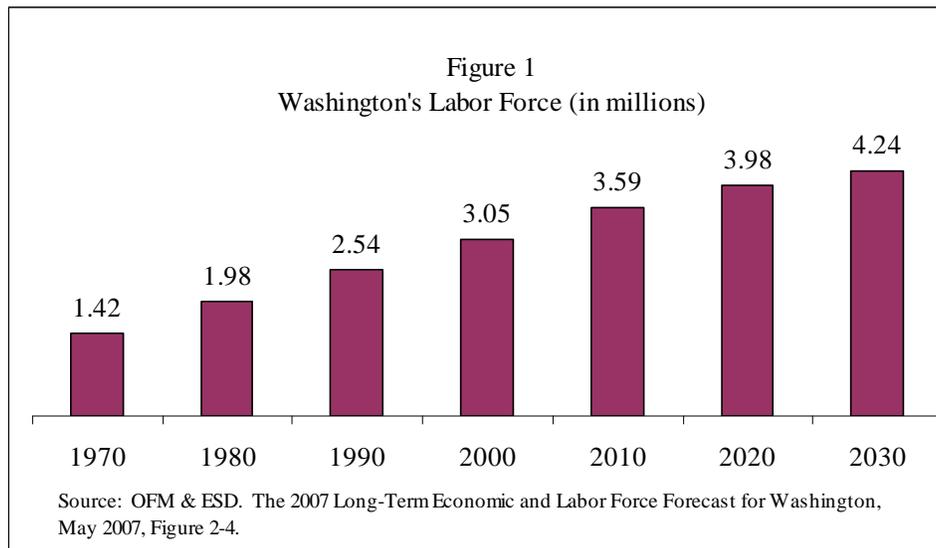
TOMORROW'S WORKFORCE

Challenges and Opportunities

Compared to Washington's labor force¹ of today, tomorrow's labor force will be older, more racially and ethnically diverse, and the labor force will grow at a slower rate. This changing workforce and the changing needs of a knowledge-based economy pose challenges and opportunities for Washington's workforce development system. The challenges of slower population growth and increasing skill needs make it essential that we provide new arrivals and historically underutilized populations with the knowledge and skills to enable them to participate more successfully in tomorrow's economy.

Workforce Growth Slows

During the 1980's, Washington's labor force grew rapidly at an average annual rate of 2.5 percent. In the 1990's, the rate slowed to 1.9 percent and is expected to decrease further to 1.7 percent between 2005 and 2010, to 1.0 percent between 2010 and 2020, and to 0.6 percent between 2020 and 2030.² The number of workers in Washington increased 1.64 million between 1970 and 2000 and is projected to increase by only 1.18 million in the 30 years between 2000 and 2030.



¹ In this report, the term "labor force" is used synonymously with the term "workforce" and refers to the civilian non-institutional labor force, which is composed of individuals age 16 or over who are currently employed (either part-time or full-time) or who are actively seeking employment. Individuals who are in nursing homes, prison, or the military (referred to as the institutional population) are not considered to be either in the civilian labor force or part of the base population from which the labor force is drawn. Other individuals who are not in the civilian labor force are those who are not employed and not seeking employment. Common reasons for not being in the labor force include retirement, ill health or injury, attending school, or doing housework at home.

² Washington State Office of Financial Management (OFM) and Employment Security Department (ESD), *The 2007 Long-Term Economic and Labor Force Forecast for Washington*, May 2007, Tables updated in 2007 for text from 2005. <http://www.ofm.wa.gov/economy/longterm/2007/longterm07.xls>

The Migration Factor in Population and Labor Force Growth

These growth rates, while slowing, are higher than labor force growth rates expected for the United States as a whole. Some of the growth in Washington's population and labor force results from in-migration from other states and from overseas. According to the 2000 US Census, only 47 percent of Washington residents were born in this state (well below the 60 percent average for the nation). Between 1990 and 2000, some 63 percent of Washington State's population growth came from net in-migration³, the amount by which the number of people entering the state exceeded the number who left.⁴

In the past, in-migration has increased or decreased depending on how well Washington's economy is doing relative to California and the rest of the country. Net in-migration ranged from 70,000 to 80,000 per year in the early 1990s, dropped below 30,000 per year in 2000 and again in 2003 during the Boeing and dot.com downturn, and has exceeded 70,000 per year again since 2005. Office of Financial Management's (OFM's) long-term projections expect net in-migration of 48,100 new residents per year beyond 2015, as compared to natural increase of 37,000 per year.

New residents moving here from other states (most frequently California and Oregon) often have high levels of education and contribute directly to our prosperity. Forty-one percent of new residents over the age of 25 arriving in 2006 had a BA or professional degree, as opposed to only 31 percent of the Washington population receiving them.⁵

Net in-migration is driven mainly by the ability of the Seattle and Portland metropolitan areas to attract new residents. The US Census Bureau tracks net migration for the young, single, and college educated by region, state, and metropolitan area. Between 1995 and 2000, Oregon and Washington were 5th and 6th out of the 50 states in attracting this group, drawing twice as many young, single and college-educated residents as left for other states. The Portland metropolitan area, which includes Vancouver Washington, was 5th and the central Puget Sound area was 12th out of 276 metropolitan areas in net in-migration rates nationwide. The other metropolitan areas of the state, Bellingham, Spokane, Tri-Cities, and Yakima, were net exporters of young, single, college educated people.⁶

Between 1995 and 2000, 890,000 new residents arrived from out of state and 590,000 left the state. Net in-migration rates were highest among young adults and their children. Among those age 20 to 30 in 1995, 17 percent of Washington residents left the state, but were more than replaced by new arrivals equivalent to 28 percent of Washington's starting population in that age group, producing a net increase of roughly 10 percent. The net increase from migration for younger school-aged populations was around 5 percent. For residents over 35 years of age net increase averaged 3 percent.⁷

³ Migration is movement that crosses jurisdictional boundaries, according to the U.S. Census. In-migration is movement into an area, such as the State of Washington, during a given period. Out-migration is movement out of an area during a specific period. Net in-migration occurs when there is more in-migration than out-migration during a specific period. We have hyphenated in-migration and out-migration to conform to usage by OFM.

⁴ OFM, Forecast of the State Population by Age and Sex: 1990 to 2030, November 2007. Data from Table 1.

⁵ American Community Survey for 2006, Table S0701 Geographic Mobility by Selected Characteristics.

⁶ US Census 2000 PHC-T-34, Migration for the Young, Single, and College Educated in the United States, Regions, States, and Metropolitan Areas: 2000, Table 2. <http://www.census.gov/population/www/cen2000/phc-t34.html>.

⁷ Calculations, including percent of migrants from overseas are calculated from OFM, *Migration between 1995 and 2000 for the State and Counties by Residence in 1995*. These figures understate total migration because they do not

About 78 percent of the in-migrants were from other states in the United States, and 22 percent from overseas. As discussed later, the education levels of arrivals from overseas differ considerably from the education levels of domestic in-migrants.

Population and Labor Force Growth from Natural Sources

The other source of labor force growth is the natural increase – the number of native Washington residents who age into the working age population, minus the residents who age out of the labor force. This source of labor force growth is slowing due to the aging of the baby-boom generation and the lower birth rates of subsequent generations.⁸ Women in Washington State have an average of 1.9 to 2.0 children over their lifetimes,⁹ a rate that would, over the long run, produce zero population growth. In the short run, annual births are expected to increase as the third wave of the baby boom appears: the grandchildren of the baby boomers. That is part of the explanation for why labor force growth is projected to be higher in the next decade than in the ones that follow.¹⁰

Retirement and other exits from the labor force will increase as baby boomers age over the next decade. Because of the lower birth rates, the most active labor force participants, aged 25-54, will increase by an average of only 19,400 persons per year between 2005 and 2030 compared to 44,300 persons between 1970 and 2004. Forty to forty-five percent of labor force growth through 2030 will come from natural increase.

These factors affect all industrialized nations, most of which have lower fertility rates and less in-migration than the United States. Western Europe, for example, should see its population increase by only 2 percent in total (one-tenth of one percent per year) between 2005 and 2030 and see its working age population (ages 15-64) decline by 7 percent over that time period. In only three Western European countries are working age populations expected to be as large in 2030 as they are today: France, Ireland, and Norway.¹¹

Population growth is slowing, and so is the labor force participation rate, the percentage of the working age population that is either working or looking for work. Washington's labor force participation rate peaked in 1990 with a projected decrease by 7 percentage points through 2030. Figure 2 shows details. The labor force projections shown in the Figure are based on the expected labor force participation rates of Washington residents and expected in-migrants, based on their ages and past behavior.

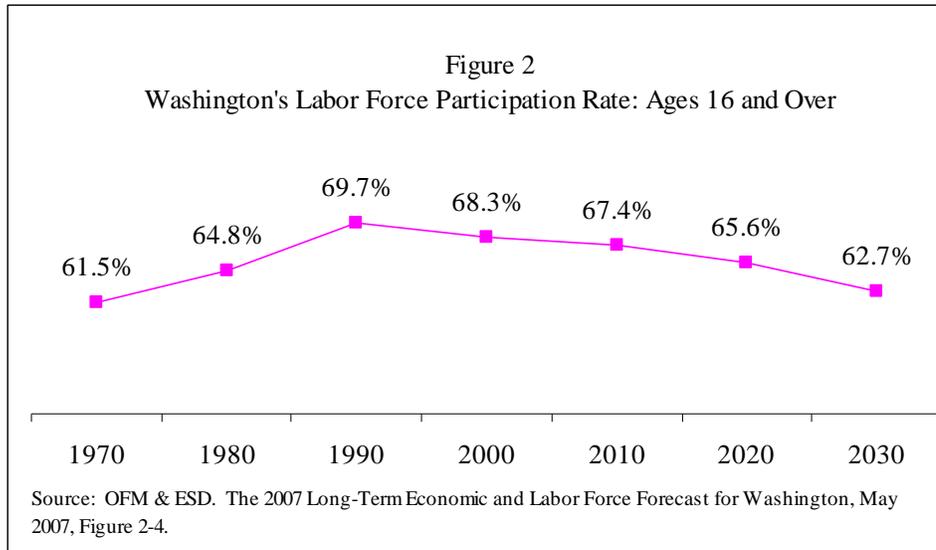
include Washington residents who left the country. Figures for in-migrants are based on the 2000 Census. See: http://www.ofm.wa.gov/pop/migration/95to2000_%20cnytocnty_mig.xls,

⁸ The baby-boom years are between 1946 and 1964, with the peak birth year being 1957. Mitra Toossi, "A century of change: the U.S. labor force, 1950-2050," *Monthly Labor Review*, May 2002.

⁹ OFM, *Forecast of the State Population by Age and Sex: 1990 to 2030*, November 2007.

¹⁰ The other factor reducing population growth over time is OFM's expectation of reduced in-migration from Asia in future decades, as economic opportunities for Asian residents increase at home.

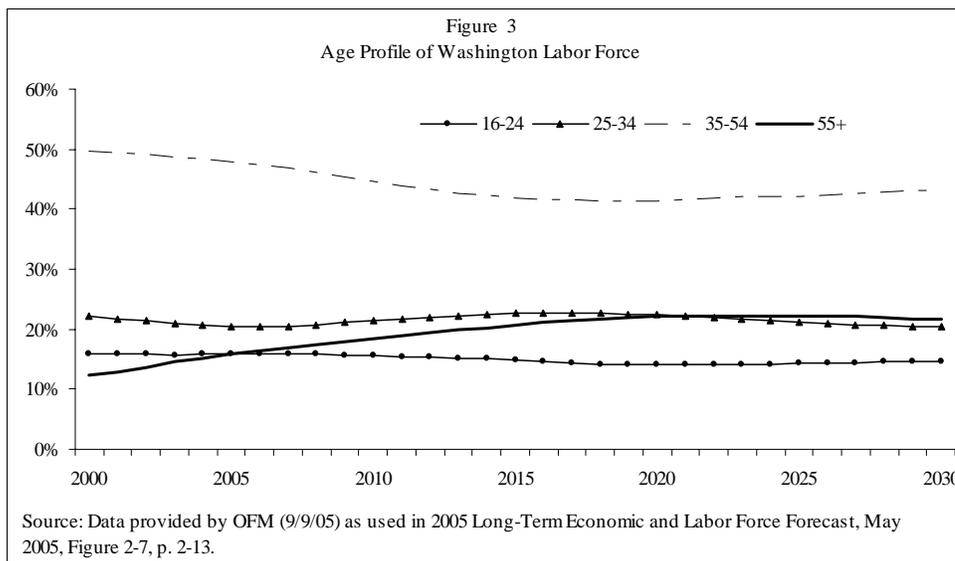
¹¹ US Census Bureau International Data Base, updated July, 26, 2007, extracted March 2008.



Factors that affect labor force participation are described below. They include changes in the age profile of the population, changes in rates of disability and rates of labor force participation by people with disabilities, and the increase in the labor force participation rates of women in the period between 1970 and 1990.

The Aging Population

The state’s percentage of older adults age 55 and over is expected to increase from 12 percent of the labor force in 2000 and 16 percent in 2005 to 22 percent of the labor force in 2030.¹²



Historically, labor force participation rates drop significantly at ages, 62 and 65: 62 is the earliest age that one can retire and receive Social Security benefits and 65 had been the “normal” age at which one could retire and receive full Social Security benefits. Beginning with the year 2000, the normal retirement age for receiving full Social Security benefits increased. In 2000, the age

¹² Data provided by OFM, 9/2005.

of full retirement increased by 2 months for those born in 1938, 4 months for those born in 1939, and 6 months for those born in 1940, and so on until 1943. The normal retirement age for those born between 1943 and 1954 is 66; incrementing by two months for those born in 1955 until 1960. The normal retirement age for those born in 1960 and later is 67.¹³

There are, however, those who will opt to continue to work despite the ability to retire and many who will continue to work out of economic necessity. As individuals live longer and healthier lives, they may choose to remain in the workforce longer to stay engaged in activities that enhance their lives. The Senior Citizen Freedom to Work Act of 2000 eliminated a disincentive for those 65 to 70 to continue working. Prior to 2000, many of those 65 to 70 who wanted to continue working were discouraged from doing so because of the earnings penalty in the form of reduced Social Security benefits they would incur with earned wages.¹⁴ Others might stay in the workforce to assure their economic security and to maintain health care benefits.¹⁵ The rising costs of retiree health care benefits are already leading to employers reducing or eliminating these benefits for future retirees, forcing many employees to remain in the workforce in order to maintain reasonable health care coverage.

As a result of these factors, workers over the age of 65 are expected to be the fastest growing age group of the labor force between 2005 and 2030. This group will increase from 3 percent of the labor force in 2005 to almost 8 percent in 2030, increasing in number from 103,400 to 325,400.

As older workers leave the labor force, they take with them years of valuable experience and knowledge. Employers will need to consider this loss as they hire and train younger workers. On the other hand, for older workers who remain in the workplace, as they age, so do their skills and knowledge. Some will need minor upgrading while others will need substantial retraining to meet changing job requirements.

Young Adults in the Workforce

On the opposite end of the age spectrum are young adults, 16-24, part of the baby boom echo (born between 1982 and 1995). Although this is a large potential workforce, this age cohort tends to have low labor force participation. In 2006, the labor force participation rate of 16-24 year olds was 63.4 percent, for 25-54 year olds it was 81.8 percent and for 55-64 year olds it was 63.2 percent.¹⁶ A large number of 16-24 year olds are still in school—either high school or postsecondary education. Too many others are no longer in school; many dropped out of high school. The Office of Superintendent of Public Instruction's (OSPI's) Washington State Report Card indicates that only 70.4 percent of the class of 2006 graduated on-time after four years of

¹³ Social Security Online, <http://www.ssa.gov/retirechartred.htm> (September 13, 2005).

¹⁴ Mitra Toossi, "Labor force projections to 2012: the graying of the U.S. workforce," *Monthly Labor Review*, February 2004.

¹⁵ Stephen J. Rose and Heidi I. Hartman, *Still a Man's Labor Market: The Long-Term Earnings Gap*, (Washington, D.C.: Institute for Women's Policy Research, 2004).

Andrew D. Eschtruth and Jonathan Gemusm, "Are Older Workers Responding to the Bear Market?" *Just the Facts On Retirement Issues*, September 2002, Number 5, http://www.bc.edu/centers/crr/facts/jtf_5.pdf (September 12, 2005).

Kelly Greene, "Many Older Professionals Delay Their Retirement," *The Wall Street Journal Online. CareerJournal.com*, <http://www.careerjournal.com/myc/retirement/20031002-greene.html> (September 12, 2005).

"Retirement Plans Retreat in Recession," *Silicon Valley/San Jose Business Journal*, March 5, 2003, <http://sanjose.bizjournals.com/sanjose/stories/2003/03/03/daily34.html> (September 12, 2005).

¹⁶ America's Community Survey for 2006, Table S2301, Employment Status

high school and only 75.0 percent of that year's class will eventually graduate by age 21.¹⁷ In 2006, 61,579 Washington teenagers between the ages of 15 and 19 were not enrolled in school and just over 20,000 (4.4 percent) were neither enrolled in school or in the labor force.¹⁸

Almost 19 percent of Washington's 18-24 year olds had less than a high school diploma or GED.¹⁹ Although some of them will eventually earn their high school diploma or an equivalent (such as the GED) and go on to participate in higher education, many more will continue to be challenged in the workplace because of their inadequate levels of education.

Another measure of the workforce preparation of Washington youth is performance on the Washington Assessment of Student Learning (WASL). The WASL measures student learning of skills and knowledge important to our children's success in school and life. The following essential learning requirements are covered:

- Reading with comprehension, writing effectively, and communicating successfully;
- Knowing and applying the core concepts and principles of mathematics; social, physical, and life sciences;
- Thinking analytically, logically, and creatively, and to integrate different experiences and knowledge to form reasoned judgments and solve problems; and
- Understanding the importance of work and finance and how performance, effort, and decisions directly affect future career and educational opportunities.

The performance of our students as measured by the Washington Assessment of Student Learning (WASL) and other assessments is getting better, but is not yet good enough. Currently only about half of tenth-graders meet the math standards and 35 percent meet the science standards thought essential to subsequent success. Academic preparation alone, however, is not sufficient to prepare young people for their future.

Seventy-nine percent of high school graduates work during the year after high school, and 34 percent work and do not attend postsecondary education or training.²⁰ Employers who hire these young people report that too many lack basic workplace or employability skills and the specific job skills that employers are looking for.²¹

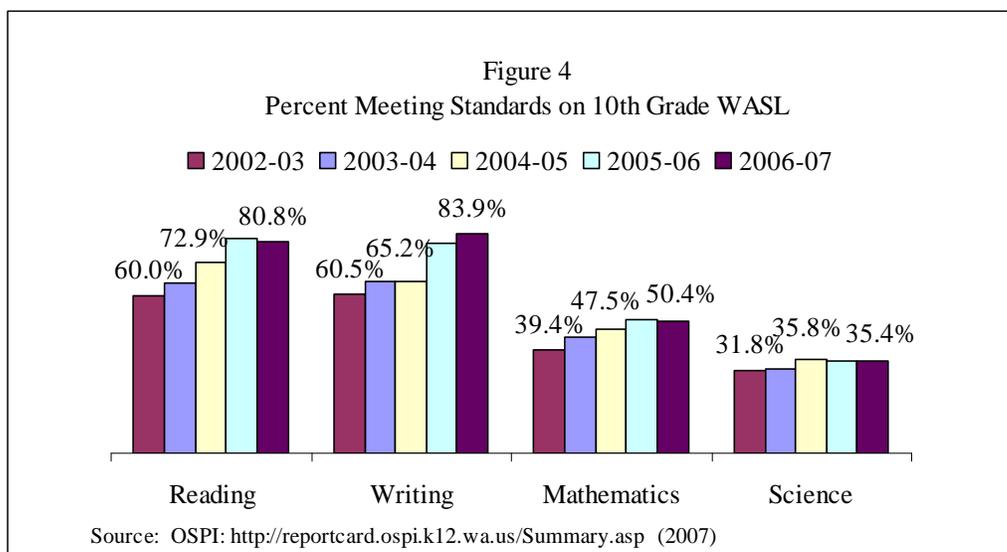
¹⁷ Washington State Report Card for 2006-07: <http://reportcard.ospi.k12.wa.us/summary.aspx?year=2006-07>. Data may be subject to upward revisions. The on-time graduation rate for the 2004-05 school year was 74.3 percent. Explanations for the drop between 2004-2005 and 2005-2006 may involve data reporting errors not yet corrected by high schools rather than an actual drop in graduation rates. The 75.0 graduation rate is an extended graduation rate based on the on-time graduation rate for 2005-06 plus an estimate of the number in that class who will graduate through age 21 based on the profile of late graduations that occurred during the 2005-06 school year.

¹⁸ America's Community Survey for 2006, Table S0902, Teenagers' Characteristics.

¹⁹ America's Community Survey for 2006, Table S1501, Educational Attainment.

²⁰ OSPI, Washington State Graduate Follow-up Study: Class of 2005 All Graduates First Year after Graduation, <http://survey.sesrc.wsu.edu/gfs/pdfpapers/class2005Y1AllGrads.pdf> (2007).

²¹ Workforce Training and Education Coordinating Board, *Secondary Career and Technical Education Works*, (nd).



Youth are the most mobile of Washington's population groups. Almost 10 percent of 18-24 year olds living in Washington in 2006 had been living in another state or outside the country a year earlier. Another 10 percent had been living in a different county in Washington State a year earlier. Another 22 percent changed residence within the counties they had lived in a year earlier. This will complicate efforts to serve them.

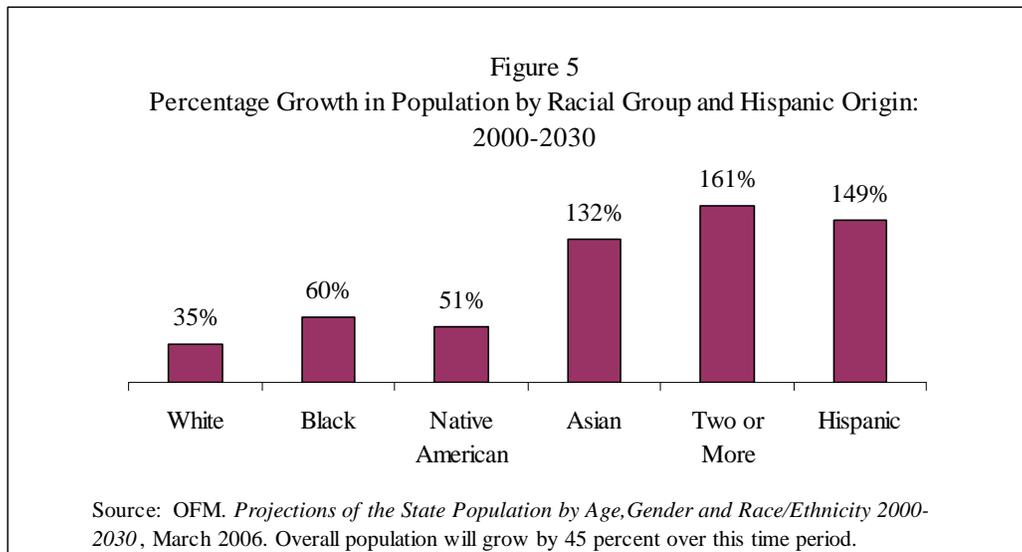
Racial and Ethnic Diversity in the Workforce

In future years, the population of Washington is expected to become more racially and ethnically diverse. Between 2000 and 2030, all non-white groups are expected to grow faster than whites.²² Consistent with the earlier description of workforce growth, a considerable amount of this increased diversity is the result of in-migration from outside the state and from overseas. This is important to remember as we discuss the challenges and opportunities faced as diverse new populations are assimilated into our labor force. We do not have the opportunity to provide a primary or secondary education to many of these new arrivals and those who enter as children or teenagers may need assistance in making use of the secondary educational opportunities available here.

The Hispanic and Asian and Pacific Islander populations are the fastest growing among all racial and ethnic groups other than multi-racial individuals. The Hispanic population is projected to grow from 441,500 in 2000 to about 1,199,500 in 2030, an increase of 149 percent.²³ The Asian and Pacific Islander population is expected to grow from 355,800 to 825,200 (132 percent) over the same period.

²² OFM reported on five major race groups: White only, Black only, American Indian/Alaskan Native only, Asian/Pacific Islander only, and Two or More (i.e., multi-racial). Unless otherwise indicated people from the different racial groups can be either from Hispanic or non-Hispanic origin. Further, people of Hispanic origin can be of any race.

²³ OFM. Projections of the State Population by Age, Gender and Race/Ethnicity: 2000-2030, March 2006. Percents shown here are from tables contained in that report. Percents reported in the text differ from percents calculated from population counts shown in the text, presumably due to rounding.



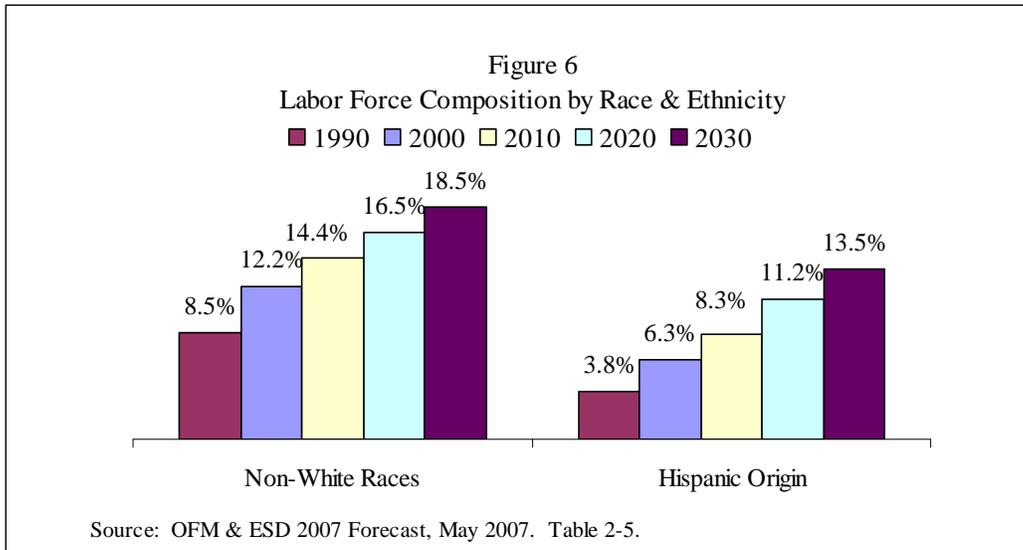
High in-migration rates are a major factor in growth of Hispanic and Asian and Pacific Islander populations. However, in-migrants come from all continents. One-eighth of Washington State's population in 2006 was foreign born (793,800 out of 6.4 million). Some 257,700 of these new residents entered the United States during the decade of the 1990s and 213,000 entered between 2000 and 2006. Thirty-six percent of in-migrants during this last period were from Latin America, 35 percent from Asia, 17 percent from Europe, 7 percent from Africa, and the remainder from Canada and Oceania. Forty-four percent of in-migrants were between 25 and 44 years of age in 2006, but many were younger—almost 42 percent were under the age of 25 and 24 percent were under the age of 18. In 2006, 77,700 foreign-born students attended elementary or secondary education in Washington State and another 58,400 were attending college or graduate school.²⁴

Overseas in-migrants are not the only source of Washington State's increased diversity. Some will come from natural increase as in-migrants have children. Much of the remaining increase in Washington's diversity comes from other states. New residents who arrive from other states make up the bulk of in-migrating non-white and Hispanic residents. In 2006, 60 percent of new Asian residents, 70 percent of new Hispanic residents, and 80 percent of new American Indian residents arrived from other states as opposed to other countries, compared with an average of 87 percent of new residents classified as White alone. In-migrants from other states in the past year made up 5.4 percent of Washington's Black population in 2006, 4.9 percent of the Asian population, and 4.5 percent of the Hispanic population, but only 3.3 percent of the white-only population and 2.8 percent of American Indians.²⁵

The cumulative impact of these trends is shown below in Figure 6. The percent of Washington's labor force from non-white backgrounds will more than double between 1990 and 2030. The percentage of Hispanic background will have tripled.

²⁴ American Community Survey for 2006, Table S0503 Selected Characteristics of the Foreign Born Population by Period of Entry.

²⁵ American Community Survey for 2006. Table S0201 Selected Population Profile in the United States (selected for specific racial and ethnic population groups).



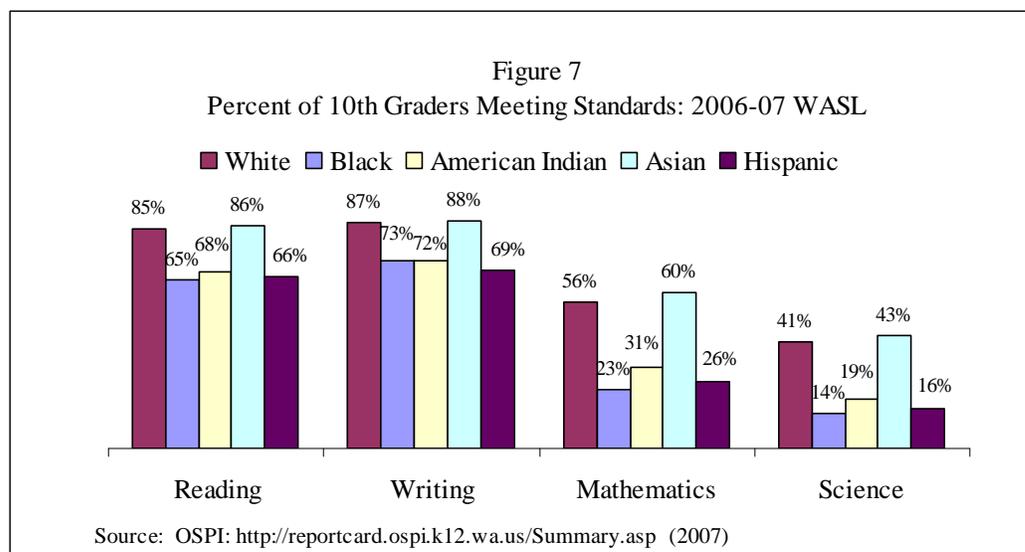
The increasing racial and ethnic diversity of the workforce introduces a critical issue with regard to the educational levels of future workers. Those from non-white racial backgrounds and Hispanics tended to have lower educational levels than non-Hispanic whites. In 2006, while 92 percent of the non-Hispanic whites 25 years or older had completed high school or its equivalency, only 56 percent of Hispanics and 78 percent of persons from non-white racial backgrounds had done so.²⁶

Without intervention, these trends are likely to continue. Seventy-nine percent of high school seniors in the class of 2005 graduated from high school (74 percent of them on-time). The graduation rate for white students and Asian/Pacific islanders were 82 percent and 85 percent respectively. These groups made up only 82 percent of high school students in 2005 (84 percent of seniors). Graduation rates for Hispanics, Blacks, and Native Americans were 66 percent, 62 percent, and 59 percent respectively. The 4 percent of high school students with limited English skills had a 66 percent graduation rate.

This pattern can be seen in WASL scores, which reflect skills needed in the workplace and which will affect graduation rates in the future. While over three-fourths of white and Asian students met the reading standards on the 10th grade WASL, just over half of African American, American Indian, and Hispanic students did.

Lower levels of education and skills in addition to racial and ethnic discrimination have negatively affected the labor market experiences of large percentages of individuals from racial and ethnic minority backgrounds. They tend to earn less and are underrepresented in high level positions. Although research has shown that policies such as affirmative action have mitigated

²⁶ American Community Survey for 2006, Table S0201 Selected Population Profile.



some of its effects, racial and ethnic discrimination continues to exist.²⁷ While the education system cannot completely eliminate the problems of racism, it can offer those from racial and ethnic minority backgrounds an opportunity to obtain the human capital needed to counteract some of its impact.²⁸

People with Disabilities

Nationally, incidence of disability appears to have increased, and labor force participation to have declined, since the passage of the Americans with Disabilities Act in the early 1990s. The reasons for this change are unclear, and even the facts are in dispute due to changes in definitions and surveys.²⁹ Survey questions used in the American Community Survey were changed as recently as 2003, making recent trends difficult to measure.³⁰

Low labor-force participation and employment rates may be at least partially the result of expansion of Supplemental Security Income benefits, which can be received by disabled people who are unable to work. However, discrimination may also be at work. We are reminded that society stigmatizes people with disabilities by treating them as deficient and that the provision of

²⁷ Francine D. Blau and Anne E. Winkler, "Does Affirmative Action Work?" *Federal Reserve Bank of Boston Regional Review*, Q1 2005, pp. 38-40, <http://www.bos.frb.org/economic/nerr/rr2005/q1/section3b.pdf> (9/26/2005). "Texaco: Case Study of Corporate Racism," *Revolutionary Worker*, #833, November 24, 1996, <http://rwor.org/a/firstvol/883/texaco.htm> (9/14/2005). Scott Sleek, "Three Decades after King, a report card," *APA (American Psychological Association) Monitor Online*, Volume 30, Number 1, January 1999, <http://www.apa.org/monitor/jan99/racism.html> (9/14/2005). "Racism in the Workplace," *Business Week Online*, July 30, 2001, http://www.businessweek.com/print/magazine/content/31_31/b3743084.htm?chan=mz (9/14/2005).

²⁸ Harry Holzer, "Expanding the African American Middle Class: Improving Labor Market Outcomes," July 15, 2005, http://www.urban.org/UploadedPDF/90828_holzer_072905.pdf (10/18/2005). Rakesh Kochlar, "Latino Labor Report, 2004: More Jobs for New Immigrants but at Lower Wages," May 2, 2005, <http://pewhispanic.org/files/reports/45.pdf> (9/13/2005).

²⁹ David C. Stapleton and Richard Burkhauser, Editors, *The Decline in Employment of People with Disabilities: A Policy Puzzle*, W.E. Upjohn Institute for Employment Research, Kalamazoo, Michigan, 2003.

³⁰ Sharon Stern and Matthew Brault, *Disability Data from the American Community Survey: A Brief Examination of the effects of a Question Redesign in 2003*, US Census Bureau, January 28, 2005.

accommodations such as wheelchair ramps and sign-language interpreters are perceived as acts of generosity rather than public investments or basic civil rights.³¹

In 2006, 13.5 percent of Washington residents aged 16 to 64 reported having one or more disabilities on the American Community Survey.³² Out of 576,000 residents with disabilities, an estimated 261,000 reported having disabilities but did not indicate that their disabilities made it difficult to work at a job or business; two-thirds of this group was employed. Another 315,000 Washington residents between the ages of 16 and 64 were estimated to have disabilities that did make it difficult to work at a job or business; only 19 percent of this group reported working and almost 32 percent had incomes below the poverty level. This employment-disability population included 7.4 percent of all Washington residents age 16 to 46. It is not yet possible to determine if the size of this group is increasing or decreasing.

People with disabilities tend to have less education than those without disabilities. Washington residents 18 to 34 years of age with disabilities were somewhat less likely to be in school than those without disabilities (24 percent compared with 26 percent). Among those who were not in school 26 percent of people with disabilities had less than a high school diploma compared to 14 percent of those without disabilities. Moreover, while 63 percent of those without disabilities had some postsecondary education, only 43 percent of those with disabilities did.³³

A survey of Washington's 2005 Special Education high school graduates³⁴ showed that 37 percent were attending postsecondary education and/or training programs in the sixth month after graduation, while 66 percent had identified postsecondary education on their Individual Education Plans (IEPs) as a goal after high school.³⁵

Women in the Workforce

In Washington, women's share of the labor force increased from 41.7 percent in 1980 to 46.3 percent in 2006.³⁶ Women's largest gains have already occurred. By 2030, women's share is projected to increase only slightly to 46.7 percent. Women will not make up 50 percent of the labor force unless they participate in the labor force at the same rates as men, and this is unlikely to happen in the foreseeable future.

While women make up more of the labor force, they continue to be underutilized. This is evidenced by their continued lower levels of compensation and hours of work compared to men despite similar levels of education. In 2006, 63 percent of both men and women over the age of

³¹ Sleek, "Three Decades," p. 3.

³² Categories of disability include sensory disability, physical disability, mental disability, self-care disability, go-outside-the-home disability, and employment disability. The latter is based on a question which asks "Because of a physical, mental, or emotional condition lasting 6 months or more, does this person have difficulty...working at a job or business?"

³³ American Community Survey for 2006, Table B18010 Disability Status by School Enrollment and Educational Attainment.

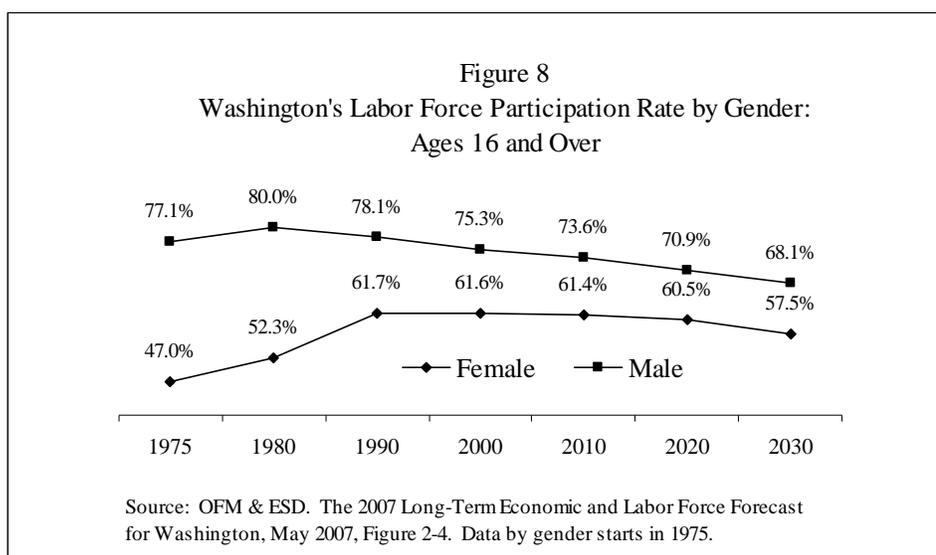
³⁴ Special Education is defined as having an IEP and graduation is defined as leaving high school with a diploma or aging out of special education services at age 21.

³⁵ Some of the 37 percent who were attending did not have postsecondary education as their IEP goal. About 39 percent of those who did have postsecondary attendance as their goal were attending. OSPI, *Post-School Status Report 2005 Special Education Graduates*, July 2006. Prepared for OSPI by the Center for Change in Transition Services, Seattle University.

³⁶ OFM & ESD, *2005 Forecast*. Tables updated in 2007.

25 had some postsecondary education.³⁷ Women on average worked 35.5 hours per week. Women's median earnings in 2006 were \$22,748. Median earnings for women who worked full-time for the full year were \$36,158. Men, on the other hand, averaged 41.4 hours per week in 2006, with median earnings of \$36,195. For full-time full-year male workers, median earnings were \$48,331.³⁸

Women's increased labor force participation rates have been associated with factors such as increasing levels of educational attainment, reduced or delayed marriage and childbearing, changing gender roles, and the decline in real wages, making a second income necessary to offset the loss in real earnings of male "heads" of households. Women's labor force participation rates may never exceed those of men, however, and like those of men will decrease into the near future mainly due to aging.³⁹



Labor force participation for women depends heavily on marital status. In 2006, labor force participation and employment rates for men and women who are single, separated, or divorced were essentially similar: 69 percent participated in the labor force and 63 percent were working.⁴⁰ However, 57 percent of working age women were married. Only about 60 percent of them participated in the labor force and 57 percent were working. By contrast, the labor force participation rate for married men was higher than for other men: 77 percent, with 74 percent working. Unless this pattern of increased labor force participation for married men and reduced participation for married women changes, it seems unlikely that the gap will close.

Child bearing and child rearing patterns also affect women's choices. Some 93,000 women between the ages of 15 and 50 years of age gave birth to a child within 12 months of responding to the American Community Survey, just under six percent of all women in that age range. Over 70 percent of births were to married women. Only 54 percent of women age 16 to 50 who gave birth to a child in the prior 12 months were in the labor force in 2006, as opposed to 73 percent

³⁷ American Community Survey for 2006, Table C15002 Sex by Educational Attainment for the Population 25 Years and Older. The figure for men was 63.2 percent; for women 63.6 percent.

³⁸ American Community Survey for 2006, Table B20017 Median Earnings by Sex by Work Experience in the Past 12 Months.

³⁹ OFM and ESD. *The 2005 Long-Term Economic and Labor Force Forecast for Washington, May 2005.*

⁴⁰ Those who participate in the labor force but are not working are unemployed – looking for work but not working.

of those who had not.⁴¹ Married women with new children face different work life choices than new mothers who are not married or are without partners. In either event, though, birth of children has a big impact on women's labor market outcomes.

Research shows that to a large extent the labor market disparities between women and men result from traditional gender roles and the career choices of women.⁴² Women bear a disproportionate share of childrearing and housework responsibilities and, consequently, they experience more frequent and longer spells away from work than men. Additionally, large percentages of women choose industries and occupations, such as education and social services that allow for more time with the family and appear to be more open to women. Also, women continue to enroll in fields of study that tend to pay less (e.g., office support occupations) than the fields that tend to be dominated by men (e.g., information technology). These constraints on employment tend to diminish promotional opportunities.

Summary

Compared to the workforce of decades ago, Washington's labor force today is older, more racially and ethnically diverse, and consisting of a higher proportion of women. In fact, it is a workforce that better reflects the changing composition of the population. However, the aging of the workforce and lower birthrates of the post-baby boom years suggest a potential labor force shortage in the future. With much of our growth coming from in-migration, Washington's ability to compete will rely on its ability to make sure that its population can obtain the skills they need.

Technological advances and globalization spurring the growth of a knowledge-based economy suggest that our existing workforce will need new skills too. We must consider how best to increase labor force participation and skills in order to assure continuing economic growth and prosperity. If we do nothing, we may find tomorrow's workforce unprepared and our economy wanting. If we act now, however, we may create new opportunities for previously under-utilized populations and enable our economy to grow into the future.

⁴¹ American Community Survey for 2006, Table S1301 Fertility.

⁴² Lisa Belkin, "The Opt-Out Revolution," *The New York Times*, October 26, 2003. Carrie Conaway, "Paying the Price," *Federal Reserve Bank of Boston Regional Review*, Q1 2005, http://www.bas.frb.org/economic/nerr/rr2005/q1/section_2c.pdf (9/14/2005). Diane Furchtgott-Roth, "The Statistically Misleading 74 Cent Wage Gap," Testimony before the Equal Employment Opportunity Commission, Philadelphia, PA, April 12, 1999, http://www.aei.org/publicatiopns/pubID.17864.filter.all/pub_detail.asp (9/14/2005). Cathy Young, "Opting Out," *Reason Online*, June 2004, <http://www.reason.com/0406/co.cy.opting.shtml> (9/14/2005).