

Key Findings

1. Instead of creating new jobs, the state is claiming credit for growth in green industries as a result of relabeling existing jobs.
2. According to the state Employment Security Dept., “the overall increase in green jobs can be due to many factors, and the survey findings cannot confirm the causes of these increases” and that, “it seems unlikely that a large proportion of the increases in green jobs is due to new hiring.”
3. More than 89% of employers who responded to ESD’s survey, which represents 71,000 of the reported green jobs, said that there was little or no difference in the work done by green employees and the non-green employees.
4. Taxpayers are paying around \$2,400 per trainee to acquire green job skills that employers overwhelmingly said were no different than skills needed for existing non-green jobs.

Are Green Jobs Growing?

Public officials are getting better at asking questions to get the answers they want

by Brandon Houskeeper
Policy Analyst

April 2010

“Leave it to the Evergreen State to grow green jobs in a tough economy....After two years of bad employment news, I’m delighted that our efforts to increase green jobs are working. If Washington can see this kind of shift to green jobs during a recession, just think what will happen as our economy recovers.” – Governor Christine Gregoire, Press Release, March 18, 2010.

“The overall increase in green jobs can be due to many factors, and the survey findings cannot confirm the causes of these increases.... And, since the survey focused on the number of jobs employers identified as green jobs, and not on the number of ‘new’ jobs created, we do not know what proportion of the increase in green jobs is attributed to new hiring...however, it seems unlikely that a large proportion of the increase in green jobs is due to new hiring.” – 2009 Washington State Green Economy Jobs, by Washington State Employment Security Department, March 2010.

Introduction

As the state’s unemployment rate rose to 9.5 percent, Governor Gregoire rolled out her own news of economic success, claiming job growth in the green sector of the state’s economy. To support her claim, the Governor cites the findings of the *2009 Washington State Green Economy Jobs* report which found that there are more than 99,000 green jobs in Washington.

What do these 99,000 green jobs represent? Are these jobs new to our economy, or is the state getting better at asking questions to get the answers they want? A closer examination of the *2009 jobs report* shows that the Governor’s claim of the growth in green jobs is misguided and not consistent with the key findings from the state’s Employment Security Department jobs report. Instead of creating new jobs, the state is claiming credit for growth in green industries as a result of relabeling existing jobs and becoming better at asking questions in a way that gets the answer the state wants.

Background

In 2007, as part of the state’s overall effort to reduce the impacts of greenhouse gas emissions, Governor Gregoire issued Executive Order 07-02, the “Washington Climate Change Challenge,” which set a goal of creating 25,000 *new* green jobs by 2020.

Subsequently, the 2008 Legislature passed a bill requiring the Washington State Employment Security Department (ESD) to “conduct labor market research to analyze the current labor market and projected job growth in the green economy.”¹ In early 2009, ESD released the *2008 Washington State Green Economy Jobs* report. In the report, ESD randomly surveyed 15,000 employers, asking how they were engaged in the green economy.

The sample was chosen based on the ESD’s “expert judgment” of whether an employer was engaged in a green-economy activity as defined by the state’s expanded definition of green jobs. The 2008 jobs report found that more than 47,000 green jobs existed across the state.

In 2009, lawmakers in Olympia required ESD to complete a follow-up to the 2008 report. The new green jobs report estimates that Washington has more than 99,000 green jobs.² However, significant modifications were made in the 2009 report’s use of the survey compared with the 2008 report.

2009 Report Findings: Fishing in a Bigger Pond

In March 2010, the Employment Security Department released the *2009 Washington State Green Economy Jobs* report. The 2009 report relied on the same survey methodology as the 2008 report. Two significant requirements, however, were added to the survey process. The changes expanded the survey, requiring ESD to add industries from the private sector and to include the public sector.

These changes meant that the 2009 green jobs survey was sent to 19,241³ employers compared to just 15,649 employers in 2008⁴. As would be expected, by adding private sector employers and new public sector employers to the green jobs survey, the number of green jobs increased.

For example, green jobs reported from the private sector were up significantly over the 2008 totals, totaling more than 76,000 jobs. This represented an increase of more than 29,000 jobs for the private sector alone. But, by comparing only those private sector industries that were included in both the 2008 and 2009 reports, the total increase in jobs was even more modest, showing a little more than 15,000 green jobs between the two reports. That means that approximately half of the private sector jobs from the 2009 report are a result of expanding the number of industries surveyed.

Likewise, because the survey in 2008 did not include any public sector employers, it is impossible to know if any of the reported 23,000 public sector green jobs are new. For example, the 2009 survey shows that transit and school bus drivers account for more than 25 percent of all public sector green jobs reported. It is unlikely, however, that these are new jobs. Instead the state is simply relabeling traditional jobs to make them appear green.

The state is honest, however, that the changes to the survey make it impossible to claim the creation of new jobs. ESD officials included the following disclaimer in the 2009 report:

¹ “2008 Washington State Green Economy Jobs,” by Karen T. Lee, Greg Weeks Ph.D., and Mary Ayala Ph.D., Washington State Employment Security Department, January 2009.

² “2009 Washington State Green Economy Jobs,” by Karen T. Lee, et al., Employment Security Department, March 2010.

³ “2009 Washington State Green Economy Jobs,” by Karen T. Lee, et al., Employment Security Department, Appendix 2, page 39, March 2010.

⁴ “2008 Washington State Green Economy Jobs,” by Karen T. Lee, Greg Weeks Ph.D., and Mary Ayala Ph.D., Washington State Employment Security Department, Appendix 1, page 38, January 2009.

It is important to note that the 2008 estimate cannot be reliably compared to the estimate for 2009....because of differences in sample populations of employers used in the two surveys. Therefore, while the reported numbers of green jobs show an increase in private-sector green jobs between the two years, technical differences in sample populations and related measurement error prevent us from stating with statistical confidence that there are differences in the overall number of private-sector green jobs between 2008 and 2009.⁵

So are the green jobs counted by ESD in the 2009 report new jobs or just old jobs with a new label?

According to ESD, “the overall increase in green jobs can be due to many factors, and the survey findings cannot confirm the causes of these increases” and that, “it seems *unlikely that a large proportion of the increases in green jobs is due to new hiring*” (emphasis ours).⁶ But ESD does provide a few hypotheses for why they think these green jobs are appearing now in Washington.

1. Companies are continuing to evolve and develop new or expanded green product lines and services that respond to new markets and consumer demand,
2. Federal and state policies and regulations, investments and tax incentives, and other initiatives that support environmental protection, clean energy technologies and energy conservation can influence companies to expand their proportion of green business, or
3. Greater awareness among employers about what constitutes green products and services.

A likely fourth reason that the number of green jobs continues to increase in the state is a combination of the hypotheses provided by ESD. Many companies are evolving not only because of consumer demand, but because of “free-money” offered as incentives to change or adapt.

Meet the New Job, Same as the Old Job

Perhaps one of the best ways to understand how these green jobs should be viewed is to ask employers for their perspective. The 2009 green jobs report added an additional survey question which:

...asked employers to rate how different the skills are between employees identified as working in green jobs from those who do not work in green jobs.⁷

ESD Officials asked employers to choose one of four possible responses and to choose the response that best answered the questions. The possible responses included: Skills are identical, skills are mostly the same, skills are mostly different, and skills are entirely different. The table below shows how employers responded.⁸

Degree of Skill Similarity between Green and Non-green Jobs

Skills identical	Skills mostly the same	Skills mostly different	Skills entirely different
55.8%	32.6%	7.5%	4.1%

⁵ “2009 Washington State Green Economy Jobs,” by Karen T. Lee, et al., Employment Security Department, March 2010.

⁶ Ibid.

⁷ Ibid.

⁸ Ibid.

More than 89 percent of employers who responded to this question of the survey, which represents 71,000 of the reported green jobs, said that there was little or no difference in the work done by green employees and the non-green employees.

This shows that many, if not most, of the so called green jobs already exist in the work force. In fact, it is more likely that the expanded definition of green jobs and the inclusion of more employers and industries to the survey have caused the growth in the green jobs number, not government policies.⁹

Costs

According to the Washington State Department of Commerce (Commerce), our state has received more than \$16 million in American Recovery and Reinvestment Act (ARRA) funds from the federal government for green jobs funding. The funds are dispersed through several different job training programs around the state.

In a presentation to state legislators, Commerce officials noted that the \$16 million would be used to train approximately 6,500 workers. This means taxpayers are paying around \$2,400 per trainee to acquire skills that employers overwhelmingly said were no different than existing non-green jobs. In fact, it is likely the same jobs would exist without spending the \$16 million on green training.

In addition, Governor Gregoire recently announced that an additional \$16.5 million from the ARRA grants were awarded, “for energy efficiency, clean technology, transportation and bioenergy programs throughout the state.” She noted the grant, “supports and creates more than 2,000 living wage jobs.” But a closer examination of these grants reveals the cost per job ranges from \$174,063 to \$477, calling into question whether these jobs are new and whether the number is at all accurate.¹⁰

Conclusion

The blind promotion of green jobs often comes at the cost of economic realities. For example, the wide range of costs announced by the Governor suggests that, on the high side, these jobs are unsustainable and likely to fail without taxpayer funding. On the low side the cost projections suggest that the jobs need outside intervention to make the jobs economically viable.

Either way, government’s preference for these jobs, over all other employment sectors, imposes significant costs on the existing economy and promotes public policies that are unproven and ultimately harmful to society and the environment.

When the Governor claims growth in the green economy, it would be wise to follow the caution of the Employment Security Department which notes it is unlikely due to new job growth. In reality, the state is getting better at asking questions to get the answers they want than it is at creating jobs.

Brandon Houskeeper is a policy analyst with Washington Policy Center, a non-partisan independent policy research organization in Washington state. Nothing here should be construed as an attempt to aid or hinder the passage of any legislation before any legislative body.

⁹ See: “State Uses Shifting Definitions to Boost Green Job Count,” by Brandon Houskeeper, Washington Policy Center, Environmental Watch, August 2009.

¹⁰ “What Living Wage Means for ‘Green Jobs’,” by Todd Myers, Washington Policy Center, www.washingtonpolicyblog.org, March 30, 2010.