

Findings from Additional Analysis of Occupation and Industry Trends

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Presentation to Steering Committee

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Background

- Almost two years have passed since the original job and wage data was tabulated
- CCSCE was asked to extend the data collection forward and backward in time
- Tasks—1) extend major occupational group job and wage data forward to 2013/4 and backward to 2001; 2) extend major industry job data forward to 2014 and backward to 1990; 3) make a qualitative assessment of future trends

Products of the Research

- A written report—in your packet
- This presentation. All data from the California Employment Development Department (EDD)
- Data files with occupational job and wage data for the six Bay Area metro areas and for the region
- Data files with industry job data for the six metro areas and the region
- A partially completed file of detailed occupational trends

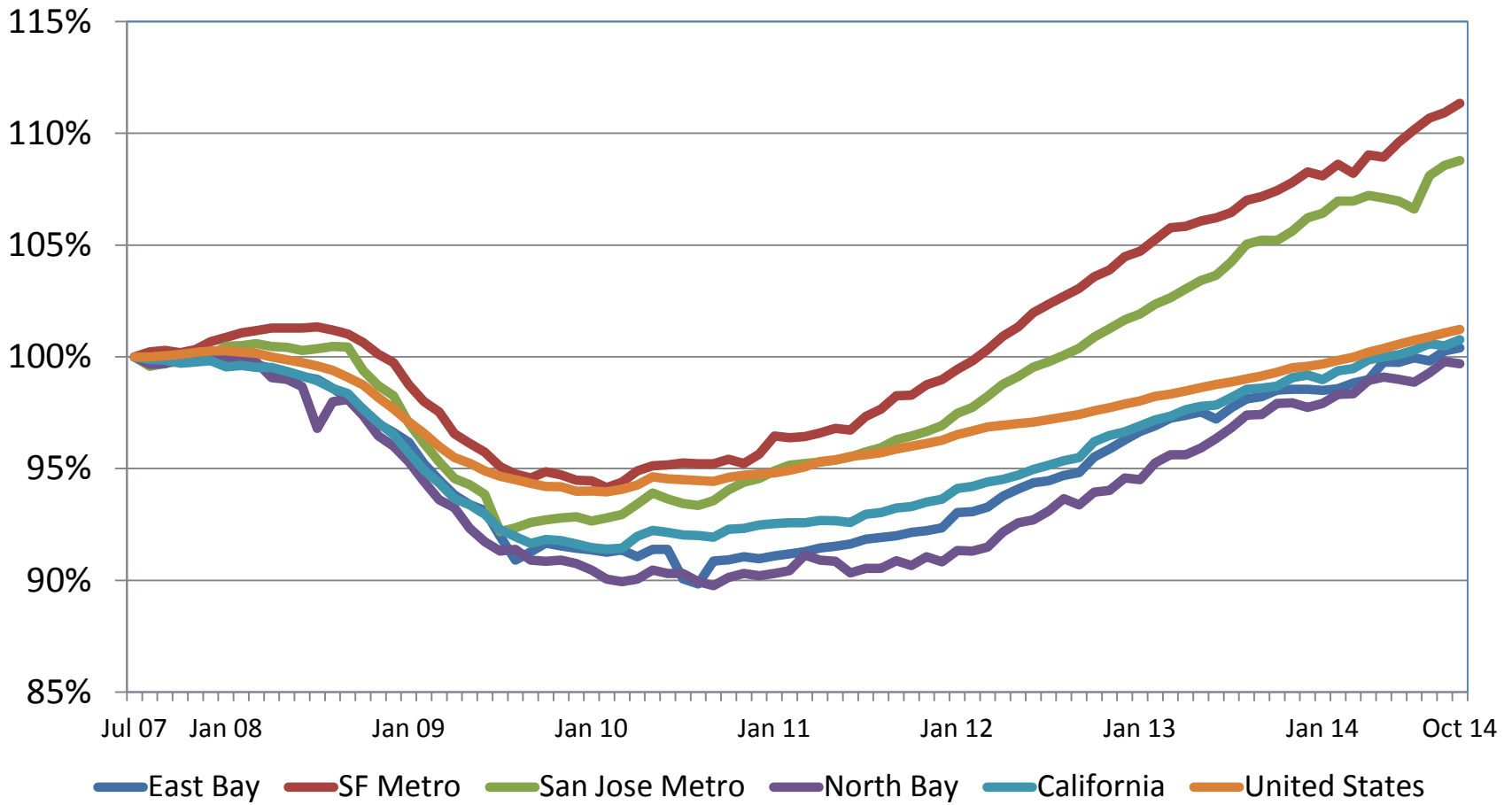
Major Findings

- Strong job growth reduced unemployment and brought workers back into the labor force.
- Real median wages declined for most low and middle wage occupational groups.
- Middle wage jobs have declined in number and share; high wage jobs have increased.
- The future is brighter with many job openings from retirement and some from continuing job growth. Wage growth should accelerate.

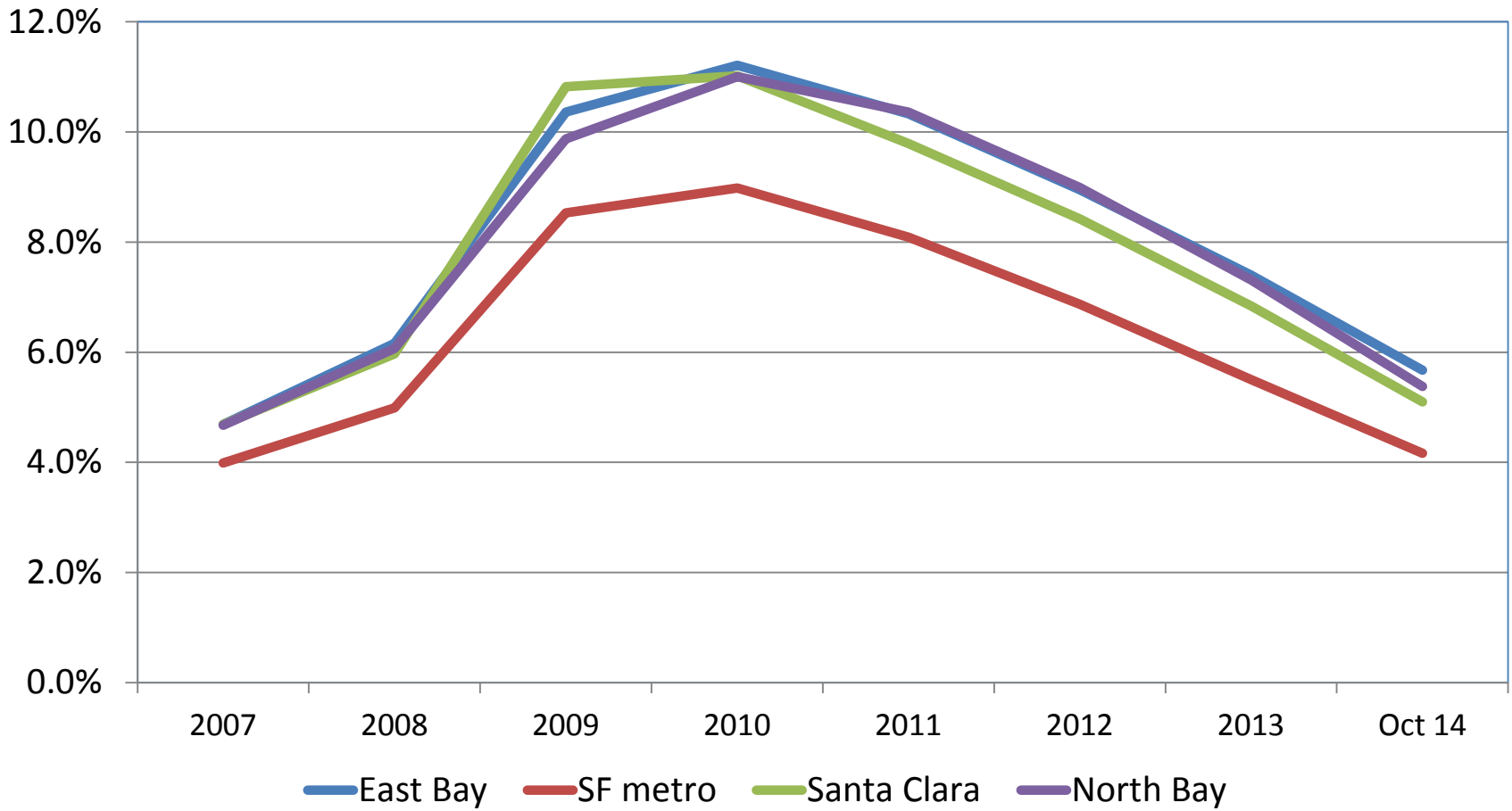
The Good News—A Strong Economy has Helped Many Residents

- The region has averaged 100,000 added jobs per year since 2010 and is 6% above the pre-recession peak led by SF and SJ metro areas.
- At the same time the region's labor force has increased by more than 350,000 workers raising the share of residents with jobs, counter to the state and national trend.
- And the unemployment rate has dropped to near pre-recession levels.

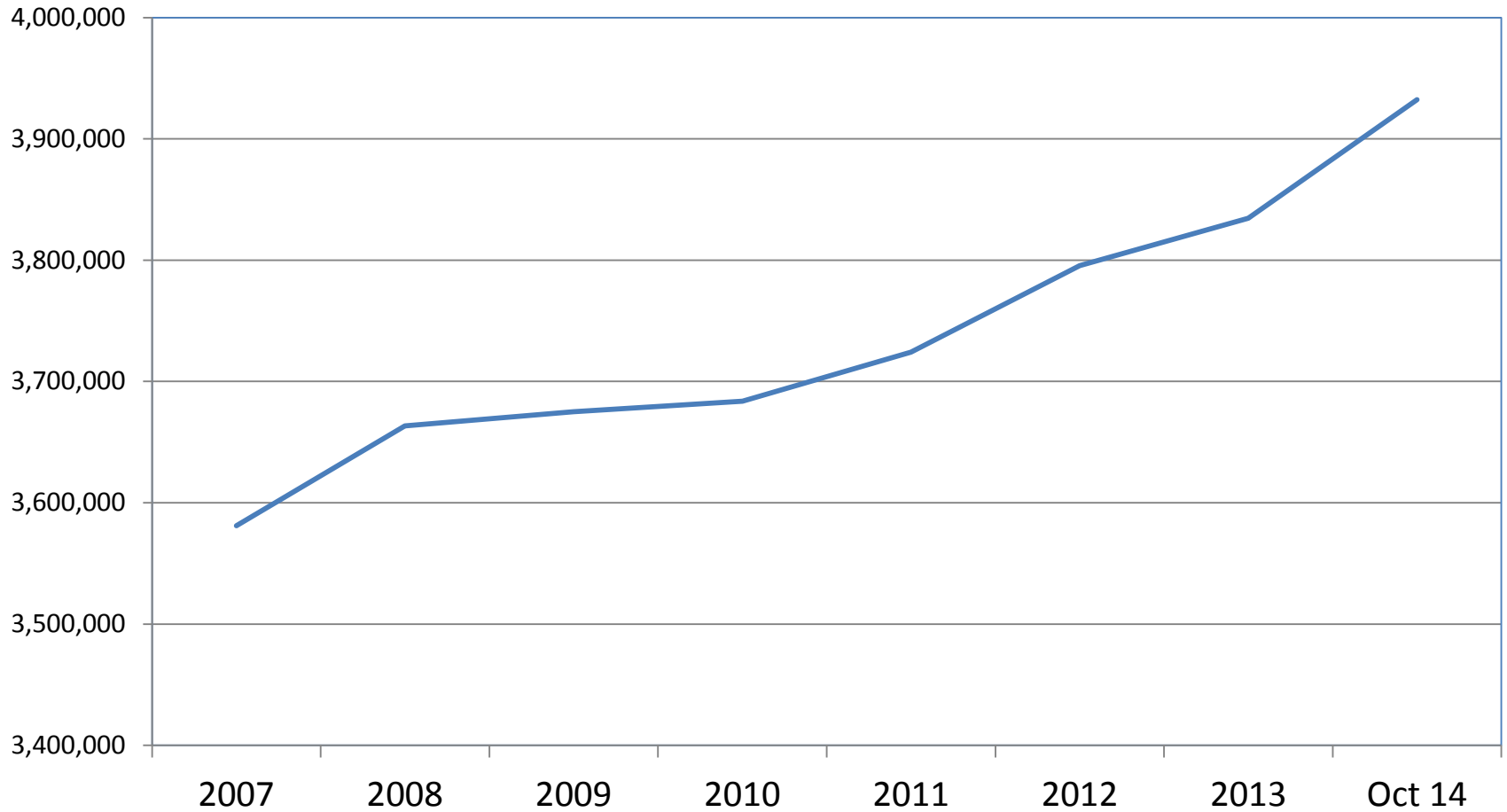
Strong Job Growth is Spreading Throughout the Region



Unemployment Rates are Falling

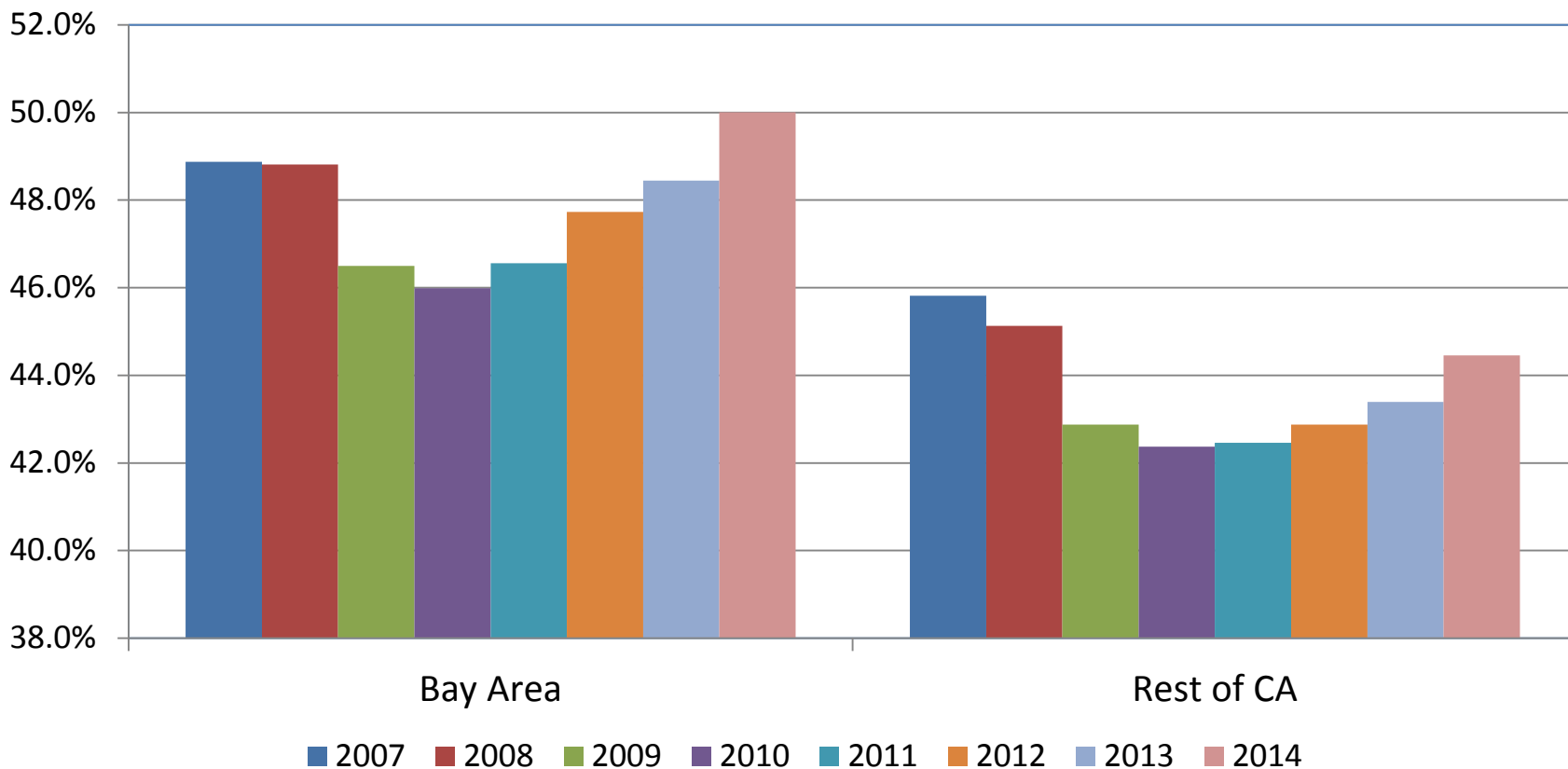


The Labor Force is Growing



And the Share of the Population at Work is Up Unlike Elsewhere

Share of Population with a Job

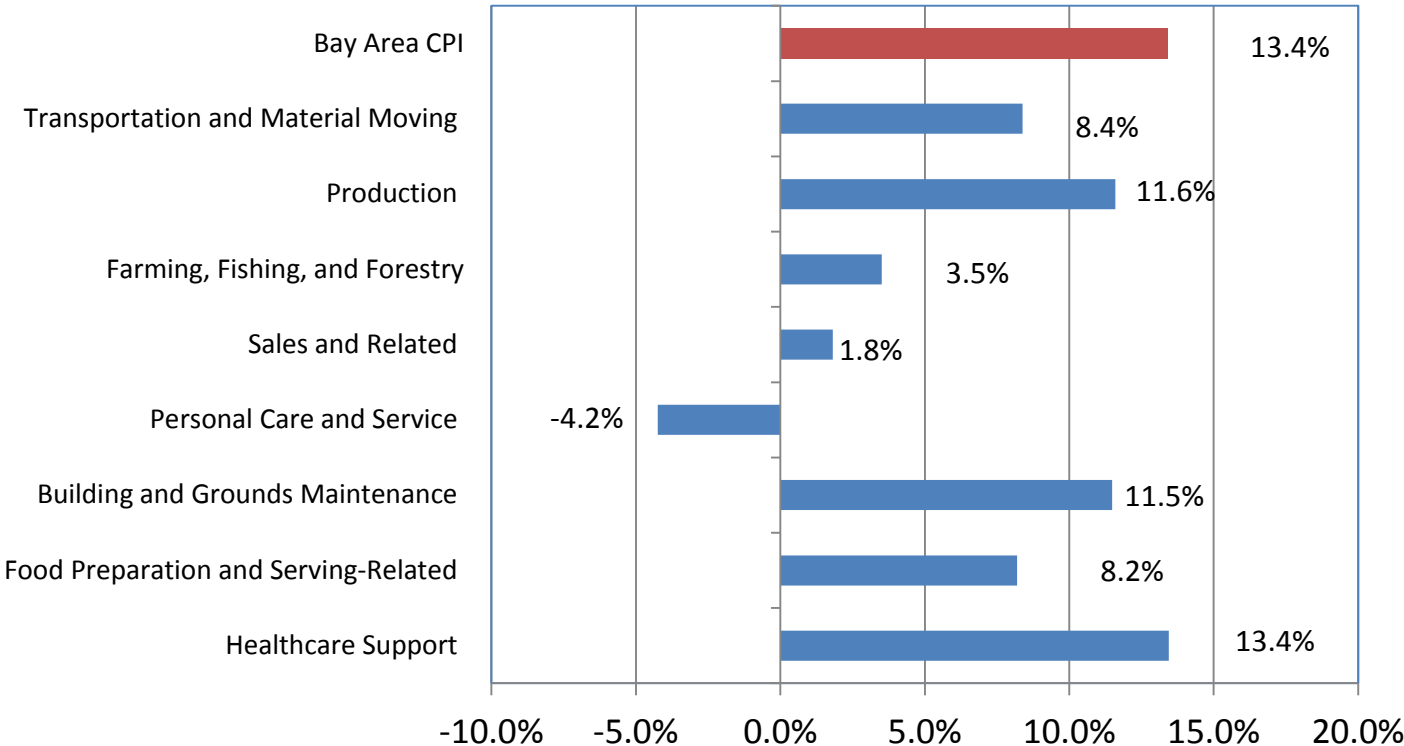


Where a Strong Economy has Not Helped (Yet)

- Real wages fell for nearly all major low and middle wage occupational groups—over the short and longer term
- The number and share of middle wage jobs fell and lags in the recovery

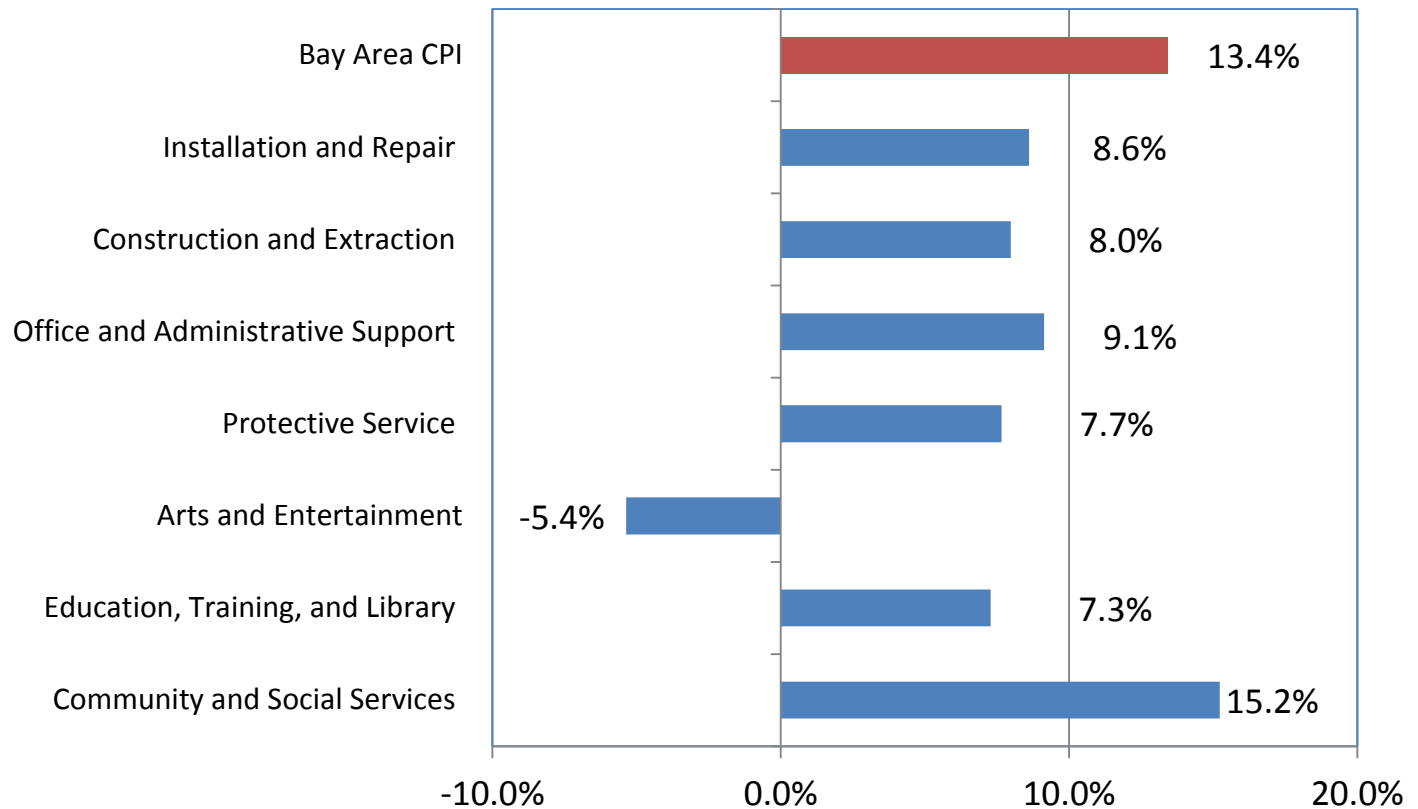
Wages Lag Behind Inflation Since 2007

Change in Median Wages for Low Wage Occupational Groups and CPI 2007-2013

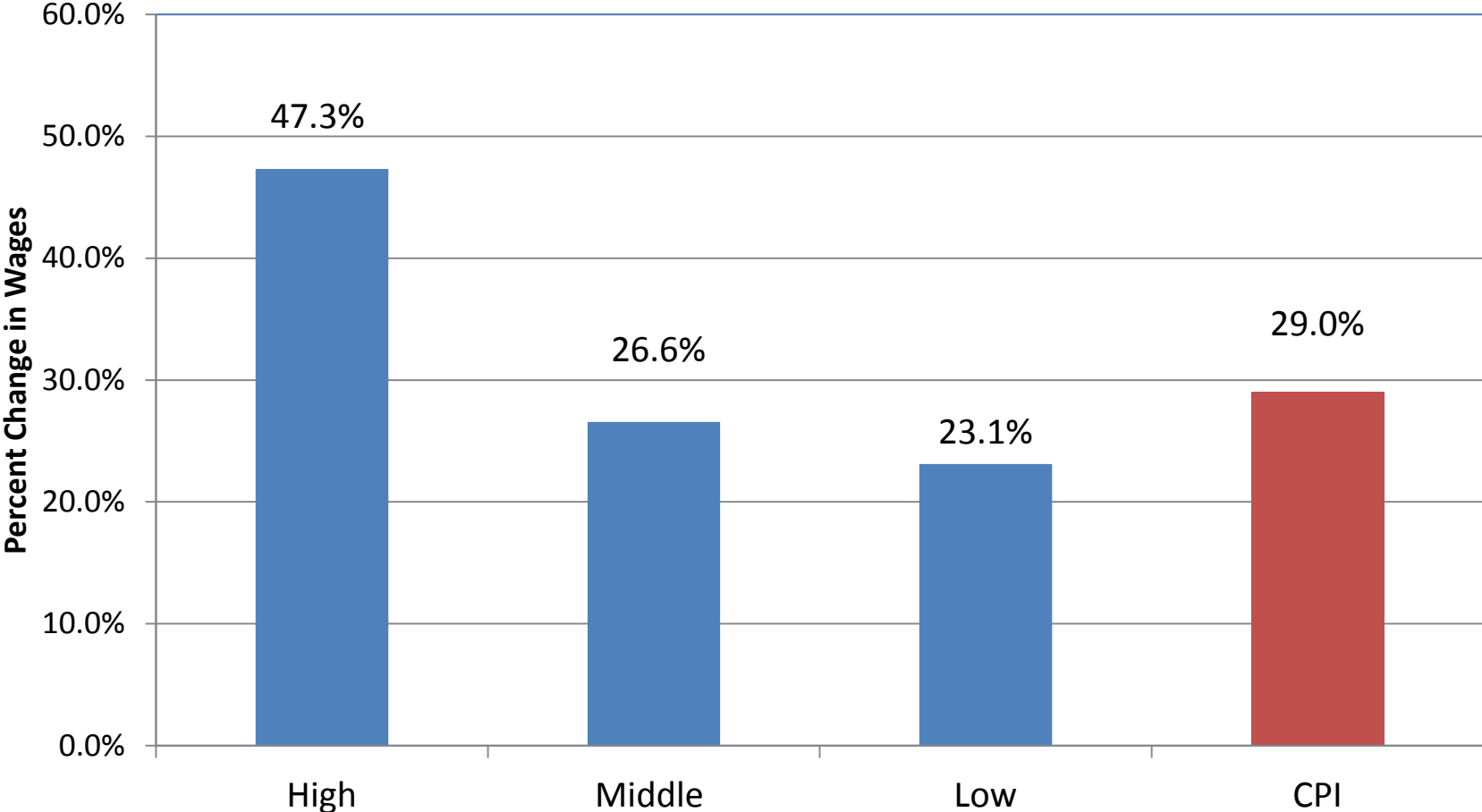


Real Wages Decline for Most Middle Wage Occupational Groups 2007-2013

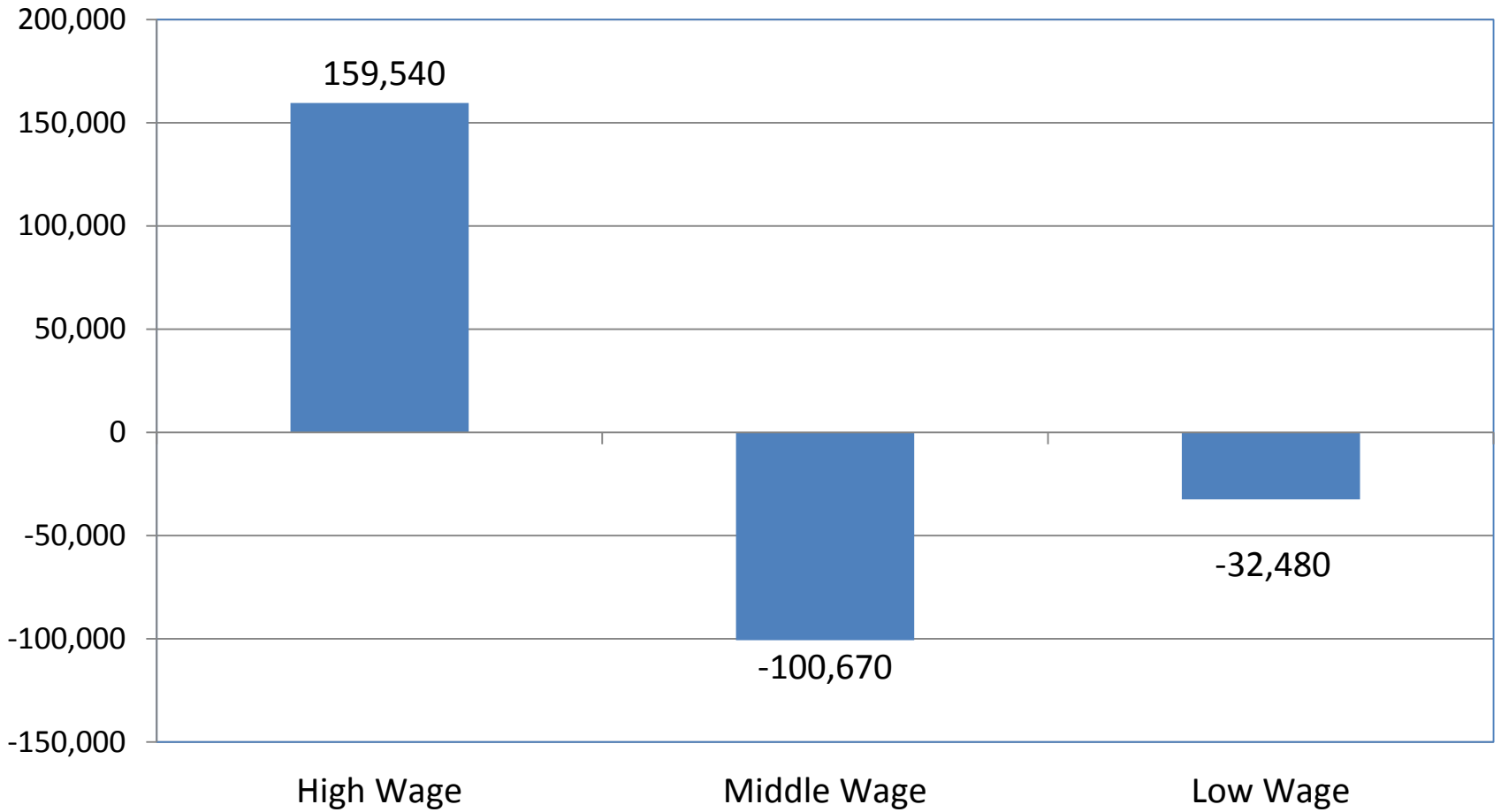
Changes in Median Wages and CPI 2007-2013



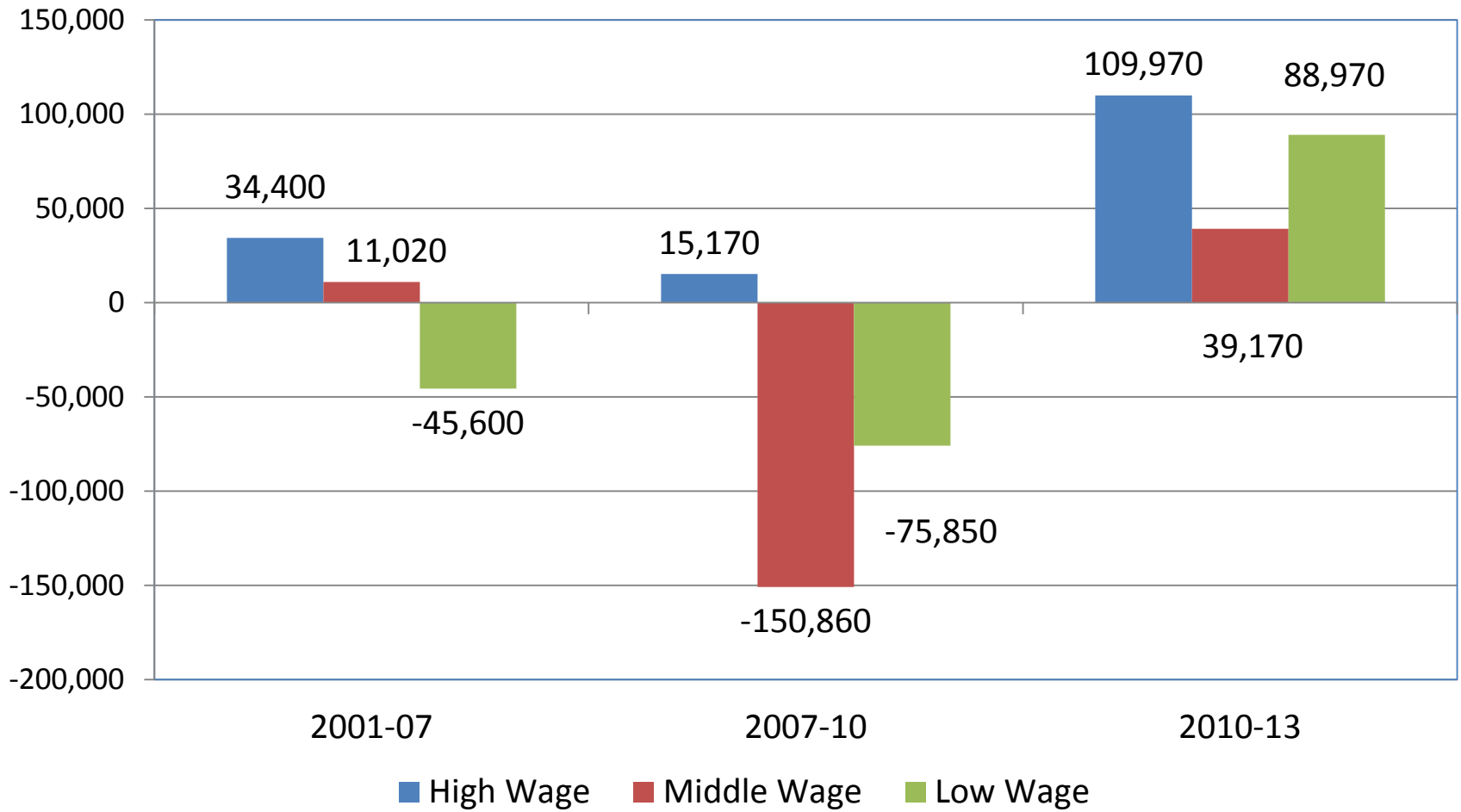
Median Wages for Low and Middle Wage Occupations Lag Since 2001



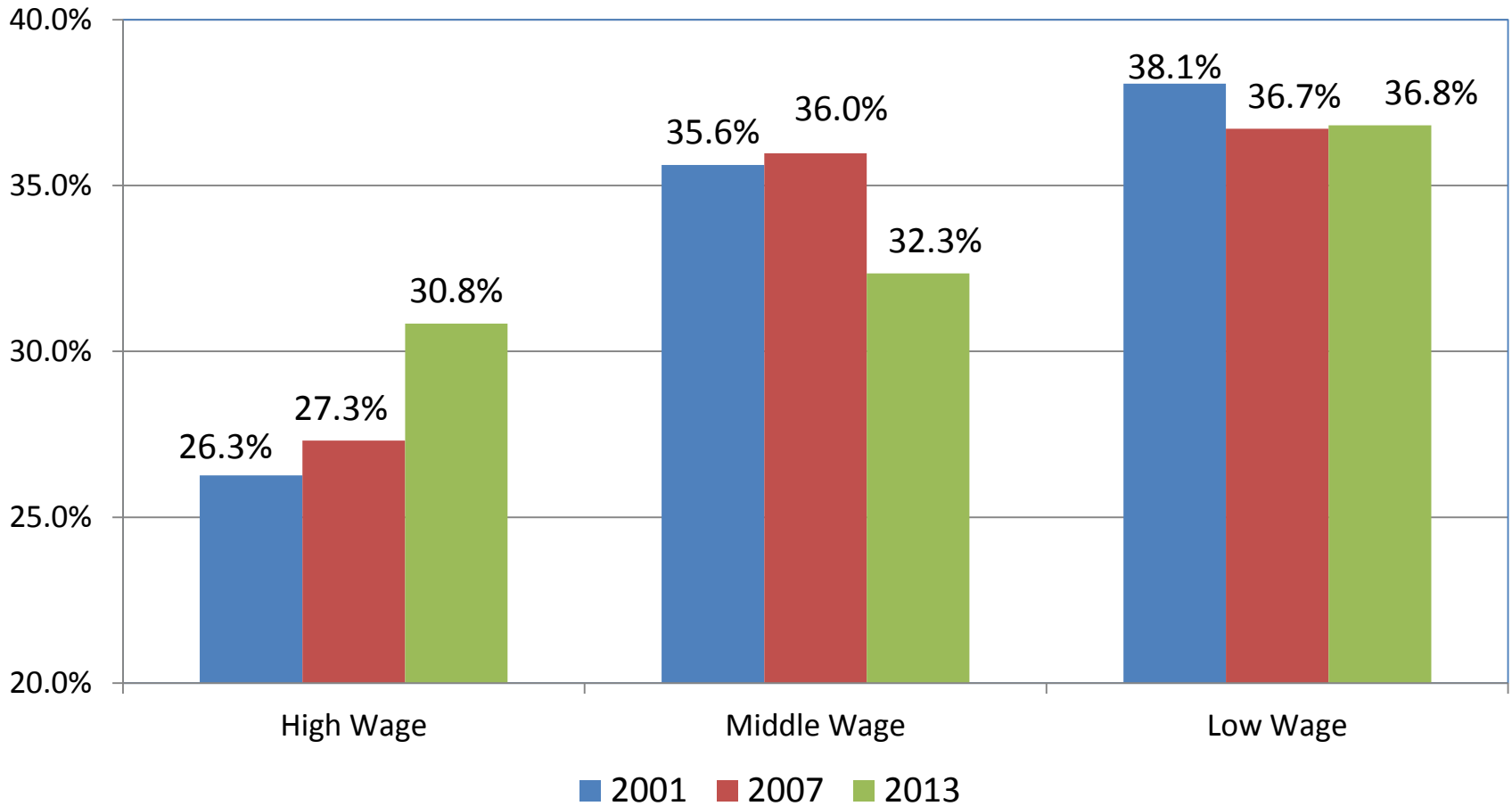
Occupational Job Trends 2001-13



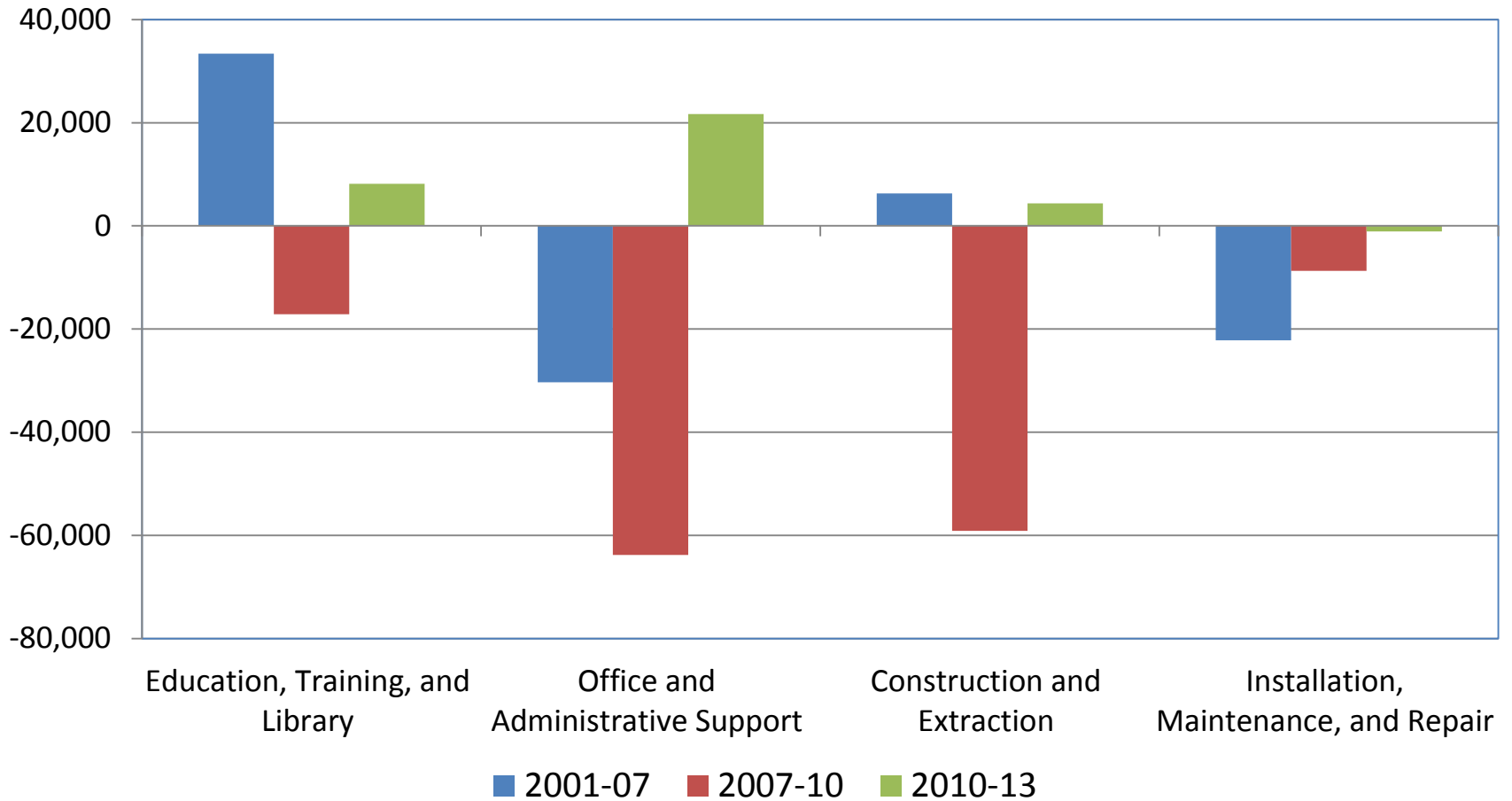
Occupational Job Trends by Time Period



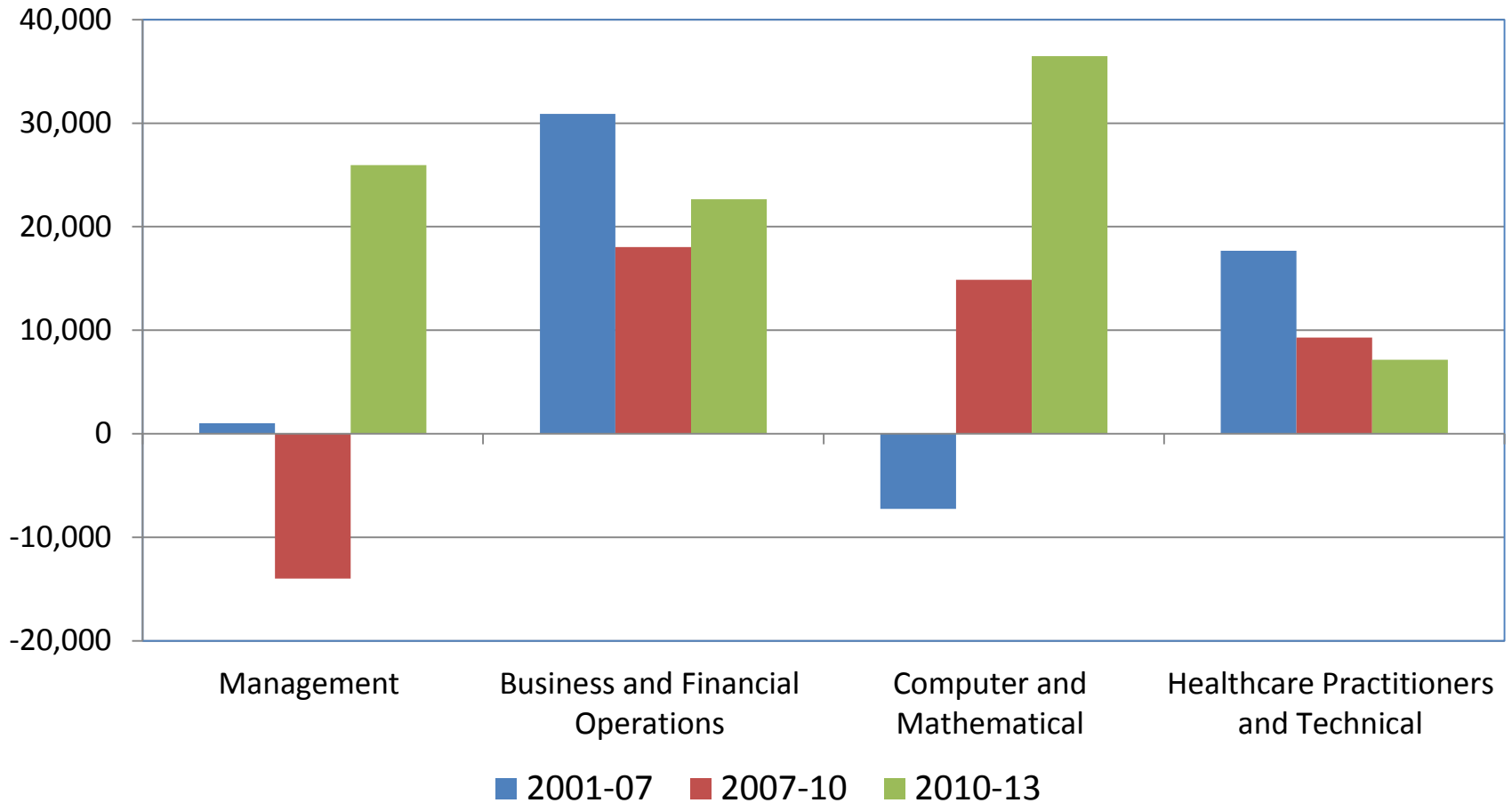
Bay Area Jobs by Median Wage



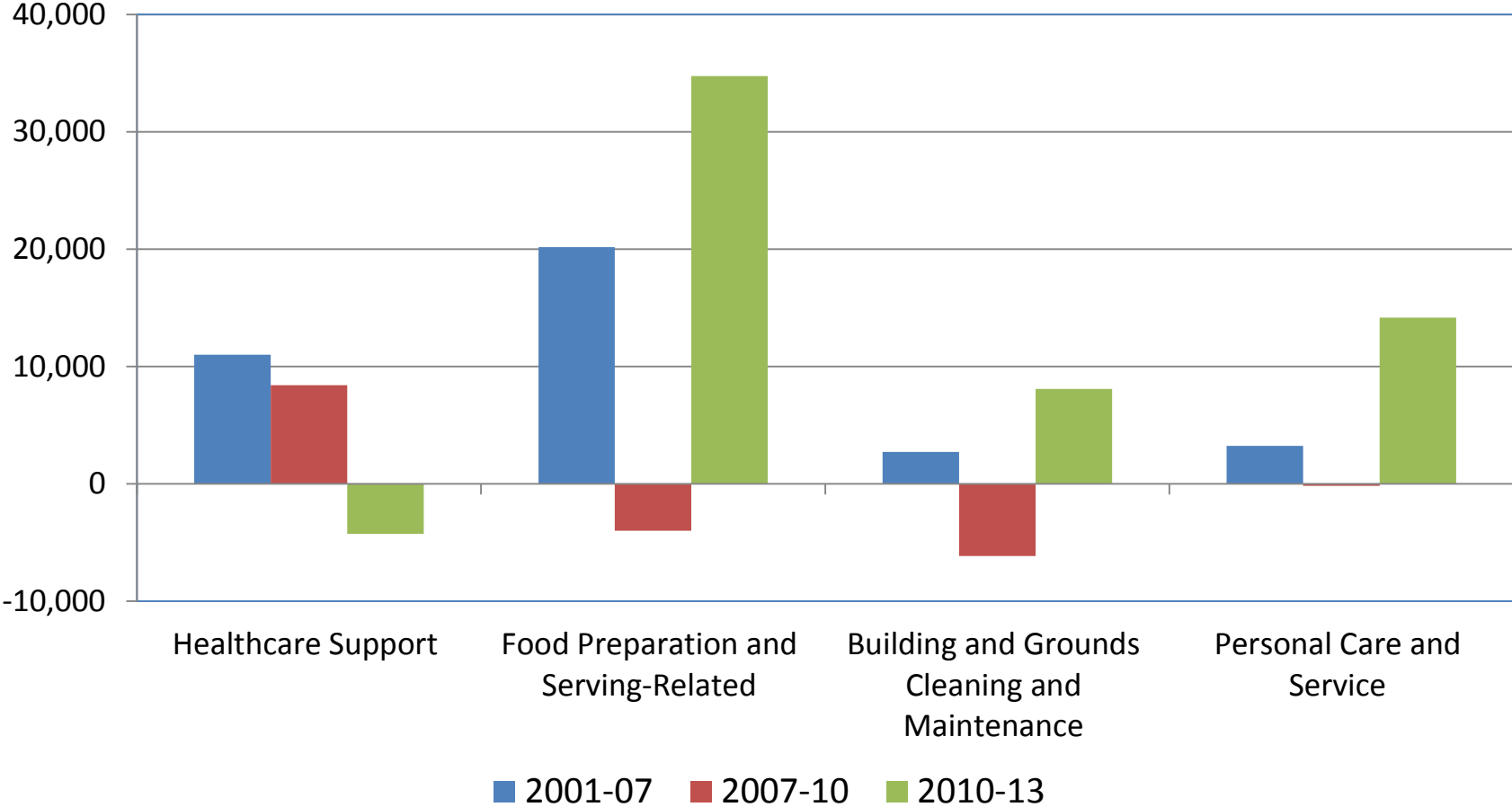
Major Middle Wage Occupational Trends



Major High Wage Occupational Trends



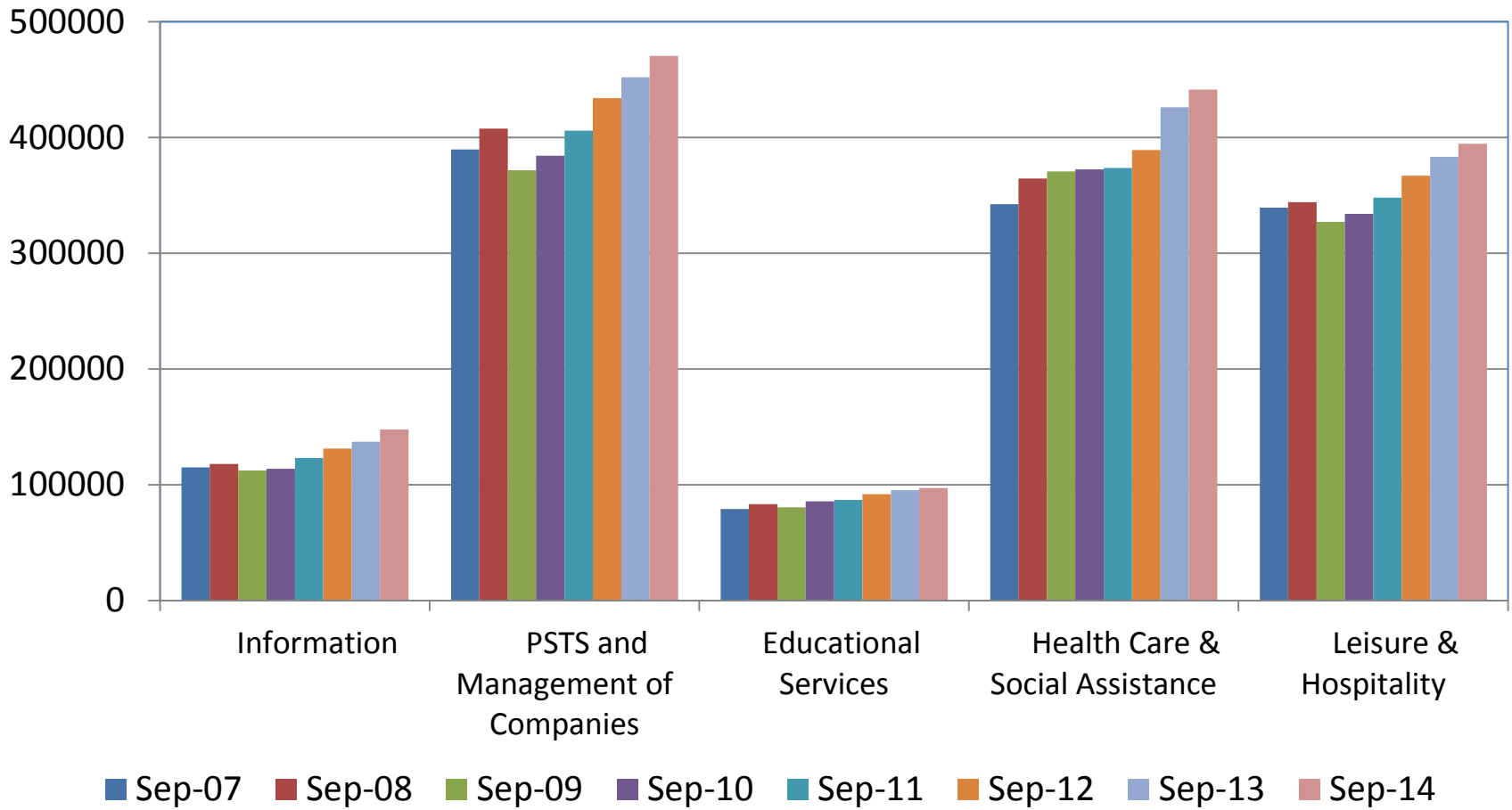
Growing Low Wage Occupational Groups



Declining Low Wage Occupational Groups



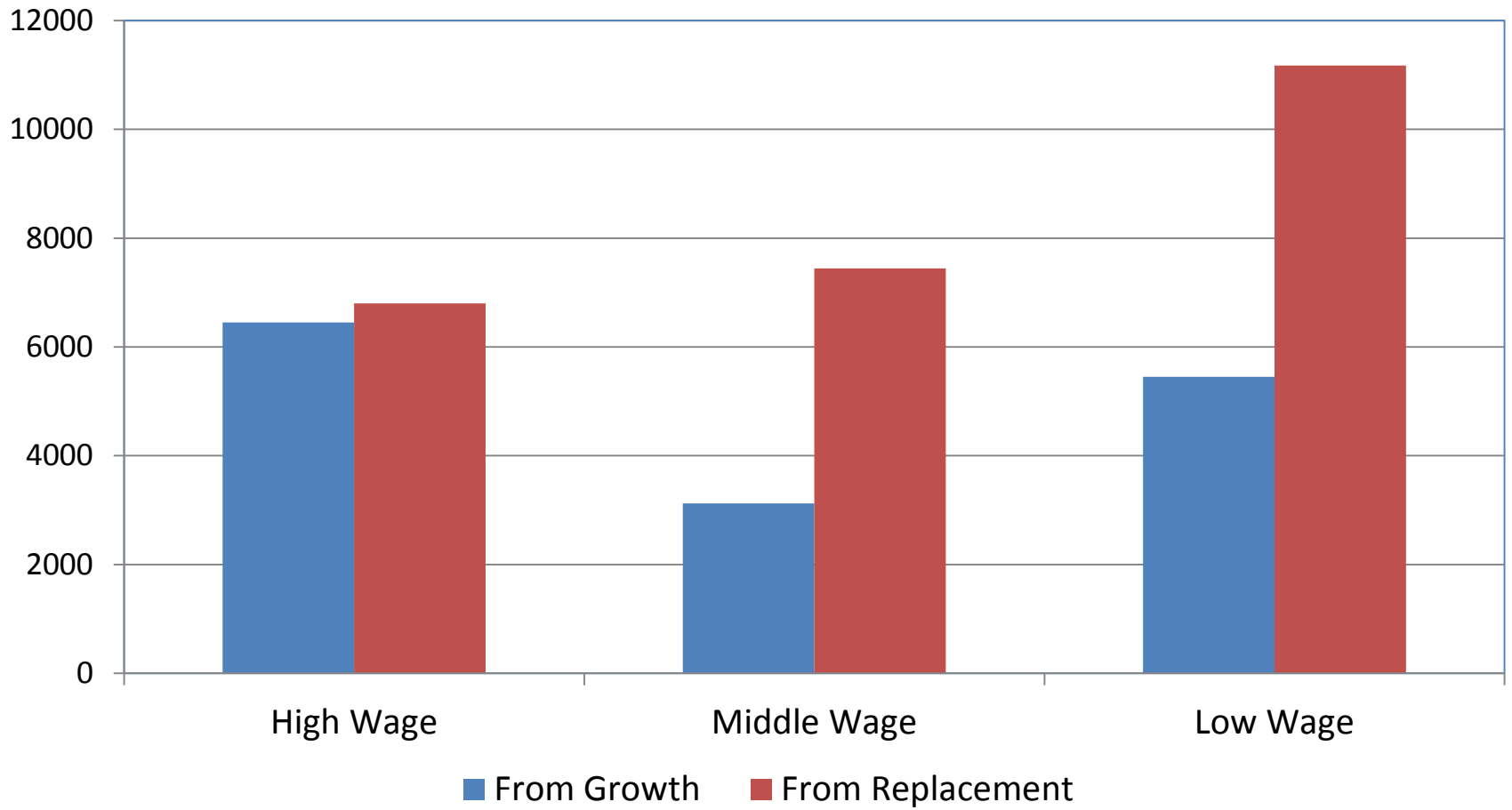
Industries with Recent Job Growth



What the Future Will Bring

- Most job openings will be to replace current workers, not from job growth, especially after 2015. Openings will be in all wage groups.
- Occupational and industry growth will look a lot like what has occurred since 2010.
- Wage growth should accelerate—from a tight labor market and minimum wage increases.
- A strong housing recovery has many pluses for the economy and middle wage jobs.

Annual Job Openings SF Metro 2012-2022



Fifteen Occupations with Most Job Openings SF Metro Area 2012-22

- Seven are high wage—software developers (two categories), accountants, operations managers, market research, management analysts and registered nurses.
- Seven are low wage—personal care aides, waiters & waitresses, cashiers, retail sales, food prep, janitors and dishwashers.
- One is in the middle wage group—office clerks

Projected Job Growth SF Metro 2012-2022

- Leading Industry Growth—PSTS (38,100), Health Care & Social Assistance (26,800), Information (16,300), Food Services (15,900)
- Positive but Less Growth—Administrative and Support Services (8,600), Retail Trade (8,200), Construction (7,000), Hotels (5,900), S+L Govt. (5,700)
- Job losses in Manufacturing (-200), Finance (-3,500), Wholesale Trade (-4,300), Federal Govt. (-4,400)

Implications for Economic Prosperity Strategies

- Replacement openings are more than double openings from job growth and will be the major middle wage job opportunities
- Low wage job growth and wage stagnation confirm the importance of strategies to improve conditions for low wage workers
- Regional economic growth does matter for job growth and reducing unemployment and should soon produce better wage increases

Implications for Economic Prosperity Strategies

- Construction and health care are more likely sources of middle wage job growth than a revival of manufacturing job growth.
 - Strategies to build homes and infrastructure have a triple bottom line.
- Retirements and a tightening labor market will help
 - Strategies to address language, skill and mobility deficits remain critical for upward mobility goals.