

CAREERS FORWARD

Socially Distanced Career Education for San Juan County

Background

San Juan County has the 3rd lowest wages in the state, despite having the second highest income levelsⁱ. Part of this is because our community is heavily dependent on retail, hospitality, and food service jobs that pay relatively low wages and are often highly seasonalⁱⁱ. These industries are hard hit by the current public health crisis; however, even before this emergency the business community reported a need for more people who could take on high-skilled manual trades jobs – jobs that offer relatively high wages and long-term career prospects. The recent emergency has also highlighted the value of local manufacturers who can pivot production to fill local needs. We ask: can we use online tools to help residents move towards in-demand, high-paying, and resilient careers?

Program Outline

We plan a three-part program for different audiences.

Career Transitions: One problem we seek to address is a disconnect where people interested in trades careers have limited training opportunities in San Juan County. To help with that we want to create online chats with people who are running apprenticeships (e.g. the pipefitters union in Burlington) and trades schools, and host other discussions about career building in the trades. This would be opened to other careers as opportunities and funding arise. This would be focused on people in or entering the job market: youth who are 16+ and adult career changers.

STEM for Life: We also want to start a program for younger kids and their parents to get both groups – kids and parents – thinking about a diversity of career options that they might pursue. This “STEM for Life” program would be modeled after one a program produced by the Thurston County EDC. We would have interviews and tours from local businesses that would focus on how they use science and math in their work (e.g. pressures and pipe flow in plumbing). The format would be that parents would register for a virtual scavenger hunt and watch the interviews with their kids and ask questions of the interviewees.

Tech/Trades Connector: Finally, we have long seen that many of our trades businesses have very limited online presence; the recent public health crisis has exposed similar need in many other industries. At the same time, our surveys have indicated that local kids are overwhelmingly interested in art and computer careers, well beyond forecast job markets in those careers, and ignoring potentially rewarding careers, e.g. in trades. We felt we could simultaneously get kids (14 – 18) to learn skills in careers of interest (e.g. graphic and web design), introduce them to other career options, help local businesses struggling to make the plunge into the online world, and help local knowledge workers connect to potential clients. Mentors in information focused fields (web/graphic design, software development, etc.) would help students solve problems faced by local businesses (e.g. setting up for online sales, starting into online marketing platforms, learning about web security, etc.).

ⁱ Average wages and median income in 2018 from San Juan County Data Tables from the WA Employment Security Dept., revised 01/27/2020 2019: <https://esd.wa.gov/labormarketinfo/county-profiles/san-juan>

ⁱⁱ Employment and wages in 2017: <https://www.sanjuansedc.org/resources/employment/>

ISLANDERS WORK

A Jobs Program for San Juan County

Background

San Juan County is facing a downturn caused by the COVID-19 pandemic that some economists predict^{1, 2} will rival the Great Depression. At the very least, the upcoming economic turmoil will rival the last recession and exceed it for turbulence and social upheaval.

Already we have seen unparalleled layoffs in the Seattle area. Layoffs in the San Juan Islands, while only just begun, are likely to be even more widespread due to our concentration in just a few industries, with our largest share of workers in the tourism sector, an industry which is likely to be hardest hit.

In a March 2020 survey of 700 employers in Washington state, the Association of Washington Businesses found that 82% of businesses had experienced negative impacts. In a March 2020 survey by the San Juan County Economic Development Council (EDC), over 91% of businesses surveyed had experienced negative impacts and business owners expected significant impacts to their income and their ability to hire and retain employees.

With a shutdown of restaurants, accommodations and other businesses, and the near collapse of the local tourism industry, unemployment insurance applications have increased dramatically at the Washington State Employment Security Department (ESD). In the words of Suzi Levine, ESD Commissioner, their agency had never seen a similar daily number of claims, and they had “never experienced this type of logarithmic increase in claims”³, claims which overwhelmed their systems, including their online application process.

Nationally, the overwhelming situation is unparalleled: Federal Reserve Bank of St. Louis President James Bullard said that the unemployment rate in the U.S. may reach 30% in the second quarter because of shutdowns.⁴ Both Goldman Sachs and the Imperial College of London suggest that the recession in the United States will be deep (24% estimate by Goldman Sachs⁵) and long-lasting (18 months, according to a study by the Imperial College⁶).

Here in San Juan County, our reliance on a workforce driven by just a few industries is a stark reminder that unemployment is poised to increase dramatically. It is estimated that in the

Items of Note –

- 2008 recession data suggest immediate job losses of 765 workers. (ESD)
- Job losses for next two months may be as high as 30% of workforce, which would be ~1,767 in San Juan County. (2018 figures, ESD)
- Recession activity likely to last 12 months or more. (Goldman Sachs, Imperial College of London)
- Industries hardest-hit likely to be tourism, retail (except grocery), and construction.
- Most industries likely to be affected, though some will weather storm better.
- Most small business owners, contractors & gig workers not covered by unemployment insurance.

immediate future, over 700 workers will be laid off⁷, seeking unemployment insurance and other social service benefits from state and local agencies and nonprofits.

Estimates for the long term are extremely hard to predict due to the changing nature of the pandemic and its impacts on the economy.

However, based on models for expected length of shelter rules and mandatory closures, and, given our concentration on just a few worker-heavy industries –tourism, retail and construction – we could see over 1,700 workers without jobs, in many sectors such as retail, accommodations, dining, and construction, all of which represent the vast majority of jobs in San Juan County. Other sectors are already suffering, and will continue to suffer as well, through a ripple effect likely to reach all parts of our economy.

Workers in these industries tend to have much smaller cash reserves on average,⁸ making them even more vulnerable during periods of unemployment. Additionally, that vulnerability may also increase home stresses, increasing the likelihood of domestic violence and substance abuse issues.

Furthermore, some smaller businesses are likely to shutter, leaving their owners without work, savings or benefits as proprietors, gig workers, contract workers and the self-employed typically cannot enroll in unemployment insurance.

Finally, the cost of living in San Juan County is one of the highest in the nation, which will pressurize what will already be a state of incredible need for local unemployed workers.

While federal and state relief has been increasing somewhat, no amount of external “propping up” will completely heal the economic and social wound that is in the process of unfolding in the islands, and no amount of external help will prevent the mass exodus of the workers and entrepreneurs we rely on.

This mass exodus and the shattering of our strong jobs base will make us not only vulnerable now, but will shape our economy for years to come, as business owners try to replace lost workers during the upturn.

Solutions

Islanders have a proud history of helping one another through times of difficulty, and of creating programs that help all residents to get through economic downturns.

The San Juan Islands can meet this considerable challenge head-on: by delivering a strong program to create jobs as they are lost from the recession, we can mitigate the considerable negative economic and social impacts caused by high unemployment.

The EDC, in partnership with local entities, has created a program dedicated to getting laid-off workers back into work. The program is entitled *Islanders Work*. The program will start immediately on receipt of funding – all stakeholders are in place.

Program Outline

The *Islanders Work* program will create **100 jobs** that will last for a **full year**. Jobs will be created in partnership with area nonprofits – entities which understand the community – and programs will be designed not to compete with area businesses.



Although a program including 100 jobs is small compared to the projected job loss, its benefits will be amplified benefiting the community as a whole and through a “multiplier effect” that will occur when these wages feed into the local economy, thereby reducing the loss of local jobs multiplicatively.

Jobs will be created for the benefit of the community of each participating island, and the number of workers allocated to each island will correspond to a percentage of total unemployment of each island.

Workers will be assigned to local nonprofits and agencies to help with the important work that they will be doing in our community during this unprecedented time. Individual nonprofits and agencies will have a requirement only to train, background check, and track workers’ hours and sick leave.

Training will be accomplished online, through written instruction, and (in a limited way during outbreaks) in person. Workers will be paid \$15 per hour for up to 20 hours per week.

Funding requested for this project will pay for workers’ salaries, employer-side taxes and payroll accounting fees.

Worker jobs may include such tasks as:

- Trails and parks maintenance
- Downtown beautification
- Childcare for workers in affected industries
- Low-income home construction
- Home healthcare support
- Transportation
- Farm and food-system support
- Energy and water retrofitting for businesses in affected industries
- Fire safety and wildfire preparation
- Off-site administration
- Public facility maintenance and construction
- Tech work, e.g., web design, for the benefit of affected industries

How it Works for Participating Nonprofits

Local nonprofits will contact the EDC for workers; each island’s nonprofits will be allocated workers as a percentage of the total unemployed for that island. Individual nonprofits and agencies will have a requirement to background check, train and to track workers’ hours and sick leave, AND to ensure that workers have a safe workspace and work practices. Wages, employer-side taxes, insurance and payroll accounting fees will be coordinated by the EDC. In some cases, we may open the program to private businesses, if they participate materially for the benefit of the program, particularly in the tasks of fire safety and energy/water retrofitting.

How it Works for Participating Employees

Workers will apply to the EDC, which will be responsible for federal and state verification paperwork, and for all payroll-related responsibilities including tax forms.

Participant Requirements

The *Islanders Work* program will be open to any islander with some requirements.

Requirements are designed to ensure that people ineligible for unemployment insurance can participate.

- Workers currently receiving full unemployment benefits based on a full-time week are ineligible.
- Workers wishing to participate in the SharedWork program or receiving only partial unemployment may participate.
- Participants must have lost their employment or the majority of their business income, and priority will be given to those who have lost their employment during the last 6 months.
- Participants must have lived in the San Juan Islands for a year or more.
- Household income must be below locally-scaled poverty income levels.
- Participants must not be employed by any other business or entity for more than 20 hours per week.

Committed Nonprofit Partners

Lopez Community Land Trust

OPAL

Orcas Island Community Foundation

San Juan Island Family Resource Center

San Juan Islands Agricultural Guild

¹ https://www.wsj.com/articles/coronavirus-triggered-downturn-could-cost-5-million-u-s-jobs-11584783001?mod=hp_lead_pos5

² <https://www.nytimes.com/2020/03/21/business/economy/coronavirus-recession.html>

³ Suzi Levine, Commissioner, Washington State Employment Security Department, Association of Washington Businesses group phone call, 3/20/20

⁴ <https://www.bloomberg.com/news/articles/2020-03-22/fed-s-bullard-says-u-s-jobless-rate-may-soar-to-30-in-2q>

⁵ <https://thehill.com/policy/finance/488648-goldman-sachs-says-gdp-could-fall-24-percent-in-second-quarter>

⁶ <https://www.imperial.ac.uk/media/imperial-college/medicine/sph/ide/gida-fellowships/Imperial-College-COVID19-NPI-modelling-16-03-2020.pdf>

⁷ Washington State Employment Security Department website data based on historical figures during the last recession. Website accessed 3/20/20

⁸ <https://www.adp.com/tools-and-resources/adp-research-institute/research-and-trends/~media/RI/pdf/Retirement%20Savings%20Trends.ashx>