

THE PROGRESS INDEX

MEASURING SHARED PROSPERITY
IN WASHINGTON STATE

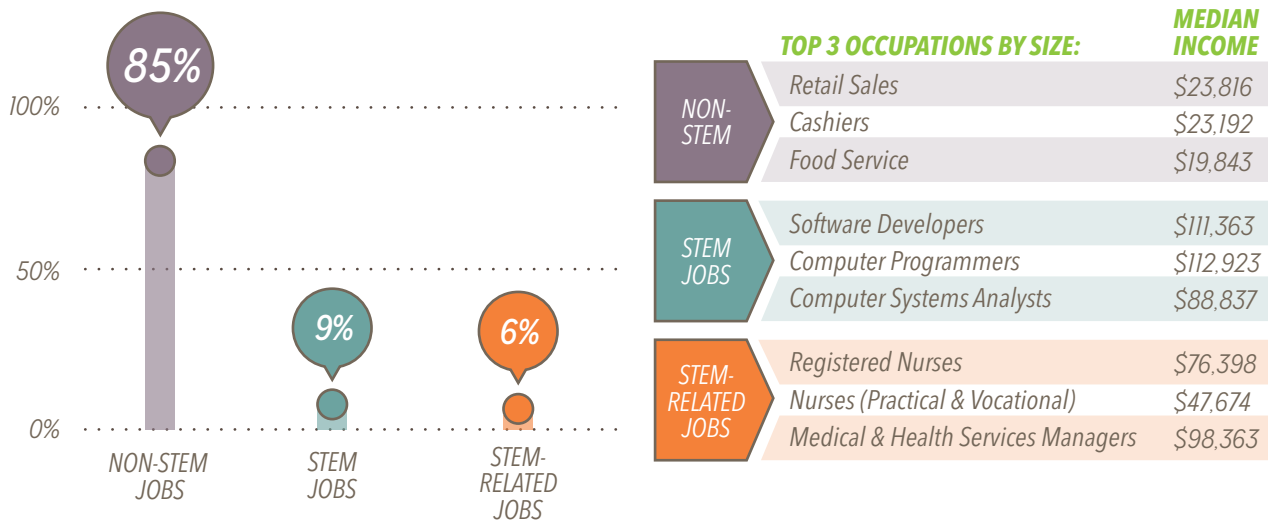
GOOD JOBS



Washington state should offer an abundance of high-quality, living-wage jobs that support a strong middle class and that attract the best talent and businesses to our state.

FIGURE 21:
MAJORITY OF JOBS IN WASHINGTON STATE DO NOT PAY ENOUGH TO SUPPORT A THRIVING MIDDLE CLASS

Percent of non-STEM, STEM, and STEM-related occupations with median incomes, WA, 2014



STEM=science, technology, engineering, and math
Source: Washington State Economic Security Department, Occupational Projections & Wage Estimates, 2014

ARE THERE ENOUGH GOOD JOBS TO SUSTAIN A MIDDLE CLASS?

An abundance of well-paying jobs that allow workers and their families to meet basic needs, but also the opportunity to get ahead, is the cornerstone of a strong middle class.

Washington state is nationally recognized for having a high share of science, technology, engineering, and math (STEM) jobs (9 percent)^[46] – such as computer programmers and software engineers. It also has a high share of STEM-related jobs (6 percent) – such as nurses and health care managers (*Figure 21*). With high median incomes, STEM jobs (\$77,698) and STEM-related jobs (\$68,984) are critical to the overall health of Washington state's middle class.

But while the share of STEM jobs is relatively high compared to other states, the vast majority (85 percent) of jobs in Washington state pay far lower median wages (\$45,574). In fact, the largest non-STEM job categories – retail sales, cashiers, and food service – all have median annual incomes below \$25,000, well below what it takes to meet basic needs in most places in the state. Moreover, people of color and women are over-represented in lower-paying occupations and under-represented in the higher-paying ones, like science and engineering (*Figure 23*).

The trend toward lower-wage work has been happening for some time, but ramped up during the Great Recession, when many middle-wage jobs were lost and replaced by lower-wage jobs. In addition to a high share of jobs that pay low wages, many people work part-time because they cannot find full-time work. In Washington state (*Table 16*):

TABLE 16:

MIDDLE-CLASS JOBS: KEY INDICATORS OF PROGRESS⁽⁴⁷⁾

Share of jobs that pay enough for a family of three to meet basic needs on one income (\$60,000) * * 62% (2014)

Unemployment rate

5.2% (2000) 5.3% (2008) 5.7% (2015)

Underemployment rate

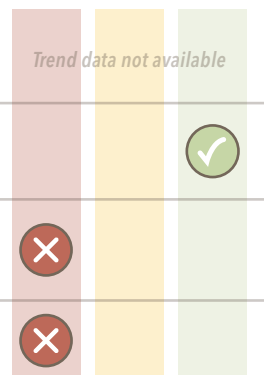
9.6% (2000) 10.4% (2008) 14% (2013)

Percent of the labor force working part-time due to a lack of job opportunities

14% (2000) 17% (2008) 25% (2013)

*Data not available or not comparable to subsequent years

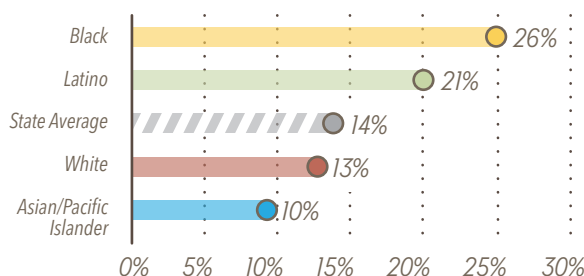
ARE WE MAKING PROGRESS?



- Six of every 10 (62 percent) jobs do not pay enough for a family of three to meet basic needs – like food, shelter, child care, or transportation – on one income.
- The unemployment rate has declined to near pre-recession levels. As of January 2015, the unemployment rate stood at 5.7 percent.
- The potential of our labor force is not being fully utilized, as reflected in the share of the workforce that is underemployed (14 percent) – meaning they are not working as much as they desire – and the number of people working part-time because they can't find full-time opportunities (25 percent). People of color are the most likely to be underemployed (Figure 22), compromising economic security in communities of color and the overall economy.

FIGURE 22:
TOO MANY PEOPLE OF COLOR ARE UNDERUTILIZED IN THE LABOR MARKET

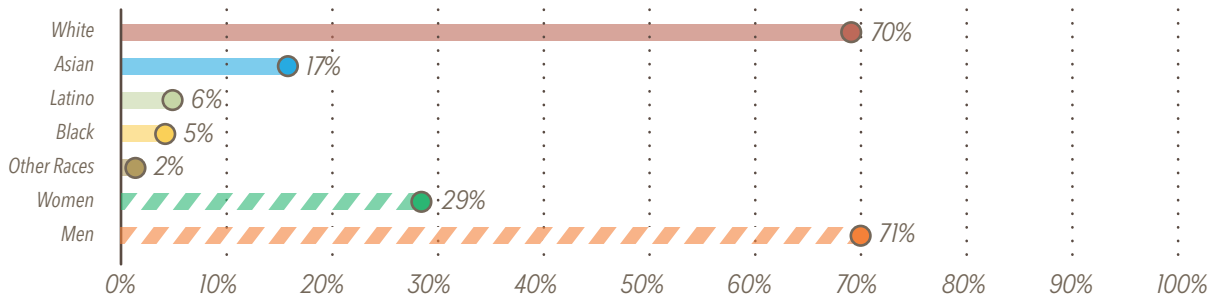
Underemployment by race and ethnicity, WA, 2013



Source: Economic Policy Institute analysis of Current Population Survey data

Note about data: Disaggregated data is presented to provide a preliminary understanding of disparities by race and ethnicity. On its own, this data tells a limited story about the population it represents. We encourage users of this data to engage with communities of color to develop a more accurate and meaningful understanding than the data allow.

FIGURE 23:
WOMEN AND PEOPLE OF COLOR ARE UNDER-REPRESENTED IN SCIENCE AND ENGINEERING JOBS
 Percent of women and people of color in science and engineering, U.S., 2013



Source: National Science Foundation, National Center for Science and Engineering Statistics, Scientists and Engineers Statistical Data System, 2013 (preliminary)

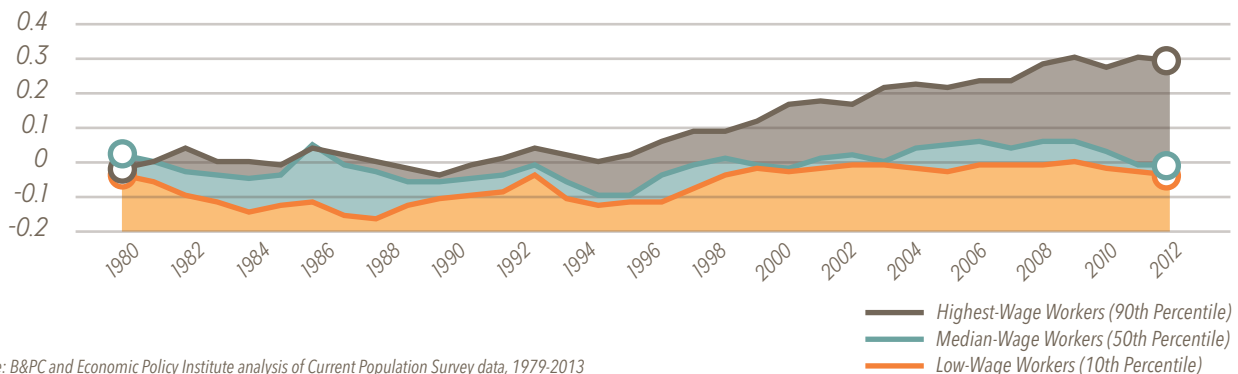
Note about data: Disaggregated data is presented to provide a preliminary understanding of disparities by race and ethnicity. On its own, this data tells a limited story about the population it represents. We encourage users of this data to engage with communities of color to develop a more accurate and meaningful understanding than the data allow. Latino may be any race. The "Other" category includes American Indian, Alaska Native, Native Hawaiian, Pacific Islander, and multiracial. Detail may not add to total because of rounding.

IS ECONOMIC GROWTH STRONG AND SHARED WITH WORKERS?

A strong middle class depends on workers getting a fair share of the wealth they work so hard to create. Gross state product (GSP) – a measure of all economic activity in a state – is on the rise, and the productivity of workers remains strong. Yet the benefits of our state’s economic growth continue to go mostly to the richest 1 percent, leaving out low- and middle-wage workers (Table 17). In addition, people of color and women earn less than their peers. In Washington state:

- Nearly one quarter (23 percent) of all income is held by the richest 1 percent. For perspective, the richest 1 percent held no more than 11 percent of all income during the height of middle class prosperity from 1947 to 1979.^[48]
- Median wages dropped slightly over the last five years, from \$19.60 to \$19.06 per hour. Wages for low- and middle-income workers have been effectively stagnant for the last 35 years (Figure 24).

FIGURE 24:
WAGES FOR LOW- AND MIDDLE-WAGE WORKERS HAVE BEEN STAGNANT FOR 35 YEARS
 Cumulative percent change in wages for low- (10%), middle- (50%), and high-wage (90%) earners, WA, 1979-2013



Source: B&PC and Economic Policy Institute analysis of Current Population Survey data, 1979-2013

TABLE 17:

WAGES AND COMPENSATION: KEY INDICATORS OF PROGRESS⁽⁴⁹⁾

ARE WE MAKING PROGRESS?

Gross state product (GSP) <i>(in \$billions)</i>		\$299 <i>(2000)</i>	\$358 <i>(2008)</i>	\$388 <i>(2013)</i>	
Labor productivity <i>(GSP/adjusted total employment)</i>		\$114,610 <i>(2000)</i>	\$129,702 <i>(2008)</i>	\$139,113 <i>(2013)</i>	
Share of all income held by the top 1 percent		22% <i>(2000)</i>	21% <i>(2008)</i>	23% <i>(2012)</i>	
Median hourly wage of workers <i>(\$2014)</i>		\$18.56 <i>(2000)</i>	\$19.60 <i>(2008)</i>	\$19.06 <i>(2014)</i>	
Percent of full-time employees offered benefits from their employers:	Health insurance	*	*	91% <i>(2013)</i>	<i>Trend data not available</i>
	Paid sick leave	*	*	49% <i>(2013)</i>	<i>Trend data not available</i>
	Paid vacation	*	*	70% <i>(2013)</i>	<i>Trend data not available</i>
	Retirement benefits	*	*	37% <i>(2013)</i>	<i>Trend data not available</i>
Percent of part-time employees offered benefits from their employers:	Health insurance	*	*	35% <i>(2013)</i>	<i>Trend data not available</i>
	Paid sick leave	*	*	24% <i>(2013)</i>	<i>Trend data not available</i>
	Paid vacation	*	*	29% <i>(2013)</i>	<i>Trend data not available</i>
	Retirement benefits	*	*	16% <i>(2013)</i>	<i>Trend data not available</i>

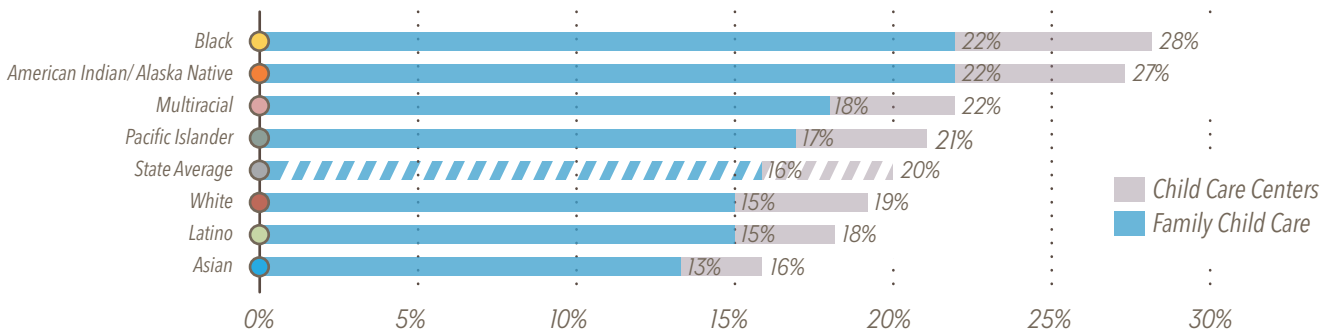
*Data not available or not comparable to subsequent years

DOES OUR STATE SUPPORT THE NEEDS OF A 21ST CENTURY WORKFORCE?

Washington state’s workforce looks much different today than it did 40 years ago. Job opportunities are now concentrated in urban centers, and there are more households where both parents are working to provide economic security for their families. Two critical services – child care and transportation – are essential for supporting children and families, as well as growing Washington state’s economy and its competitive edge globally (*Table 18*).

- The number of child care providers – in both child care centers and family child care homes – in Washington state declined from 7,486 in 2008 to 6,141 in 2013, limiting the child care system’s ability to meet the needs of our growing workforce and population.
- Depending on the type of care (child care center or family child care home) and the child’s age, the median cost of care for one child ranges from 6 percent to 20 percent of household income. The cost of care for very young children is especially difficult to afford for many families, especially for families of color who have lower overall earnings than others (*Figure 25*).
- A relatively small share of workers (6 percent) rely on buses and other mass public transportation to get to work. Many people drive instead, which contributes to traffic congestion, longer commute times, and increasing carbon emissions.
- Over one third (36 percent) of workers spend 30 minutes or more getting to work every day, reducing their productivity and the amount of time they spend outside of work with friends and family.

FIGURE 25:
COST OF CHILD CARE FOR YOUNG CHILDREN IS TOO EXPENSIVE FOR MOST FAMILIES
 Median child care costs for infants as a share of median family income – by type of child care and by race and ethnicity, WA, 2013



Source: 2013 ACS 5-year estimates of median household income by race and ethnicity; median rates for family child care and child care centers provided by Child Care Aware of Washington for 2013.

TABLE 18:

RESOURCES FOR WORKING FAMILIES: KEY INDICATORS OF PROGRESS^[50]

ARE WE MAKING PROGRESS?

Number of child care providers	*	7,486 (2008)	6,141 (2013)				
Median cost of child care centers** as a share of median income	Infant	*	18% (2008)	20% (2013)			
	Toddler	*	15% (2008)	16% (2013)			
	Preschool	*	13% (2008)	15% (2013)			
	School-age	*	8% (2008)	9% (2013)			
Median cost of family child care homes** as a share of median income	Infant	*	13% (2008)	16% (2013)			
	Toddler	*	13% (2008)	15% (2013)			
	Preschool	*	11% (2008)	13% (2013)			
	School-age	*	6% (2008)	8% (2013)			
Percent of workers using public transportation		5% (2000)	6% (2008)	6% (2013)			
Share of commuters spending more than 30 minutes to travel to work		35% (2000)	35% (2008)	36% (2012)			

*Data not available or not comparable to subsequent years

**In Washington state, the Department of Early Learning licenses two types of care: (1) family child care homes and (2) child care centers. Family child care homes typically offer child care for mixed-age groups in a person's home. Child care centers vary in size and typically care for children in multiple age groups, from infants to school-age children. Other license-exempt care options such as part-day preschools, care provided by family members, and community recreation programs are not regulated by the state. To learn more about different types of child care visit: <http://wa.childcareaware.org/families/types-of-care>.

HOW WASHINGTON CAN MAKE PROGRESS ON GOOD JOBS

- Raise the minimum wage so more workers are able to meet their basic needs.
- Pass paid sick and family leave policies so all workers can take time off to care for themselves and their families without fear of losing their jobs.
- Make training and recruitment of women and people of color in high-skill and high-wage fields a priority for state employment resources.
- Invest in a high-quality, affordable child care system that nurtures child development while supporting the needs of working parents.
- Invest in a public transportation system to meet the needs of Washington state's growing population. As part of this effort, resources should be directed toward creating living-wage jobs for those who build a clean and efficient transportation system.