

**WASHINGTON STATE
WORKFORCE TRAINING AND EDUCATION COORDINATING BOARD
MEETING NO. 155
JUNE 16, 2011**

**Unemployment Insurance Exhaustee Survey Results
The Trend in Middle Wage Jobs
Forecast for Jobs in Aerospace**

At the meeting, Greg Weeks, the Director of Labor Market and Economic Analysis for the Employment Security Department, will present information on several topics of interest to the Board.

No Board Action Required: For discussion only.

Middle-income jobs, unemployment insurance exhaustees and aerospace industry projections

Workforce Training and Education Coordinating Board meeting

By Greg Weeks, Ph.D., Director
Labor Market and Economic Analysis

June 16, 2011

Washington State
Employment Security Department



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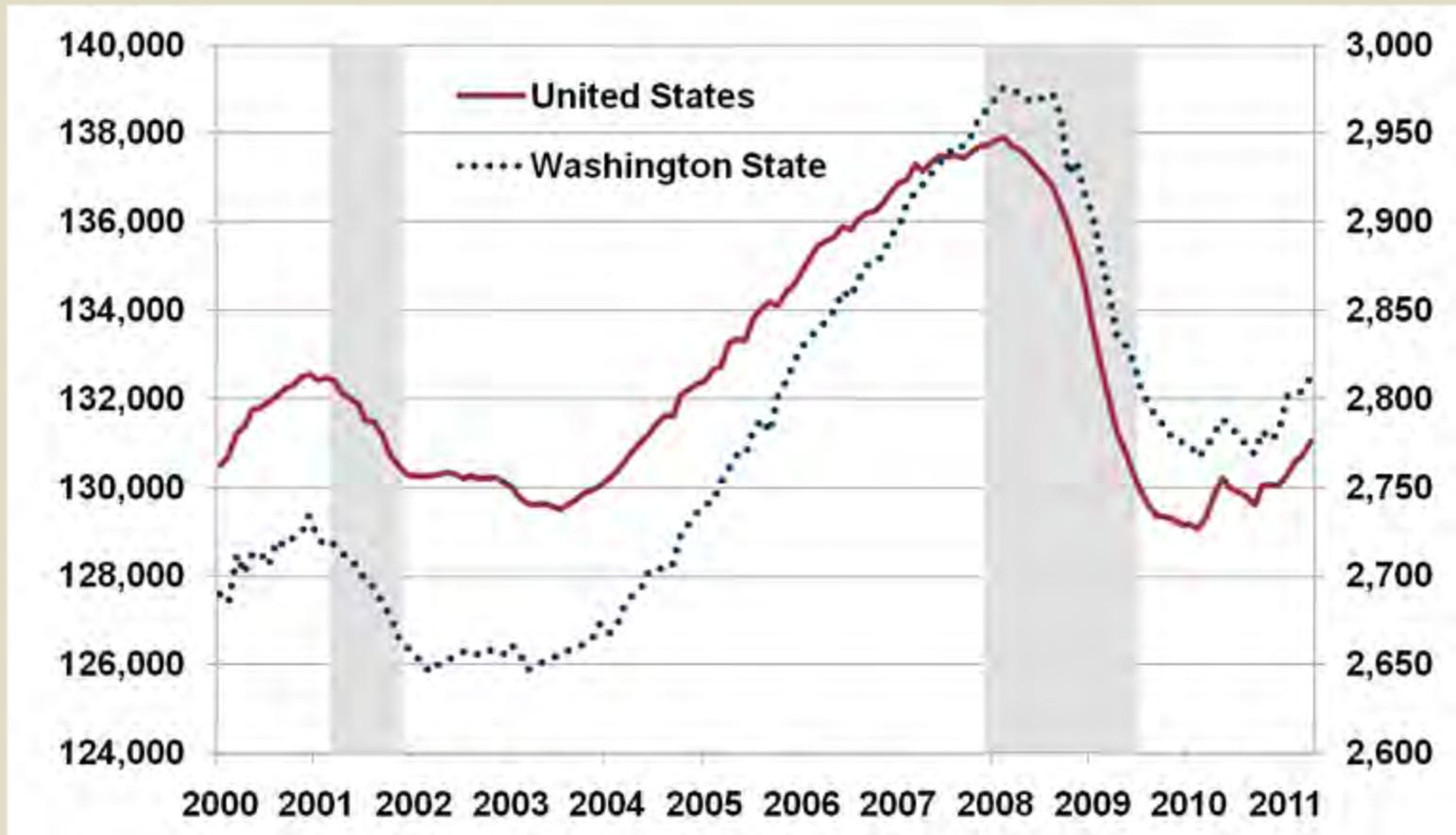
Washington's middle income jobs

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Nonfarm Employment, Washington State and U.S.



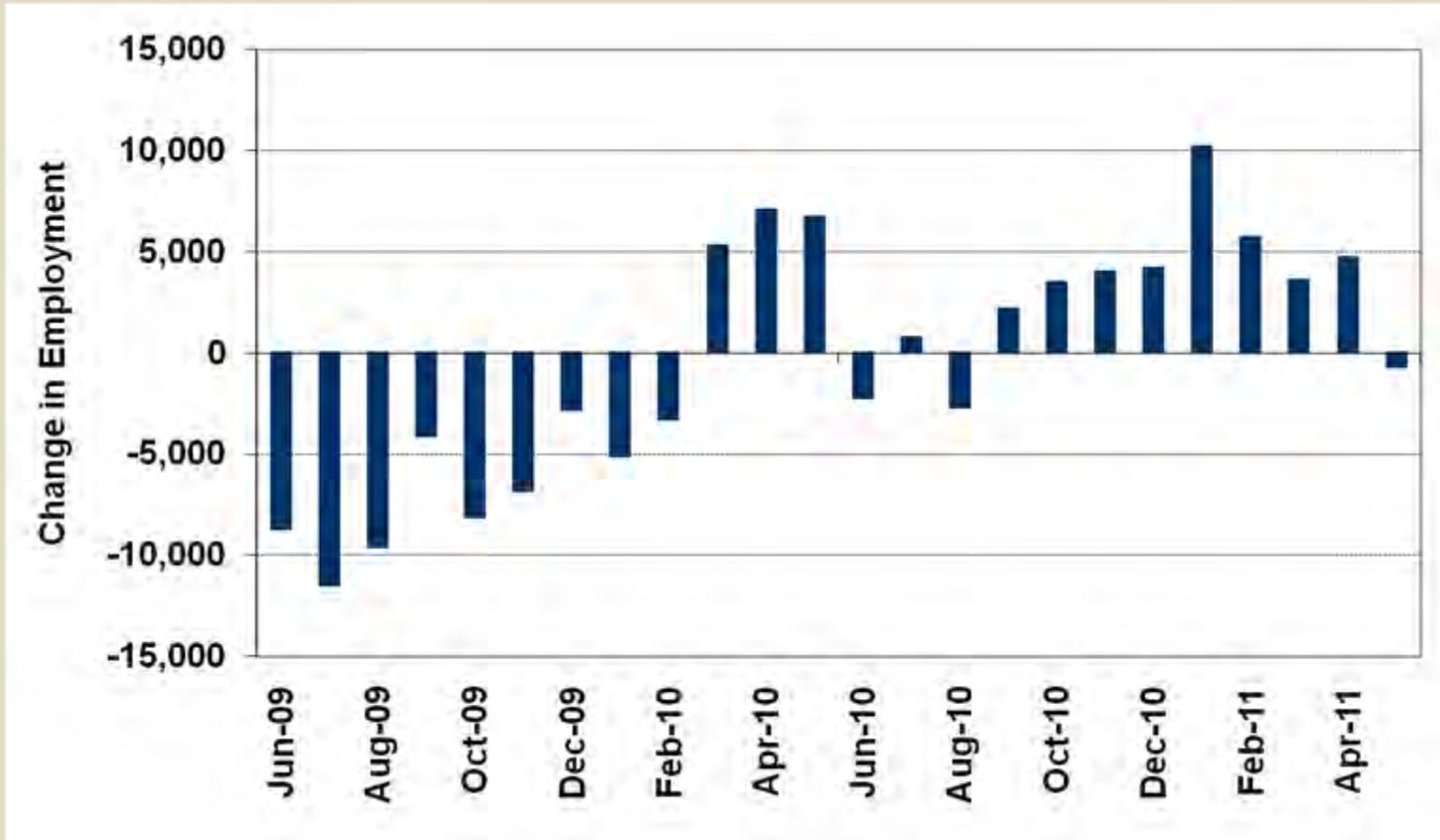
Source: Bureau of Labor Statistics/Haver Analytics/
Employment Security Department/LMEA

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Washington monthly employment change

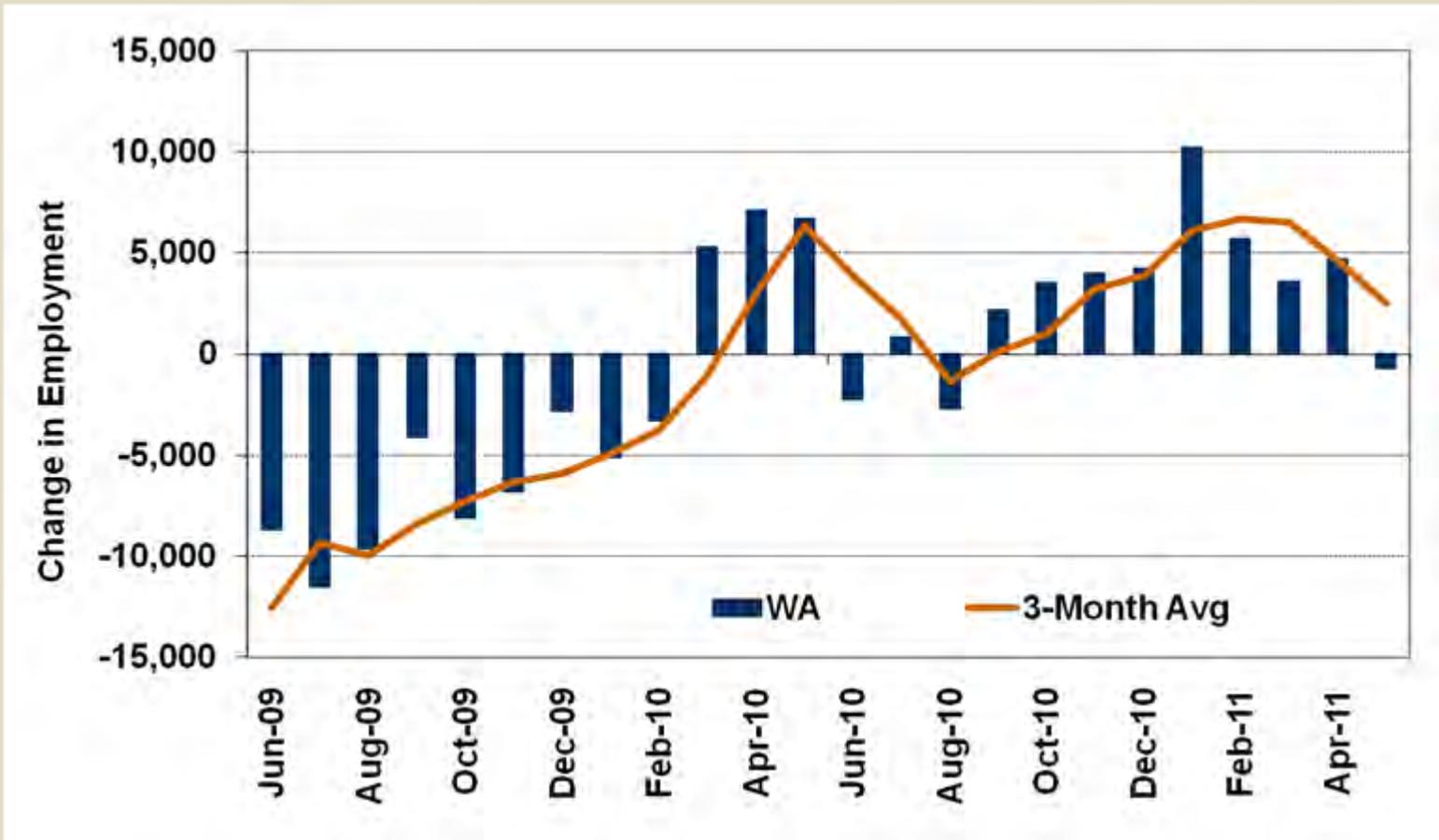


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Washington monthly employment change

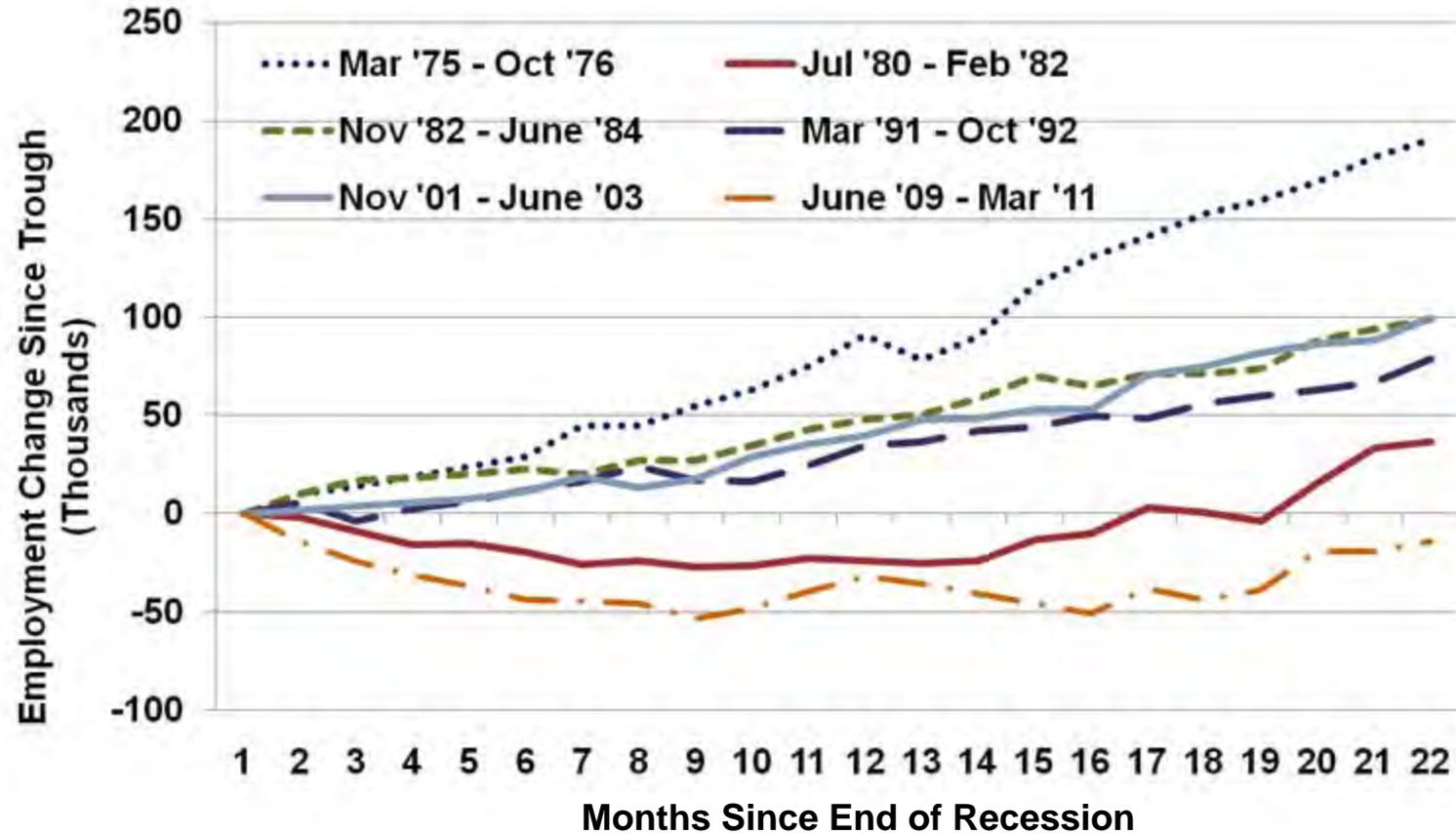


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Comparing Washington recoveries: employment change since trough



Washington unemployment rates by age and gender

Age Group	2007		2008		2009		2010	
	Male	Female	Male	Female	Male	Female	Male	Female
16 to 19 years	20.0	15.1	27.0	24.3	36.5	25.6	46.1	24.2
20 to 24 years	10.2	7.7	11.0	4.4	15.2	12.1	20.5	14.0
25 to 34 years	3.5	3.9	5.2	3.4	10.7	5.8	10.1	9.8
35 to 44 years	3.7	3.0	4.8	3.9	9.7	7.0	9.7	7.4
45 to 54 years	2.8	3.1	3.3	3.6	6.2	5.6	7.3	6.7
55 to 64 years	4.1	3.9	4.0	4.2	8.9	5.3	9.0	6.3
65 years and over	4.2	2.3	2.0	NA	8.4	2.9	12.4	5.7

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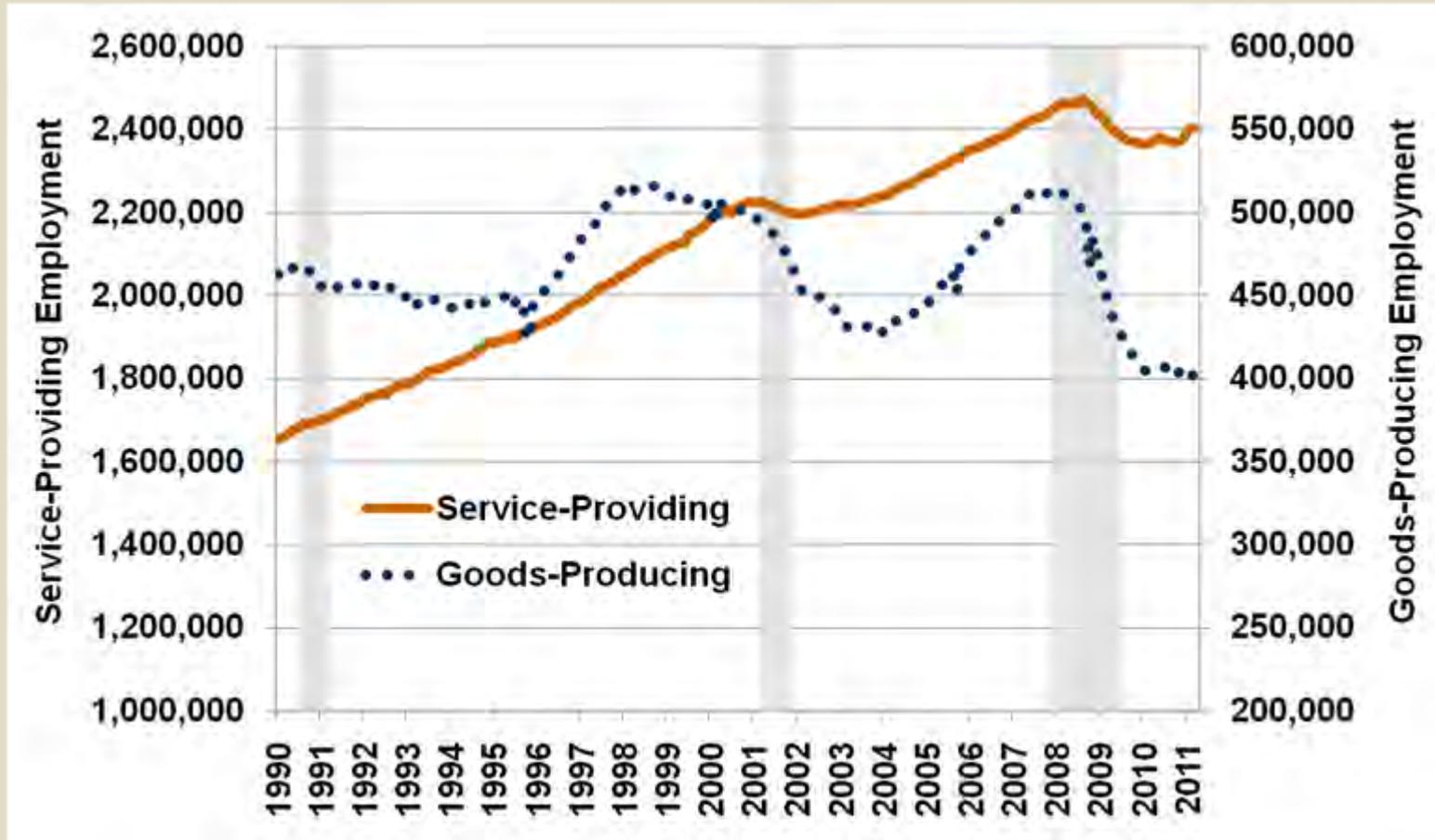
Alternate unemployment measures for selected areas

Second Quarter 2010 – First Quarter 2011

Unemployment measure	United States	California	Idaho	Montana	Nevada	North Dakota	Oregon	Washington
Standard rate (U-3)	9.4	12.1	9.1	7.4	14.2	3.8	10.7	10.1
Plus discouraged (U-4)	10.1	12.9	9.5	7.8	15.0	4.0	11.2	10.6
Plus marginally attached (U-5)	10.9	14.0	10.1	8.5	15.9	4.5	12.1	11.7
Plus involuntary part-timers (U-6)	16.5	22.0	16.1	14.9	23.7	7.4	19.6	18.4

Comparing employment in goods-producing and service-providing industries

Washington state, seasonally adjusted



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Change in industry employment Washington state, May 2010 through May 2011

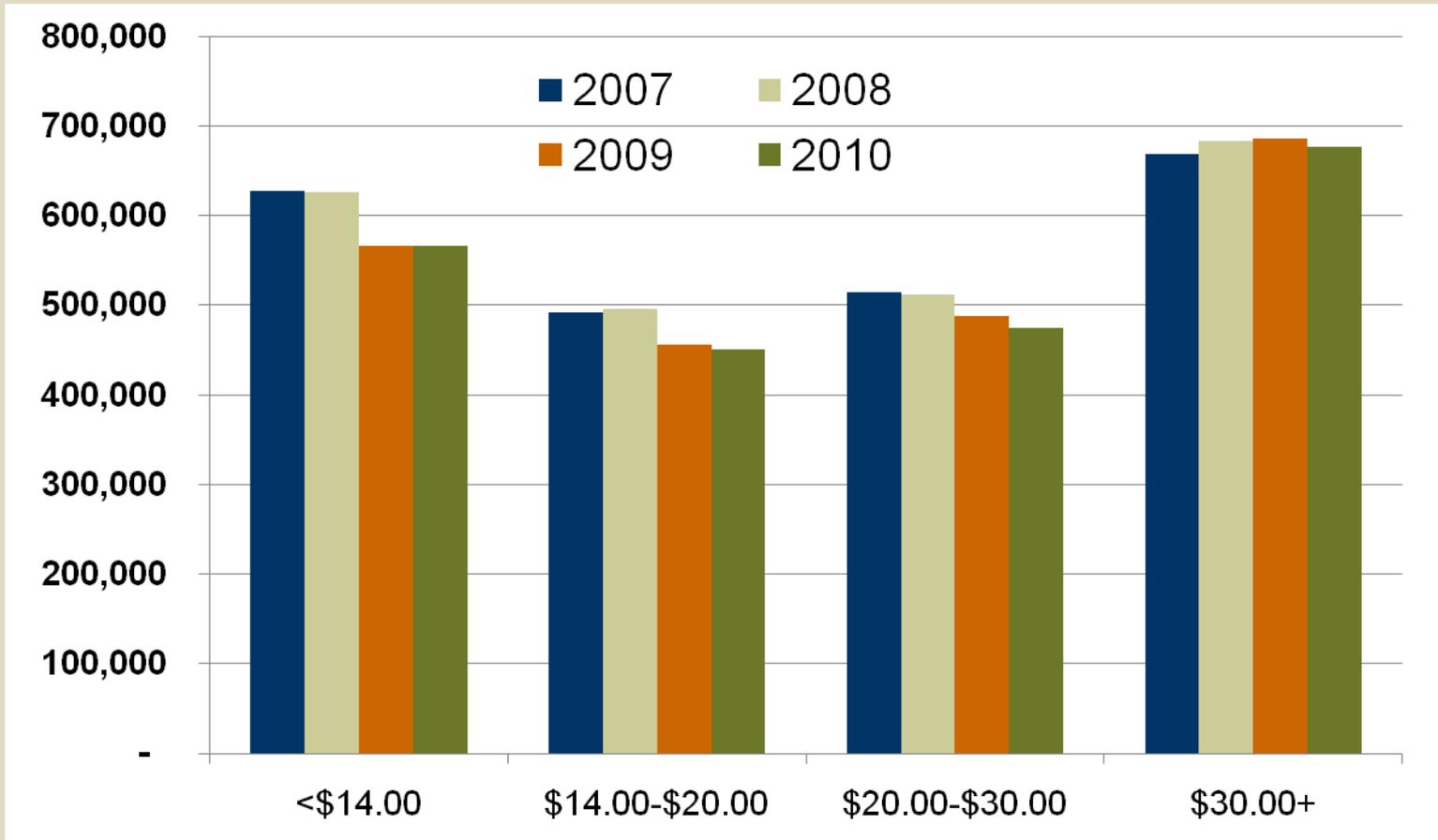
Total Nonfarm	33,300
Professional and Business Services	25,100
Leisure and Hospitality	8,500
Education and Health Services	6,200
Manufacturing	4,800
<i>Aerospace Product and Parts Manufacturing</i>	<i>4,500</i>
Transportation, Warehousing and Utilities	2,200
Retail Trade	1,400
Information	900
Construction	500
Wholesale Trade	500
Mining and Logging	100
Financial Activities	0
Other Services	-800
Government	-16,100

Change in wages by industry

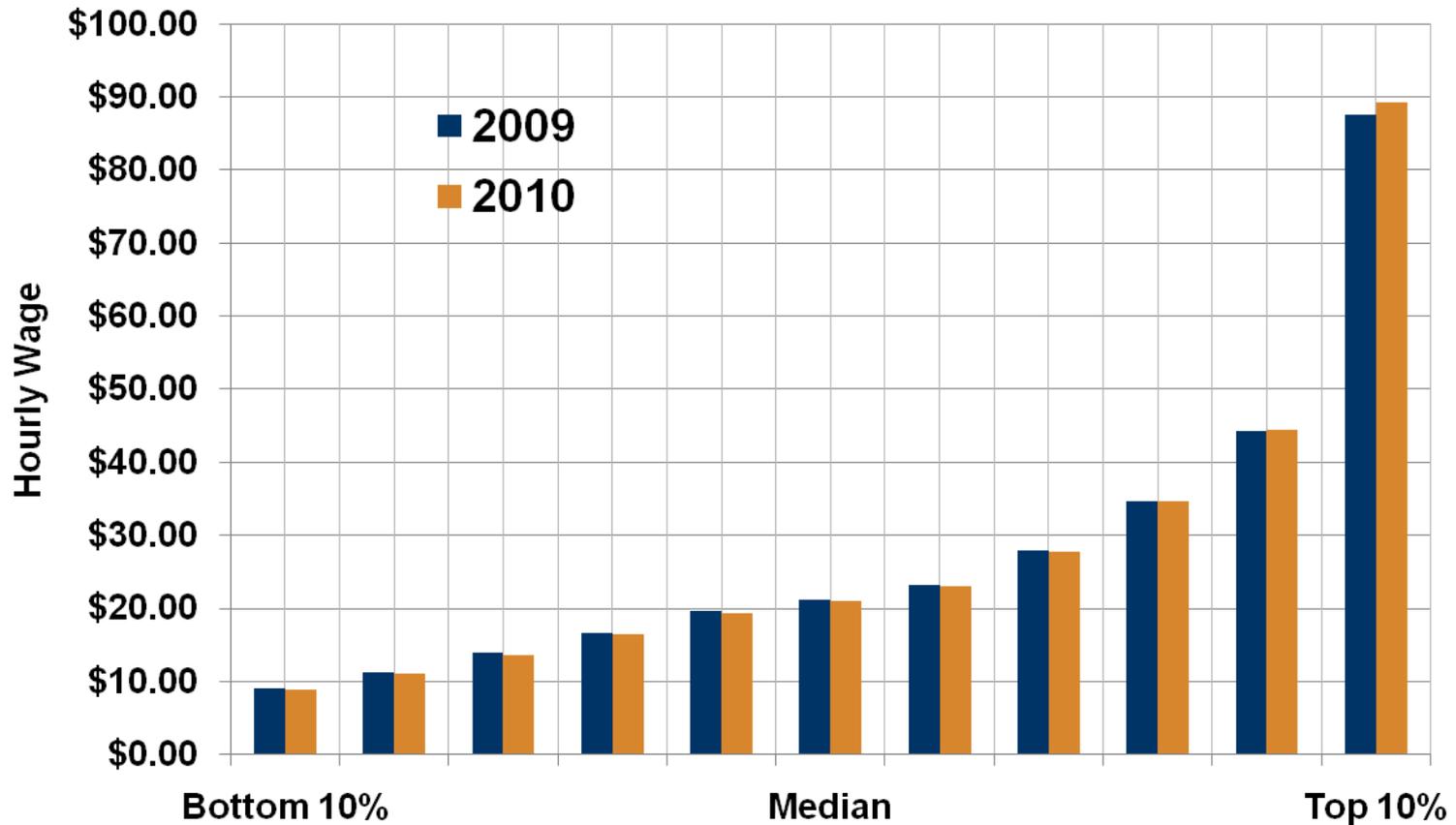
Washington state, 2002 and 2009

Total	2002	2009	Change
Logging and mining	\$20,963	\$24,408	16%
Construction	\$39,396	\$51,043	30%
Manufacturing	\$50,901	\$62,931	24%
Wholesale trade	\$47,774	\$61,569	29%
Retail trade	\$25,508	\$29,356	15%
Transportation, warehousing and utilities	\$40,568	\$48,755	20%
Information	\$102,309	\$105,715	3%
Financial activities	\$45,883	\$59,796	30%
Professional and business services	\$54,645	\$71,837	31%
Education and health services	\$31,725	\$42,710	35%
Leisure and hospitality	\$15,297	\$18,507	21%
Other services	\$25,336	\$24,881	-2%
Government	\$39,360	\$50,420	28%

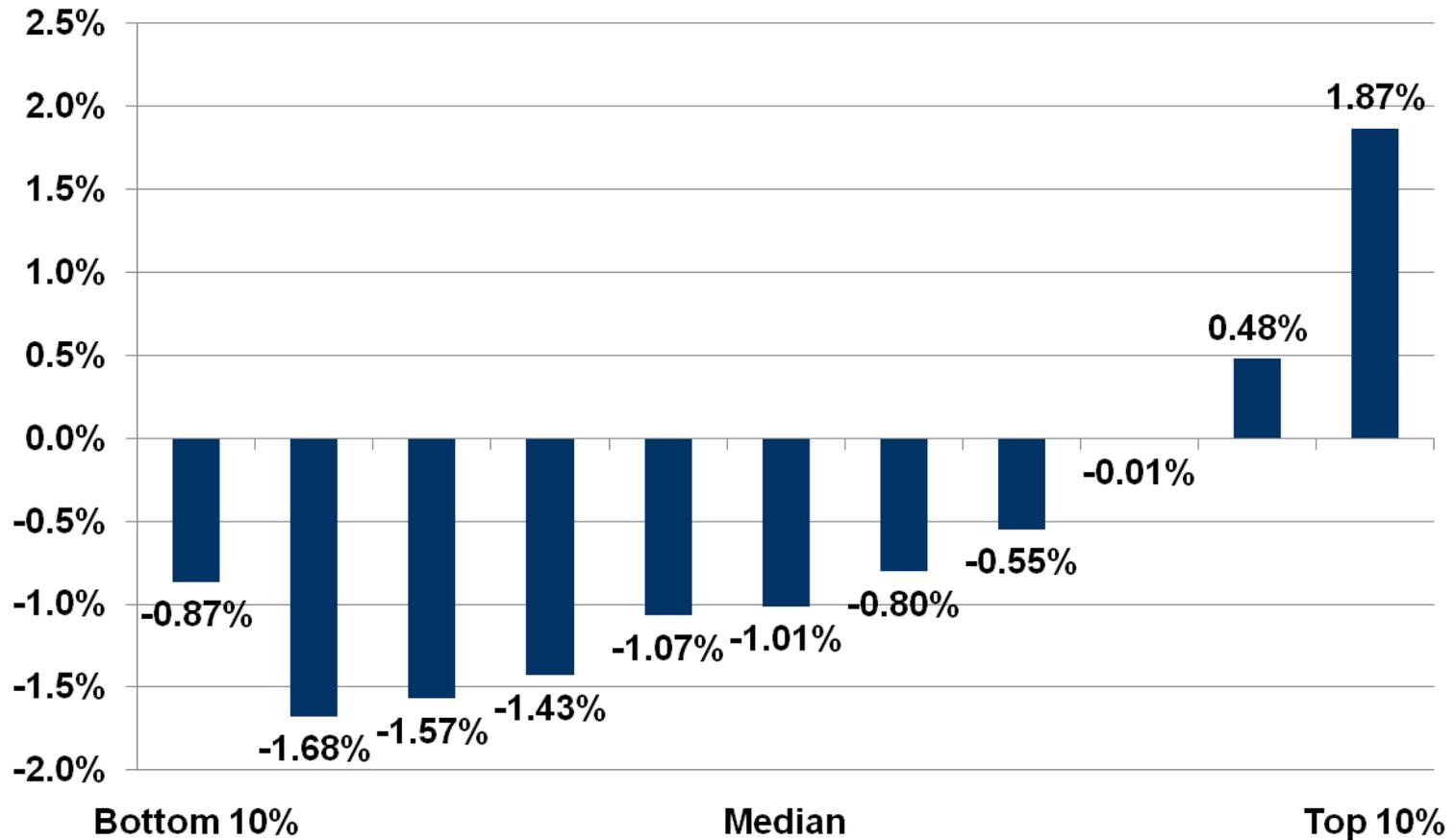
Washington full-time employee jobs by wage range, 2007 through 2010



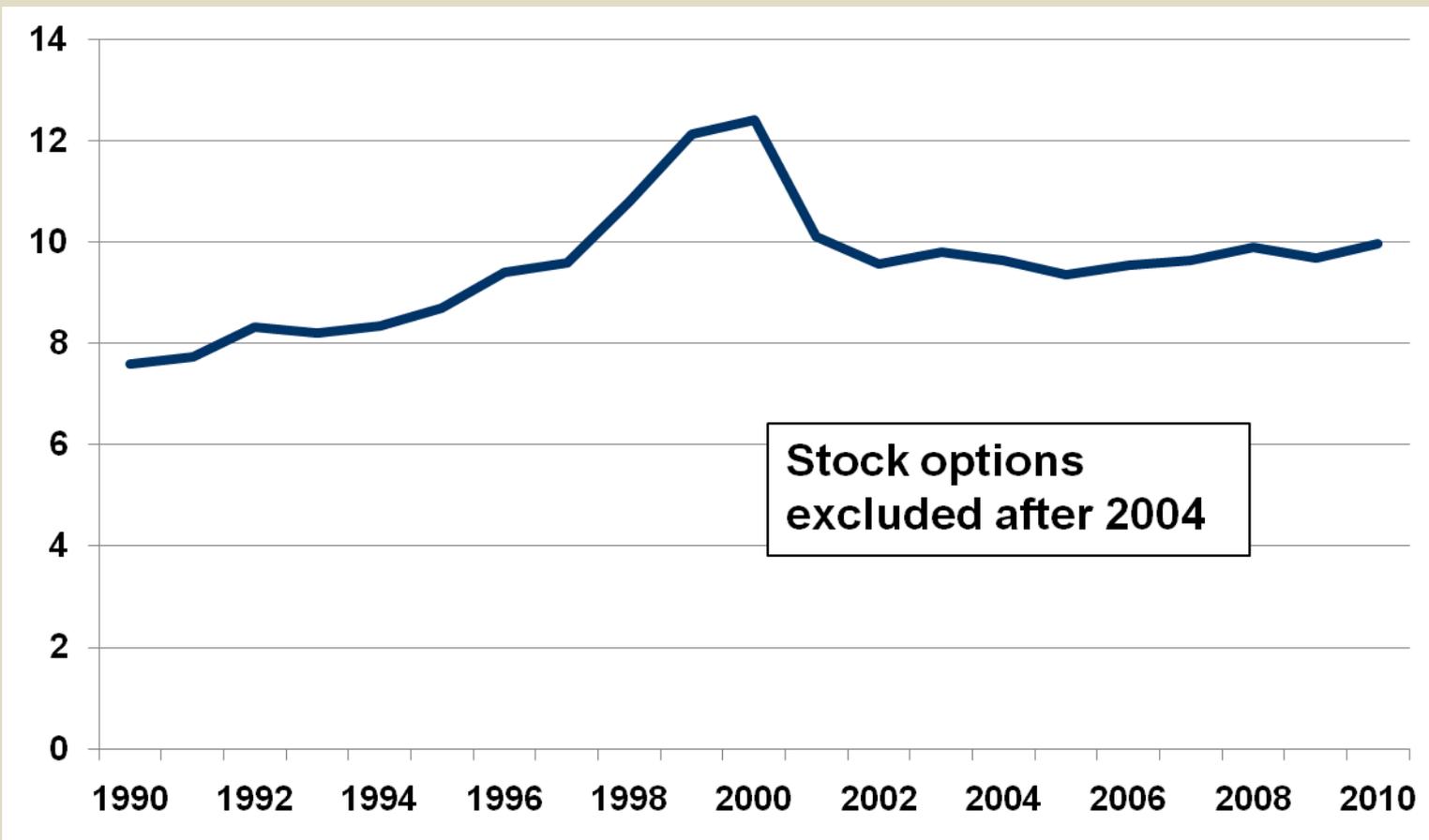
Washington hourly wage by decile, 2009 and 2010



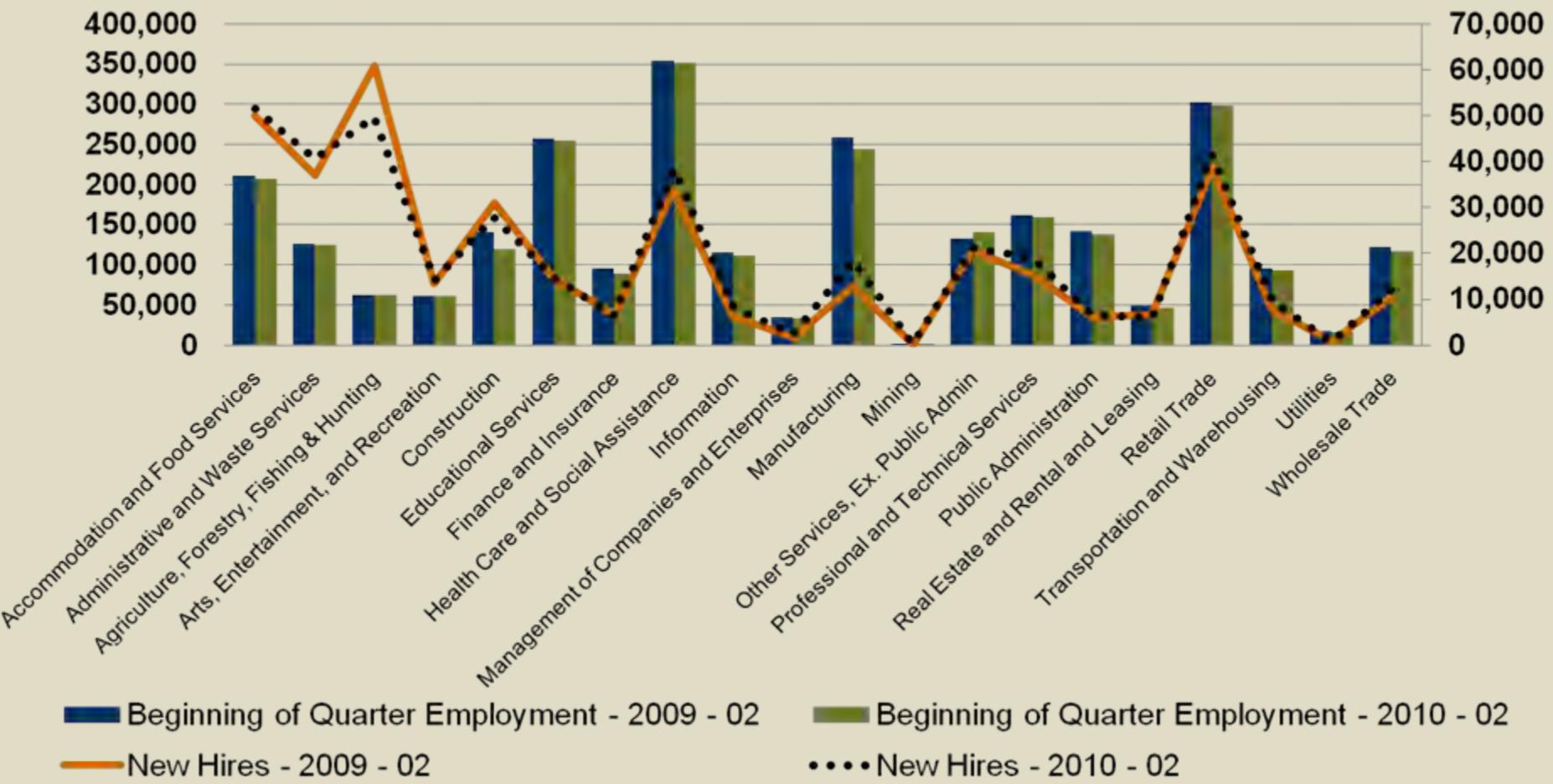
Washington change in hourly wage by decile, 2009 and 2010



Ratio of average wage of the top 10% vs. bottom 10% of jobs by hourly wage



There are a large number of new hires (388,800 in 2010-II) each quarter, even in a no-growth economy



Unemployment benefits exhaustees

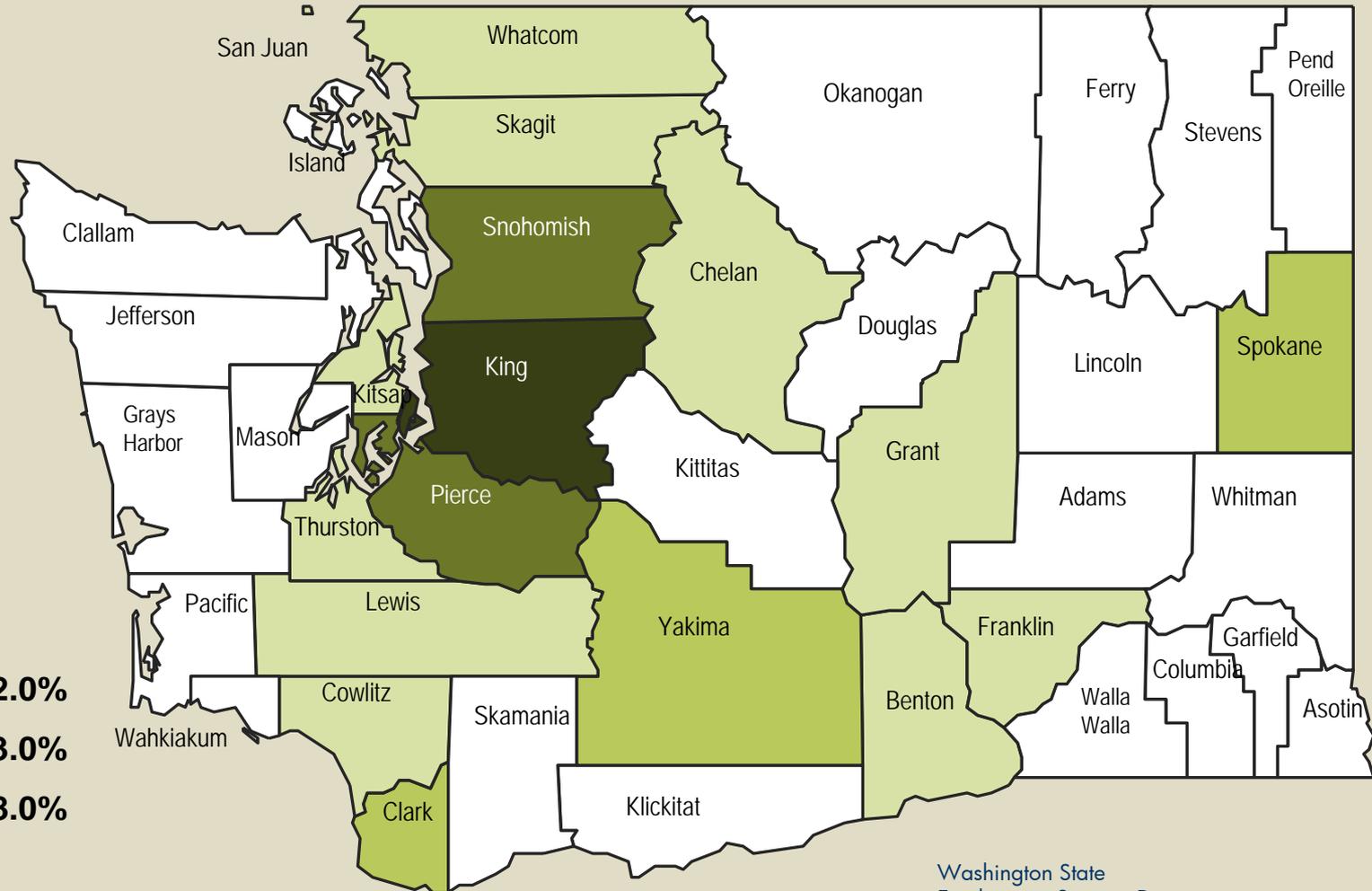
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Percentage of exhaustees by county

December 2009 through March 2011

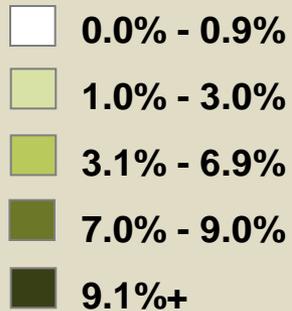


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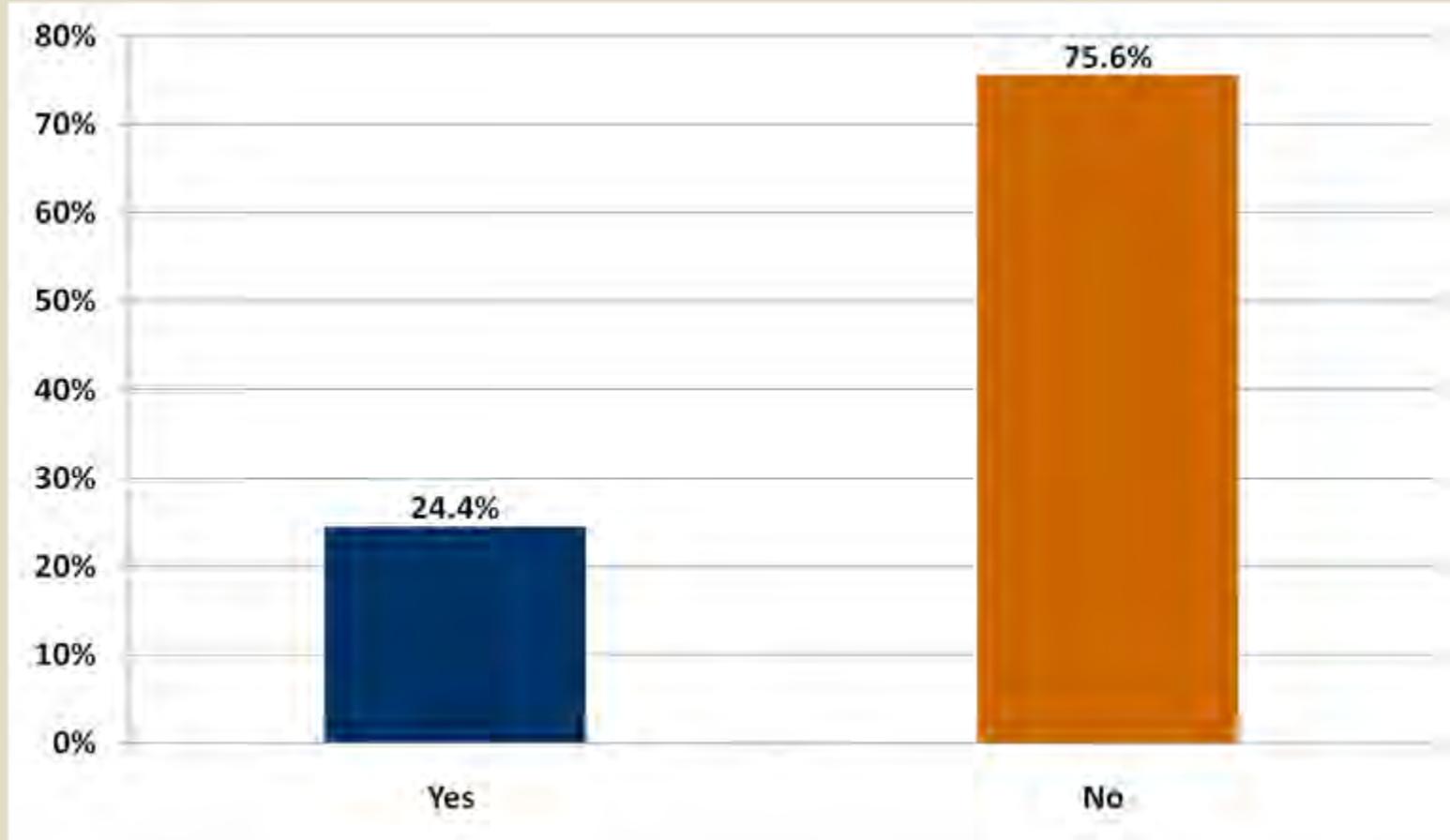
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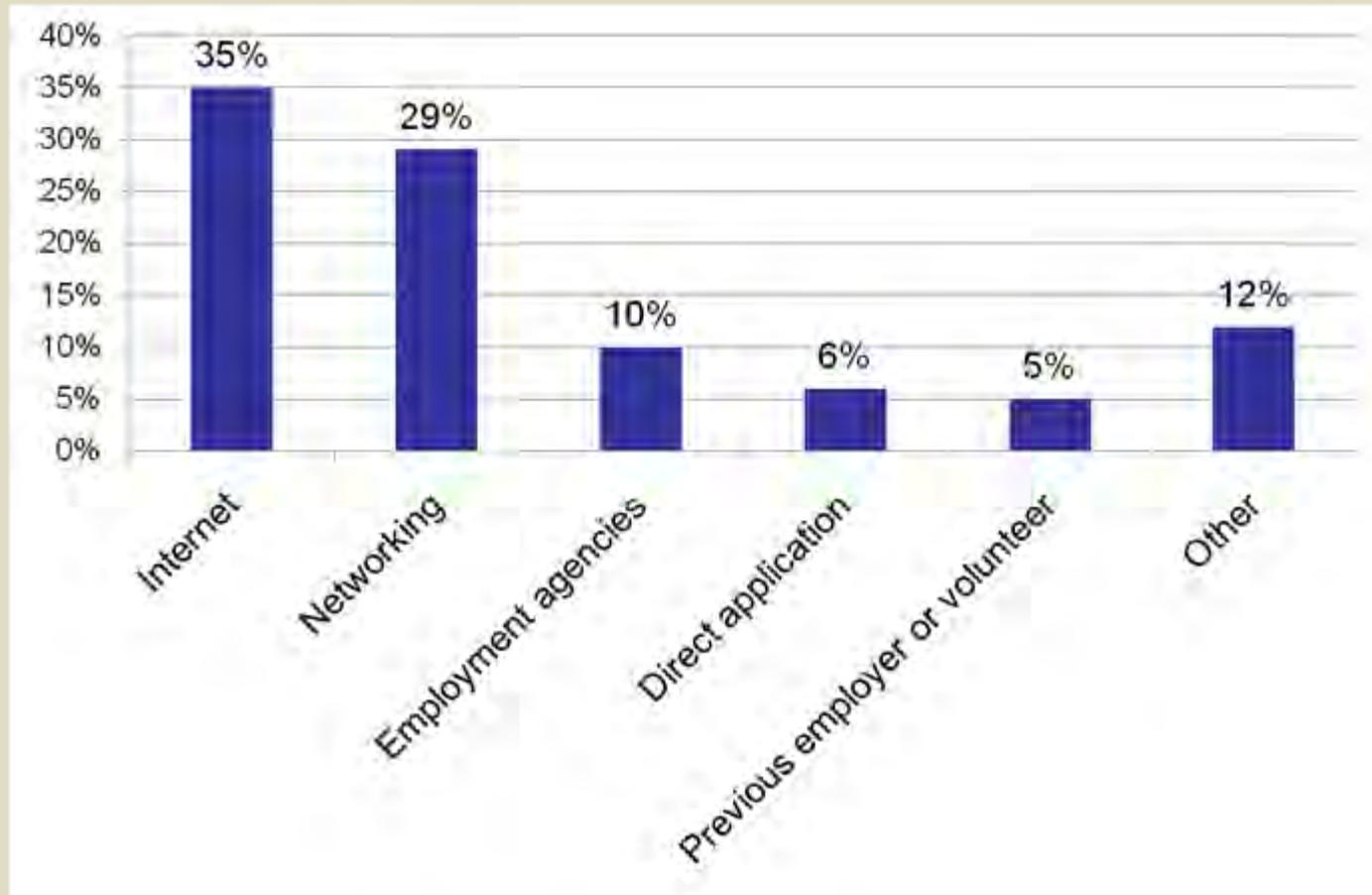
Location of employers who hired exhaustees, by county



Percent of exhaustees who found employment

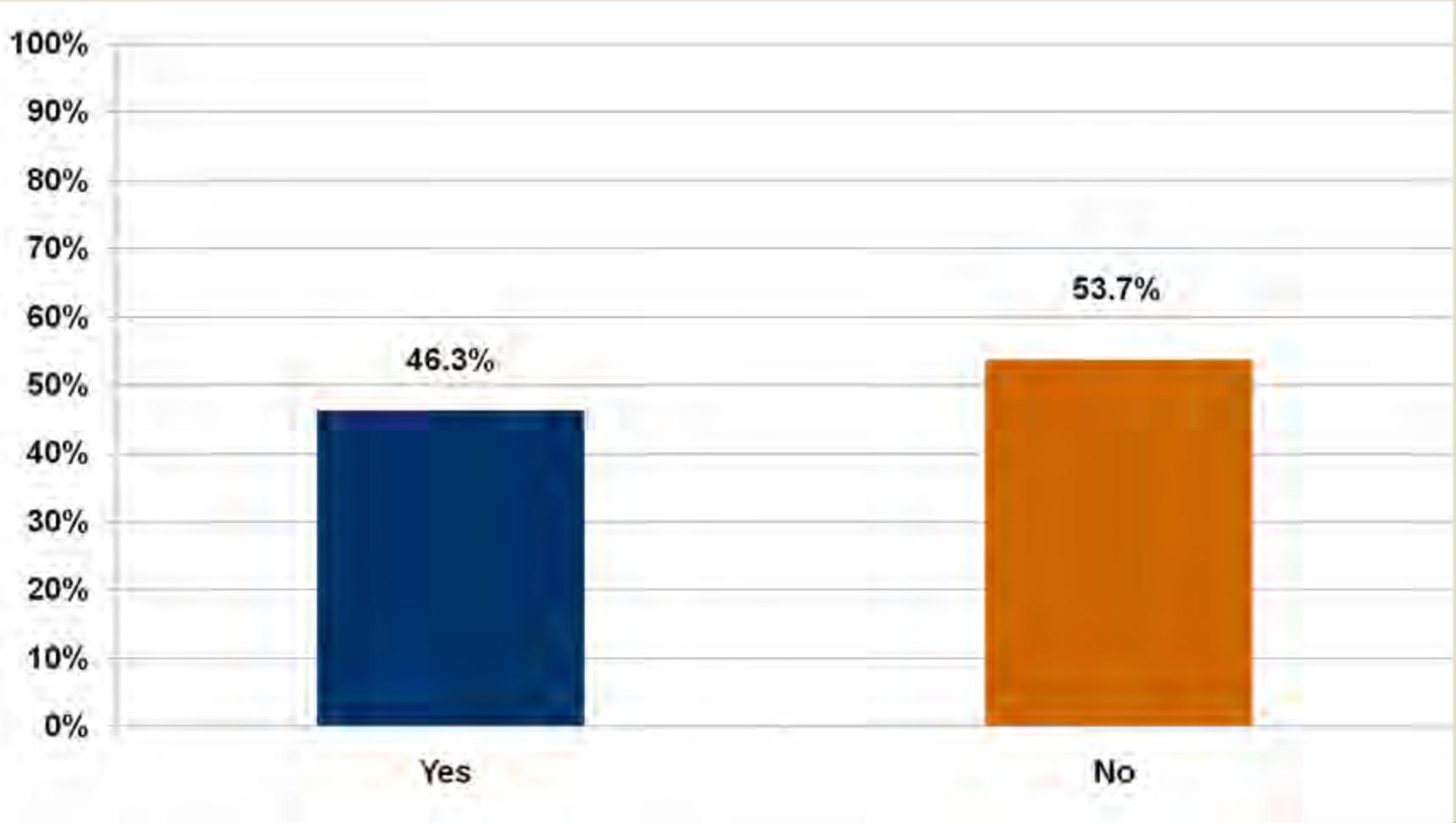


How exhaustees found jobs

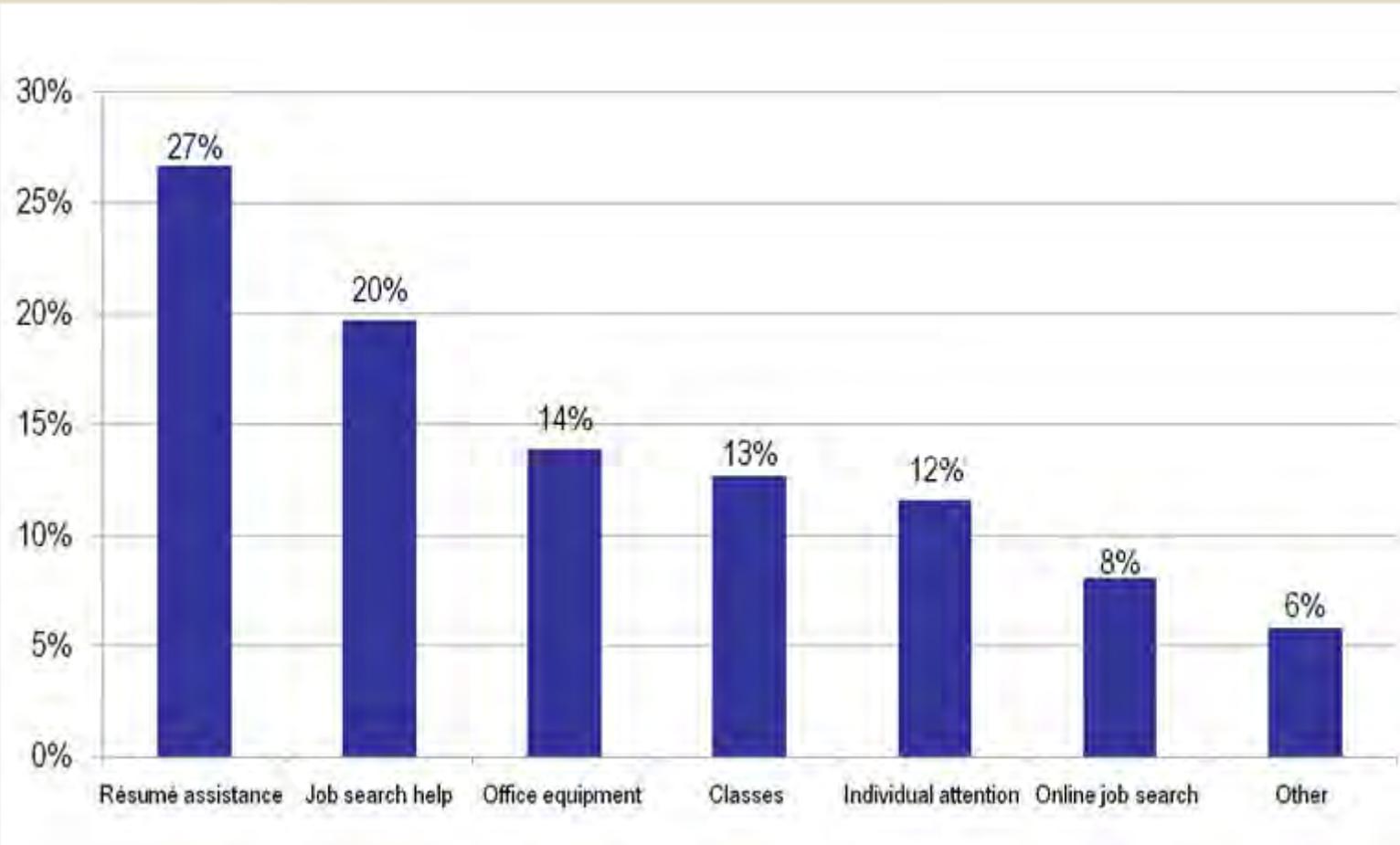


Note: 84.1% of employed exhaustees visited a WorkSource Office during their claim

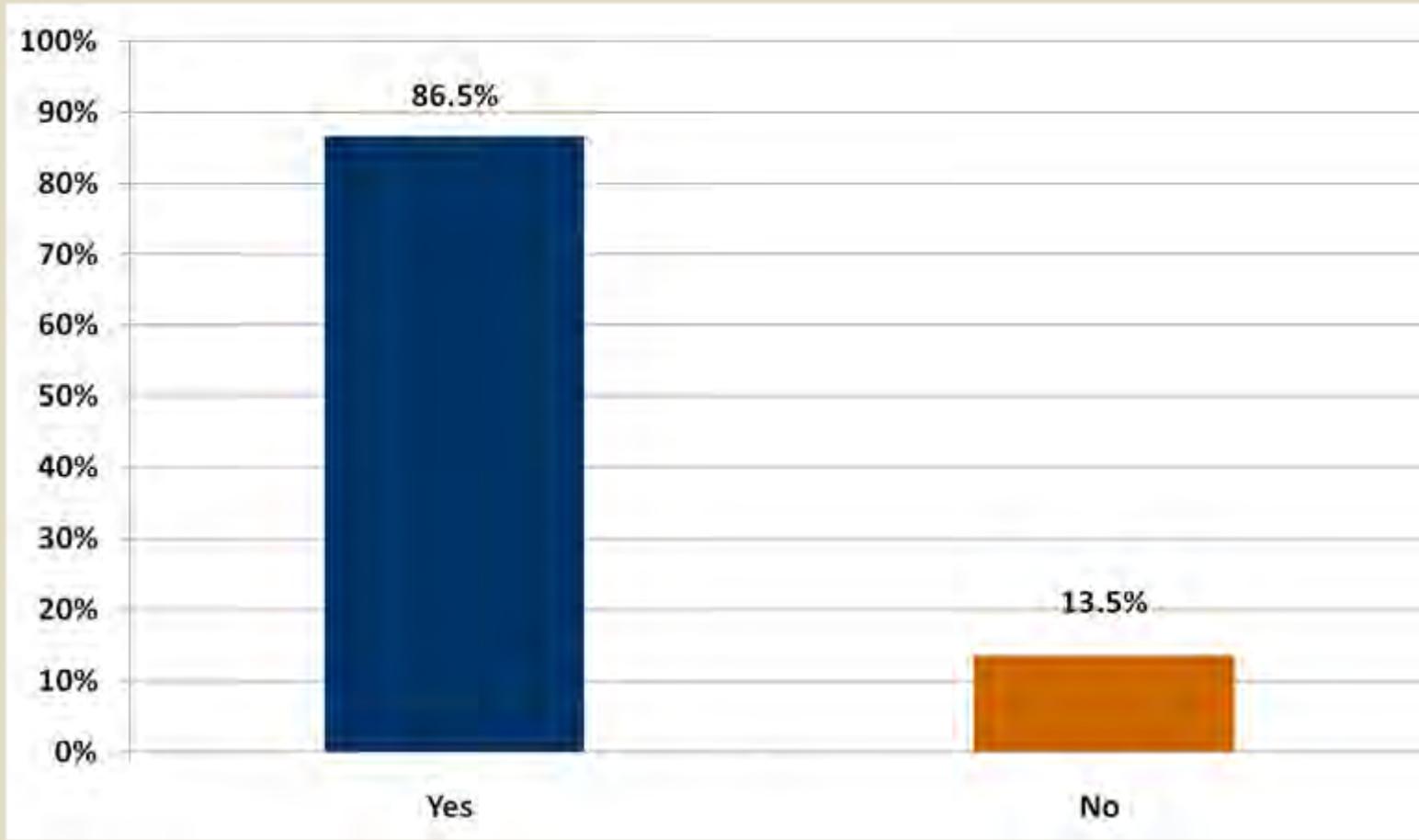
Percent of re-employed exhaustees indicating WorkSource services helpful finding employment



Which WorkSource services were most helpful for re-employed exhaustees?



Percent of exhaustees without employment who are still looking for work



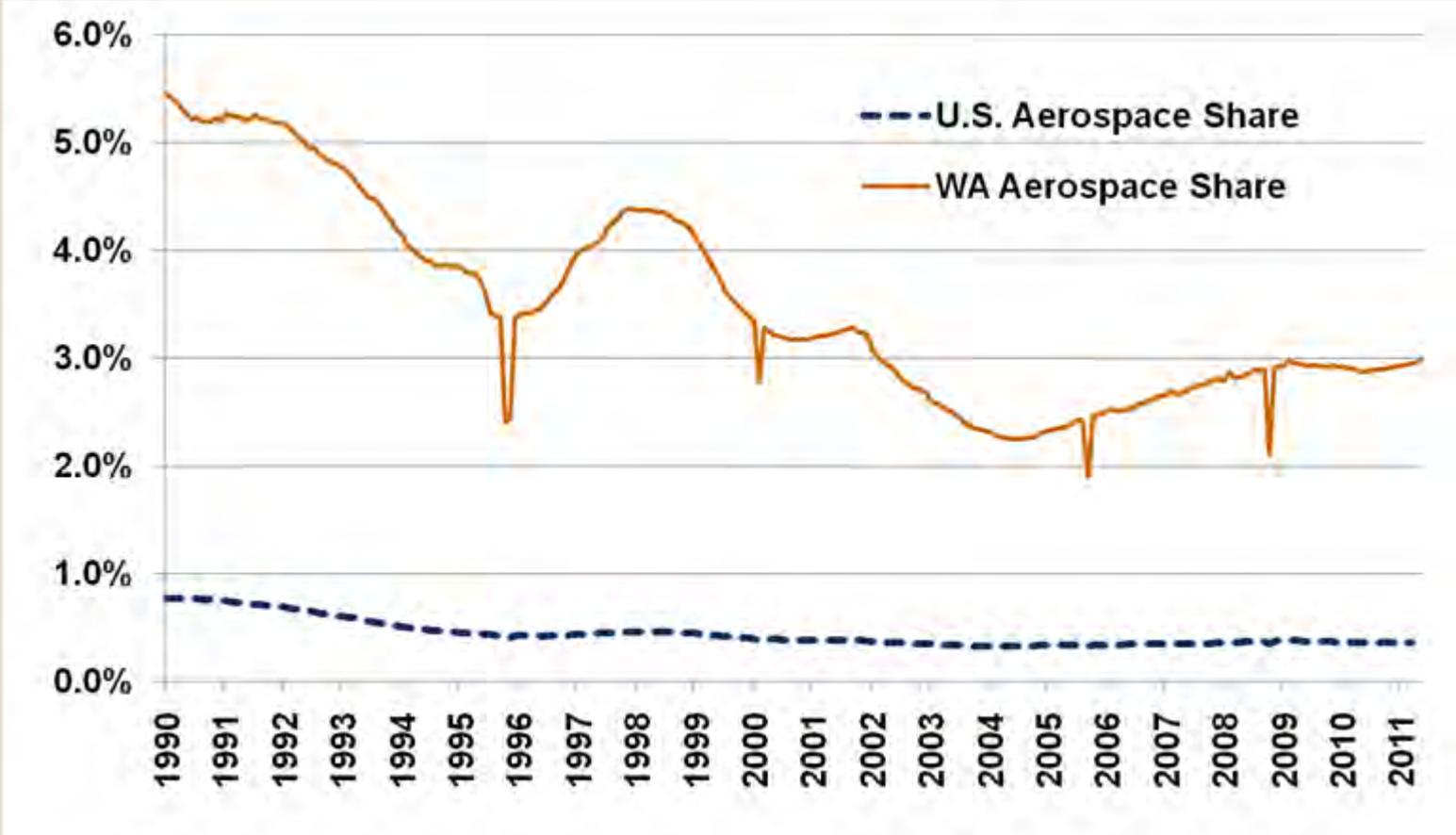
Aerospace industry projections

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Aerospace as a share of total employment U.S. and Washington state, 1990 through 2011



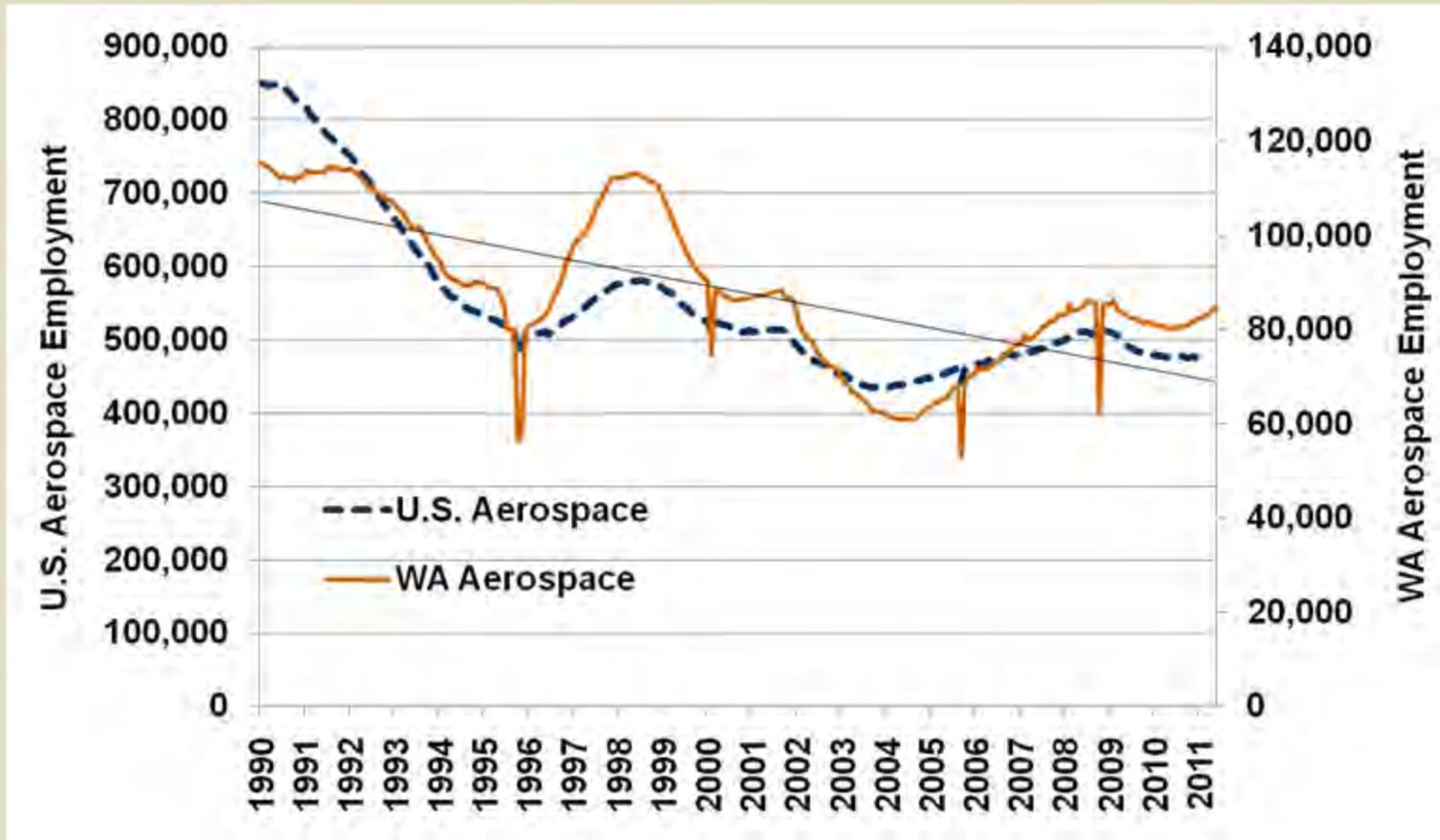
Source: Employment Security Department/LMEA

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Aerospace employment trends

U.S. and Washington state, 1990 through 2011



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Aerospace employment projected to grow through 2014, then decline

Industry	Est. Emp. 2009	Est. Emp. 2014	Est. Emp. 2019	Avg. Annual Growth Rate 2009-2014	Avg. Annual Growth Rate 2001-2019
TOTAL NONFARM	2,818,600	3,022,300	3,246,900	1.4%	1.4%
CONSTRUCTION	158,700	160,300	177,200	0.2%	2.0%
MANUFACTURING	265,400	286,800	295,500	1.6%	0.6%
Aerospace Product and Parts Manuf.	83,000	87,000	84,800	0.9%	-0.5%
INFORMATION	103,500	115,500	129,400	2.2%	2.3%
Software Publishers	51,400	58,600	69,000	2.7%	3.3%
Professional, Scientific and Technical Services	160,700	184,600	213,600	2.8%	3.0%
EDUCATION and HEALTH SERVICES	371,500	406,600	452,700	1.8%	2.2%
Education Services	47,700	52,600	56,800	2.0%	1.5%
Health Services and Social Assistance	323,800	354,000	395,900	1.8%	2.3%

Top aerospace occupations

Occupational Title	Employment in Aerospace 2010:Q2	% of Aerospace Employment	% of Total Occupational Employment	2009 -2019 Projections	
				Annual Growth Rate	Total Openings
Aircraft Structure, Surfaces, Rigging, & Sys. Assemblers	9,242	11.51%	99.3%	0.8%	294
Aerospace Engineers	5,160	6.43%	75.8%	0.6%	194
Engineers, All Other	3,048	3.80%	43.9%	1.0%	226
Industrial Engineers	2,773	3.45%	54.4%	1.8%	246
Management Analysts	2,658	3.31%	15.3%	1.6%	614
Inspectors, Testers, Sorters, Samplers, and Weighers	2,601	3.24%	33.0%	1.1%	241
Business Operations Specialists, All Other	2,336	2.91%	8.7%	1.1%	932
Logisticians	2,261	2.82%	41.8%	1.0%	182
Shipping, Receiving, and Traffic Clerks	2,073	2.58%	13.7%	1.1%	595
Purchasing Agents	1,842	2.29%	21.7%	1.5%	381
Aircraft Mechanics and Service Technicians	1,819	2.27%	32.9%	0.6%	147
Network Systems & Data Comm. Analysts	1,706	2.13%	14.6%	4.2%	857
Computer Specialists, All Other	1,706	2.13%	20.0%	1.8%	361
Mechanical Engineers	1,570	1.96%	25.6%	1.6%	278
Mechanical Drafters	1,538	1.92%	66.0%	0.7%	71
Computer-Controlled Machine Tool Operators	1,454	1.81%	47.8%	1.9%	133
Machinists	1,420	1.77%	26.9%	1.8%	180
Computer Software Engineers, Systems Software	1,306	1.63%	8.0%	2.6%	631
Managers of Production and Operating Workers	1,155	1.44%	10.7%	1.0%	276
Budget Analysts	1,128	1.41%	44.2%	0.6%	63

Aerospace industry accuracy of projections

Period	Total Nonfarm		Aerospace	
	Forecast	Actual	Forecast	Actual
2000 - 2005	0.5%	0.5%	-4.4%	-5.3%
2000 - 2010	1.1%	0.3%	-1.3%	-0.6%
2002:Q2 - 2004:Q2	1.3%	0.8%	-6.8%	-11.1%
2003:Q1 - 2005:Q1	1.6%	1.7%	-5.6%	-3.2%
2004:Q2 - 2006:Q2	1.8%	2.9%	5.4%	8.8%
2005:Q2 - 2007:Q2	2.0%	2.7%	8.7%	9.1%
2006:Q2 - 2008:Q2	1.9%	2.0%	5.3%	8.3%
2007:Q2 - 2009:Q2	0.9%	-1.6%	2.5%	2.7%
2008:Q2 - 2010:Q2	-1.3%	-3.1%	-3.5%	-2.5%

The Aerospace industry is marked by cyclical employment patterns

- Cyclical factors cause about 56% of employment changes in aerospace; about 44% due to structural factors.
- Since 1990, strong decline in aerospace employment in Washington, but strong productivity growth.
- Employment Security projects employment growth through 2014 and then falling industry employment.
- Projections underestimate employment growth in cyclical upswing periods

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