



Economic Analysis Toolkit (157 slides)

READ THIS TABLE OF CONTENTS FIRST

To get your free copy of this and the PDF of whole toolkit, e-mail either of us:
jmasters@cencomfut.com and allen@stansbury.net These are also on our website
www.cencomfut.com under “workshops by Jim”

Table of Contents, December, 2018

A. What is the Economic Analysis Toolkit and why was it created?

We all know that good paying jobs get people out of poverty. The unemployment rate is low, but 50 million people have trouble making a living. What is going on here? For the past 35 years, the national trends about the ability to earn a living are mostly negative for most wage earners. The reasons are: automation; globalization; negative behaviors of employers; rising income and asset inequality; and the failure of public policy. The new Toolkit for Local Economic Analysis provides a method to discover the characteristics of jobs and the workforce in your local area. It was developed by Jim Masters and Allen Stansbury at the Center for Community Futures as one of the Community Action Partnership’s Learning Communities. Examples include the numbers of people who: dropped out of the workforce; went on disability; working as temps; working only part-time; or working full time but are below poverty wages. These are just five of the 37 dimensions of the job market that you can use to “show the facts” about your area to stakeholders. Understanding the problem with specific data sets leads to identifying solutions. Identifying solutions leads to determining strategies. Look at the Table of Contents first; it lists the topics covered. Then open the PDF and go to the sections of most interest to you. Then compile the data for your area using the instructions provided.

On some topics you can data at the state, county or tract level. On others, you may have to prorate.

B. How to use the EAT PPT.

Each of the topics below may have several slides. For each topic, we present:

1. A brief description of the problem the issue creates for people, with data showing the national trend.
2. Sources of data, or methods to use to get the data you need. If the data exist for a geographic area smaller than the nation, the method to obtain it is also included.
3. Economic Analysis Toolkit Questions. Answer these to describe how this issue manifests itself in your area.

4. And/or survey questions, to ask people in groups or to ask individuals at intake.
5. Print this out. Use it as a table of contents to select the topics you want to explore in the PDF or PPT. The hotlinks work in either document. (If you find a broken hotlink, let us know.)

ELEMENTS SHAPING ECONOMIC OPPORTUNITY

Introduction and Overview

Intro about how the Toolkit was created as one of the Partnership Learning Communities (Slides 1 -- 4)

Harsh reality facing most Americans (slide 5)

Likelihood of experiencing poverty in the US (slides 6-7)

Defining and describing the middle class.

(A warm-up exercise. Starts at slide 8, continues through slide 14)

Causes of the decline of the US Middle Class since 1972 (slides 15-22)

Question 1. What is the number and percent of people in middle-income households in your area?
(Slide 23)

Question 2. What is the percentage of “good paying jobs” (more than \$18.50/hour) in your area?
(Slide 25)

Use this Toolkit to improve your Community Assessment (Slides 26 – 28)

How the Economic Analysis Toolkit is structured (Slides 29 --- 30)

Toolkit Topic Areas (31)

A. GROSS DOMESTIC PRODUCT and ECONOMIC GROWTH RATE

Economic Growth Rate. At least 3% is needed for growth alone to reduce poverty. (Slides 32 -- 33)

Question 3. What is the growth rate in your area? Is it above or below 3%? (Slide 34)

B. ECONOMIC REGIONS and their impact on wages (Slides 35 -- 36)

Wages in the same industry vary dramatically across the U.S. because of the characteristics of the ECONOMIC REGIONS in which they are located. How does your geographic area fit into the economic regions described by the USDA and the Department of Commerce Economic Development Administration?

More importantly, the REGIONS are the links connecting your local economy to the global economy, and REGIONS are the conduits for the dynamics of the global economy back into your area. For example, all oil supply goes into one gigantic “world tank” and flows out of that “tank.” The price for oil flowing in or out varies according to worldwide aggregate

supply/demand factors for a particular grade of oil, not because of what any one country or supplier tries to do. The world pricing systems come into your community through your regional economy. This section explains how that works.

Question 4. Describe the characteristics of your economic region(s) (Slide 37)

C. WHAT HAPPENS TO THE INCOME THAT IS PRODUCED? (Section starts at Slide 38)

Increases in executive compensation – but not wages. (Slides 39 -- 40)

Growing Productivity Gap trends- Decline of Labor share of Corporate Income (Slide 41)

Question 5. What is labor's share of corporate income in Your area (Slide 42)

Money is hiding in the banks In the U.S., Overseas (Slide 43)

D. FORMAL AND INFORMAL ECONOMY. (Starts at slide 44)

Question 6. Questions to ask your customers about the informal economy. (Slide 46)

E. WORKFORCE COMPOSITION. Are there enough jobs for everybody? (Slide 47)

Number/% of working age people in workforce (Slides 48 -- 49)

EXAMPLE of workforce composition in Wyandotte County (Kansas City) Kansas. (Slides 50—52)

Question 7. What percent of adults are working in your area? (Slide 53)

Jobs lost or gained from Automation (Slides 55--58)

Question 8. For the jobs most likely to be automated, how many people in your area work in the top five? (Slide 59)

Question 9. Identify the numbers employed in the occupational categories in your area. (Slide 60)

Imports and Exports. (Slides 61 – 66)

Question 10. How many jobs have moved out of your area? To other states? Moved overseas? Number of jobs dependent on trade? (Slide 67)

F. CHARACTERISTICS OF JOBS

Increase (decrease) in job creation trends (Slide 68)

Number of jobs created relative to the increase in the number of working age adults (Slides 68 –72)

Question 11. Assess labor force turnover in your area. (Slide 73)

Question 12. Measure and review the net number of people working. (Slide 74)

Number of people working by industry area. (Slides 75 – 77)

Question 13. Determine the number of jobs by types of occupations. (Slide 78)

Labor trends Data Sources (Slide 79)

Example: Closer look at coal mining (Slides 80 -- 84)

Question 14. How many coal miners are there in your state? (Slide 85)

F. Men and women in the workforce (Slides 86 -- 88)

References (Slide 89)

Question 15. Create a chart showing trends by gender. (Slide 90)

Persons not in the workforce (Slide 91)

Unemployment numbers (see especially U-6) (Slide 92)

Dropped out of the workforce and number employed part-time (Slide 93)

Question 16. Identify the % and/or number of “discouraged workers” in your state. (Slide 94)

Gap between unemployed and drop-outs of the workforce (between U-3 and U-6) (Slides 95 -- 96)

Question 17. What are the numbers of unemployed in your area, by the length of time they have been unemployed? (Slide 97)

Disability Trends (Slides 98 -- 99)

Question 18. Describe the trend on disability in your state. (Slide 100)

Part time who want full time (Slides 101 -- 102)

Question 19. How many people are working part-time? (Slide 103)

Number who work in the on-demand “gig economy” (Slides 104 -- 105)

Question 20. What is the number and % of the workforce working in “on demand” jobs?” (Slide 106)

Working as temporaries (Slide 107)

Question 21. Questions about temporaries. (Slide 108)

Number of jobs obtained by people with a BA, AA, High school, Less than high school (Slides 109 – 111)

Question 22. What are the trends in employment by education levels? (Slide 112)

New jobs that are 1099 vs W-2 (Slides 113 – 114)

Questions on topic 23 about 1099 – W-2. (Slides 115 -- 116)

Additional workforce composition data. (Slide 117)

Question 24. Numbers working in various type of jobs. (Slide 118)

Question 25. What are the primary reasons people have trouble making a living? (Slide 119)

G. COMPENSATION

Wages fall for the middle class from 1999 to 2014 (Slide 121)

Regional changes in wages and employment. (Slides 122—123)

Changes in hours worked and earnings (Slide 124)

Question 26. Chart the average wages by job type in your area. (Slide 125)

Employed but paid nonliving wages. (Slide 126)

Who are the working poor (Slide 127)

Question 27. What is the number and percent of people who work full time but are still poor? (Slide 128)

Question 28. What work supports are available? (EITC, SNAP, etc.) (Slide 129)

Number affected by wage theft (EPI report 10 states) (Slides 130 -- 132)

Number paid sub-minimum wages or not paid at all (Slide 133)

Wage theft increases poverty rates (Slide 134)

Wage theft victims receive public assistance (Slides 135 -- 136)

Mitigating wage theft (Slides 137 -- 138)

Question 29. Wage theft questions to ask. (Slide 139)

H. INCOME VOLATILITY

Effects of Volatility of income (Slides 140 -- 143)

<https://www.nytimes.com/2017/05/31/business/economy/volatile-income-economy-jobs.html>

Strategies to reduce income volatility. (Slides 144 – 147)

Question 30. Questions to ask customers about income volatility. (Slide 148)

I. HOUSEHOLD WEALTH

Household wealth structure (Slide 149)

Question 31. What is the distribution of household wealth in your state/area? (Slide 150)

Median net worth by ethnicity (Slide 151)

Question 32. What is the net worth by ethnicity in your area? (Slide 152)

Question 33. What number/percent of households with children have two incomes? (Slide 153)

J. WHAT IS TO BE DONE?

Most of this EAT analysis is descriptive. For prescriptions of strategies to correct these problems, see resources such as the White Paper developed for the Partnership. (Slides 154 – 157)

Executive summary:

https://lcrwebdotcom.files.wordpress.com/2016/09/white_paper_3rd_draft_-_exec_summary.pdf

The full White Paper

https://lcrwebdotcom.files.wordpress.com/2016/09/1_-_white_paper_3_0_content_draft_6_august_12_2016_jims_adds-final.pdf

THE END. The last slide is 157 ++++++

This document and the entire toolkit (157 slides) are on the Center for Community Futures website www.cencomfut.com under “workshops by Jim”