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U.S. Climate Alliance States Outpace Nation in Clean Energy Job Creation While Pushing to Achieve Goals of Paris Agreement

WASHINGTON DC - As the 5th anniversary of the Paris Agreement nears, the U.S. Climate Alliance – a bipartisan coalition of 25 U.S. governors committed to achieving the goals of the international climate accord – released a report today showing that as its member states pursued bold climate action from 2016 to 2019, they created more than 133,000 new clean energy jobs – outpacing the rest of the nation. Alliance states employed more than 2.1 million Americans in this sector before the pandemic struck, demonstrating that climate leadership, economic growth and strong job creation go hand in hand.

As the pandemic spread across the country, the resulting economic recession wiped out more than three years of job gains in just 6 months. A strong federal stimulus package will be essential for recovery, and as the Alliance previously recommended, should include: at least $500 billion in immediate, flexible federal aid for states and territories, in addition to separate aid for local government; additional flexible funding to modernize, decarbonize, and enhance the resilience of our nation’s infrastructure; and incentives to mobilize private investment and create public-private partnerships.

"As we mark the fifth anniversary of the Paris Agreement, one thing is clear: state action to cut carbon pollution has created good American jobs," said Julie Cerqueira, Executive Director of the US Climate Alliance, which includes states representing 55% of the U.S. population and 60% of the American economy. "Ensuring states have the flexibility to continue addressing climate change as they work to recover from the pandemic is essential."

The Alliance is committed to partnering with the incoming administration to help the U.S. rapidly decarbonize by midcentury, building on the leadership and work already underway by states.

“In the five years since the Paris Agreement was adopted, the economic imperative to act on climate change and clean energy has only grown stronger. This can be seen clearly in the experience of what individual states have done despite the absence of federal leadership. States like Washington have forged ahead with bold action and shown that building a robust economy and growing green jobs go hand-in-hand,” said Washington Governor Jay Inslee. "Under President-elect Biden, the federal government will recommit the U.S. to the international fight against climate change and once again be a partner to states in growing good-paying, clean energy jobs.”

Last month, the Alliance welcomed President-Elect Biden’s commitment to restore national leadership on climate action by rejoining the Paris Agreement on the first day of his Administration and making climate change a bedrock priority.

“Colorado’s double digit clean energy job growth is a testament to the economic benefit of leading on bold climate action and pollution reduction, and we know that this sector will be a critical driver in the stabilization and growth of our economy moving forward,” said Colorado Governor Jared Polis. “As we celebrate the fifth anniversary of the Paris Agreement, the incoming Biden administration stands to benefit from the innovative and ambitious efforts undertaken across Alliance states to advance climate leadership, economic growth and job creation.”
Summary of Findings

According to the “2020 Clean Energy Employment Report,” Alliance states were home to 2.14 million clean energy workers at the end of 2019, including engineers, chief executives, analysts, lawyers, and supervisors, as well as sales representatives, technicians, machinists, installers, electricians, assemblers, and welders.

Overall, between 2016 and 2019, these states created 133,100 clean energy jobs, a growth rate of almost 7% and while Alliance states accounted for 55% of all U.S. jobs at the end of 2019, they supported 60% of all clean energy jobs across the country.

Notably, seven alliance states reported double digit clean energy job growth between 2016 and 2019, including: Colorado (13.9%), Maine (12.4%), Minnesota (10.4%), New Jersey (15.7%), Nevada (45.5%), New York (12.3%) and Pennsylvania (13.2%), which each added between 1,500 and 18,000 jobs. This mirrors the substantial job growth in previous years in other Alliance states that were early movers in the clean energy market. The largest clean energy industries varied by state and included: ENERGY STAR and efficient lighting; traditional HVAC and high efficiency HVAC/renewable heating and cooling; solar electric power generation; and energy storage.

This report also found that more and more workers in Alliance states shifted to full-time clean energy employment. In fact, by the end of 2019, seven in ten workers spent all of their labor hours on clean energy-related activities. And in just three years, Alliance states added 220,348 more full-time clean energy jobs – a 17% increase.

According to the data, the energy efficiency sector continued to dominate clean energy employment, with two-thirds of the clean energy workforce in Alliance states employed in this sector at the end of 2019. This included: HVAC mechanics and installers, electricians, energy auditors, plumbers, pipefitters, and steamfitters, insulation workers and construction laborers, among others. Between 2016 and 2019, Alliance states created 109,312 new jobs in this sector, growing more than 8%, which is why 63% of the country’s energy efficiency jobs can be found in these states. The next largest clean energy sectors for job creation in Alliance states – grid modernization and storage and alternative transportation – grew 32% and 18%, respectively, and together added 41,800 new jobs between 2016 and 2019.

This report also found that there are significant opportunities for job and technical training across the U.S. as we build back the economy, with employers in Alliance states reporting that they had significant difficulty finding qualified workers to fill open clean energy positions. One-third of Alliance state clean energy employers reported that hiring had been “very difficult” between 2018 and 2019 and another 52% of employers indicated that hiring had been “somewhat difficult”; in total, 85% of employers reported some level of hiring difficulty.

Nonetheless, these positions offer workers significant advantages and this report found that many clean energy jobs in Alliance states provided above-average wages and employment benefits. Overall, 92% of surveyed clean energy occupations in the Alliance states across all technology sectors and levels of experience were paid more than the same occupation’s national median wage. This is especially true for entry-level clean energy jobs, where 98% of surveyed positions received a premium over the national corresponding occupational medians. In addition, roughly 92% of clean energy employers reported that they provide some level of healthcare, either full or partial coverage for their clean energy employees compared to the national private sector average of 69%. Similarly, just over 84% of clean energy employers also reported making contributions to some type of retirement plan for their workers compared to the national private sector average of 67%.

This report is based on data collected in the last quarter of 2019, before the emergence of COVID-19 in the U.S. As a result, the employment figures included throughout this report serve as a baseline of clean energy industry employment pre-pandemic and it is estimated that the Alliance states lost a net 301,541 clean energy jobs.
between March and August 2020 – a 3.4% decline compared to the 2019 baseline. Notably, this loss reflects Alliance states recovering 87,000 clean energy jobs from June through August.

These massive job losses underscore the need for swift, bipartisan Congressional action on a stimulus package that will help address the immediate needs of states and get these Americans back to work, while ensuring climate commitments are met.

Today's announcement follows the release of the Alliance’s annual report, “Leading the Charge: Working Together to Build an Equitable, Clean and Prosperous Future” in September. It found that between 2005-2018, Alliance states collectively outpaced the rest of the country in both emissions reductions and economic output, achieving an estimated 14% decrease in emissions (compared to only 8% across non-Alliance states) and a more than 16% increase in per-capita economic output (compared to only 12% across non-Alliance states).

Data in this report is based on the overall 2020 U.S. Energy and Employment Report, an annual report that has been tracking energy jobs across the nation since 2015. The methodology relies on the most recently available data from the U.S. Bureau of Labor Statistics Quarterly Census of Employment and Wages, together with a detailed supplemental survey of business establishments across the U.S. Together, this survey data provides the most comprehensive calculation of energy employment available. This methodology has been used for local, state, and federal energy employment data collection and analysis for nearly a decade. This report excluded Puerto Rico, where there was insufficient data.

The “2020 Clean Energy Employment Report” can be read in full here.

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