

Despite hard times, green businesses optimistic

By Bob Doppelt

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Sustainability was a major issue in the recent Eugene mayoral race. And President-elect Obama pledged \$150 billion during his campaign to create 5 million “green collar” jobs. At a time of economic uncertainty, can green or sustainable businesses and jobs help drive economic vitality? Can these sectors help resolve the climate crisis? New studies suggest they can.

The U.S. Conference of Mayors recently found that a major shift to renewable energy and efficiency driven by economic and environmental constraints is expected to produce 4.2 million new environmentally friendly jobs over the next three decades. Its report said that about 750,000 people already work in what can be considered green jobs — from engineers developing alternative fuels to makers of energy-efficient products. The report concluded that, “It could be the fastest growing segment of the United States economy over the next several decades and dramatically increase its share of total employment.”

A regional study by the research firm Clean Edge and the advocacy group Climate Solutions examined the potential for job growth in five key sustainable industries in the Pacific Northwest. It concluded that solar photovoltaic manufacturing, wind power, green building, sustainable bioenergy, and smart-grid technologies could create up to 63,000 new jobs by 2025. This matches the employment of the Silicon Forest during its heyday as a chip-manufacturing center.

Many of the sectors identified in both reports are thriving locally. In 2005, as part of Mayor Kitty Piercy’s Sustainable Business Initiative, my program at the University of Oregon surveyed local companies involved in sustainability to determine how they were doing. We divided our research into two categories: companies using sustainable practices, such as energy efficiency and renewable energy, waste reduction, nontoxic substances, and third-party

certified goods such as organic products; and companies producing sustainable products, such as green buildings, renewable energy, organic and natural foods, etc.

We found more than 100 local firms in one or both of our categories. They employed more than 5,000 people full time and 3,500 part time, which represented almost 10 percent of the work force. Three-quarters of the companies expected their work force to grow in the following three years.

In October we sent local businesses a follow-up to the 2005 survey. The economy has struggled recently and we wanted to know how businesses using sustainability practices or producing sustainable products were doing and how they saw the future.

The results reaffirmed our 2005 findings. Eighty-three percent of the companies that responded reported increased or stable revenue over the past three years. Over 65 percent said their employment levels remained constant this year, and 20 percent increased employment. More than 80 percent of respondents said they expect their industries to continue to grow over the next three years. Fifty-six percent expect to increase employment, while 30 percent expected employment to remain stable.

When many local companies are laying off staff, most green businesses are holding their own or growing.

Our survey also found that the average wage is between \$15 and \$30 per hour, while the highest paid workers received between \$20 to more than \$50 per hour. This suggests most of these businesses pay a living wage.

Financial payoffs were not the only advantages we found. Most companies said they have seen stronger employee commitment, increased their ability to attract and retain top talent, or enhanced their capacity to meet customer demand through their use of sustainability measures.

Green businesses are doing well because powerful forces drive them. Raw material and transportation costs are rising, for example, while significant improvements in performance, reliability and scalability are bringing the costs of green practices and

products down. The price of conventional power is determined by the cost of fossil fuels, which can be volatile. After the initial investment, the cost of energy efficiency and power produced from renewables such as solar energy is always predictable — zero.

In addition, public pressure to reduce dependency on foreign oil and buy locally produced products all point to stability and growth compared to many other sectors.

Companies using sustainable practices or producing sustainability products will not be immune from national economic trends. But they appear poised to fare better than most others. Every business should adopt sustainability practices. To ignore them is throwing money out the window.

With a firm commitment and the right policies, Lane County can also build on its existing base and foster a vibrant local economy around sustainable industries.

Bob Doppelt (bob-cwch@att.net) is director of resource innovations at the University of Oregon; he also directs the UO's Climate Leadership initiative. He is writing a series of columns on climate change for The Register-Guard.