



SEATTLE CITY COUNCIL  
**CENTRAL STAFF**

# Payroll Expense Tax Spending Plan – Job Estimates

## Council Bill 119774

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SUSTAINABILITY AND RENTERS' RIGHTS COMMITTEE

MAY 21, 2020



# General Caveats

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- Data informing job estimates taken from several different sources that use different methodologies
- Job estimates are based on the specific spending plan proposal (e.g. number of new affordable housing units that could be built if the revenue assumptions are accurate); if any one of the assumptions used to develop those estimates changes, the estimate of jobs that could be supported as a result of that investment would change
- Estimates do not account for jobs that are lost because of changes in an industry (job in fossil fuel lost and job redirected to green economy) or market changes (recession)

# Key Terms

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- **Direct Jobs**  
Jobs supported directly by the new investment (e.g., workers on a construction site)
- **Indirect jobs**  
Jobs supported as a result of the new investment (e.g., a paint supply store that supplies the construction project);
- **Induced Jobs**  
Jobs supported as a result of the spending on goods and services resulting from people directly and indirectly employed through the new investment (e.g., buying groceries or paying rent).

# Job Estimates Assumptions: Social Housing Investments

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- Estimates based on specific spending plan proposal on number, type, costs, of housing developed.
- Job estimates for new construction housing units based on 2015 National Association of Home Builders (NAHB) report:
  - Each 100-unit multifamily building supports 90 direct and indirect jobs and 70 induced jobs
- Job estimates for staff supporting operations and services for new PSH Units based on City supported projects:
  - Each PSH building (average size 100 units), requires 20 staff to support ongoing operations and services

# Job Estimates: Social Housing Investments

	<i>5-Year Unit Estimate</i>	<i>5-Year Job Estimate</i>	<i>10-Year Unit Estimate</i>	<i>10-Year Job Estimate</i>
<b>New Construction – direct and indirect jobs</b>	3,500	3,150	6,600	5,940
<b>New Construction – induced jobs</b>	3,500	2,485	6,600	4,686
<b>PSH Projects – direct jobs</b>	1,400	280	2,700	540

# Job Estimates Assumptions: Green New Deal Investments

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- No standard methodology for estimating jobs supported by energy efficiency investments.
- Two different methods used to prepare estimates:
  - Rule of thumb - For every \$1 million in EE investments, 17 jobs are supported.
  - City jobs tool developed by Inclusive Economics projects only estimates the local contractor job impact and does not account for job losses, or other jobs created or supported in the supply chain (e.g. manufacturers or distributor jobs for HVAC).
- Investments assumed to be entirely dedicated to converting homes from fossil fuel-based heat sources (i.e., heating oil or natural gas) to electric heat pumps.

# Job Estimates: Green New Deal Investments

Method	Years 1-5	Years 1-10
Rule of Thumb	11,010	22,860
Jobs Tool	2,500	4,370

# Job Estimates: Summary

Jobs Supported by Category (direct, indirect, and induced jobs)	Years 1-5	Years 1-10
Housing: New Construction (per 100 units)	5,640	10,630
GND: Home Heat Conversion (per \$1M invested)	11,010	22,860



# Questions?