

San Diego's Unbalanced Jobs Recovery

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Recovering from the 2008-09 recession has been prolonged and challenging. San Diego's struggle in recovery was not broad based or evenly spread across all economic sectors.

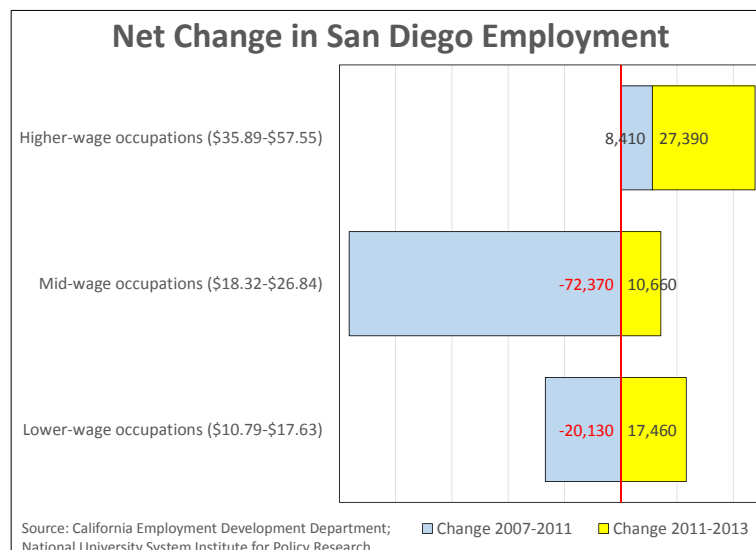
Sectors of the local economy that rebounded and continued growing are led by professional and business services, health care, private education, finance, and even manufacturing. Growth among these industries was enough to pull San Diego's overall economy or gross domestic product (GDP) out of recession and onto record setting levels of production.

Other local sectors remain far from recovery, most notably information, construction, retail trade, food services, accommodations, and transportation. Each of these economic sectors remain below pre-recession levels more than four years after recovery began.

Job changes tend to lag economic movements. Whereas San Diego's economic output had stopped falling by 2010 and was fully recovered by 2012, employment continued dropping until 2011 and only recovered pre-recession levels by March 2014.

Similarly, employment was mixed with widely varying patterns of recovery within the region's economic landscape. Employment in health care never faltered and continued growing throughout the recession. Professional, business, and financial services lost relatively few jobs in recession, and grew far beyond in recovery.

But employment in construction, information, retail, and accommodations sectors fell significantly more during recession, and remain far from recovery. Although manufacturing production rose, employment remains below pre-recession levels. Food services production still remains below pre-recession levels, although employment more than recovered.



Comparing occupational categories by hourly wage earnings among San Diego's job sectors further reveals widely diverging trends. According to *California Employment Development Department* data, San Diego's lower-wage occupations decreased 5.4 percent during recession, before recouping 4.9 percent more recently. These occupations encompass employment in production, transportation and material moving, food preparation, building and grounds maintenance, personal care services, and healthcare support. Lower-wage occupations only slightly increased as percentage of total jobs during San Diego's recession and recovery from 28.5 in 2007 to 28.9 percent in 2013.

On the other end of the scale, jobs among higher-wage occupations not only never decreased in recession but continued rising 2.8 percent between 2007 and 2011. These jobs subsequently accelerated in the recovery increasing another 8.8 percent between 2011 and 2013. Since the recession began, higher-wage jobs actually increased by a total of 11.8 percent.

Higher-wage occupations encompass skilled positions usually requiring significant technical expertise in specialized fields of computers, engineering, healthcare, legal, business and finance. In total higher-wage occupations accounted for 23 percent of all San Diego jobs in 2007; as of 2013 they account for more than 26 percent.

Most jobs lost during the recession were, by far, mid-wage occupations. These positions are mostly in construction, sales, office and administrative support, and education. Altogether mid-wage employment dropped 11.3 percent between 2007 and 2011. Since that time, only 1.9 percent of the jobs have recovered and remain 9.7 percent less than before the recession began.

The recession hastened changes already ongoing in San Diego. Blue collar or mid-level work has been disappearing in San Diego since at least the early 1990s when aerospace and other manufacturing jobs departed from the region. The 2008-09 housing recession resulted in further mid-wage job losses most prominently in construction, followed by sales, office and administrative positions.

San Diego's employment landscape thus becomes ever more hour-glass shaped with higher-wage jobs accumulating on the one end, low-wage jobs maintaining relative proportions, and middle-wage jobs clearly losing the most.

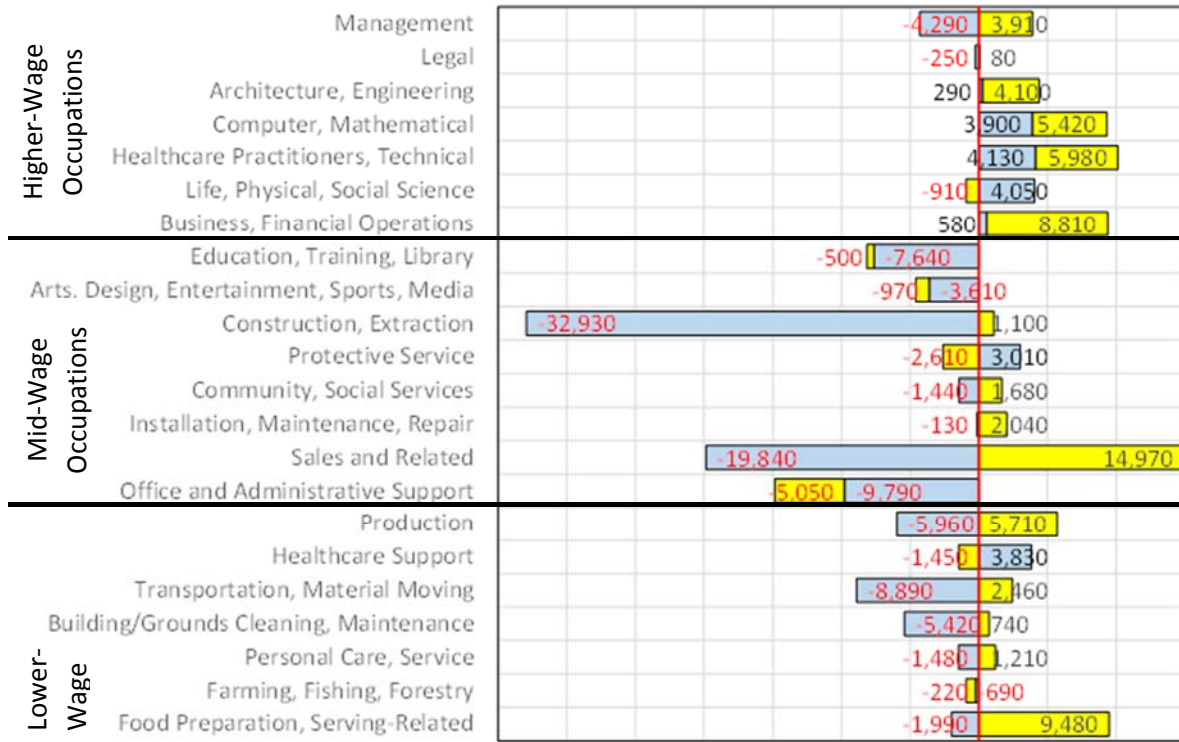
With San Diego businesses and industry shifting towards more industries requiring greater skills and technical abilities, it becomes critically important for the local labor force to be well educated, trained and prepared for this work. High school education is not enough for most higher-wage jobs and students must be prepared to advance learning with additional levels of instruction and training.

As John Mace, of Mace Instruction and Design says "Adult education must be academic and professional in order to be effective in preparing students for a 21st century working environment...In America products and services are expected to be of the best quality possible. The same should be true in American higher education instruction, instructing and instructors."¹

Ladders to higher-wage professions are critical for the local labor force to fill these positions. Otherwise San Diego residents risk being left behind in their own communities.

¹ John G. Mace, "The Unnoticed Error, the Self Evident Truth", 2014, <https://itunes.apple.com/us/book/the-unnoticed-error/id833842909?mt=11>

Net Change in San Diego Employment



Source: California Employment Development Department; National University System Institute for Policy Research.

■ 2007-2011 ■ 2011-2013

OCCUPATIONAL EMPLOYMENT & WAGES - San Diego County

SOC Code	Occupational Title	Employment			Number Change			Percent Change			Percent Total		1st Qtr, 2014	
		May 2007	May 2011	May 2013	2007-2011	2011-2013	2007-2013	2007-2011	2011-2013	2007-2013	May 2007	May 2013	Avg Hourly Wage	Avg Annual Wage
00	Total all occupations	1,319,170	1,235,110	1,290,610	-84,060	55,500	-28,560	-6.4%	4.5%	-2.2%	100%	100%	\$25.20	\$52,417
Higher-wage occupations		304,470	312,880	340,270	8,410	27,390	35,800	2.8%	8.8%	11.8%	23.1%	26.4%	\$37.96	\$78,963
11	Management	75,030	70,740	74,650	-4,290	3,910	-380	-5.7%	5.5%	-0.5%	5.7%	5.8%	\$57.55	\$119,716
23	Legal	10,730	10,480	10,560	-250	80	-170	-2.3%	0.8%	-1.6%	0.8%	0.8%	\$53.66	\$111,623
17	Architecture, Engineering	35,340	35,630	39,730	290	4,100	4,390	0.8%	11.5%	12.4%	2.7%	3.1%	\$42.77	\$88,940
15	Computer, Mathematical	36,340	40,240	45,660	3,900	5,420	9,320	10.7%	13.5%	25.6%	2.8%	3.5%	\$42.73	\$88,889
29	Healthcare Practitioners, Technical	56,390	60,520	66,500	4,130	5,980	10,110	7.3%	9.9%	17.9%	4.3%	5.2%	\$42.44	\$88,272
19	Life, Physical, Social Science	21,240	25,290	24,380	4,050	-910	3,140	19.1%	-3.6%	14.8%	1.6%	1.9%	\$37.93	\$78,904
13	Business, Financial Operations	69,400	69,980	78,790	580	8,810	9,390	0.8%	12.6%	13.5%	5.3%	6.1%	\$35.89	\$74,659
Mid-wage occupations		638,480	566,110	576,770	-72,370	10,660	-61,710	-11.3%	1.9%	-9.7%	48.4%	44.7%	\$21.44	\$44,593
25	Education, Training, Library	81,240	73,600	73,100	-7,640	-500	-8,140	-9.4%	-0.7%	-10.0%	6.2%	5.7%	\$26.84	\$55,826
27	Arts, Design, Entertainment, Sports, Media	20,900	17,290	16,320	-3,610	-970	-4,580	-17.3%	-5.6%	-21.9%	1.6%	1.3%	\$26.59	\$55,300
47	Construction, Extraction	77,980	45,050	46,150	-32,930	1,100	-31,830	-42.2%	2.4%	-40.8%	5.9%	3.6%	\$25.68	\$53,410
33	Protective Service	27,910	30,920	28,310	3,010	-2,610	400	10.8%	-8.4%	1.4%	2.1%	2.2%	\$24.21	\$50,373
21	Community, Social Services	16,770	15,330	17,010	-1,440	1,680	240	-8.6%	11.0%	1.4%	1.3%	1.3%	\$23.79	\$49,473
49	Installation, Maintenance, Repair	43,150	43,020	45,060	-130	1,910	1,910	-0.3%	4.7%	4.4%	3.3%	3.5%	\$23.71	\$49,322
41	Sales and Related	142,970	123,130	138,100	-19,840	14,970	-4,870	-13.9%	12.2%	-3.4%	10.8%	10.7%	\$19.42	\$40,395
43	Office and Administrative Support	227,560	217,770	212,720	-9,790	-5,050	-14,840	-4.3%	-2.3%	-6.5%	17.3%	16.5%	\$18.32	\$38,093
Lower-wage occupations		376,240	356,110	373,570	-20,130	17,460	-2,670	-5.4%	4.9%	-0.7%	28.5%	28.9%	\$13.62	\$28,321
51	Production	66,870	60,910	66,620	-5,960	5,710	-250	-8.9%	9.4%	-0.4%	5.1%	5.2%	\$17.63	\$36,653
31	Healthcare Support	28,100	31,930	30,480	3,830	-1,450	2,380	13.6%	-4.5%	8.5%	2.1%	2.4%	\$15.78	\$32,829
53	Transportation, Material Moving	67,430	58,540	61,000	-8,890	2,460	-6,430	-13.2%	4.2%	-9.5%	5.1%	4.7%	\$15.48	\$32,194
37	Building/Grounds Cleaning, Maintenance	47,890	42,470	43,210	-5,420	740	-4,680	-11.3%	1.7%	-9.8%	3.6%	3.3%	\$13.45	\$27,972
39	Personal Care, Service	36,300	34,820	36,030	-1,480	1,210	-270	-4.1%	3.5%	-0.7%	2.8%	2.8%	\$13.12	\$27,297
45	Farming, Fishing, Forestry	3,200	2,980	2,290	-220	-690	-910	-6.9%	-23.2%	-28.4%	0.2%	0.2%	\$13.07	\$27,191
35	Food Preparation, Serving-Related	126,450	124,460	133,940	-1,990	9,480	7,490	-1.6%	7.6%	5.9%	9.6%	10.4%	\$10.79	\$22,440

SOC: Standard Occupational Classification.

Source: California Employment Development Department; National University System Institute for Policy Research.