



## **State of the State: Are we better off now than we were four years ago?**

In its new report on job growth since 2000, the Economic Opportunity Institute has found some improvement but little to cheer about as workers and families continue to struggle. Highlights from the report show:

On the positive side, the number of non-agricultural jobs in Washington increased by 10,000 from pre-recession 2000 levels. On the negative side, Washington's working age population (between the ages of 18 and 64) grew by 280,000 during the same time.

The Seattle metropolitan areas remains hard hit by the recession while other areas in the state didn't fare badly. The Seattle metropolitan area experienced significant job loss three years in a row (2001, 2002, and 2003). Seattle-area job numbers have improved in 2004, but so far have regained only about one-third of the loss. Bellingham, Bremerton, Olympia, and the Tri-Cities gained jobs steadily despite the recession, and Spokane, Tacoma, and Vancouver rebounded beginning in 2002.

Manufacturing has been particularly hard hit by the recession, seeing a continuous drop in jobs since 1998. Although manufacturing gained 8,900 jobs in the state from February to July 2004, the sector still has 98,500 fewer jobs now than six years ago. Although scarce, manufacturing jobs remain among the highest paid of the major sectors of our economy, with annual average wages of \$50,595; healthcare jobs, one of the fastest growing sectors of the state economy, show an average annual wage of \$33,443. Jobs in leisure and hospitality remain the lowest paid, with annual average incomes of \$15,728.

Throughout the recession, steady job increases have been seen in education, health, and financial activities, the latter spurred by the booming real estate market and low mortgage rates. Jobs in construction, retail trade, and leisure and hospitality, after declining in 2001 and 2002, have now surpassed their pre-recession levels.

Washington's families are hurting from the recession. Median household income in Washington has seen a 12% drop since 1998, and Washington's poverty rate has seen steady increases since 1999, with a marked jump in child poverty to 19.1% in 2003. Nearly one out of every five children in our state lives in poverty. Double that number live in households with less than \$36,600 in family income.

Washington's job situation reflects the national picture. Nationally, 1.2 million jobs were lost and not recovered between the onset of the recession in March 2001 and July 2003 while the working age population has increased by 6.7 million.

"In previous years, job growth has kept up with population growth, but now we've seen a reversal," said Marilyn Watkins, author of the report. "People trying to find jobs are facing tremendous difficulty, and when they do find a job, it's often at a lower salary than before the recession and with little or no benefits. Between the dismal job market, lower wages, and few benefits, Washington's children and families are facing real hardships."