

Tomorrow's Workforce

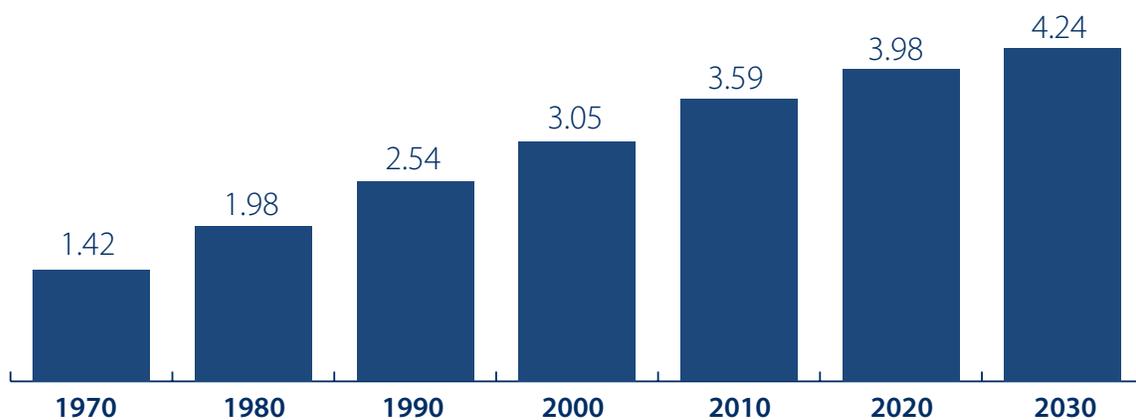
Challenges and Opportunities

Compared to Washington's labor force¹ of today, tomorrow's labor force will be older, more racially and ethnically diverse, and will grow at a slower rate. This changing workforce and the changing needs of a knowledge-based economy pose new challenges for Washington's workforce development system. As our population growth slows and an increasing number of jobs call for higher skill levels, we need to provide new arrivals and historically underutilized populations with the education and training to participate more successfully in tomorrow's economy.

Workforce Growth Slows

While Washington's workforce has grown over the years, more than doubling from 1.4 million workers in 1970 to about 3.6 million today, the faster growth rate of the previous century has slowed, and will get slower still. The state's workforce is projected to grow by about 1.18 million workers to 4.24 million in 2030, but this incremental growth barely tops half of 1 percent per year as we approach 2020. Compared to the 1980s, when Washington's labor force regularly expanded by 2.5 percent each year, our economy in the coming years won't be able to rely on a rapid injection of workers to fill jobs. Put another way, the rate of growth during the next three decades will be just one third as fast when compared to the previous 30 years.

Figure 1 Washington's Labor Force (in millions)



Source: Washington State Office of Financial Management & Employment Security Department. *The 2007 Long-Term Economic and Labor Force Forecast for Washington*, May 2007, Figure 2-4

¹ In this report, the term "labor force" is used synonymously with the term "workforce" and refers to the civilian 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 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.

The Migration Factor in Population and Labor Force Growth

Washington's labor force growth rate, while slowing, is 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 U.S. Census, 47 percent of Washington residents were born here (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-migration², the amount by which the number of people entering the state exceeded the number who left.³

In the past, in-migration has increased or decreased depending on how well Washington's economy is doing relative to the rest of the country, and especially neighboring states, such as Oregon and California. 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 rebounded to over 70,000 per year since 2005. The state's Office of Financial Management's long-term projections anticipate net in-migration of 48,100 new residents per year beyond 2015—far higher than the state's natural increase of 37,000 workers⁴.

New residents moving here from other states (most frequently California and Oregon) often have high levels of education and contribute directly to our prosperity. Of the new residents over the age of 25 arriving in 2006, 41 percent had a bachelor's degree or professional degree, compared with just 31 percent of Washington's population.⁵

Much of that net in-migration is centered on the Seattle and Portland metropolitan areas. The U.S. 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, Wash., was 5th and the central Puget Sound area was 12th out of 276 metropolitan areas in net in-migration rates nationwide. However, the state's other metropolitan areas, including 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 Washington. Net in-migration rates were highest among young adults and their children. Among those age 20 to 30 in 1995, 17 percent left the state, but were more than replaced by new arrivals who produced 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, the net increase averaged 3 percent.⁷

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

2 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.

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

4 Natural increase refers to the number of live births versus deaths each year.

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 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_%20cntyocnty_mig.xls.

Population and Labor Force Growth from Natural Sources

The state's labor force also grows because of natural increase – the number of native Washington residents who enter the work force each year, minus the residents who retire. Some 40 to 45 percent of labor force growth through 2030 will come from natural increase. However, 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 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 reason why labor force growth is projected to be higher in the next decade than in the decades to follow.¹⁰

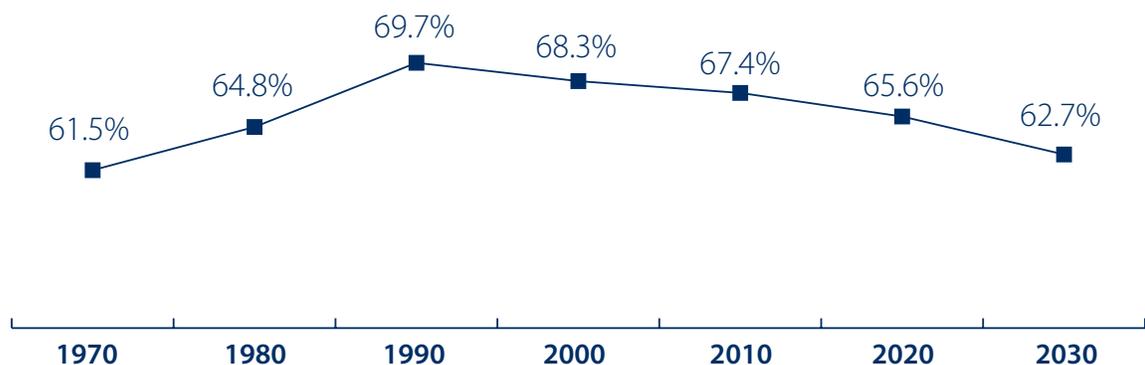
An aging baby boom population will boost retirement and other exits from the labor force over the next decade. Because of lower birth rates, the most active labor force participants, aged 25-54, will increase by an average of only 19,400 persons per year between 2005 and 2030. That's less than half the rate between 1970 and 2004, when workers aged 25-54 increased by 44,300.

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.

The labor force projections shown in Figure 2 are based on the expected labor force participation rates of Washington residents and expected in-migrants, based on their ages and past behavior.

Figure 2 Washington's Labor Force Participation Rate: Ages 16 and Over



Source: Washington State Office of Financial Management & Employment Security Department. *The 2007 Long-Term Economic and Labor Force Forecast for Washington*, May 2007, Figure 2-4

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 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 That means in the next 20 years, slightly more than one in five Washington workers will be over age 55.

Historically, labor force participation rates drop significantly at ages 62 and 65. The earliest age that one can retire and receive Social Security benefits is 62. Prior to 2000, the normal retirement age for receiving full Social Security benefits was 65. In 2000, Congress raised the age of full retirement benefits by two months for those born in 1938, four months for those born in 1939, and six 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 full retirement benefit for those born in 1960 and later is 67.¹³

There are, however, those who will decide to continue working despite their eligibility 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 age 65 to 70 to continue working. Prior to 2000, many of those aged 65 to 70 who wanted to continue working were discouraged from doing so because Social Security reduced their benefits if they continued earning wages.¹⁴

Others might stay in the workforce to assure their economic security and to maintain health care benefits.¹⁵ The rising cost of retiree health care benefits has already prompted many employers to reduce or eliminate these benefits for future retirees. This, in turn, has forced many older workers to continue working 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, growing in number from 103,400 to 325,400.

Older workers can offer employers valuable experience and knowledge. On the other hand, some older workers will need to upgrade their skills, while others will need substantial retraining to meet changing job requirements.

¹² Data provided by OFM, September 2005.

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 Gemus, "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).

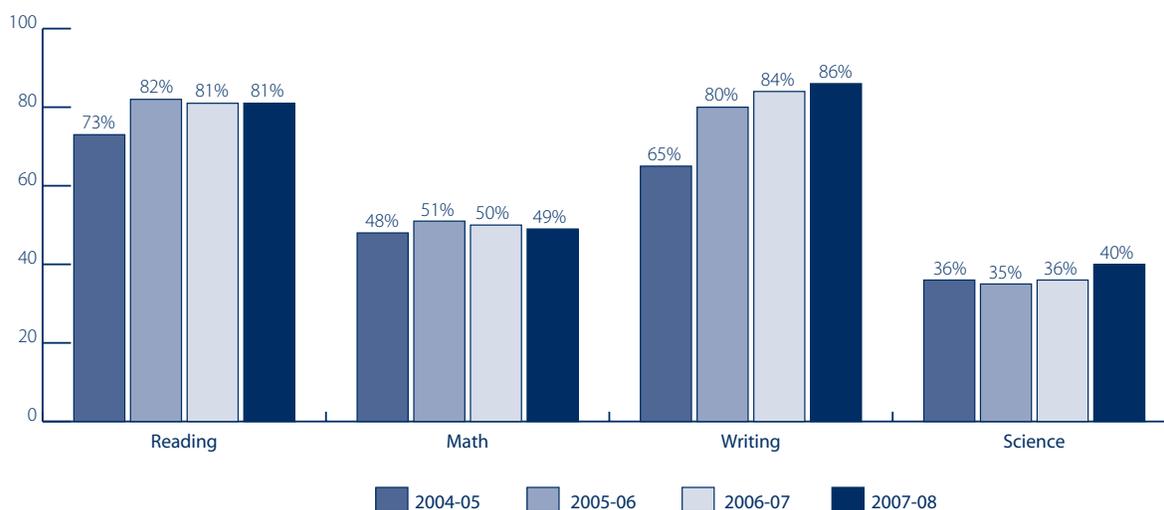
Young Adults in the Workforce

At the other 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 group 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- to 24-year-olds are still in school—either high school or postsecondary education. Too many others are no longer in school, including many who dropped out of high school. The Washington State Report Card issued by the Office of Superintendent of Public Instruction indicates that just 72 percent of the class of 2007 graduated on-time after four years of high school and only 77 percent of that year's class is expected to 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 were neither enrolled in school or in the labor force.¹⁸

Almost 19 percent, or about one in five, of Washington's 18-24 year olds did not have 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.

The Washington Assessment of Student Learning (WASL) is another gauge of how well Washington's youth are prepared for both school, and careers. Students are tested each spring in grades 3-8 and 10 in reading and math. Students also are tested in writing in grades 4, 7 and 10 and science in grades 5, 8 and 10. Currently only about half of 10th graders meet the math standards and 40 percent meet the science standards considered essential to future success.

Figure 3 Percent Meeting Standards on 10th Grade WASL



Source: Washington State Office of Superintendent of Public Instruction: <http://reportcard.ospi.k12.wa.us/>

Academic preparation alone, however, is not sufficient to prepare young people for their future. After graduating high school, 79 percent of students go to work. Of that number, 34 percent do not get further education and training. That means about one in three of Washington's high school graduates rely on their high school diploma as their only credential, gaining entry into mostly low-wage, low-

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

¹⁷ Washington State Report Card for 2007-08: <http://reportcard.ospi.k12.wa.us/summary.aspx?year=2007-08>.

Data may be subject to upward revisions. The 77 percent graduation rate is an extended graduation rate based on the on-time graduation rate 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 2006-07 school year.

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

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

skill jobs.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

But reaching out to youth, and providing them with additional education and training options, can be difficult. 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 United States 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 mobility complicates efforts to serve them.

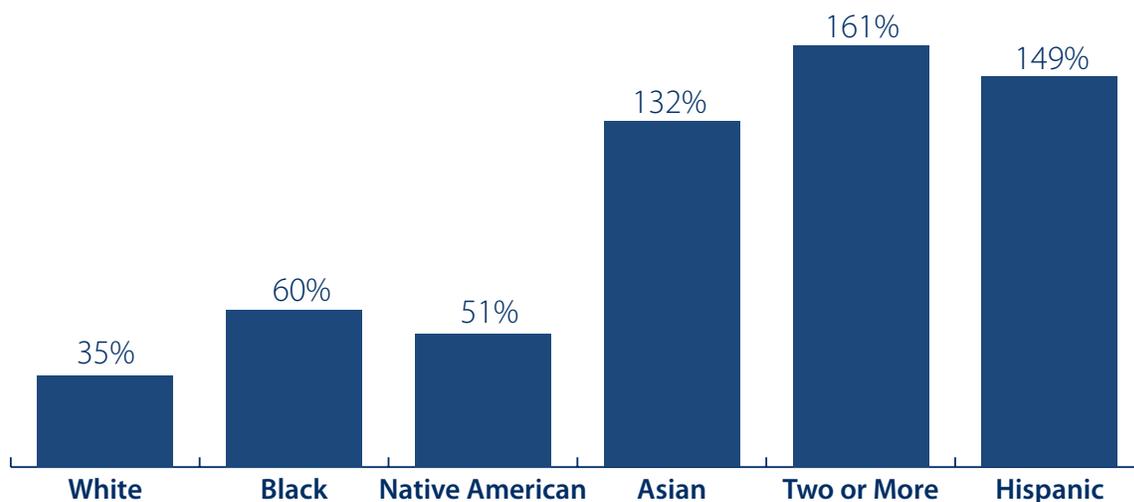
Racial and Ethnic Diversity in the Workforce

In future years, Washington's population 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 faced as diverse new populations are assimilated into our labor force. We do not 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 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. The Asian and Pacific Islander population is expected to grow from 355,800 to 825,200 (132 percent) over the same period.²³

Figure 4 Percentage Growth in Population by Racial Group and Hispanic Origin:



Source: Washington State Office of Financial Management. *Projections of the State Population by Age, Gender and Race/Ethnicity 2000-2-3-*, March 2006. Overall population will grow by 45 percent over time period.

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).

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.

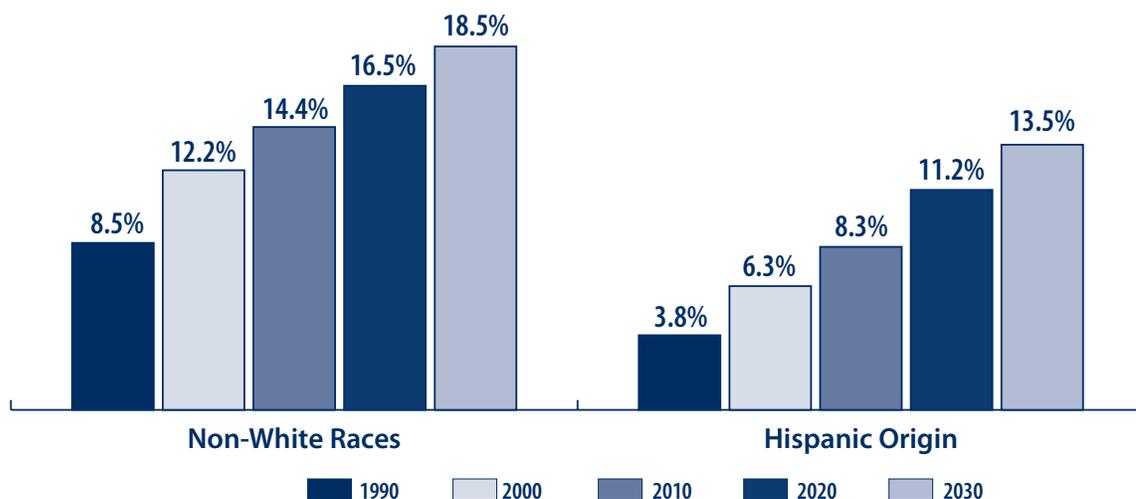
High immigration rates are a major factor in the growth of Hispanic and Asian and Pacific Islander populations, and also in the growth of all other demographic categories. One-eighth of Washington state’s population in 2006 was foreign born (793,800 out of 6.4 million). Some 257,700 of these new residents entered the United States during the 1990s and 213,000 entered between 2000 and 2006. During the most recent period, 36 percent of in-migrants were from Latin America, 35 percent from Asia, 17 percent from Europe, 7 percent from Africa, and the remainder from Canada and the Pacific Islands.

In 2006, 44 percent of foreign-born residents were between 25 and 44 years of age. But many were younger—almost 42 percent were under the age of 25 and nearly one in four were under the age of 18. In 2006, 77,700 foreign-born students attended elementary, middle and high schools in Washington state and another 58,400 attended college or graduate school.²⁴

International arrivals are not the only source of Washington state’s increased diversity. Some will come from natural increase as immigrants 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 Native American residents arrived from other states as opposed to other countries. An estimated 87 percent of new white residents came from other states. In-migrants from other states 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 population and 2.8 percent of Native Americans.²⁵

These demographic trends are shown below in Figure 5. The percent of Washington’s labor force from non-white backgrounds will more than double between 1990 and 2030. The percentage with Hispanic background will have tripled.

Figure 5 Labor Force Composition by Race and Ethnicity



Source: Washington State Office of Financial Management & Employment Security Department 2007 Forecast, May 2007. Table 2-5

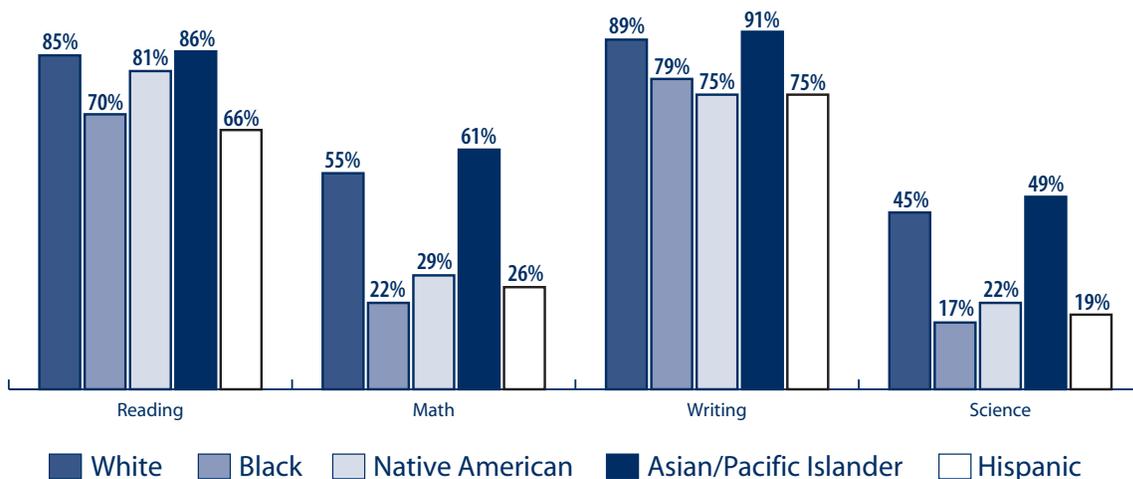
24 American Community Survey for 2006, Table S0503 Selected Characteristics of the Foreign Born Population by Period of Entry.

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

The growing racial and ethnic diversity of the workforce makes boosting the education levels of all our population groups increasingly pressing. In 2006, while 92 percent of non-Hispanic whites 25 years or older had completed high school or its equivalency, only 78 percent of persons from non-white racial backgrounds and 56 percent of Hispanics had done so.²⁶

Without intervention, these trends are likely to continue. Some 79 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 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 four percent of high school students with limited English skills had a 66 percent graduation rate.

Figure 6 Percent of 10th Graders Meeting WASL Standards (2007-08)



Source: Washington State Office of Superintendent of Public Instruction: <http://reportcard.ospi.k12.wa.us/>

This pattern can be seen in the Washington Assessment of Student Learning (WASL) scores, which reflect both academic skills and skills needed in the workplace. This mandatory test will directly affect graduation rates in the future. All students are expected to pass the high school WASL or a state-approved alternative option in reading, writing and math to receive a diploma. There are a few exceptions to this requirement, but when fully implemented in 2013, if the learning needs of minority populations are not met, the WASL requirement could reduce the number of students who graduate from high school.

For example, while 85 percent of white and Asian students met the reading standards on the 10th grade WASL, about 65 percent of black, American Indian, and Hispanic students did.

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

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 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, the number of people who report having a disability appears to have increased, and labor force participation among this population 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 play a role. Society stigmatizes people with disabilities by treating them as deficient. 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 did not report that their disabilities made it difficult to work at a job or business; two-thirds of this group was employed. The other 315,000 Washington residents between the ages of 16 and 64 were estimated to have disabilities that 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. Again, because of inconsistent data collection over the past few years, we cannot 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

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.

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?"

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

For women, the largest gains in labor force participation rates have already occurred. In 1980, Washington women's share of the labor force stood at 41.7 percent. Women's labor force participation rates in Washington reached 46.3 percent in 2006.³⁶ However, by 2030, women's share in the workforce is projected to increase only slightly to 46.7 percent.

Women's increased labor force participation rates have been associated with many factors, including:

- Higher education levels that lead to better, more diverse career opportunities.
- More women remaining single, or marrying later in life and delaying child bearing.
- A cultural shift in economic and career expectations.
- A decline in real wages that makes a second income necessary to offset the loss in real earnings of traditional male breadwinners.

Despite changing social expectations about parenting roles and responsibilities between men and women, children continue to have a significant impact on women's labor market outcomes. 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. 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 of those who had not.³⁷

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.³⁸ 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 (such as office support occupations) than fields that tend to be dominated by men (such as information technology). These constraints on employment tend to diminish promotional opportunities.

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

34 Special Education is defined as having an Individual Education Plan (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.

37 American Community Survey for 2006, Table S1301 Fertility.

38 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/r2005/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/publications/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).

This is evidenced by women's continued lower levels of compensation and hours of work compared to men, despite similar levels of education. Women earned just 75 percent of what men earned, on average, for working full-time. Median earnings for women who worked full-time for the full year were \$36,158. For full-time, full-year male workers, median earnings were \$48,331.³⁹

Summary

Compared to the workforce of decades ago, Washington's labor force today is older, more racially and ethnically diverse, and has a higher proportion of women. In short, our workforce 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. Our ability to compete will require us to tap the full talents of all of our workforce. To do that, we must ensure our residents obtain the job skills and education required by our increasingly technology-driven, knowledge-based economy.

If we do nothing, we may find tomorrow's workforce unprepared and our economy wanting. If we act now, we can create new opportunities for previously underutilized populations, helping all Washingtonians and our economy grow.

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

