

Brief: Employment



United Way
of Snohomish County

General Description

On average, American adults spend more than half their waking hours at work. For millions of Americans, a steady job in safe working conditions means more than simply a paycheck: Employment can also provide the income, benefits, and stability necessary for good health.¹

One example of a federal employment program is the Workforce Innovation and Opportunity Act (WIOA). This initiative seeks to increase employment, retention, and earnings of participants through statewide and local workforce systems. In Washington, these services are coordinated through WorkSource, and, in 2012, the state received a \$55 million grant to support these activities, more than 80% of which was distributed by local areas.²

Beyond WIOA, several other state and federal programs are tightly connected to recipients' employment status. For example, Working Connections Child Care helps low-income families pay for child care while they work or meet other benefit participation requirements.³ At a federal level, the Earned Income Tax Credit is recognized as one of the nation's largest and most effective anti-poverty measures⁴ and is designed specifically to "encourage and reward work."⁵ In 2016, United Way's Free Tax Preparation campaign served 920 EITC households, leveraging EITC refunds of over \$1.8 million.⁶

Relationship to Poverty

Quality: Low-wage work is projected to account for 2 of every 3 jobs in the United States over the next decade, and many of these jobs are likely to have unreliable schedules, little flexibility, and lacking benefits. In addition, these positions are unlikely to offer opportunities for workers to advance their skills or wages, both critical steps in achieving greater self sufficiency and stability.⁷

Feasibility: The ability of individuals to move towards financial self-sufficiency is greatly impacted by their ability to obtain employment and decrease their reliance on public assistance. However, because employment effectively increases a family's expenses (e.g. clothing and child care costs), low-wage work alone is inadequate for supporting economic independence.⁸

Access to Child Care: Lack of affordable and reliable child care strongly impacts working parents' (and especially low-income working parents') employment options. The high costs of care often exceed the real or potential earnings of low-wage jobs, sometimes making work a neutral (or even negative) financial tradeoff. Additional issues include: 1) arranging care that match unpredictable or nonstandard hours; 2) finding care for multiple children or children with special needs; and 3) accessing public programs such as Head Start, prekindergarten and child care subsidies, which usually have waiting lists.⁹

Transportation: Transportation is a major barrier to employment, and this issue is exacerbated by the spatial mismatch between jobs and low-income workers. Reliable transportation has been shown to improve employment outcomes, and car ownership in particular is a powerful predictor of employment. However, owning a vehicle could preclude some low-income workers from accessing other benefits due to asset limits.¹⁰

Example programs that might fall under this focus area:

- STEM Jobs
- Job Training
- Youth Employment
- Under-Employment
- Child Care
- EITC Programs
- Living Wage

Snohomish County Stats:

- Population: 736,151
 - Under 18: 171,403
 - 18 to 64: 479,610
 - Over 64: 85,138
- Poverty Rate: 10.2
 - Under 18: 13.6
 - 18 to 64: 9.4
 - Over 64: 7.5

Source: U.S. Census 2015, 5-yr avg.

Effects on Youth

The pressures associated with parents' low-wage work often have direct impacts on children. Beyond just the economic effects of limited financial resources, youth in low-wage families are also more likely to drop out of school, and those with siblings often divert time from their own schooling to take on parenting responsibilities.¹¹

Working more than 15 hours per week while in high school can have a negative effect on academic achievement,¹² yet many low-income students may feel pressured to balance the demands of a job in addition to school.¹³

By 2018, the US may be short as many as 3 million workers in STEM-focused jobs. Only 44% of 2013 US high school graduates were ready for college-level math and only 36% were ready for college-level science.¹⁴

Only 23% of surveyed employers say that recent college graduates are well prepared when it comes to having the ability to apply knowledge and skills in real-world settings.¹⁵ Individuals who received a concurrent mix of training and employment services had a better employment and earnings outcome than groups who just received one service alone.¹⁶

Effects on Adults

Snohomish County's 2014 labor force averaged an unemployment rate of 5.2%.¹⁷ The longer one is unemployed, the harder it is to find work as skills erode, professional networks deteriorate, and workers become tainted by a perception of "unemployability." Poverty also makes it more difficult to travel to interviews, pay for child care, or care for one's health, making the job hunt all the harder.¹⁸

For a 4-person household in Snohomish County (2 adults and 2 children) the average cost of living requires \$26.77 per hour.¹⁹ The average minimum wage in Snohomish County is \$11.00 per hour, leaving an income gap of \$15.77 per hour.

Low-wage employment is often erratic and precarious, limiting workers' ability to learn new skills and search for better jobs. This makes it extremely difficult for these workers to take advantage of education and training opportunities which require scheduled attendance.²⁰

Employers in Washington State have expressed increasing concern over difficulties finding with the requisite skills they need to fill job openings. Most of the affected openings are in high-skill STEM and health care fields.²¹

Effects on Seniors

In 2015, 131,789 Snohomish County residents were aged 60 years and older. Of these older adults, 40,064 (30.4%) were still in the labor force.²²

Less than a third of workers age 55 and older feel they can meet basic expenses during retirement; only 11% felt they would have enough money for medical expenses.²³

The median age for retirement has been at or near age 62 since 1991, despite workers' plans to retire at 65. Among 50-61 year olds, 63% cited financial security or economic conditions as their reason to postpone their retirement date.²⁴

By 2022, as many as a third of those ages 65 to 74 will still be working. This is an increase of 11 percentage points from 2002.²⁵ Although many factors pull older workers into (or back into) the workforce, one major component is lacking stability of their financial resources.²⁶

Since the 1970s, employment for workers age 65 and older has gained at a rate nearly twice as fast as that of total employment (16 and older). While the number of employed people 74 and older is relatively small, this group has had the most dramatic gain: 172% increase between 1977 and 2007.²⁷ In Snohomish County, 4.7% (or 35,329) are seniors 75 or older.²⁸

Other Populations of Interest

Women: In 2014, women working full time in the US were paid, on average, just 79% of what men were paid. The pay gap affects women from all backgrounds, at all ages, and of all levels of educational achievement, although earnings and the gap vary depending on a woman's individual situation. The pay gap is often larger for women of color: for example, Hispanic and Latina women were paid only 54% of what white men were paid in 2014.²⁹

Individuals with Intellectual or Developmental Disabilities: The majority of adults with intellectual and developmental disabilities (I/DD) are either unemployed or underemployed regardless of their ability and desire to work.³⁰

Communities of Color: Due to historical discrimination in the labor market, residential segregation, and unequal access to educational opportunities, the US economy leaves many communities of color behind.³¹ In Snohomish County in 2015, the unemployment rate for Caucasians was 7.4%, nearly 1 whole percentage point lower than Native Americans (8.3%) and more than 2 percentage points lower than African Americans (9.4%).³²

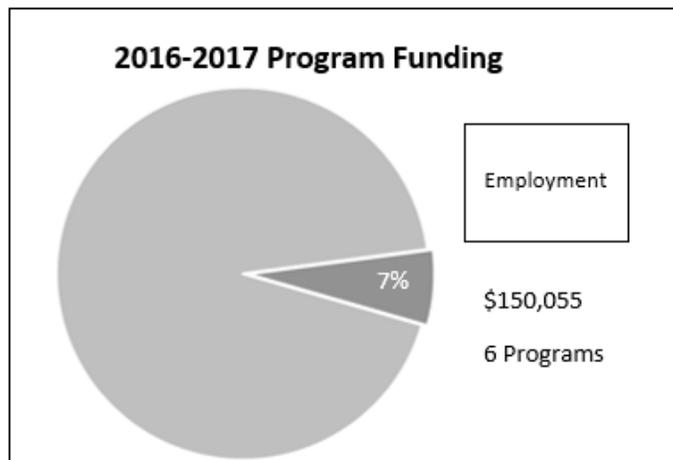
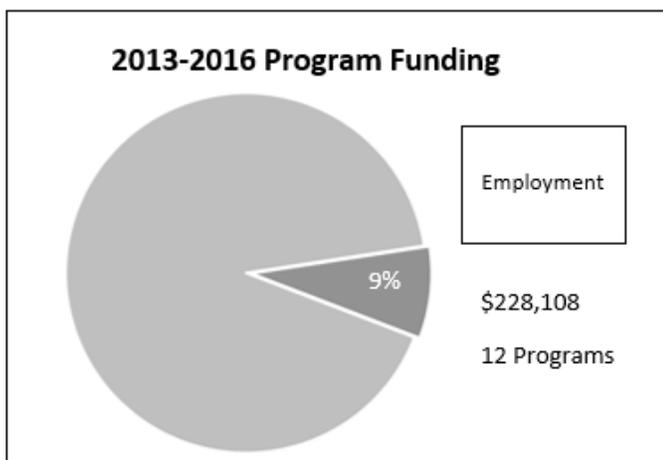
Strategies in Practice

Low-income workers need opportunities to acquire competitive job skills, including the knowledge and education to search for and retain jobs. The Washington State Basic Food Employment and Training (BFET) program partners with local nonprofits, community colleges, and technical schools to increase the employment readiness of Basic Food recipients. Statewide, 73% of the 2011 cohort obtained employment with a median hourly wage of more than \$11/hour.³³

Supplemental supports that help workers connect with employers, negotiate hiring agreements, and solve personal and professional problems that may act as a barrier to initial or ongoing employment opportunities are critical to successful job hunting and training programs.³⁴

Auxiliary social support services like transportation, health care, child care, and education not only increase the ability of individuals to obtain and maintain employment, but can also help offset the costs directly associated with employment.^{35,36}

Past United Way Funding



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