

# ISSUE BRIEF

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## BLS Green Jobs Report: Less Than Meets the Eye

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A recent Bureau of Labor Statistics (BLS) report defines and counts the green jobs in the American economy.<sup>1</sup> Cheerleaders for the President's program of green jobs mandates and spending point to the study as confirmation of green jobs' economic importance. However, analysis of the BLS data provides more data to support green jobs satire than green jobs subsidies.

The BLS study counts 3.1 million green jobs, 2.2 million of which are in the private sector. Just a little digging into the data shows that only a small fraction of the 3.1 million jobs could have been created by green subsidies and mandates. In addition, most of the green jobs in the BLS study do not fit the popular image of green jobs or jobs of the future.

**Defining Green Jobs.** Politics is not always tethered to reality, so

there has been an effort to count the number of green jobs as a way of justifying subsidies and mandates. It does not seem to matter that so many of the green jobs identified in the BLS study have nothing to do with the industries targeted for the subsidies and mandates.

The BLS study defines "green goods and services" as

goods and services produced by an establishment that benefit the environment or conserve natural resources. Green goods and services fall into one or more of the following five groups: (1) production of energy from renewable sources; (2) energy efficiency; (3) pollution reduction and removal, greenhouse gas reduction, and recycling and reuse; (4) natural resources conservation; and (5) environmental compliance, education and training, and public awareness.<sup>2</sup>

The definition is so broad as to include trash collectors, bus drivers, Salvation Army employees, op-ed writers, and most of the employees in steel mills. The loose definition makes the green jobs total useless for measuring the impact of green jobs policies.

The jobs are broken down by North American Industry Classification System (NAICS) codes. The codes go from two-digit classifications (most broad) to six-digit classifications (most narrow). Some examples can help illustrate the problem with the BLS total.

**Electric Utilities.** The electric power generation industry has 44,152 green jobs. This may seem like a lot, but only 4,700 are in renewable power generation, including 2,200 in wind, 1,100 in biomass, 600 in geothermal, and only 400 in solar. Though these totals do not include jobs in the manufacture or installation of these power sources, they pale to the equivalent green jobs count in nuclear (35,755), which accounts for over 80 percent of all green jobs in electric power generation (NAICS code 22111).

Since nuclear power generation emits no particulates or oxides of sulfur or nitrogen (or carbon dioxide) it should be considered a green energy source. However, no new plants have been both licensed and built in the past 30 years. Though two construction operations licenses have recently been issued, the green jobs noted above are associated with current power generation, so those jobs are clearly not the result of any

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green energy or green jobs programs. Plus, the Obama Administration has stalled and nearly killed Yucca Mountain without offering an alternative for nuclear waste disposal. Without resolution to the waste disposal problem, revival of nuclear power and its associated jobs will be severely limited.<sup>3</sup>

**Manufacturing.** The BLS assigns a green jobs classification to 461,847 jobs in manufacturing. What this number really means is not at all clear. For instance, broken down to the four-digit NAICS level, the largest green jobs providers in manufacturing are steel mills (43,658 jobs). Over 50 percent of all steel mill jobs are green. This high fraction of greenness is driven by the industry's reliance on scrap steel for the majority of its inputs, not by the greenness of the goods produced with the steel. The trend toward greater use of scrap steel is decades-long and is not the result of any green jobs initiatives.

The second highest four-digit green jobs producer is in the heating, air-conditioning, and refrigeration category (NAICS 3334) with 40,835 green jobs. But the third highest is paper mills (NAICS 3221). For most people, paper mills do not conjure up memories of lilacs and apple

blossoms; nevertheless, 27 percent of all paper mill jobs are counted as green (30,473 jobs). Again, this appears to be the result of the use of recycled paper as an input.

As important as steel and paper mills are to the nation's economy, they do not fit in with the rhetoric of the new, clean economy that green jobs proponents use to justify expensive green policies—the sort of policies that brought the Solyndra debacle.

**“Jobs of the Future”?** President Obama refers to green jobs as “jobs of the future.” If so, some comparisons in the BLS green jobs report show a future that looks pretty old.

Engineering services (100,847 green jobs) and architectural services (71,891 green jobs) each has fewer green jobs than used merchandise stores (106,865), waste collection (116,293), and school and employee bus transportation (160,896). Using the BLS metric, Obama's “jobs of the future” are more likely to be found in trash collection, the Salvation Army, and driving school buses than in engineering and architectural services.

The figure of 4,700 green jobs in the power generation industry is eclipsed by many industries of the

past. For instance: office furniture (think file cabinets and desks, not computers and copiers) with 14,888 green jobs, the septic tank cleaning and portable toilet servicing industry with 13,313 green jobs, radio and television broadcasting with 9,297 green jobs, and social advocacy organizations with 20,704 green jobs.

**BS from the BLS?** The BLS estimates that the U.S. has 3.1 million green jobs. However, its definition and collection mechanisms raise serious questions about how green those jobs are and whether their count can be a useful measure of the importance of green jobs to America's economy and the effectiveness of green jobs policies. The failure of this project to provide a meaningful measure is encapsulated by this BLS statistic: There are over 30 times as many green jobs servicing septic tanks and portable toilets as there are in the solar-electric utility industry.

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1. News release, “Employment in Green Goods and Services—2010,” U.S. Department of Labor, Bureau of Labor Statistics, March 22, 2012, <http://www.bls.gov/news.release/pdf/ggqcew.pdf> (accessed April 18, 2012).

2. Ibid.

3. Jack Spencer, “Blue Ribbon Commission on Nuclear Waste: Missing Opportunity for Lasting Reform,” Heritage Foundation *Backgrounder* No. 2600, August 22, 2011, <http://www.heritage.org/research/reports/2011/08/blue-ribbon-commission-on-nuclear-waste-missing-opportunity-for-lasting-reform>.