# The State of Working Washington 2009

## THE PATH OUT OF RECESSION AND INTO PROSPERITY FOR WASHINGTON'S FAMILIES

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EOI
Economic Opportunity Institute

## About the Economic Opportunity Institute

The **Economic Opportunity Institute** (EOI) is an independent, nonprofit, nonpartisan public policy center founded in 1998 and based in Seattle, WA.

We are dedicated to building an economy that works – for everyone – by advancing new ideas to make Washington a better place to live, work and do business.

## About this report

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Additional copies of this report can be obtained by visiting www.eoionline.org.

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# Introduction and Executive Summary

Over the past decade, Washington State residents have become less economically secure. Owning a home, sending kids to college, accessing medical care, building an egg nest for retirement – these basic hallmarks of the American middle class were within reach for the typical family two decades ago, but have become increasingly unattainable.

The "Great Recession" of 2008 and 2009 has further undermined economic security. The recession has been not only exceptionally severe, it also began before many families had fully recovered from the 2001 recession and its aftermath. At the end of 2007, on the eve of the latest round of widespread job loss, Washington had not regained the employment levels of the late 1990's.[1] The typical household and worker in the state also had less income in inflation-adjusted terms than had been the norm a decade earlier.

Median household income peaked in Washington in 1998 at $62,500 (in 2008 dollars), dropped sharply then partially recovered to $60,300 by 2007, and fell again to $56,600 in 2008.[2] Washington men earned on average $266 per month less in 2007 and 2008 than in 2000. Women's average inflation-adjusted earnings stayed level over the decade, but women continued to earn far less than men in every sector of the economy.[3] As a result, women and their children are particularly likely to live in poverty and are especially vulnerable when the economy collapses.

Compounding the economic stress on families, over the course of the decade fewer employers provided health insurance and other benefits, more health care costs were shifted to individuals, college tuition shot up relative to median income, and the cost of buying a home skyrocketed.

While the majority struggle, a few are doing extraordinarily well. Some highly paid fields, most notably computer software publishing, have grown briskly since 2000. Those at the top of the income spectrum have by and large prospered. Workers earning at the 80th percentile and above have enjoyed real increases in their incomes over the past decade despite the roller coaster economy. Thus inequality has continued to grow, as it has since 1980. In contrast, throughout the middle decades of the 20th century inequality lessened while the middle class grew. Now wealth is once again as highly concentrated in the hands of a few as it was in the late 1920s.[4]

Despite the problems here, Washington residents in general have done better than people living elsewhere in the U.S. Job growth was stronger here than in most states from 2005 through 2007, and the full effects of the recession were not felt in most parts of the state's economy until well into 2008. Washington incomes are higher than the national average, access to health insurance is greater, and rates of poverty lower.

## Public Policy Makes a Difference

Public policy choices over the past decade, particularly at the federal level, have contributed to family economic insecurity and helped cause the 2008-09 recession. In response to the 2001 recession, the Bush administration produced tax cuts for the wealthy and failed to offer meaningful stimulus for workers and families or for local and state governments. As a result, recovery from the recession nationally was slow and weak. Reckless deregulation of the private sector and limits on government responsibilities and investments fed the housing bubble. When the bubble burst, causing the collapse of the construction and financial sectors in the U.S., the effects rippled throughout the world economy.

Less obviously, the ascendance of anti-government ideology that glorified corporate excesses further eroded worker bargaining power in the aftermath of the 2001 recession, contributing to slow wage growth and the decline of benefits. That ideology has also left the United States as the last developed economy without universal health insurance, modern workplace standards, and supports for working families such as universal preschool, paid sick days, and family and medical leave insurance. This policy course has undermined economic security, constrained women's career choices, and contributed to continuing gender inequality.

With earnings stagnating, families naturally turned to the growing equity in their homes to augment their incomes, furthering the growth of the housing bubble and placing themselves more at risk when it collapsed. Tax cuts for the wealthy directly exacerbated growing inequality and starved all levels of government of funds to invest in education, infrastructure, and research – the very investments that create the foundations for shared prosperity.

In contrast to the Bush administration's response to the previous recession, in March 2009 the Obama administration quickly passed a major stimulus package. Among other things, it provided grants to states and school districts which were facing collapsing revenues as a result of the recession, extended unemployment benefits and subsidized health insurance premiums for the unemployed, augmented the food stamp program, gave new incentives for first-time home buyers and purchasers of energy efficient cars, increased financial aid to college students, and lowered federal tax withholdings on earned income. While many economists believe the stimulus plan should have been bigger and a second round is needed, the rapid disintegration of the economy slowed and glimmerings of recovery began shortly after passage of the first Obama stimulus package.

Washington State has pursued a mixed public policy course. We have a higher minimum wage, more people covered by health insurance, more workers in unions, and lower levels of poverty than the national average. But Washington has also pulled back on public investments over the past two decades. A regressive and archaic tax structure has fed anti-tax initiatives and left policymakers with few tools for combating a structural deficit, short of comprehensive tax reform. From 1992 to 2007, Washington's rank among the states in total per-capita K-12 spending fell from 17$^{th}$ to 33$^{rd}$. Measured by our relatively high personal incomes, our rank in school spending fell from 24$^{th}$ to 47$^{th}$.[5] While we are 5$^{th}$ nationally in the awarding of associate degrees, we place a dismal 37$^{th}$ in awarding bachelor degrees and 39$^{th}$ in professional degrees.[6]

State budget cuts have fed a downward spiral of job loss, falling incomes, and declining public investiments. In response to sharply falling tax revenues in the spring of 2009, Washington's legislature and Governor adopted a two-year budget with deep cuts in education, health care, the social safety net, and public sector jobs. In fact, the state employed 5,000 few people in September 2009 than in September 2008. Without federal aid, these cuts would have been far deeper. On a more positive note, Washington did use the resources of a strong unemployment insurance system to augment checks to unemployed workers – precisely the kind of counter-cyclical stimulus the system was designed to provide.

While full recovery from the recession will depend on federal action, the Washington legislature can take action in 2010 to position our state and its people to take full advantage of economic growth, and to ensure widespread opportunity and prosperity for individuals and businesses.

**A state agenda for shared prosperity** includes:

- Expanding investments in education, including expanding quality early learning programs, accelerating implementation of full-day kindergarten, fully funding basic education, expanding access to higher education and rolling back excessive tuition increases.

- Responding to the decline in work-place benefits by restoring the Basic Health Plan, adopting Retirement Investment Security Accounts,[7] setting a new workplace standard for employer provided paid sick days, and both funding and expanding the family and medical leave insurance program.[8]

- Expanding the state tax base to provide immediate new revenues, including new taxes on candy, gum, and bakery goods; pop syrup, soft drinks, and bottled water; and selected services. And then taking the first steps toward creating a fairer and more stable tax structure.[9]

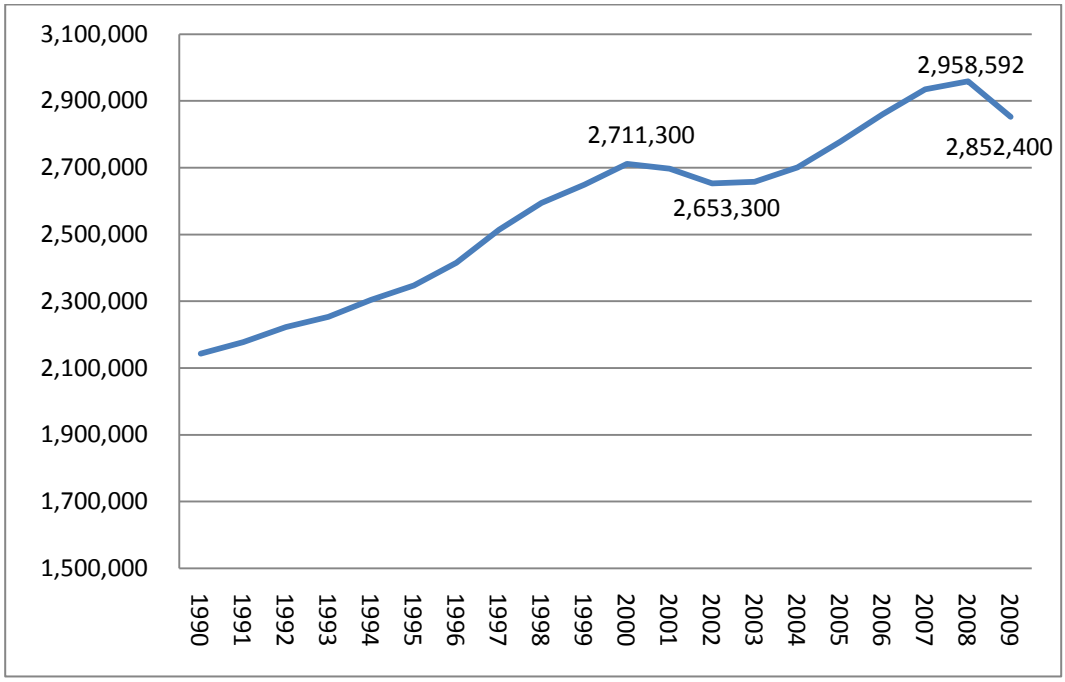
This report pulls together data from numerous sources, including the Washington State Employment Security Department and the U.S. Census Bureau, to examine how the economy has changed over the past two decades, how those changes impact families in different circumstances throughout the state, and how public policy can make a difference.

# Washington Jobs – A Tale of Two Recessions

The years since 2000 have been bumpy – for Washington State and the nation. Washington lost jobs through 2001 and 2002, and did not fully recover them until the very end of 2004. The state then enjoyed three years of employment expansion. But job growth stalled again early in 2008. In the last quarter of 2008 as the financial crisis peaked, unemployment surged. In the twelve months between September of 2008 and September 2009, 134,000 jobs disappeared from the state economy.

**ANNUAL AVERAGE MONTHLY NONFARM JOBS IN WASHINGTON STATE, 1990-2009**

(2009 THROUGH SEPTEMBER ONLY)



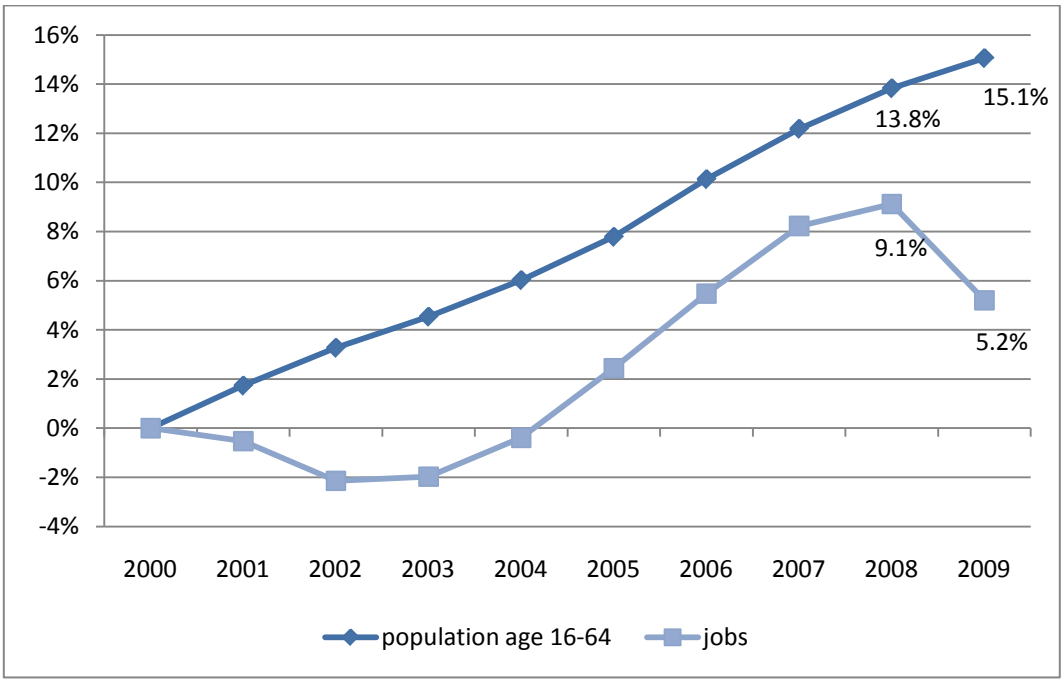

*Source: Washington Employment Security Department. Note: the graph shown here displays the number of annual average monthly nonfarm jobs for 2008 and 2009, not the September numbers referred to in the text above.*

The "Great Recession" of 2008 and 2009 has been not only exceptionally severe, it also began before many families and the economy as a whole had fully recovered from the previous one. Through the mid-20th century, recessions often hit twice or more per decade, but more recently, economic downturns have been followed by relatively long periods of expansion.[10] A double-dip recession in the early 1980s brought unemployment above 12% in Washington, but was followed by nearly 8 years of economic growth. The national recession in 1991 raised Washington's unemployment rate, but average monthly job numbers in the state continued rising for the entire decade of the 1990s nevertheless.

Washington's population has continued to grow steadily since 2000 despite the rocky economy, due to both natural increase and in-migration. Between 2000 and 2009, the working-age population in the state – people ages 16 to 64 – increased by 15%.[11] Over that same period, however, jobs have only

grown 5%. On the eve of recession in 2007, we would have needed 107,000 additional jobs in order to provide Washington workers the same level of employment as in 2000. By mid-2009 there was a 267,000 job gap between the growth in population and in employment.[12]

**CUMULATIVE PERCENTAGE CHANGE IN WASHINGTON'S WORKING AGE POPULATION AND NONFARM JOBS, 2000-2009**




*Sources: Washington Employment Security Department and Office of Financial Management*

Failures of federal policy contributed both to the tepid recovery from the 2001 recession and the rapid collapse of the economy in 2008. In 2001, the federal government failed to act to stimulate the economy in ways that would shore up the economic security – and spending – of typical households. Instead, the Bush administration cut taxes for the wealthy while pursuing an expensive war and limiting regulation and oversight of key industries.

These actions contributed to continued growth in economic inequality, a skyrocketing federal deficit, rapid inflation of the housing bubble, and irresponsible lending. The housing bubble's collapse brought U.S. consumer spending to a near complete halt, the financial industry to the brink of ruin, and left much of the world economy in tatters.

Federal response to the 2008-09 recession has been very different, with passage of a major stimulus package and bailouts of the financial and auto industries. Following these actions, the rapid collapse of the economy bottomed out and tentative signs of recovery began.

## How Does this Recession Compare with 2001?

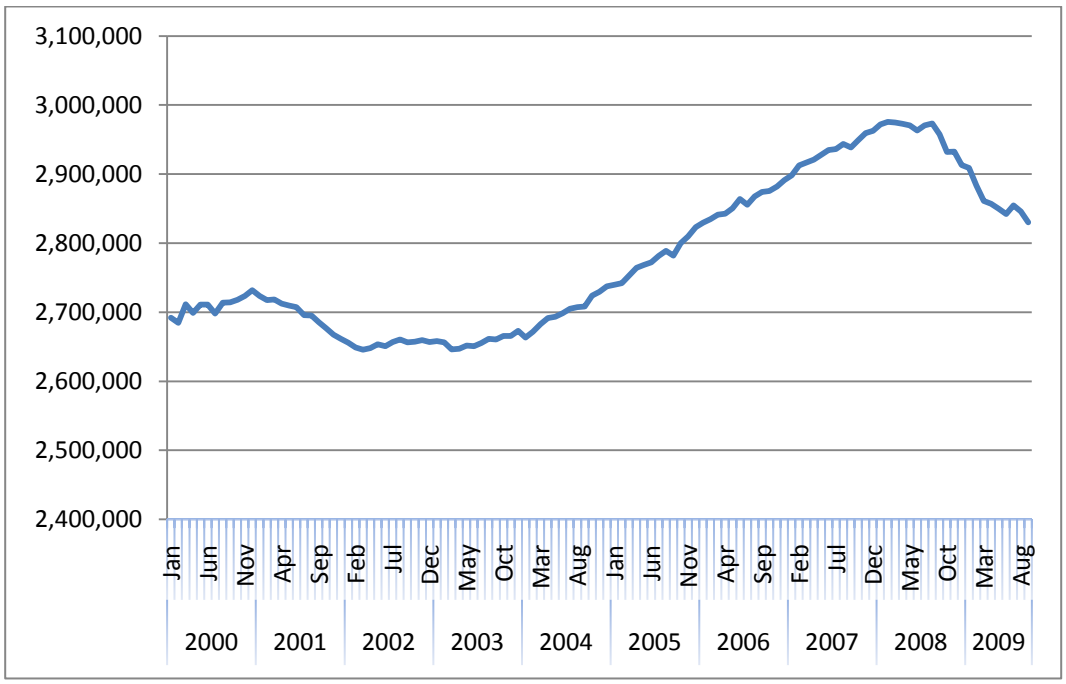
Washington was on the leading edge of the 2001 recession. Our state was a major center of the dot-com bust that preceded it, and was also hit hard by the decline in aerospace manufacturing. Washington's jobs began shrinking and unemployment began rising in January 2001, three months before the onset of the national recession. The U.S. economy began contracting in April 2001 and continued to shrink for eight months. National economic expansion began again in December of that year and continued through December 2007.[13] Here in Washington, job losses bottomed out in March 2002 and unemployment peaked in April at 7.7%. The state did not regain the December 2000 number of jobs again until December 2004.

In contrast, the 2008 recession came to Washington a bit late. Job growth leveled off in the state after the official start of the national recession, but didn't begin clear decline until the summer of 2008. Then the losses hit in every metropolitan region of the state except for the Tri-Cities, where jobs were bolstered by federal spending on Hanford cleanup. By summer 2009, the rate of job loss slowed, but still spelled bad news for job seekers. In September 2009, after 19 months of erosion, the number of jobs in Washington was 4.9% lower than in February of 2008, compared to the 3.15% loss at the depths of the 2001 downturn.

This "great recession," as it has come to be known, is far deeper, longer, and more pervasive than the 2001 recession. Through the summer of 2009, the U.S. economy had already contracted for more than twice as many months as in 2001.

**Monthly Jobs in Washington**

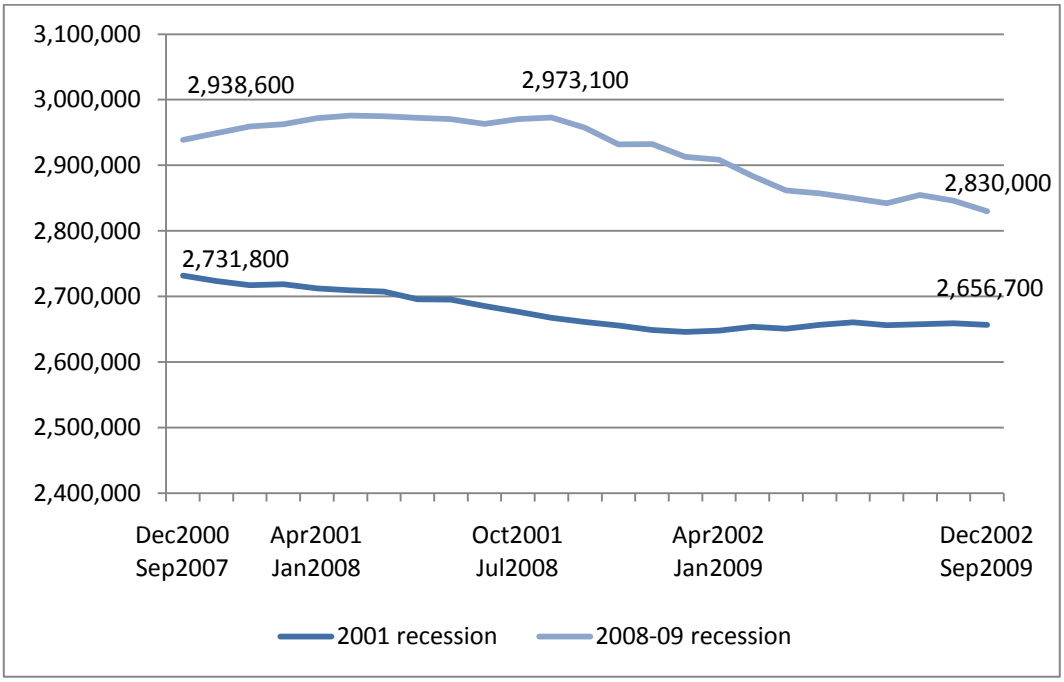
January 2000 – September 2009, Seasonally Adjusted




*Source: Washington Employment Security Department*

**TWO RECESSIONS: COMPARISON OF WASHINGTON'S MONTHLY NONFARM JOB LOSS**

RECESSIONS BEGINNING APRIL 2001 AND JANUARY 2008



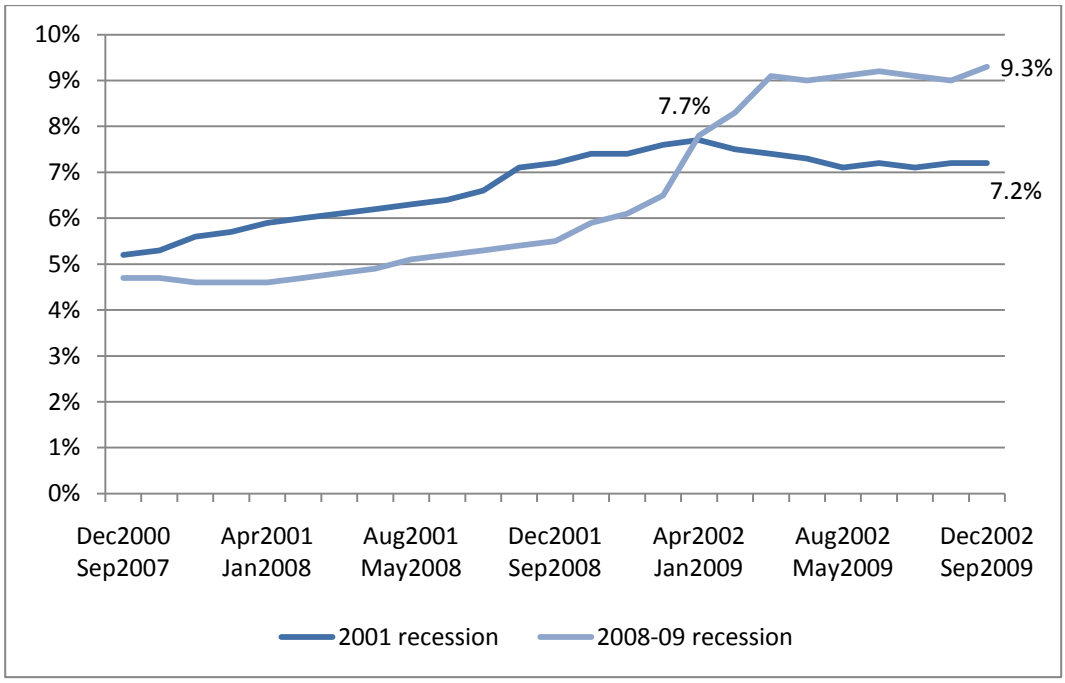

*Source: Washington Employment Security Department, Historical Series Seasonally Adjusted*

# UNEMPLOYMENT

The state's unemployment rate crept up throughout 2008, but did not rise steeply until the fall. It has held fairly steady at a little over 9% since March 2009. During the 2001 recession, in contrast, unemployment in Washington rose even before the national economic decline began, but started falling again after just twelve months.

**TWO RECESSIONS: COMPARISON OF WASHINGTON'S UNEMPLOYMENT RATE**

RECESSIONS BEGINNING APRIL 2001 AND JANUARY 2008




*Source: Economic Policy Institute analysis of Current Population Survey data; Bureau of Labor Statistics*

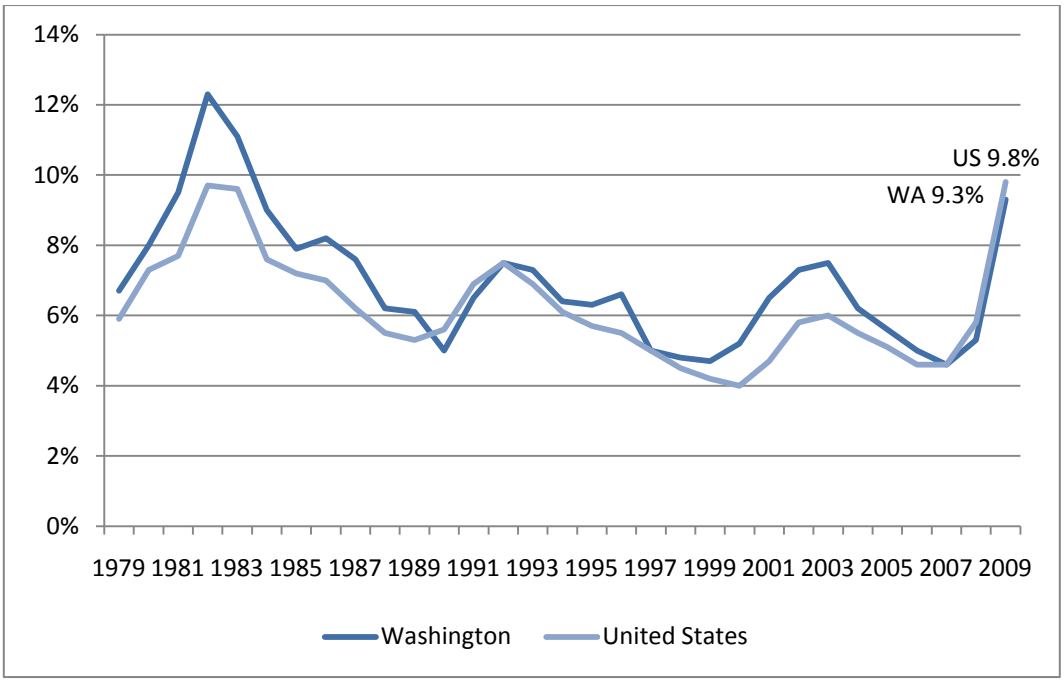
In 2008 the nation's unemployment rate began rising sooner and more sharply than Washington's. Washington ranked 19th among the states in unemployment in September 2009. Michigan was highest, at 15.3%, and 15 states had unemployment rates over 10%. In contrast, in 2001 and 2002 Washington had among the highest unemployment rates in the nation. In percentage of jobs lost between January 2008 and September 2009, Washington ranked 28th.[14]

Because gender segregation still remains prevalent in the workforce (see p. 38), men's unemployment rates have shot up much faster than women's. Construction and manufacturing have seen the greatest job losses in the past year – and 83% of construction workers and 73% of manufacturing workers are men. In retail, which overall employs roughly equal numbers of men and women, the largest losses have been in motor vehicle-related sales and building and garden supply stores, which are 79% and 65% male, respectively.[15]

During years of job growth, men and women's unemployment rates were roughly the same. By mid-2009, male unemployment in Washington stood at an estimated 10.8% and women's at 7.3%.[16] The rise in unemployment in 2008 was also most extreme with those with the least education.

## UNEMPLOYMENT RATES, WASHINGTON AND U.S. AVERAGE

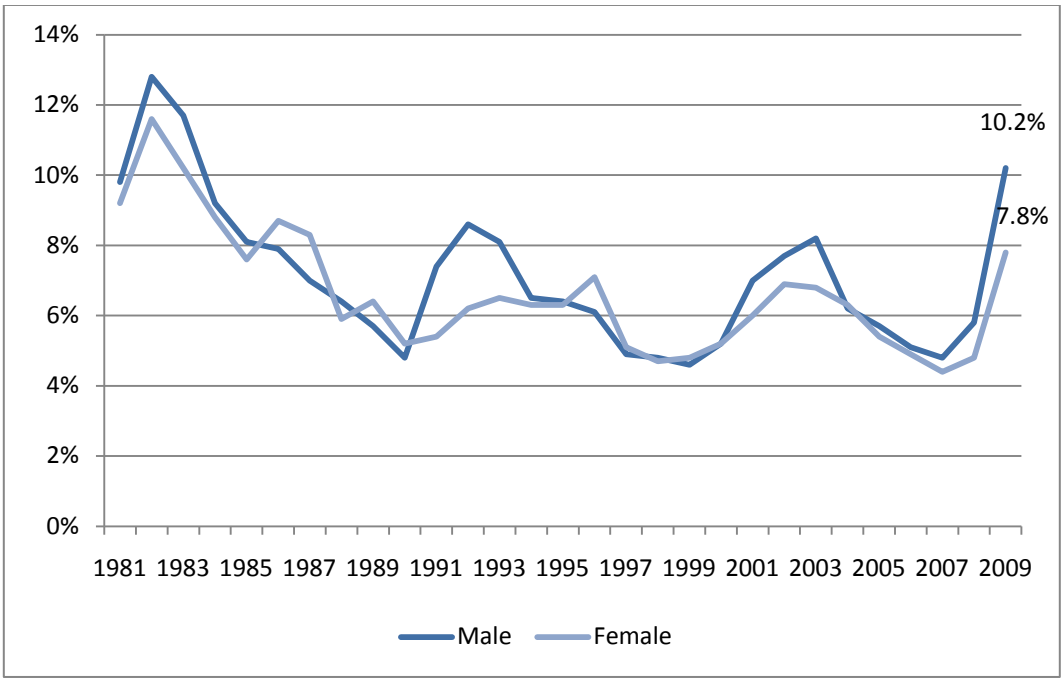
1979 - SEPTEMBER 2009




*Source: Economic Policy Institute analysis of Current Population Survey data; Bureau of Labor Statistics*

## MALE AND FEMALE UNEMPLOYMENT RATES IN WASHINGTON STATE

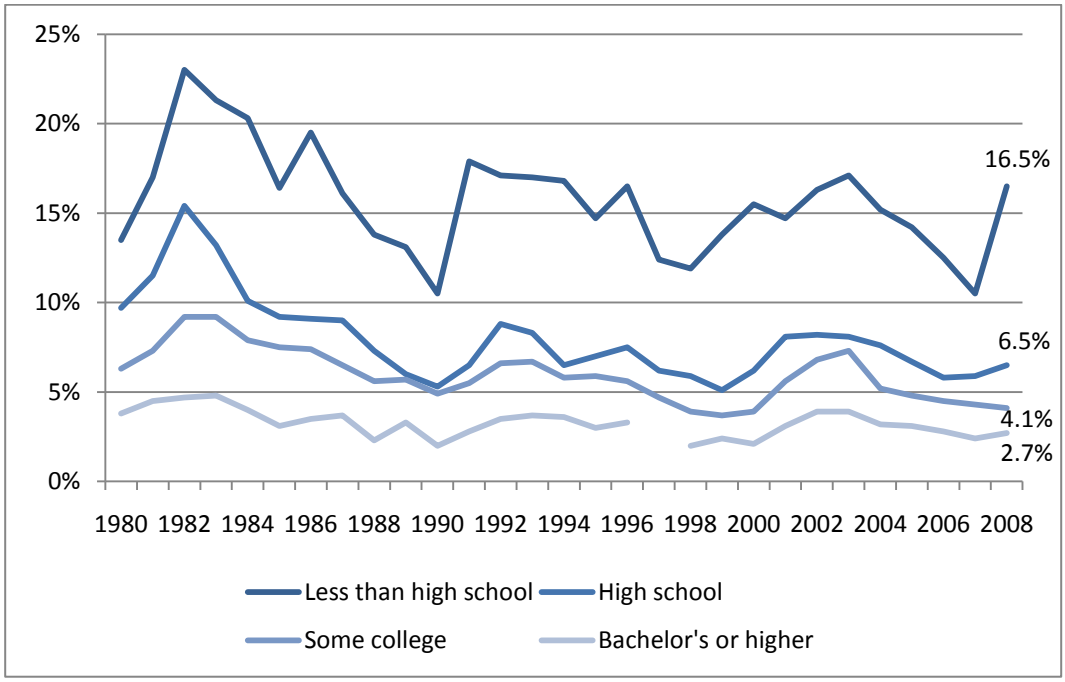
1981- 3RD QUARTER 2009




*Source: Economic Policy Institute analysis of Current Population Survey data and 3rd quarter 2009 estimates based on BLS LAUS and CPS data.*

**UNEMPLOYMENT IN WASHINGTON BY HIGHEST LEVEL OF EDUCATION**

1980-2008

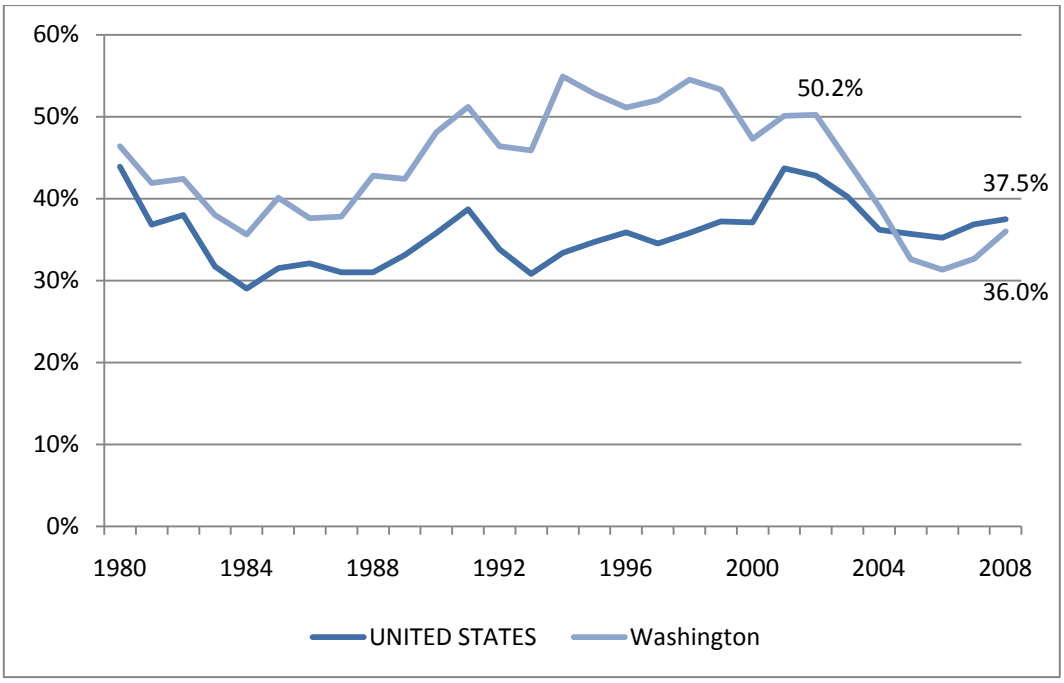



*Source: Economic Policy Institute analysis of Current Population Survey data*

Unemployment Insurance is designed to be counter-cyclical, with employers paying into the system during economic good times and laid-off workers receiving benefits in down times. Those benefits sustain families, help local businesses, and stimulate the economy. Because Washington had a healthy balance in its UI trust fund, the legislature was able to approve a boost of $45 per week in unemployment insurance benefits early in 2009.[17] The federal government also provided money to states to raise benefits by $25 per week and extend benefits beyond the usual 26 weeks to 53 weeks.

Unfortunately, the majority of unemployed workers do not receive unemployment insurance – because they are seeking part-time work, were not employed for long enough, or left work for reasons that do not qualify. Through most of the 1990s, about half of Washington's unemployed workers received benefits, but policy changes have led to a sharp decline. In 2003, Washington's legislature tightened allowable reasons for a person to voluntarily quit a job and still qualify for unemployment insurance. For example, under previous law someone who left work because they were subjected to a "substantial" reduction in pay or hours could qualify, but under the new law, reductions had to be at least 25%. Provisions were also made more stringent for quits due to a worker's or family member's illness and illegal or unsafe practices in the workplace. An analysis of voluntary quit claims in 2004 and 2005 found that 10.5% were denied under the new law that would have qualified under the old law.[18] Administrative policy changes also affected recipiency by more rigorously enforcing the requirement that UI receivers actively look for work.[19]

**UNEMPLOYMENT INSURANCE RECIPIENCY RATE, WASHINGTON AND UNITED STATES**




*Source: Economic Policy Institute analysis of Department of Labor data.*

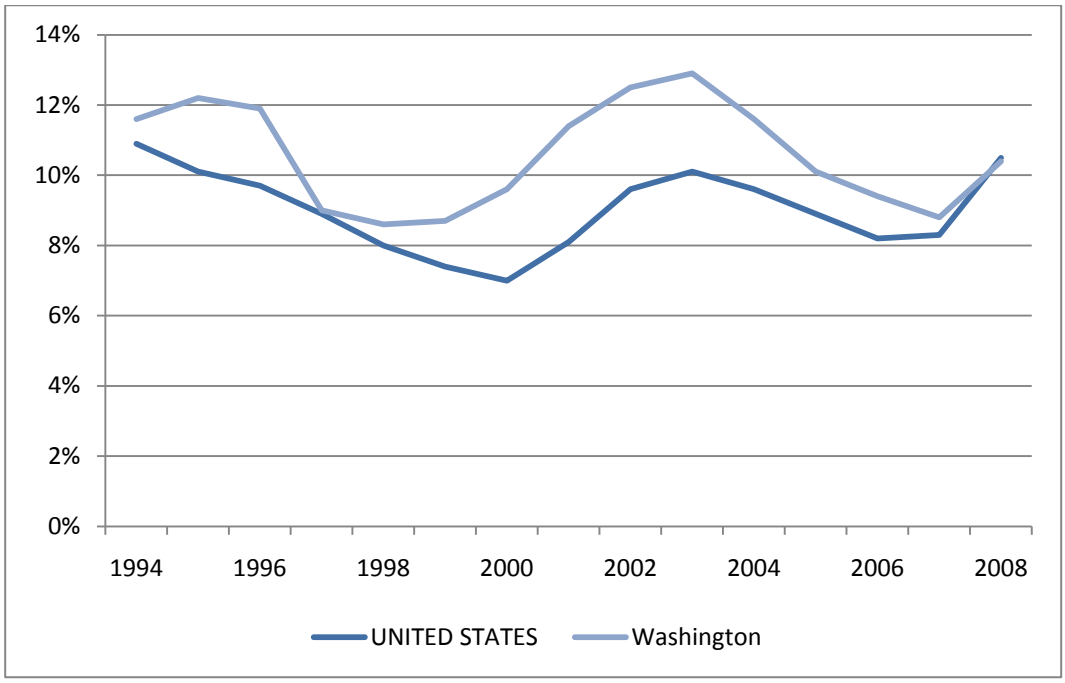
## Employment Stress Beyond the Unemployment Rate

The official unemployment rate captures only a portion of those out of work, and misses altogether those who are under-employed or otherwise losing family income because of the recession. The number of Americans who reported that they wanted to work but had given up looking – discouraged workers who are not counted as unemployed – doubled between August 2008 and August 2009. Among those still employed, the number of Americans working part-time for economic reasons increased 54% over the past year, and has nearly doubled since August 2007.

Even those still working full-time have experienced a loss of hours and of overtime pay. For example, construction and manufacturing workers saw their average workweek decline by nearly a full hour between August 2008 and August 2009, canceling out much of their modest wage gains.[20]

**UNDER-EMPLOYED* WORKERS IN WASHINGTON STATE AND THE UNITED STATES**

1994-2008




*Source: Economic Policy Institute analysis of Current Population Survey data. * Under-employed includes those who are unemployed, work part-time for economic reasons, and who want to work but are discouraged by lack of work or some other barrier to seeking employment.*

# Household and Family Income

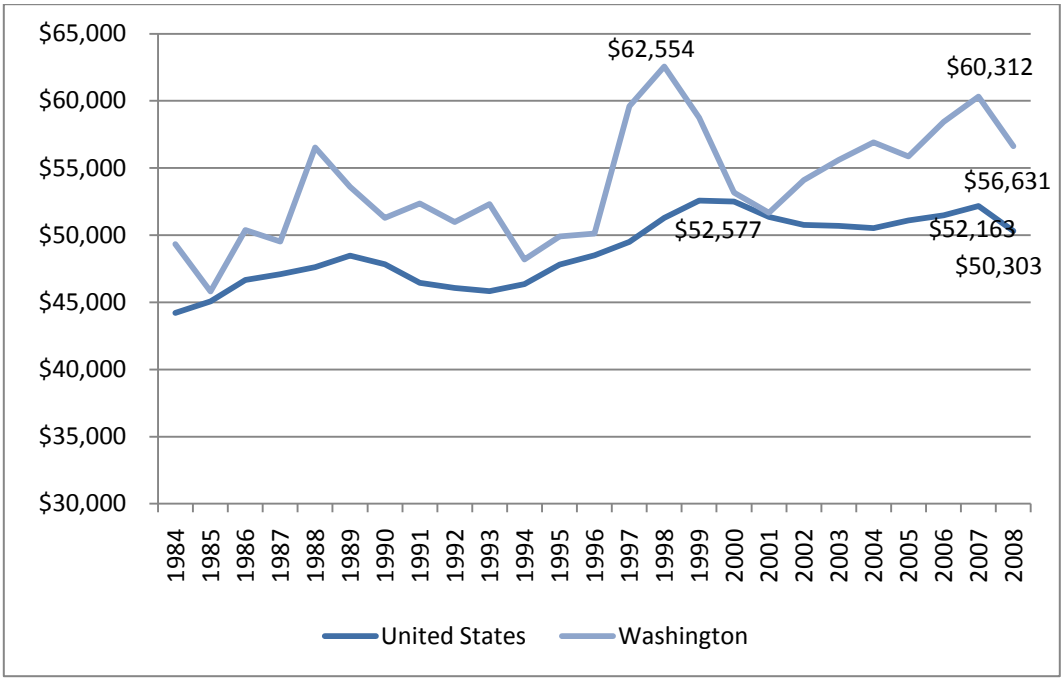
Different measures of income and earnings show a varied picture, with some individuals and families faring well through this decade but many struggling. Nationally incomes remained largely stagnant in the aftermath of the 2001 recession, reflecting the tepid pace of job growth.

Washington incomes, by any measure, are consistently higher than the national average. Washington's relatively strong economy from 2005 to 2007 did push median household incomes up. However, by the time the Great Recession started in 2008, the typical household had not regained the level of income the median household enjoyed in the late 1990s in both Washington and the United States as a whole.[21]

Even though the recession did not fully hit Washington until the last quarter of 2008, median household incomes in the state as measured by the Current Population Survey fell by nearly $4,000 in inflation adjusted dollars from 2007 to 2008, to $56,631.

**MEDIAN HOUSEHOLD INCOME IN THE UNITED STATES AND WASHINGTON**

1984-2008 (2008 DOLLARS, CURRENT POPULATION SURVEY)

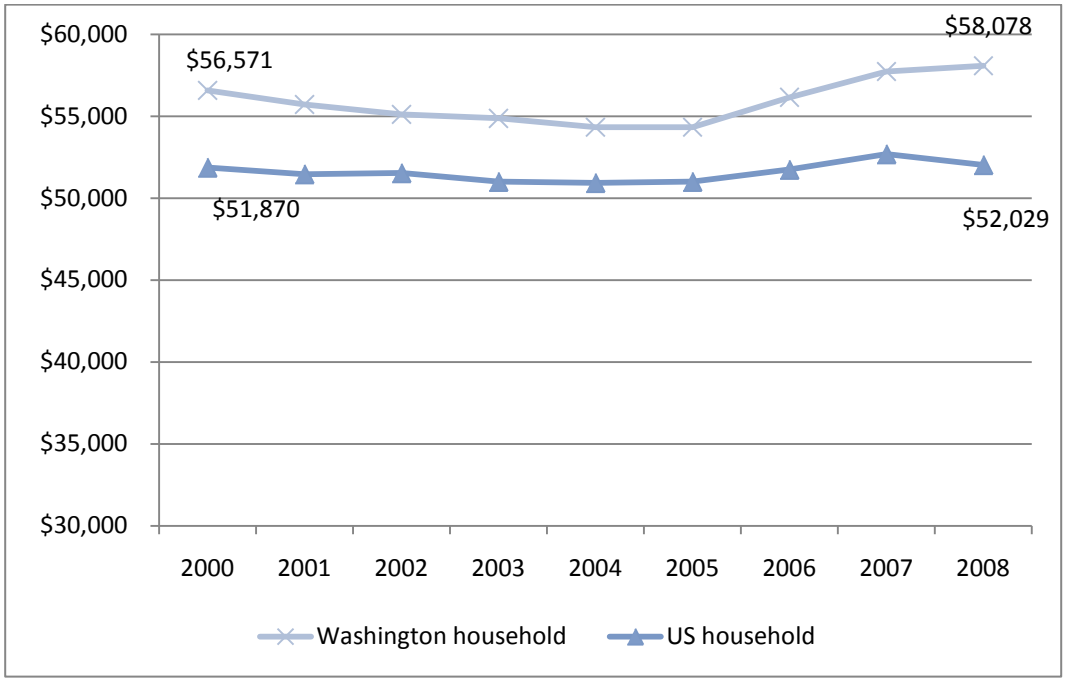



*Adjusted by CPI-U-RS. Source: US Census, Current Population Survey, Historical Income Table H-8.*

The newer American Community Survey shows Washington median incomes for both households and families rising slightly each year from 2006 through 2008. Incomes of families (which the Census Bureau defines as two or more related people living together) are typically higher than the more inclusive category of households (which includes single people and unrelated people living together, as well as families).[22]

**MEDIAN HOUSEHOLD INCOME UNITED STATES AND WASHINGTON**

2000-2008 (2008 DOLLARS, AMERICAN COMMUNITY SURVEY)

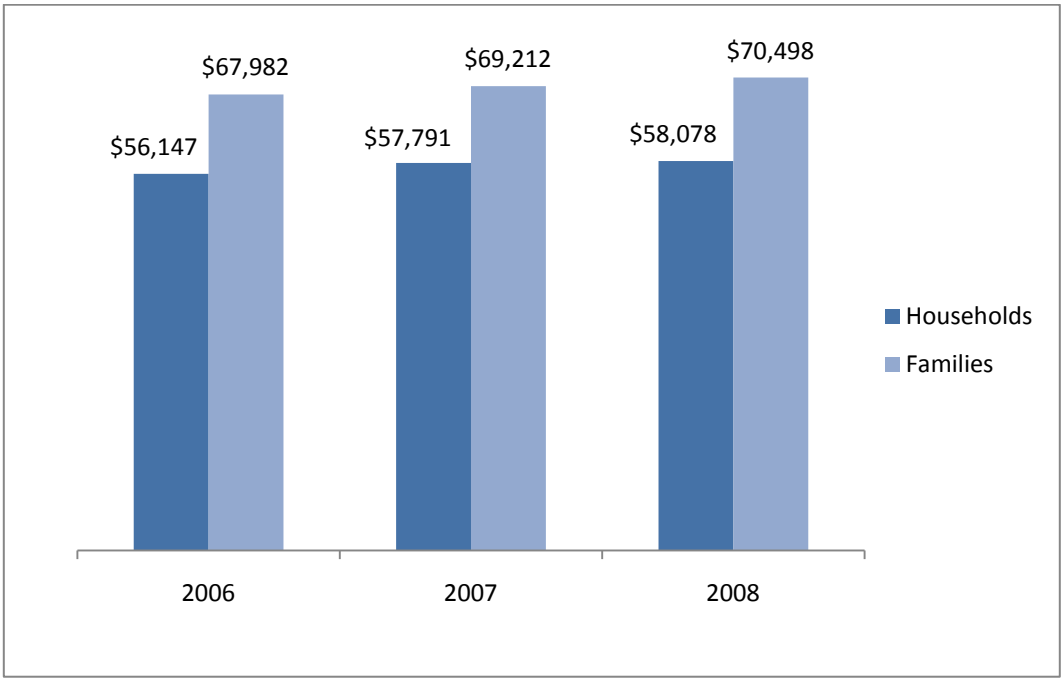



*Adjusted by CPI-U-RS Source: U. S. Census, American Community Survey*

The median income of four-person families in Washington rose slightly between 2007 and 2008, to $82,716, and has surpassed the level of the late 1990s. Nationally, the median income for four-person families, like median household income, remains below the late 1990s level.[23]

## Median Incomes for Washington Households and Families

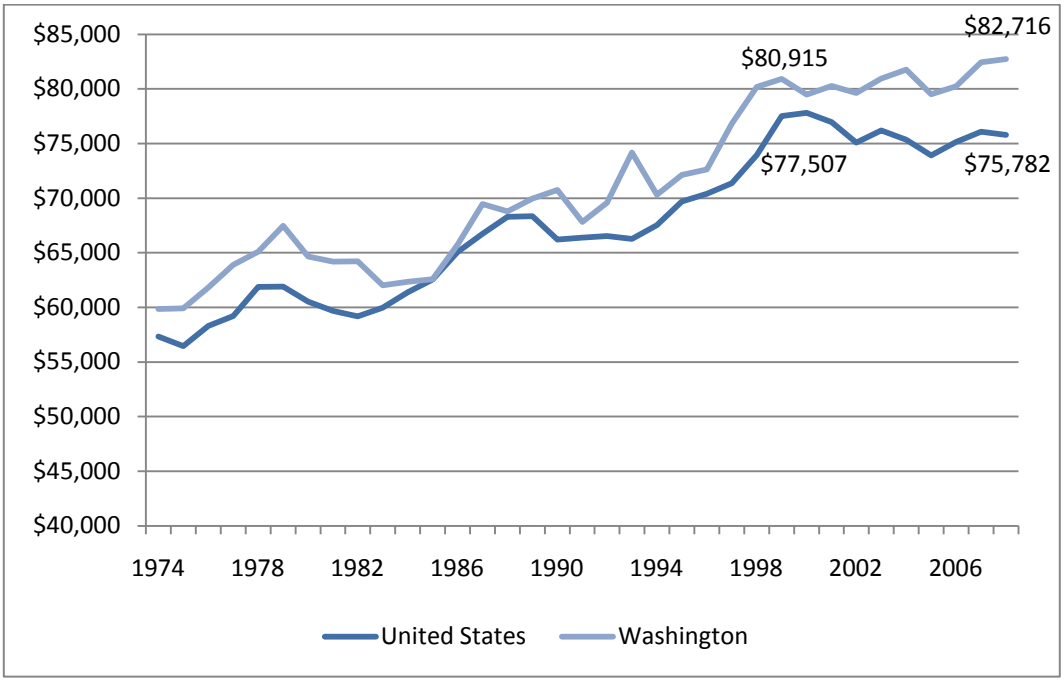
2006-2008 (2008 dollars, American Community Survey)




*Source: U. S. Census, American Community Survey*

## Median Income for 4-Person Families, United States and Washington

1974-2008 (2008 dollars)

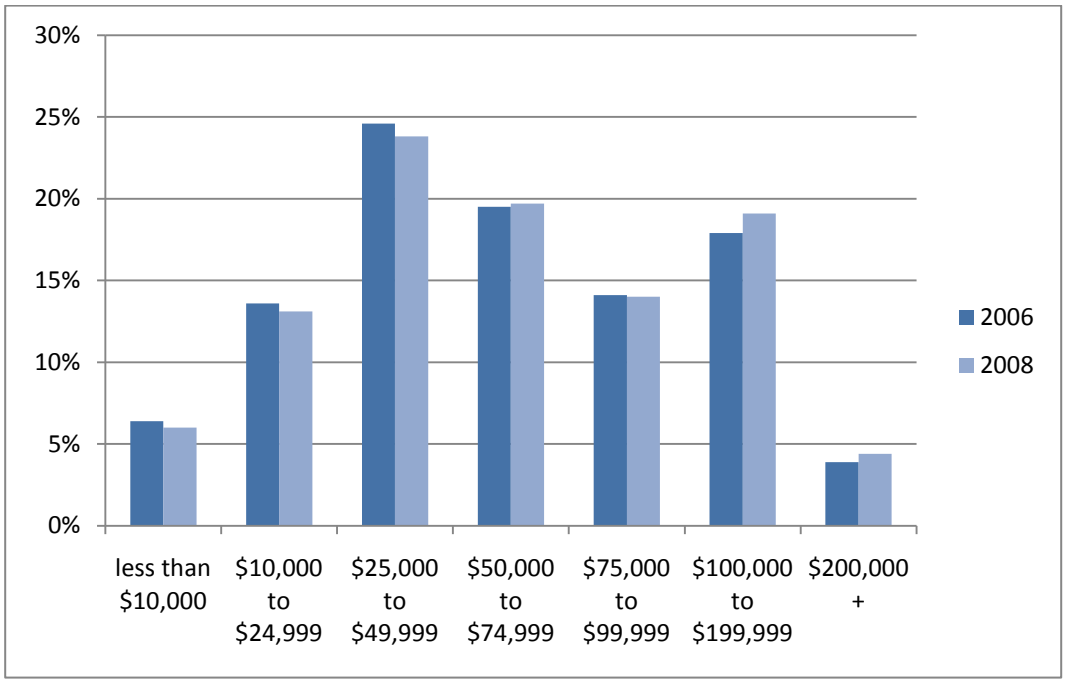



*Source: U.S. Census. The source from 2004-2005 changes from Current Population Survey to American Community Survey. Adjusted by CPI-U-RS.*

Between 2006 and 2008, the percentage of households in the state with incomes over $100,000 in 2008 dollars increased from 21% to 23%, while the percentage with incomes under $25,000 declined slightly, from 20% to 19%.

**INCOME DISTRIBUTION OF WASHINGTON HOUSEHOLDS**

2006 AND 2008 (2008 DOLLARS)

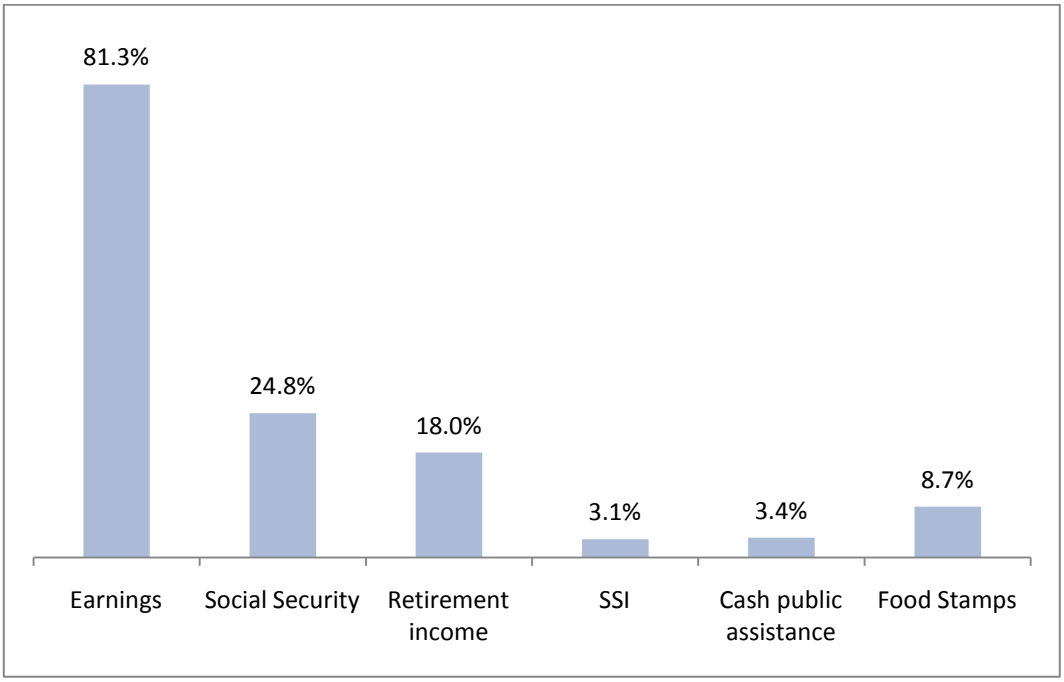



*Source: U. S. Census, American Community Survey*

In 2008, over 81% of Washington households received income from earnings and one quarter from Social Security. Between 2007 and 2008, the percentage of state households receiving food stamps jumped up from 7.7% to 8.7%. Those receiving cash public assistance also rose, but the percentage of SSI recipients declined.[24]

## Percentage of Washington Households Receiving Income by Source

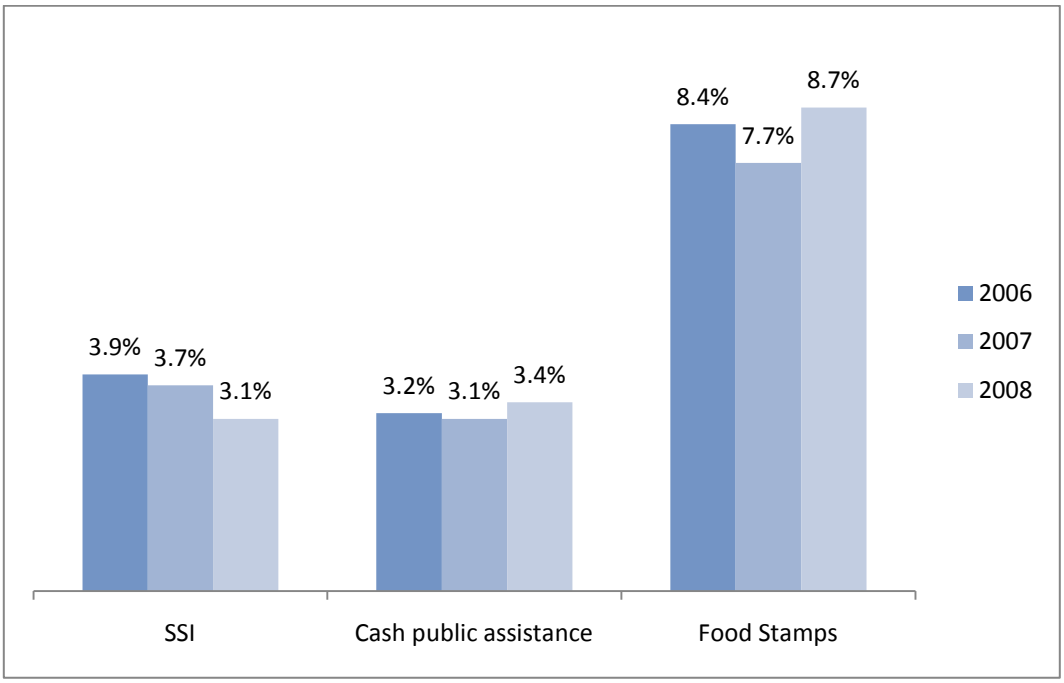
2008




*Source: U. S. Census, American Community Survey*

## Percentage of Washington Households Receiving SSI, Cash Public Assistance, and Food Stamps

2006-2008



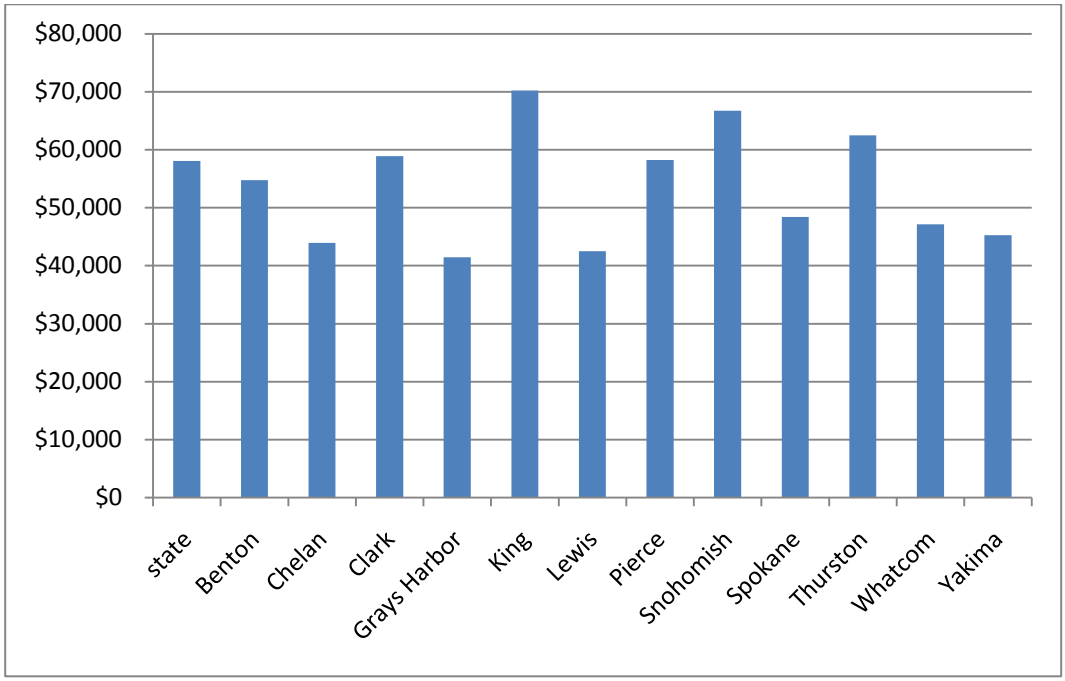

*Source: U. S. Census, American Community Survey*

## Incomes by County

Incomes vary significantly across the state. King County had the highest median household income in 2008 at $70,000. Median household incomes in more rural counties, including Chelan, Grays Harbor, and Lewis were between $41,000 and $44,000.

**Median Household Income by County in Washington**

2008



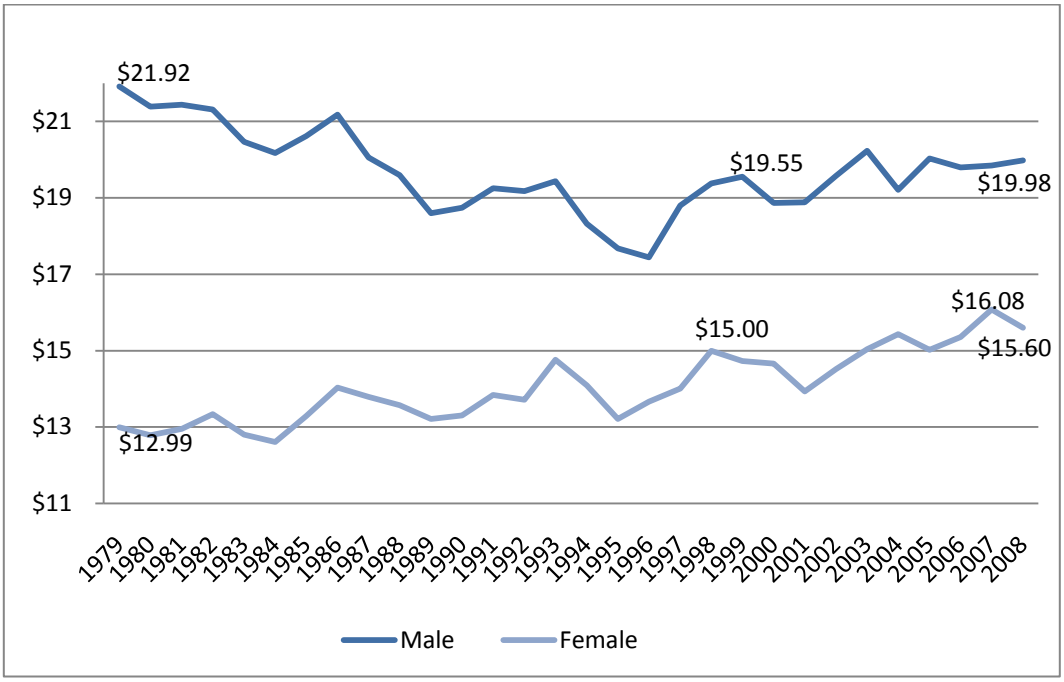

*Source: U.S. Census, American Community Survey*

## EARNINGS: GENDER AND EDUCATION MATTER

Trends in earnings of the past decade have contributed to the growth of inequality and economic stress. Incomes for those in the middle and low earners have largely stagnated. Median hourly earnings for men have been basically flat since the late 1990s and have not yet regained pre-1982 levels. Women's median wages have trended up over time, with dips in down economic cycles, but remain far lower than men's. Women's median hourly wage in 2008 was only 78% of men's, $4.38 lower.

**MEN'S AND WOMEN'S MEDIAN HOURLY WAGES IN WASHINGTON**

1979-2008 (IN 2008 DOLLARS)



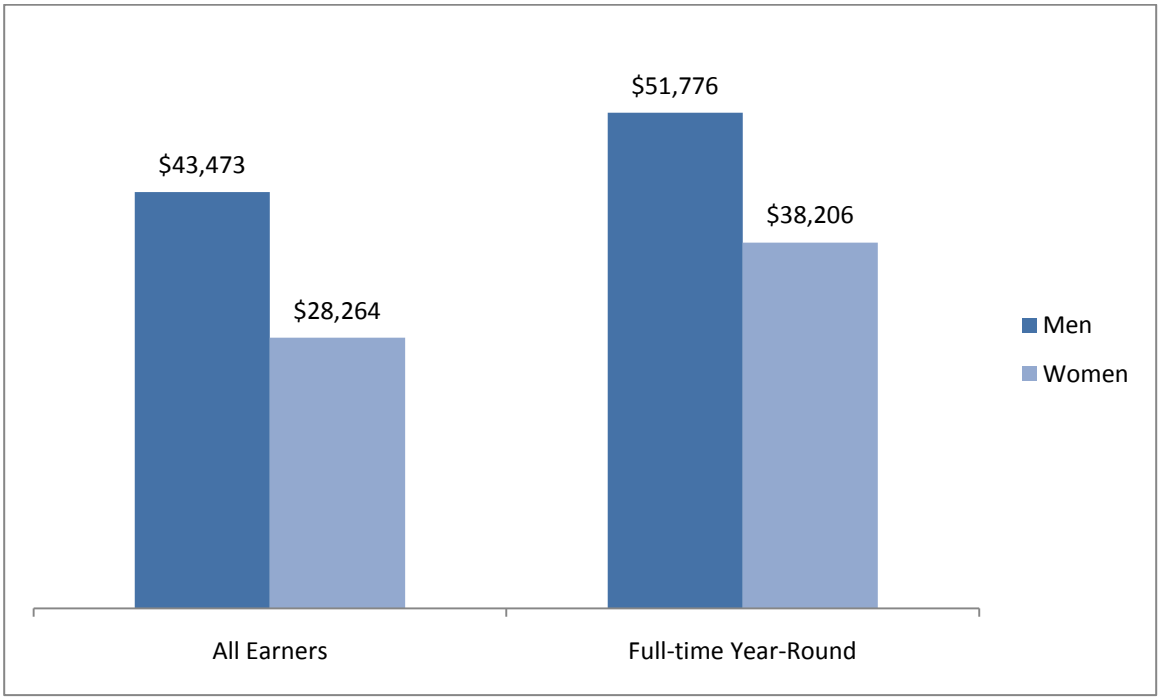

*Source: Economic Policy Institute analysis of Current Population Survey data, adjusted using CPI-U-RS*

Women working full-time year round in Washington earned 74% of full-time men's median earnings. When all workers are considered, Washington women's annual earnings were only 65% of men's in 2008, nearly $15,000 per year lower.

Earnings for both men and women at the lower end of the economic spectrum have also been basically flat for the past decades, while high earners saw real gains in wages after inflation. Consequently, high income households have continued to pull away from everybody else.

## Median Earnings for Washington Men and Women

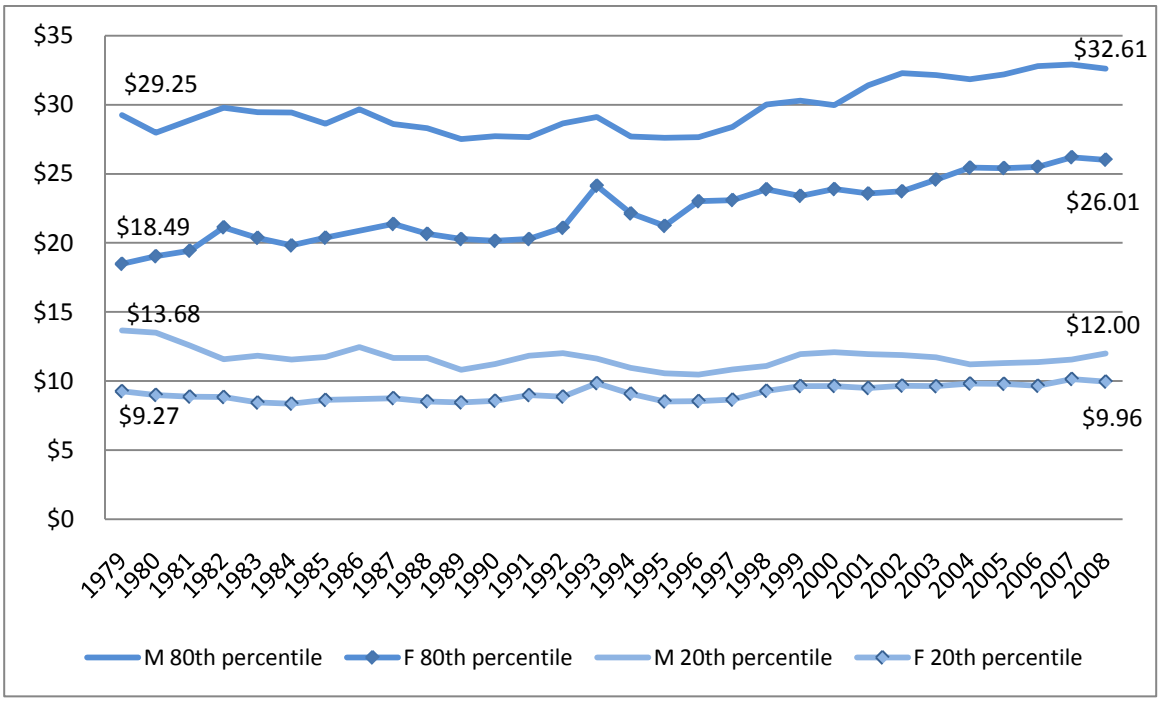
2008




*Source: U. S. Census, American Community Survey*

## 20th and 80th Percentile Washington Male and Female Hourly Wages

(2008 dollars)

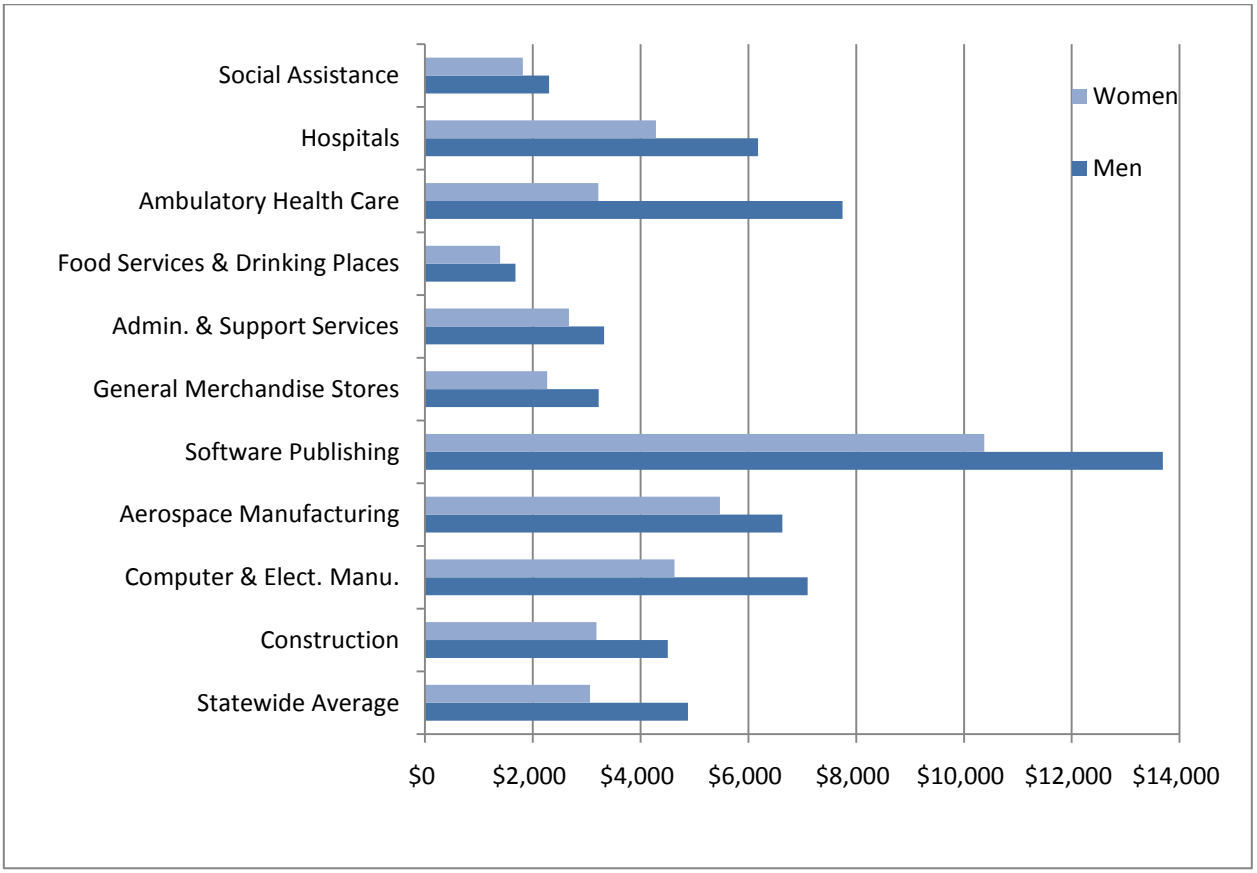



*Source: Economic Policy Institute analysis of Current Population Survey data, adjusted using CPI-U-RS.*

In every type of employment, whether in health care, retail, restaurants, or software publishing, men's average earnings are substantially higher than women's. The earnings difference is particularly stark in ambulatory health care, which includes doctors' and dentists' offices. In these settings, almost all of the men are highly paid professionals, while women occupy a full range of occupations from file clerks and assistants to physicians and dentists.

**WASHINGTON MEN'S AND WOMEN'S AVERAGE MONTHLY EARNINGS**

SELECTED SUBSECTORS 2008



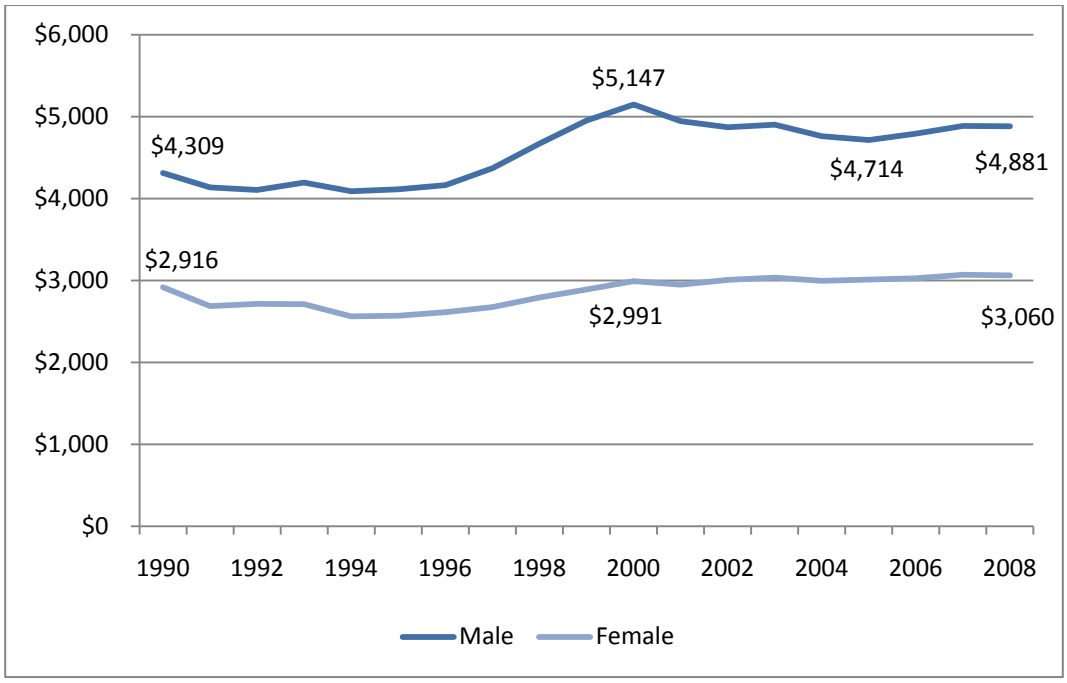

*Source: U.S. Census Quarterly Workforce Indicators, based on 3rd quarter 4-quarter averages*

When measured by average monthly earnings, the typical Washington man has also experienced a real decline in income over the past decade. Averages can be skewed upward by the very highest earners, but the monthly average has the advantage of reflecting the number of hours worked and actual income received. Average monthly earnings for Washington men declined by more than $400 per month in inflation adjusted dollars from 1999 to 2005, before rising slightly through 2008. Women's average monthly earnings since 2000 have been basically flat.[25]

Education pays off in higher earnings. In 2008, the typical college graduate in Washington earned 63% more than the median earnings of those who ended their education with high school. Workers with a graduate or professional degree earned twice those with only a high school diploma. Any higher education experience boosts overall earnings.[26]

## Average Monthly Earnings for Washington Men and Women

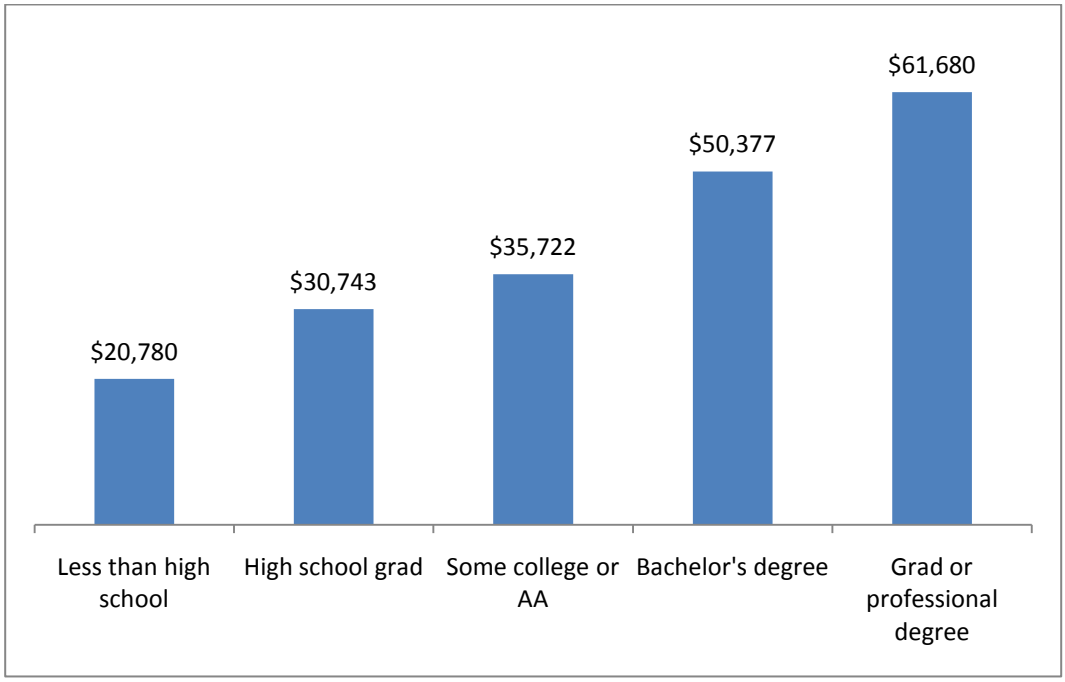
1990-2008 (2008 dollars)




*Source: U.S. Census Quarterly Workforce Indicators, based on 3rd quarter 4-quarter averages, adjusted using BLS inflation calculator*

## Median Earnings for Washington by Education

2008 (Population 25 years and older with earnings)



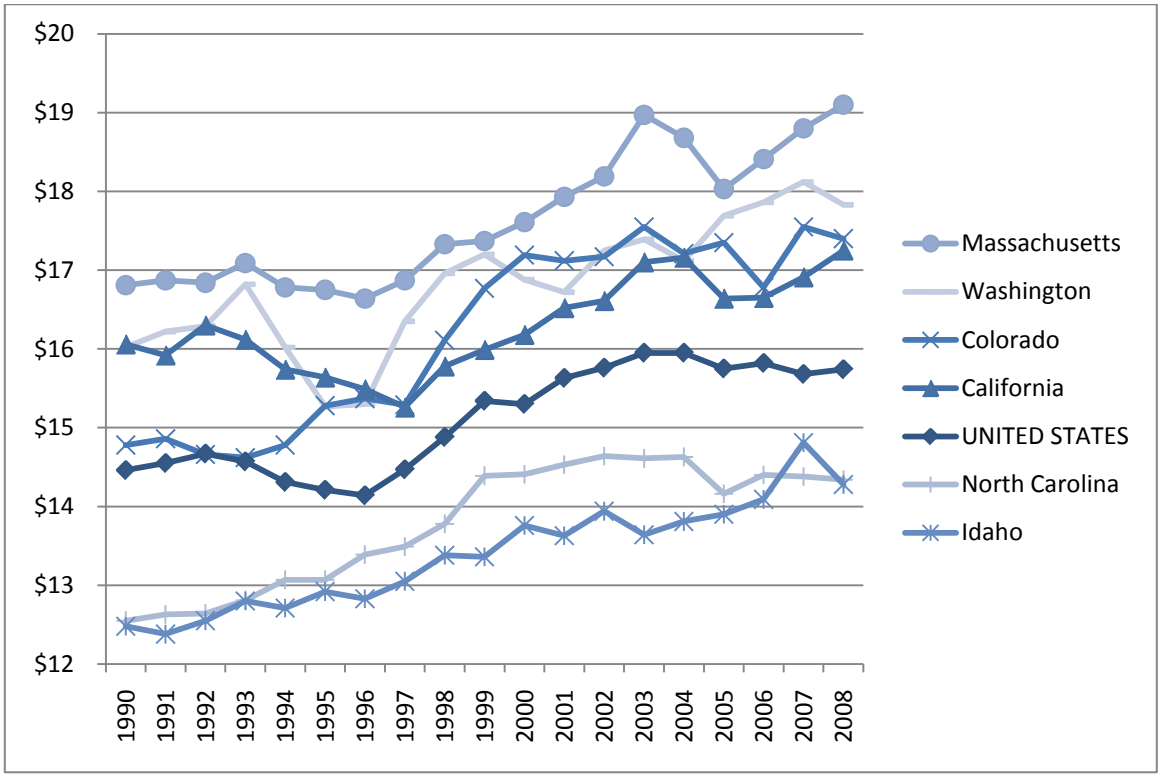

*Source: U. S. Census, American Community Survey*

While typical Washington residents have higher incomes than the national norm, the state does not enjoy the highest incomes. Washington ranks tenth in median household income, behind Maryland, New Jersey, Connecticut, Alaska, Hawaii, Massachusetts, New Hampshire, Virginia, and California.

In hourly earnings, both male and female year-round, full-time employees in Washington rank eighth.[27]

**MEDIAN HOURLY EARNINGS, WASHINGTON, UNITED STATES, AND SELECTED STATES**

1979-2008 (IN 2008 DOLLARS)



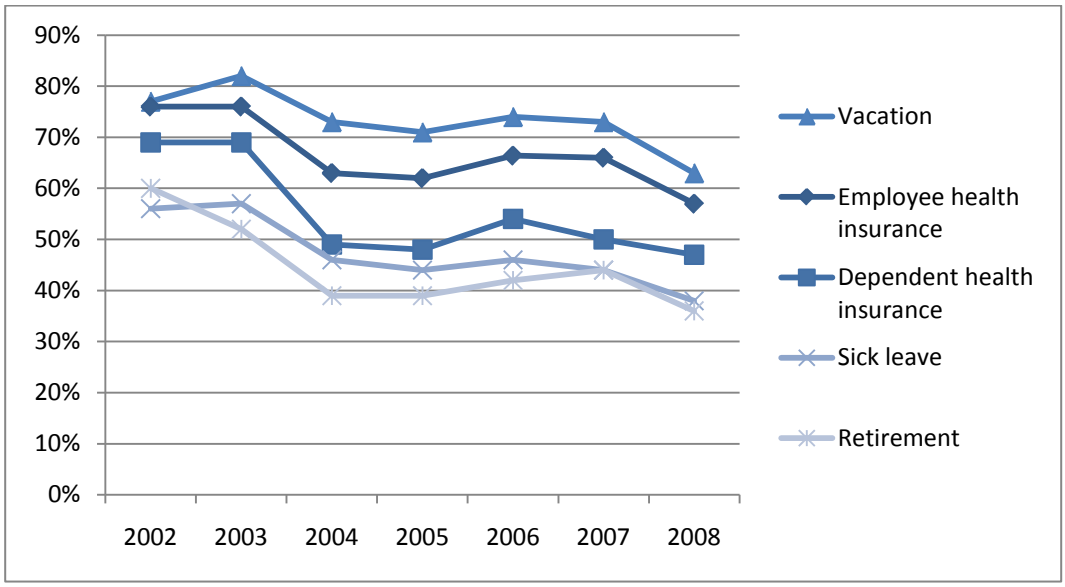

*Source: Economic Policy Institute analysis of Current Population Survey data, adjusted using CPI-U-RS*

# Benefits

Washington workers are increasingly unlikely to have workplace benefits, including paid leave, retirement plans, and health insurance. Since Washington State's Employment Security Department began conducting an annual survey of firms in 2002, the percentage of the state's employers providing every kind of workplace benefit has declined. In the graph below, the state's strong job growth from 2005 through 2007 is reflected in a general modest increase in employer-provided benefits. Provision of all benefits fell again in 2008, as the job market softened, then collapsed.[28]

Firms are substantially less likely to offer all kinds of benefits to part-time workers. In 2008, only 13% of Washington employers provided sick leave and retirement plans and 20% offered vacation to part-timers. Only 10% provided health insurance for part-time employees and 7% for their dependents.[29]

**Percentage of Washington firms offering benefits to full-time workers**
2002-2008




*Source: Washington Employment Security Department*

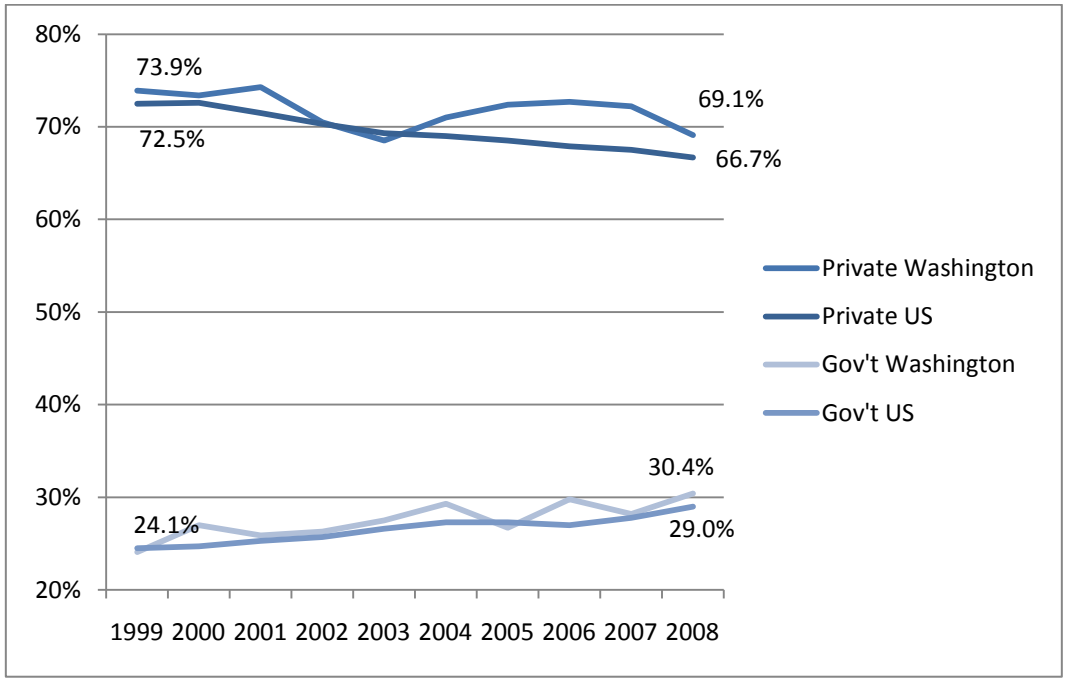
## Health Insurance

Across the United States, employer provision of health insurance has eroded as costs have skyrocketed. Between 1999 and 2008, the percentage of individuals covered by employer-sponsored health insurance declined from 72.5% to 66.7% nationally. Washington's rate of employer coverage is higher, at 69.1% in 2008, reflecting both the higher percentage of union workers than the national average, and the relatively strong job market in the middle of the current decade.

Government-provided health insurance, meanwhile has made up part of the difference, both nationally and in the state.[30]

## Sources of Health Insurance, United States and Washington

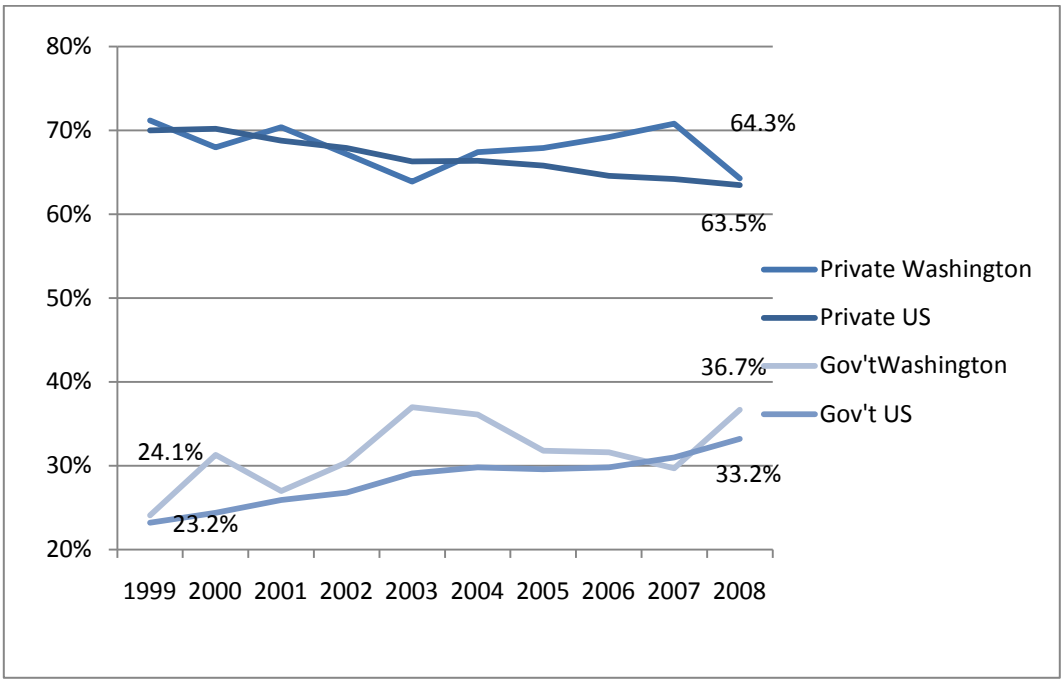
1999-2008




*Source: U.S. Census, http://www.census.gov/hhes/www/hlthins/historic/hihistt4.xls, http://www.census.gov/hhes/www/hlthins/historic/index.html*

## Sources of Health Insurance for Children, 1999-2008

United States and Washington, 1999-2008



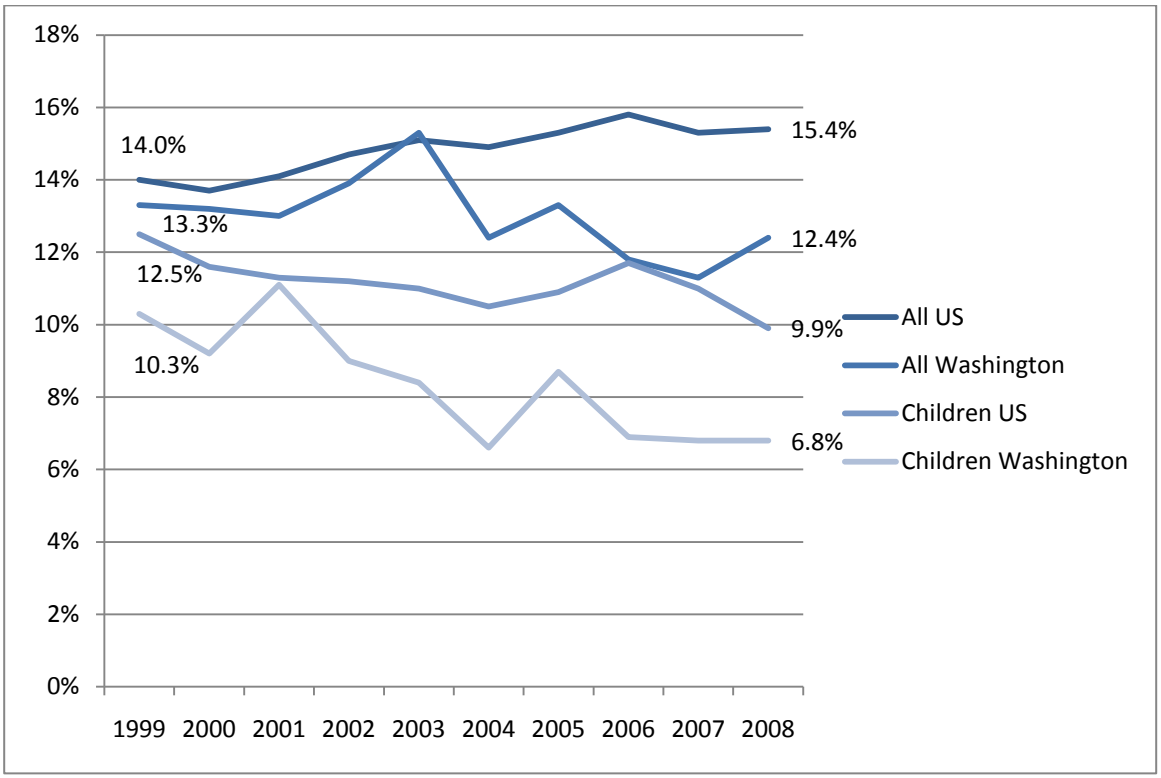

*Source: U.S. Census, http://www.census.gov/hhes/www/hlthins/historic/hihistt4.xls; http://www.census.gov/hhes/www/hlthins/historic/index.html*

The percentage of uninsured rose a full percentage point in Washington from 2007 to 2008, from 11.3% to 12.4%. That rate means 812,000 Washington residents lack health insurance. Still, state residents are less likely to be without health insurance than the national average, of 15.4%.[31]

Washington has done a better job than the nation as a whole in insuring children. In 2008, 6.8% of the state's children, or about 105,000 children, still lack health insurance, compared to about 10% nationally. More of the state's children are covered by government insurance in Washington, 36.7% compared to the national average of 33.2%.

**PERCENTAGE OF ALL AND CHILDREN WITH NO HEALTH INSURANCE**

UNITED STATES AND WASHINGTON, 1999-2008



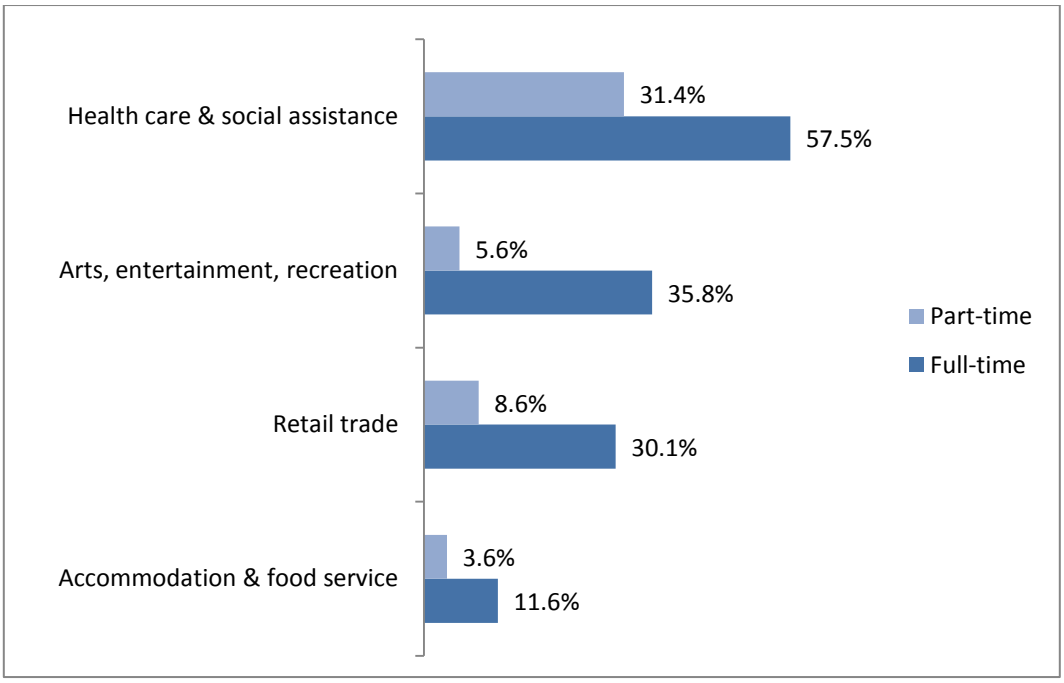

*Source: U.S. Census, http://www.census.gov/hhes/www/hlthins/historic/hihistt4.xls; http://www.census.gov/hhes/www/hlthins/historic/index.html.*

## Paid Sick Days

An important complement to health insurance is the ability of workers to take paid sick leave, both to access routine and preventative medical care and to care for their own or a family member's illness. Just 38% of Washington employers provided sick leave to full-time workers in 2008 and 12.5% to part-time, down from 56% and 22% in 2002.[32] Workers in food service and retail are particularly unlikely to have access to sick leave, putting the general public at risk of contagious disease – especially a public health risk in a period when new viruses and a mobile population increase the risk of epidemics. Lower income workers are also much less likely than high income workers to receive paid leave. An Institute for Women's Policy Research model estimates that in Washington 41% of workers – 1.2 million – do not have access to paid sick leave.[33]

## Percentage of Washington Employers Providing Sick Leave

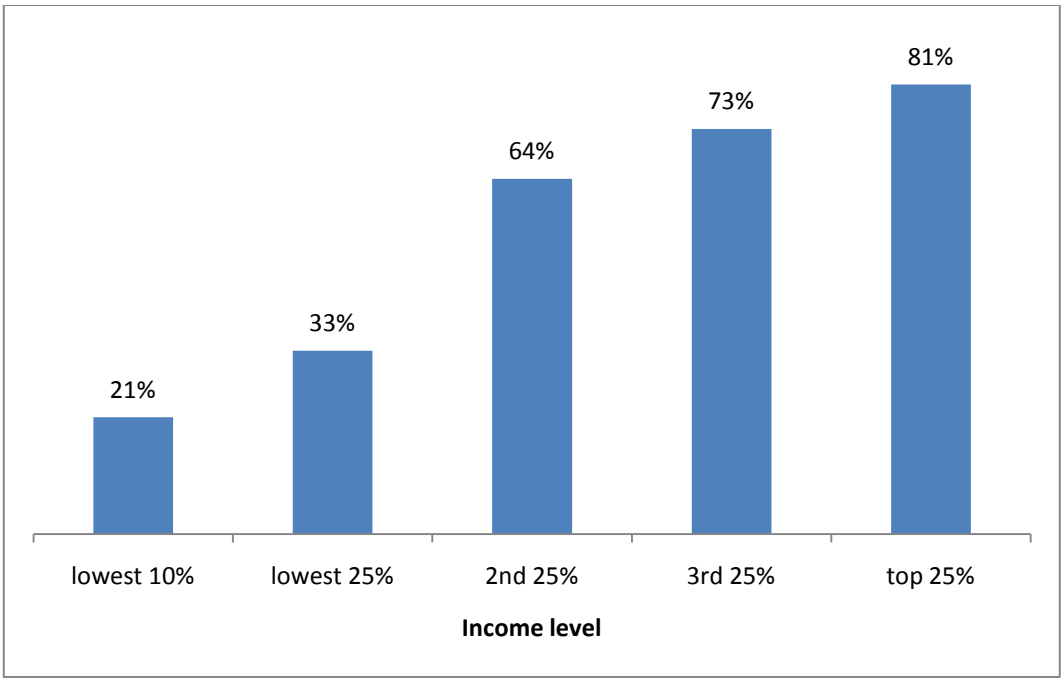
Selected Industries, 2008




*Source: Washington Employment Security Department, Employee Benefits Survey.*

## U.S. Workers in Private Industry with Access to Paid Sick Leave by Income

2009



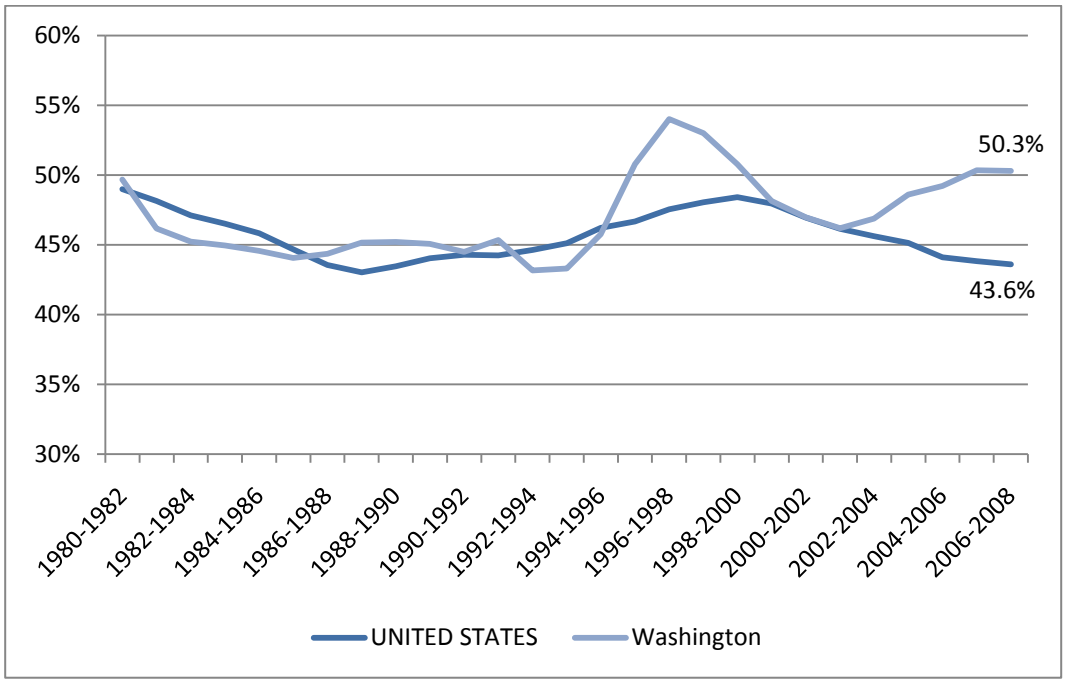

*Source: Bureau of Labor Statistics, Employee Benefits in the United States, March 2009.*

## Retirement Plans

Only about half of private sector workers in Washington – and only 44% nationally – have access to a retirement plan at work. Moreover, over the past two decades, employer sponsored plans have largely shifted from defined benefit plans, where retirees are guaranteed an income based on their years of work and earnings, to defined contribution plans, such as 401(k)s. In these now common plans, retirement incomes are highly dependent not only on how much a worker saved, but the ups and downs of the economy and the stock market. With the stock market collapse in 2008, workers who had consistently contributed to 401(k) accounts since 2003 lost nearly one fourth of their account values.[34]

**PERCENTAGE OF PRIVATE SECTOR WORKERS WITH EMPLOYER-PROVIDED RETIREMENT PLAN**

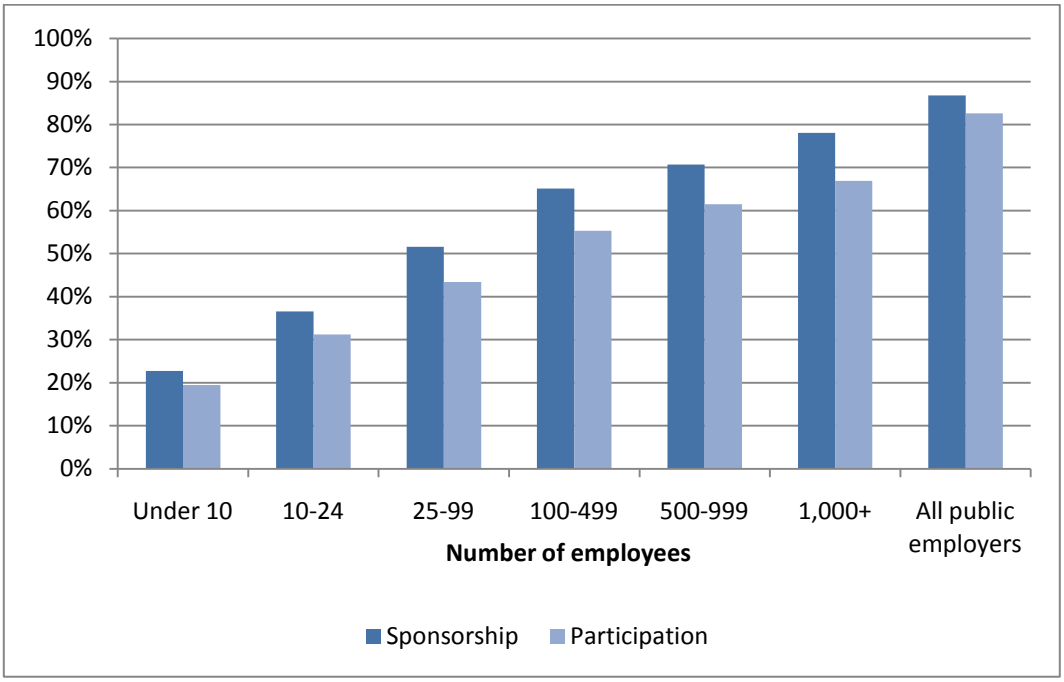
U.S. AND WASHINGTON (3-YEAR AVERAGES), 1980-2008




*Note: Universe is private-sector wage and salary workers age 18-64, who worked at least 20 hours per week and 26 weeks per year. Source: EPI analysis of Current Population Survey March supplement*

## Sponsorship & Participation in Retirement Plans by Size of Firm

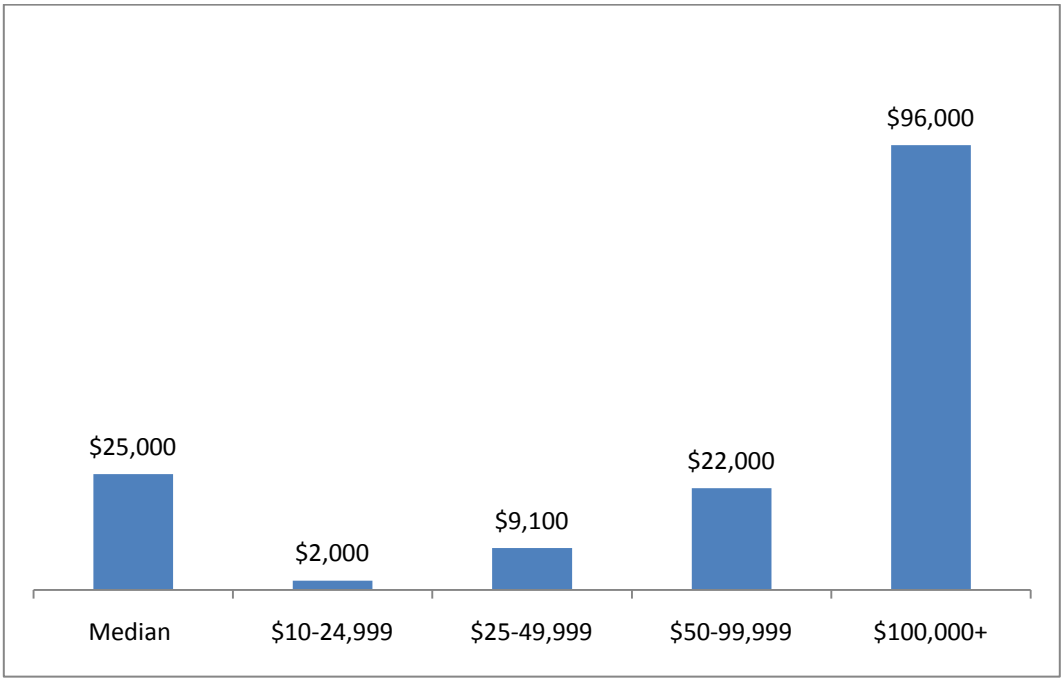
United States, 2005-2007




*U.S. Census Bureau, American Community Survey: Selected Economic Characteristics 2005-2007.*

## Median Savings for Those with Defined Contribution Retirement Accounts

United States, 2004

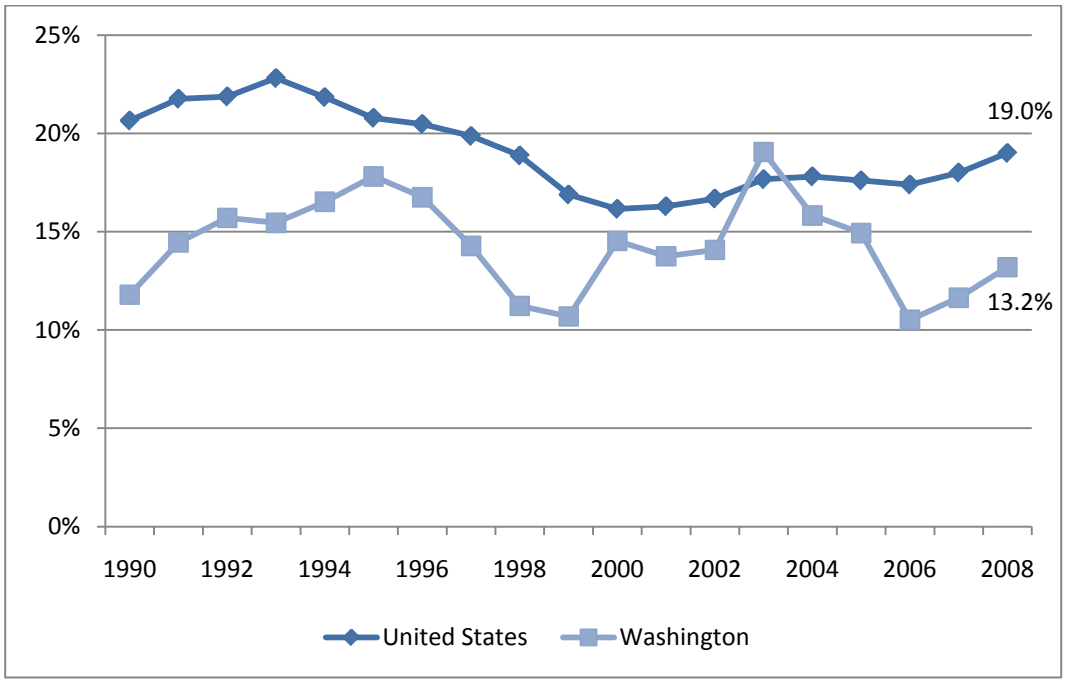



*Source: Employee Benefit Research Institute, "Individual Retirement Account Plans: Analysis of the 2004 Survey of Consumer Finances," May 2006.*

# Poverty

Not only are typical incomes higher in Washington than nationwide, but poverty rates are also lower. With stronger job growth in the aftermath of the 2001 recession, Washington's poverty rate fell more than the U.S. rate. Both rates rose again in 2007 and 2008, the national poverty rate to 19% and the Washington rate to 13.2% - or 864,000 state residents living in poverty.[35]

**Poverty Rates in the United States and Washington**
1990-2009



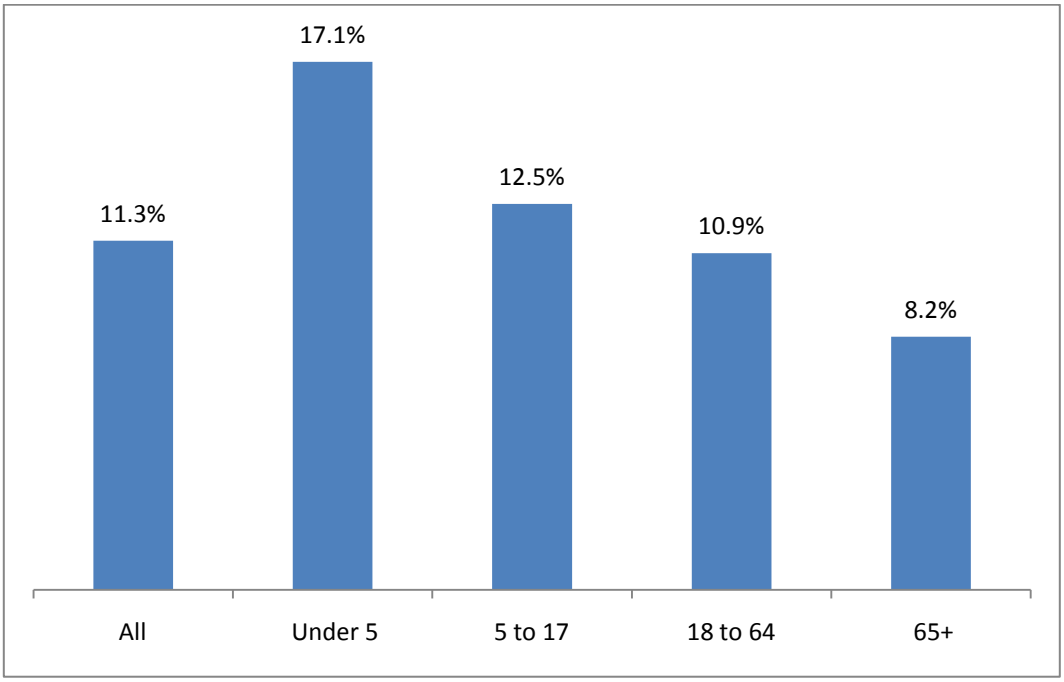

*Source: Economic Policy Institute analysis of Current Population Survey March Supplement*

Sadly, children below five are the group most likely to live in poverty. In 2008, 17% of Washington's preschool aged children lived in poverty and 14.3% of all children under 18. Among female-headed households with children under five, a whopping 42% had incomes under the federal poverty level ($17,600 for a family of three in 2008). Only 6.5% of married-couple families with preschoolers were poor.[36]

Seniors are the least likely group to be poor, thanks to Social Security, although nationally nearly one-fourth of the senior population's income was below 150% of the poverty level in 2007.[37]

## Poverty Rate by Age, Washington State

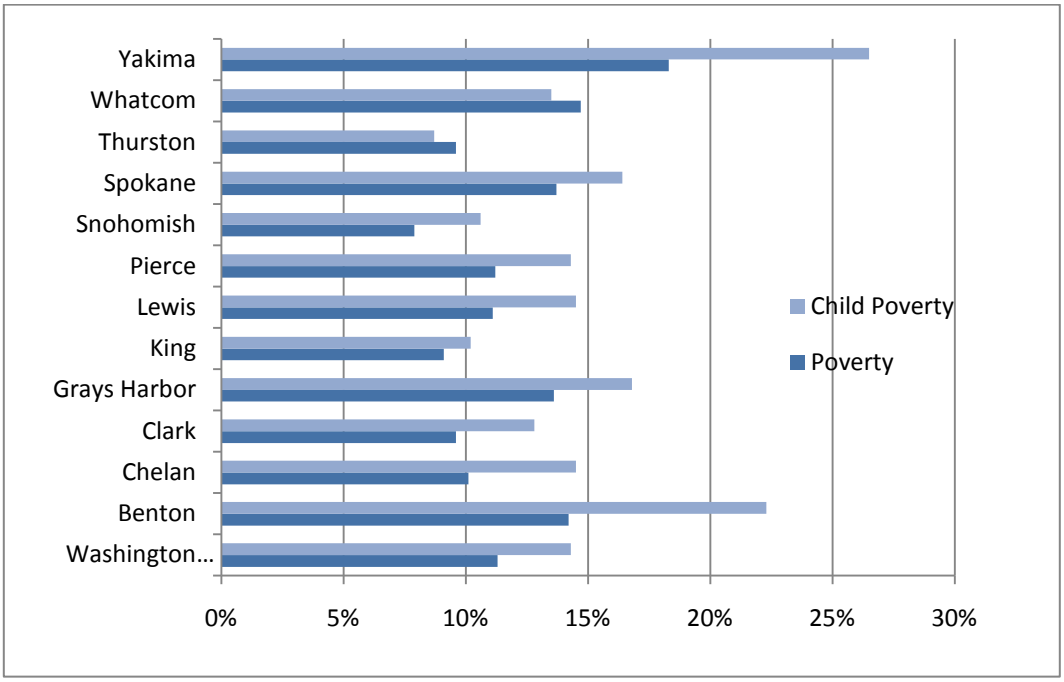
2008




*Source: U. S. Census, American Community Survey*

## Poverty and Child Poverty in Washington by County

2008



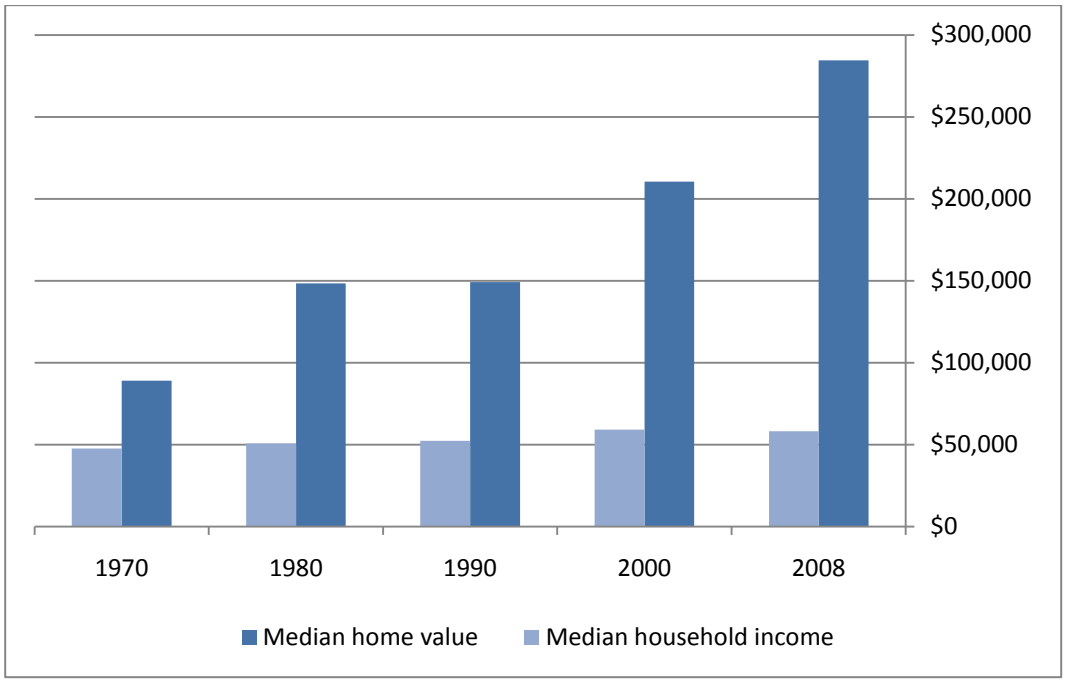

*Source: U.S. Census, American Community Survey*

# Challenging the American Dream

Over the past two decades, the costs of purchasing a home, college tuition, and health care have risen much faster than overall inflation or the incomes of most families. These spiraling costs undermine economic security and limit life chances for most Washington residents. The impact of these changes varies tremendously, depending on circumstances and lifecycle stages. A couple that bought their first home in 1970 – when the median home value in Washington was twice the state median household income, and had their youngest child graduate from the University of Washington in 1991 – when tuition and fees totaled 6% of median income, was likely to be able to afford these basic foundations of the middle class. That couple also may well have benefitted from rising home values. Many people of younger generations, however, find themselves wondering if they will ever achieve their parents' lifestyle.[38]

**MEDIAN HOME VALUE AND MEDIAN HOUSEHOLD INCOME IN WASHINGTON STATE**

1970-2008




*Sources: U.S. Census; and Center for Real Estate Research at Washington State University*

## BUYING A HOME – FROM GOLDEN EGG TO TOXIC ASSET

Buying a home in Washington State required three years of median household income in 1980 and 1990, and nearly four years in 2000. Home prices peaked in 2007, at a median value of $309,600 statewide – 5.2 times the state median income. In King County that year, the median home price was $455,000, and in San Juan county $563,300.[39] According to the Washington Center for Real Estate Research, a middle income family could not afford the mortgage for a median priced home in 14 of Washington's 39 counties in 2006, and in 21counties by the third quarter of 2007. In 2008, the

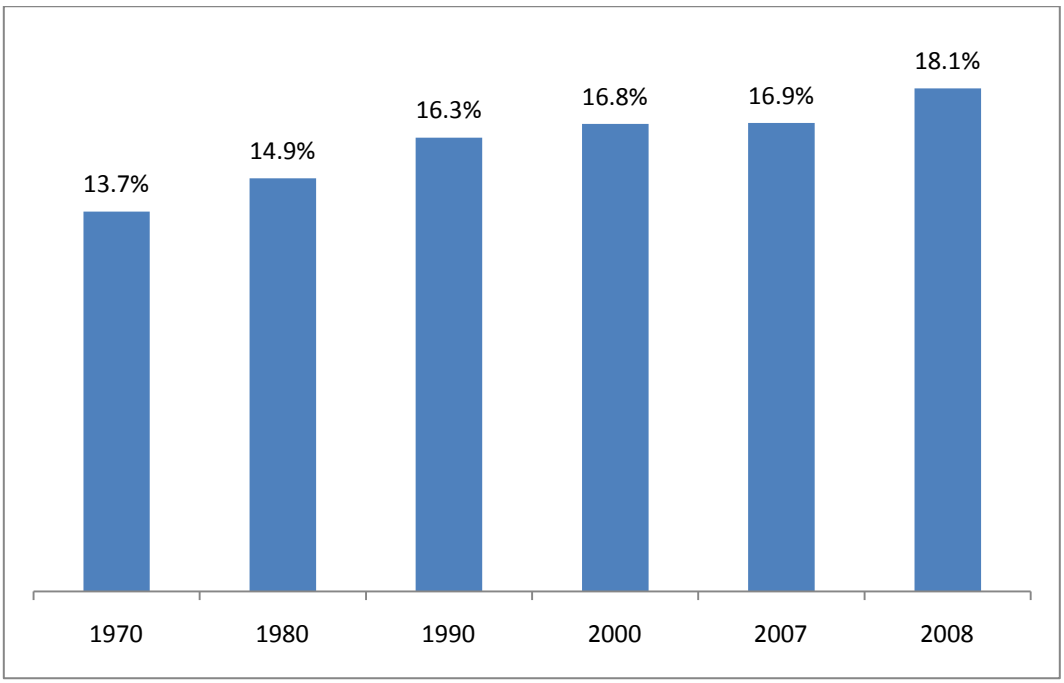
median statewide home value still required 4.7 years of income. By mid-2009, prices had dropped enough to make houses "affordable" in all but San Juan County.[40]

Falling prices are good news for prospective home buyers, but bad news for recent purchasers who find they owe more than their house is worth. Meanwhile, those whose age and life circumstances allowed them to purchase a home prior to 1990 and remain in it for two decades or more, continue to enjoy the benefit of holding an asset that has appreciated nicely in value.

## Rentals Move Further Out of Reach

While the costs of purchasing a home have skyrocketed, rents have remained relatively more affordable for most of the past decade – at least for those with middle or upper incomes. The cost of renting, including utilities, has edged up relative to state median income, but at a modest rate since 1990, rising from 16.3% to 18.1% of median income. Of course rents also vary by area and other factors. In 2007, median monthly rates were $931 in King County, $615 in Yakima County, and $816 statewide.[41]

**Washington Gross Rent (Rent + Utilities) as Percentage of State Median Household Income**
1970-2007




*Source: US Census*

# The Cost of Education: Pricing the Working Families Out of College

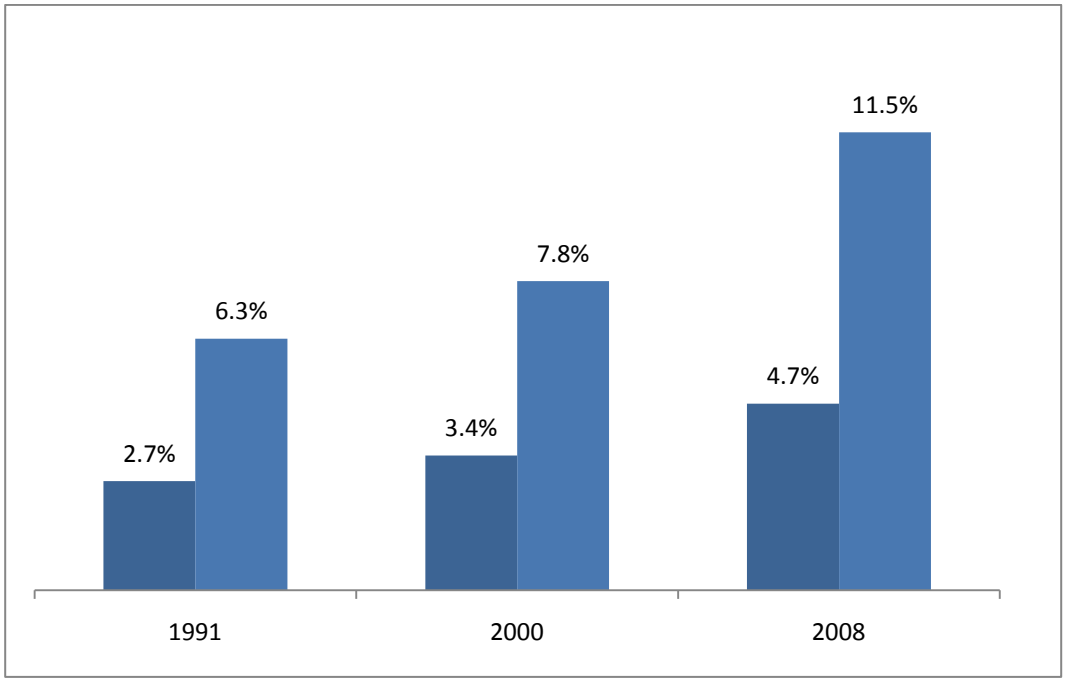
A college education continues to greatly improve a person's chances of finding and keeping a job, and earning an income adequate to support a family. Median earnings for college graduates were 64% than for high school graduates with no college in 2008.[42]

Yet this ticket to opportunity is becoming less affordable. Between 1991 and 2008, tuition and fees at the University of Washington climbed from 6.3% to 11.5% of median annual household income. Meanwhile, the portion of instruction costs covered by the state fell steadily. At the more affordable community colleges, required expenses rose nearly as fast, from 2.7% to 4.7% of state median income.[43]

Even with state and federal financial aid available to students from lower income families, low and middle income students who do make it through college graduate with significantly higher debt levels. And the effects of "sticker shock" can keep students from ever applying to college when tuitions are high.[44]

**Tuition and Fees at University of Washington and Washington Community Colleges as a Percentage of Washington State Median Annual Household Income**

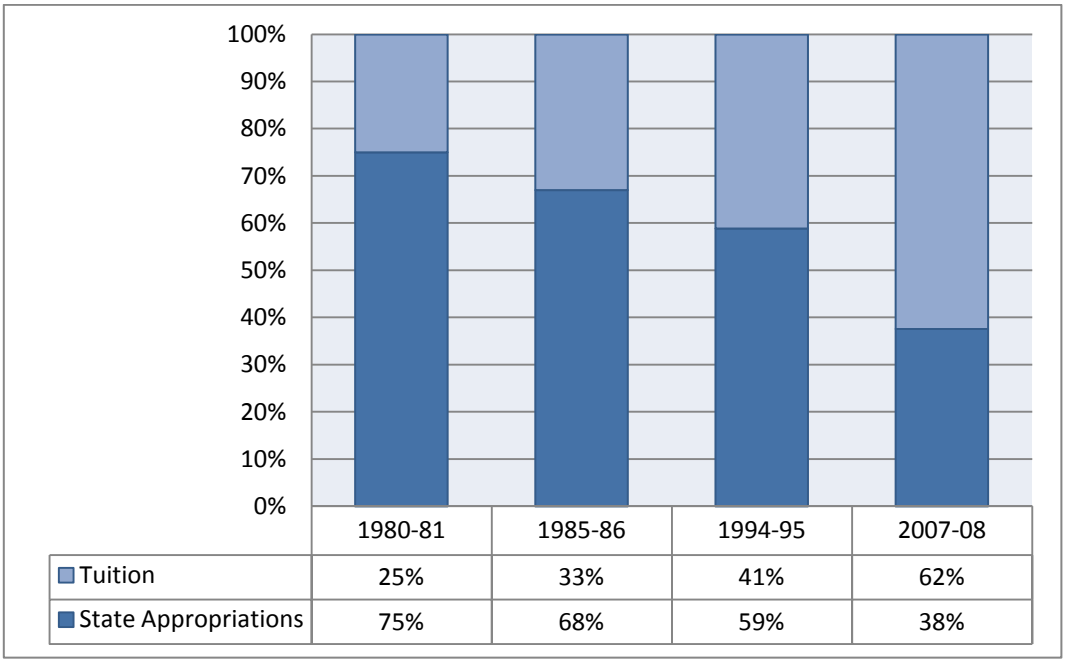
1991, 2000, and 2008




*Sources: Washington Higher Education Coordinating Board; Office of Financial Management; American Community Survey 2008*

## State Appropriations vs. Tuition as a Percentage of Costs of Instruction in Washington Research Universities

1980-2008

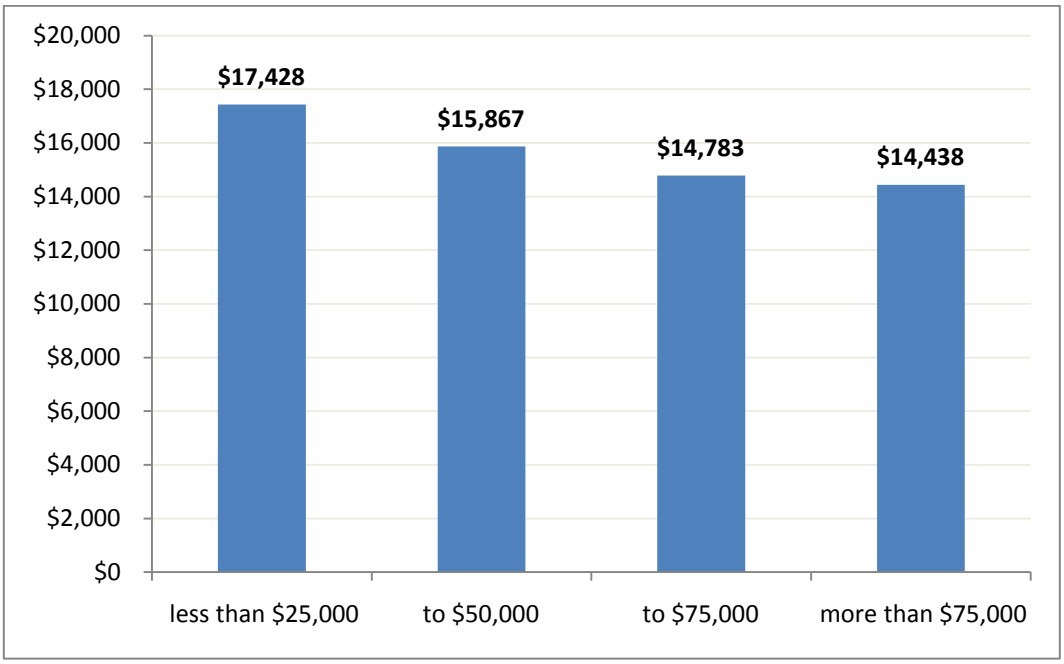



| | 1980-81 | 1985-86 | 1994-95 | 2007-08 |
|---|---|---|---|---|
| Tuition | 25% | 33% | 41% | 62% |
| State Appropriations | 75% | 68% | 59% | 38% |

*Source: Washington Higher Education Coordinating Board, "Key Facts About Higher Education in Washington"*

## Average Student Loan Debt of Graduating University of Washington Students By Income Quartiles

2007-2008



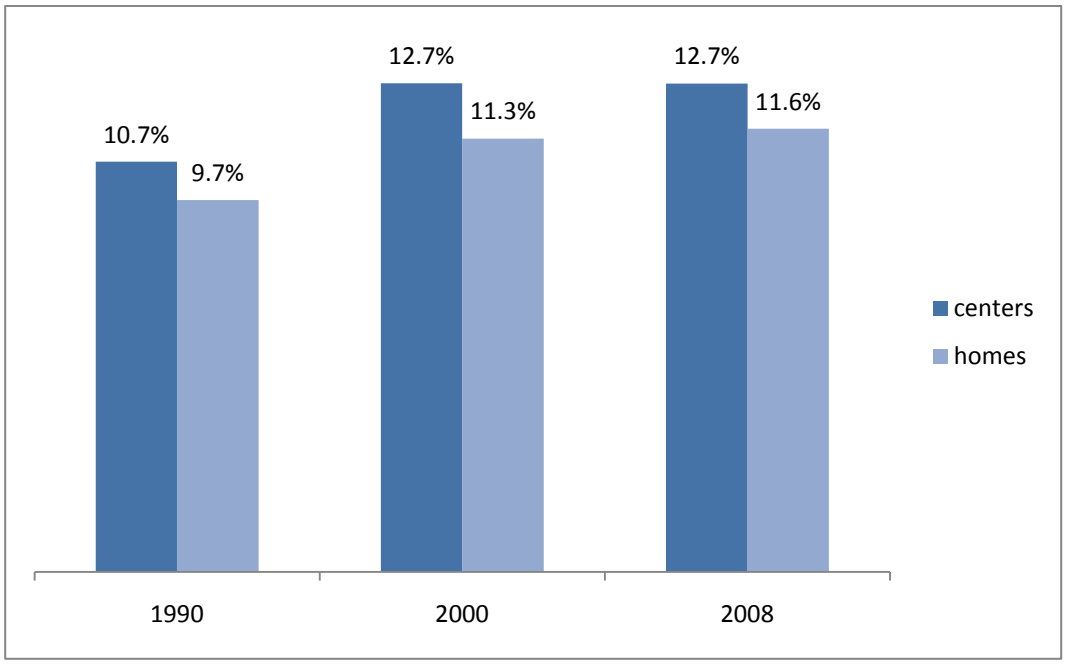

*Source: University of Washington Office of Institutional Research*

# Quality Early Learning – The Key to School Readiness

For parents with younger children, childcare consumes even more of family income than college. The average annual cost of licensed center-based childcare in Washington represented 12.7% of median household income in 2008. The relative cost of childcare jumped by 19% during the 1990s, as the percentage of women in the workforce rose, and has remained level since 2000 – good news for families needing care, not such good news for drastically underpaid early learning providers.[45]

**Average Annual Cost of Licensed Childcare in Washington**

As a Percentage of State Median Household Income, 1990-2008



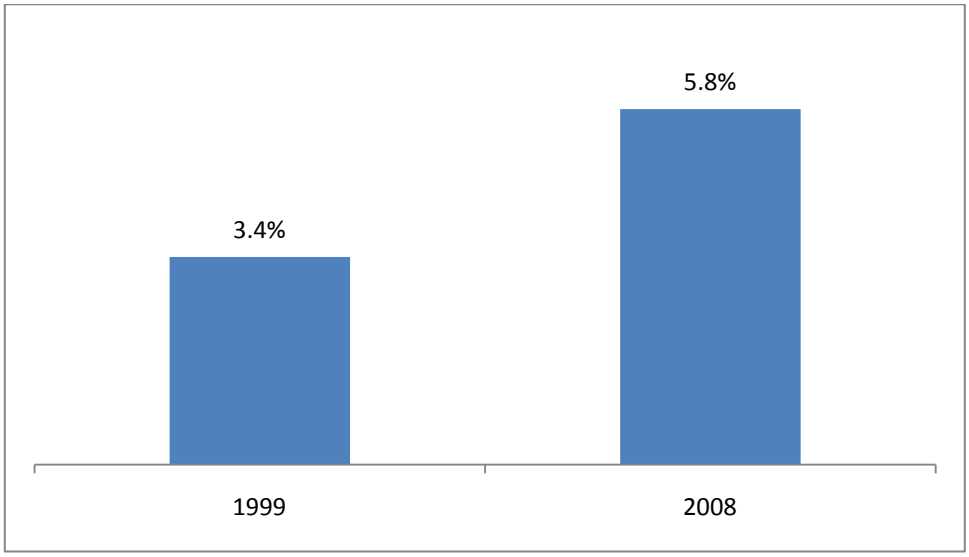

*Sources: Washington Department of Early Learning; Office of Financial Management, American Community Survey 2008*

## Health Care's Rising Costs

Health care is also eating up more of family budgets. As the cost of premiums have risen, employers have required workers to cover more of the cost. Out-of-pocket expenses have also shot up, particularly for workers approaching and in middle age.

**Worker Contribution to Employer-Sponsored Family Health Insurance Premium**

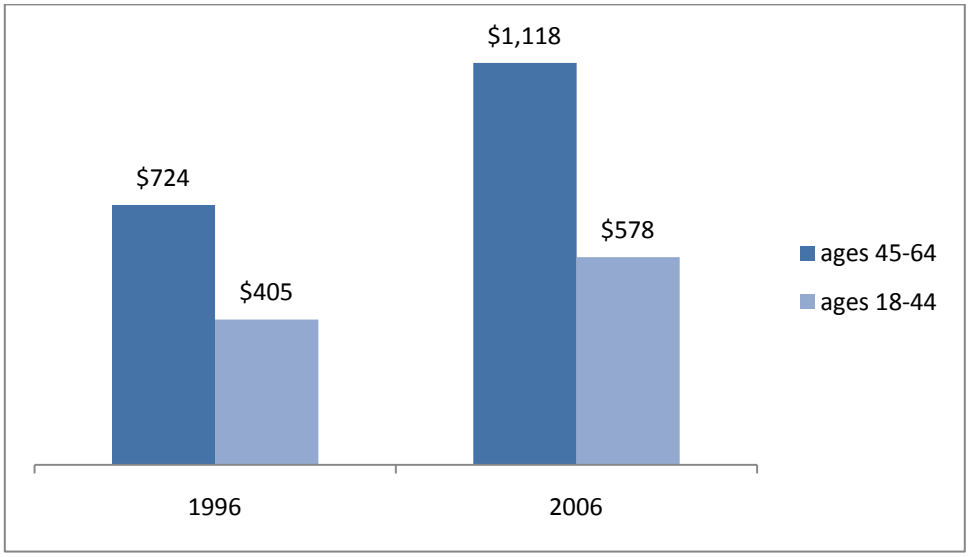
As a Percentage of Washington Median Household Income, 1999 and 2008




*Sources: Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 1999-2008; Office of Financial Management, American Community Survey 2008.*

**Average Out-of-Pocket Medical Expenses for Those with Expenses**

2006 dollars



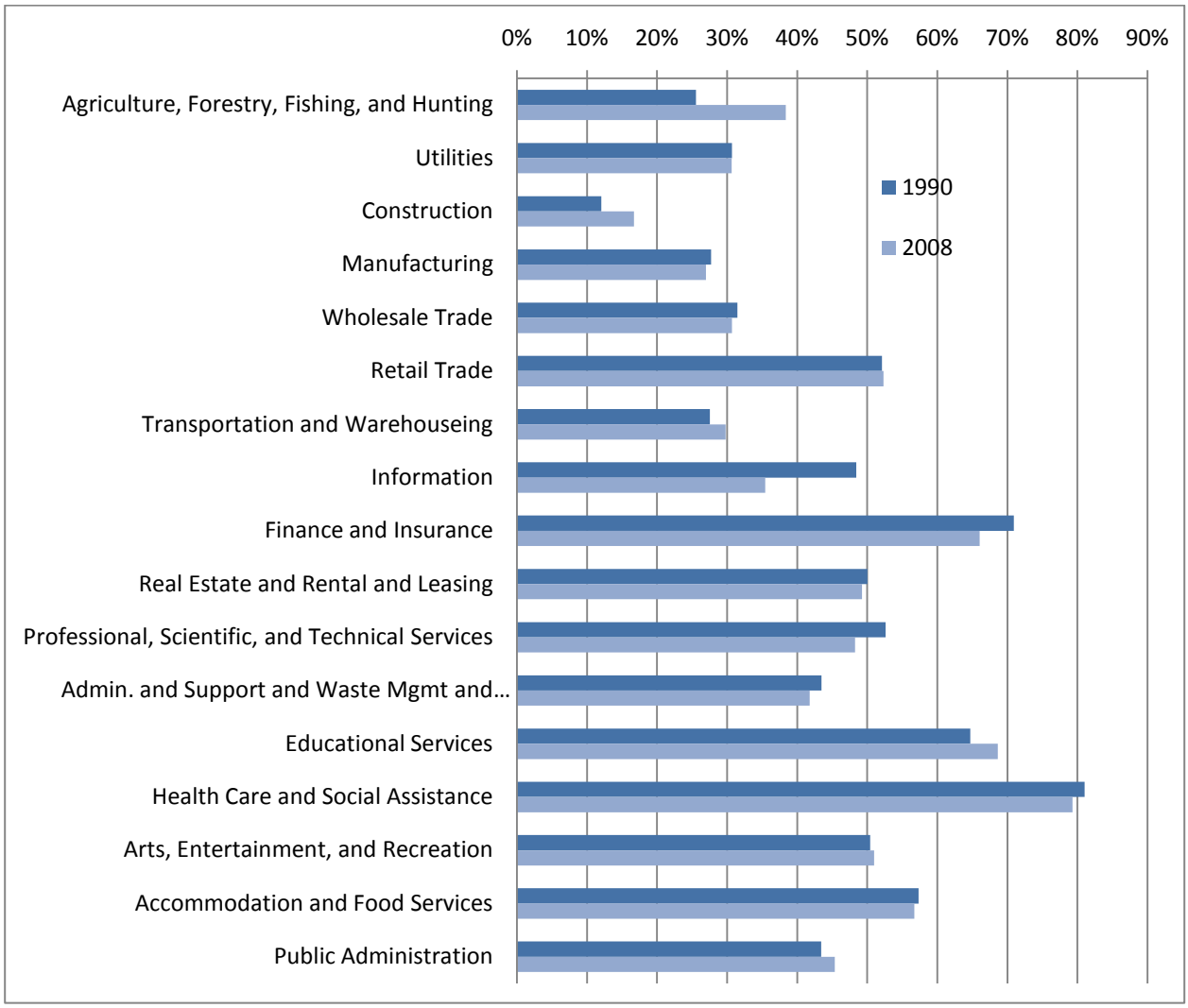

*Source: Medical Expenditure Panel Survey, Agency for Healthcare Research and Quality, http://www.meps.ahrq.gov/mepsweb/data_stats/MEPS_topics.jsp?topicid=5Z-1.*

# Washington's Workforce

Washington's workforce is very nearly evenly divided between men and women, but workplaces remain almost as segregated by gender as they were two decades ago. Women's share of construction jobs has inched up – but only to 17%. Women's representation in software publishing has declined as the field has expanded, from 40% in 1990 to only 26% now. Retail jobs overall are divided fairly evenly between men and women, but women hold more than three fourths of jobs in clothing stores, one third of building and garden supply retail jobs, and only 21% of auto parts store jobs.[46]

**PERCENTAGE OF WASHINGTON JOBS HELD BY WOMEN**

1990 AND 2008

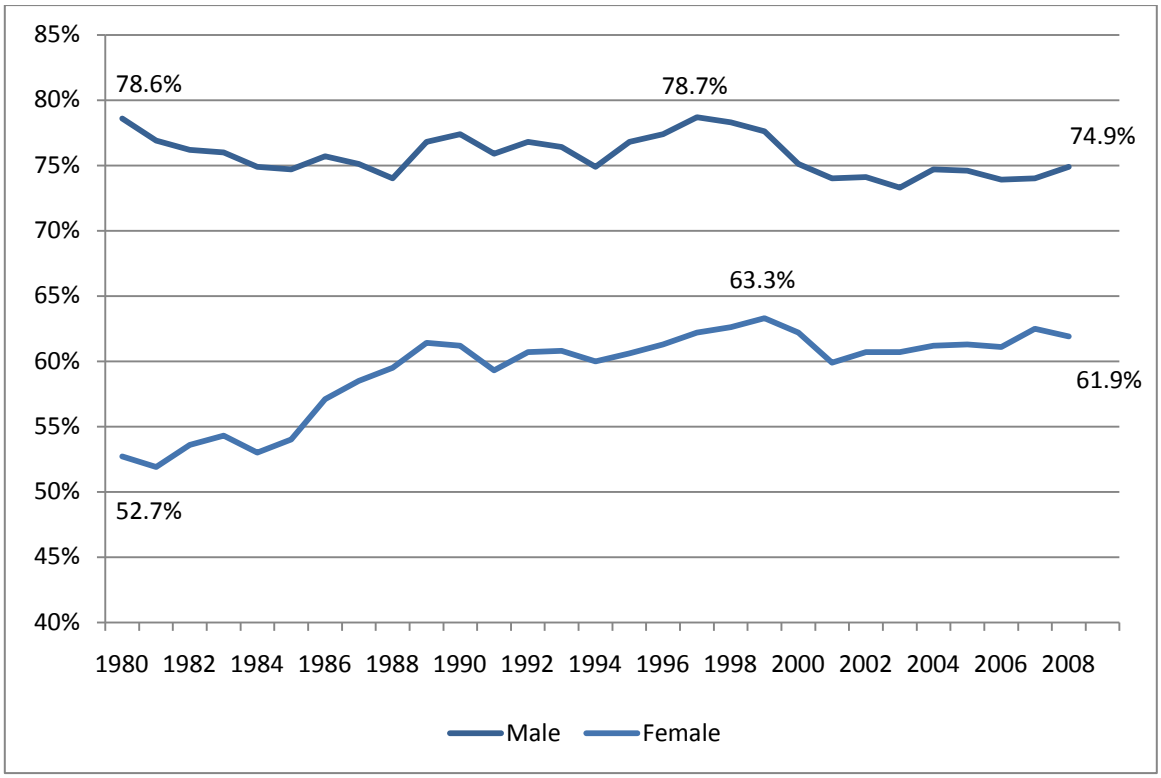



*Source: U.S. Census, Quarterly Workforce Indicators (NAICs), 3rd quarter 2008 data*

The rapid rise in women's labor force participation has leveled off. Since 1990, women like men have been more likely to seek work in economic boom times and have dropped out of the labor market during recessions. By 2008, women had almost regained the level of labor force participation of the late 1990s, but men's continued to lag at 74.9% compared to 78.7%.

**WASHINGTON STATE MALE AND FEMALE LABOR FORCE PARTICIPATION RATE**

1979-2008

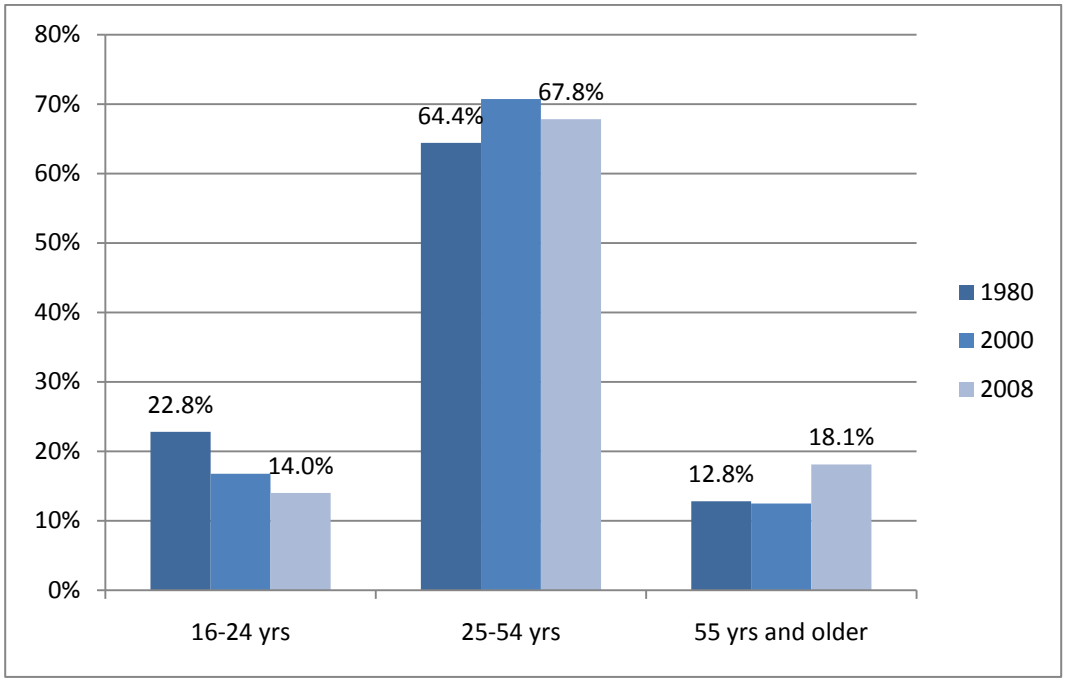



*Source: Economic Policy Institute analysis of Current Population Survey data*

Washington's workforce has both aged and become better educated since 2000. In 2008, 18% of workers in the state were age 55 or older, and almost one third held a bachelor's degree. Since 1990 the percentage of white workers has dropped from 90% to 78%.[47]

**WASHINGTON WORKFORCE BY AGE**

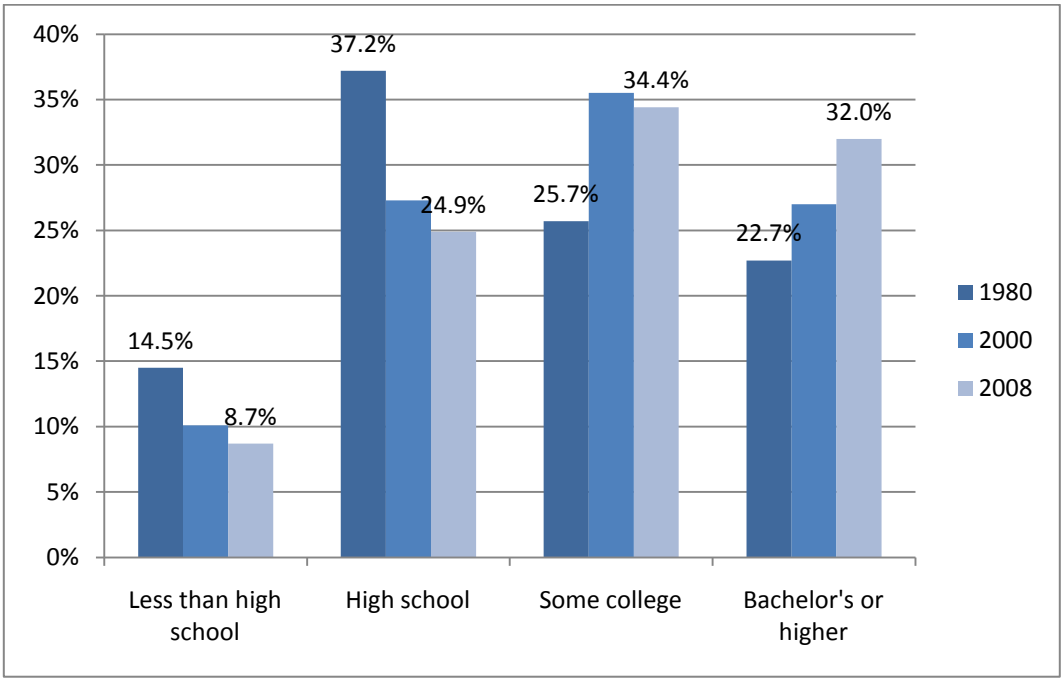
1980, 2000, 2008




*Source: Economic Policy Institute analysis of Current Population Survey data*

## Washington Workforce by Education Level

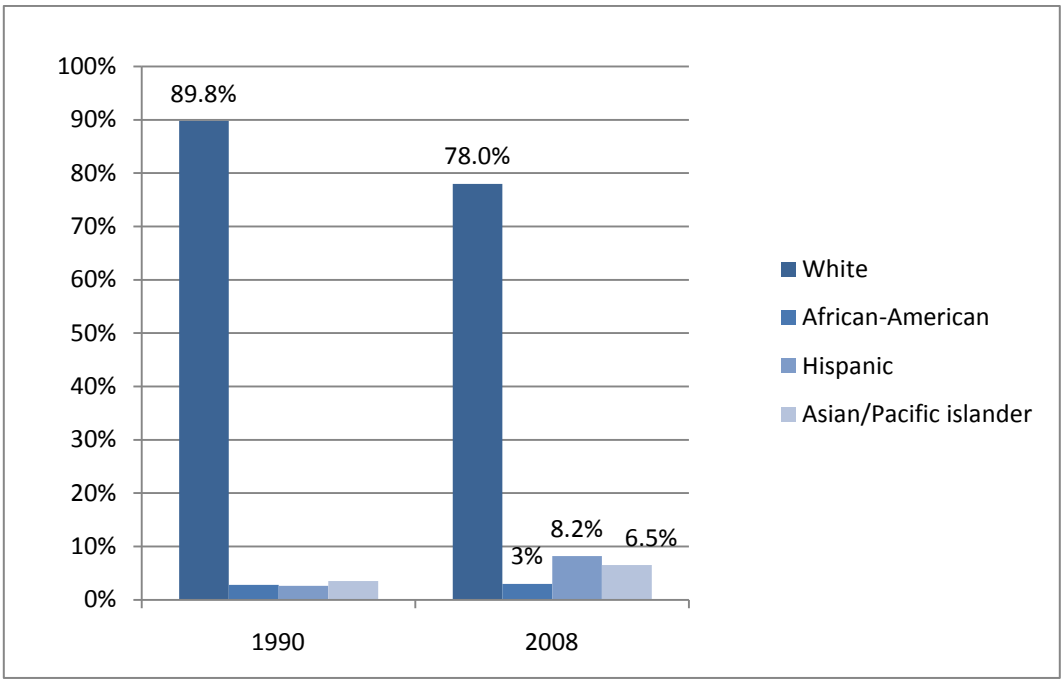
1980, 2000, 2008




*Source: Economic Policy Institute analysis of Current Population Survey data*

## Washington Workforce by Race and Ethnicity

1980, 2000, 2008




*Source: Economic Policy Institute analysis of Current Population Survey data*

# Job Gain and Loss in Washington by Sector

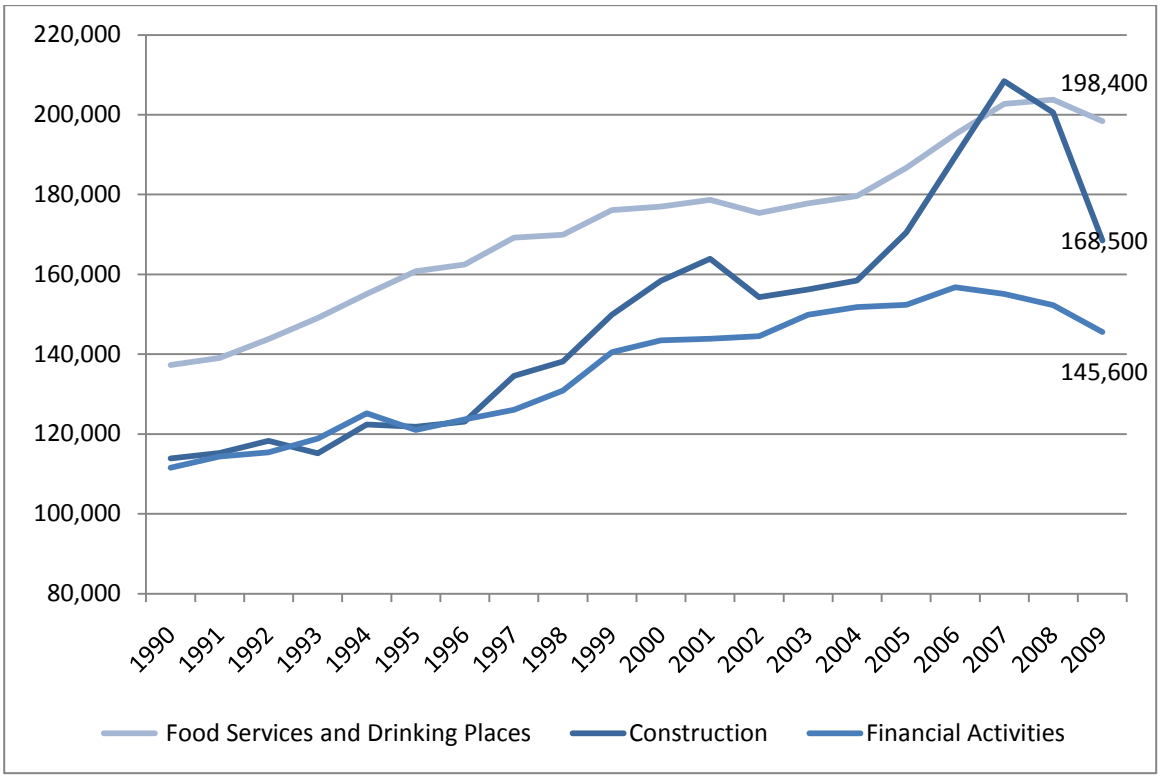
Nearly all industries and all parts of the state lost jobs over the past year. After enjoying cumulative growth of 9% from 2000 to 2008, the state lost 4.5% of its jobs between September 2008 and September 2009. High, midrange, and low wage sectors have all been hit.

Not surprisingly, given the collapse of the housing bubble that triggered the recession, construction has led all job losses. Forty thousand construction jobs were lost between the summers of 2008 and 2009 and 50,000 since the sector peaked in August 2007, virtually negating job growth since 2000. Financial activities jobs began falling well in advance of the official recession, in January 2007, but did not have the dramatic rise and collapse seen in construction.

Restaurant employment, in contrast, grew faster than general job growth from 2000 to 2008, at 15%, and fell by a relatively modest 2% between September 2008 and September 2009.

**ANNUAL AVERAGE MONTHLY JOBS IN WASHINGTON STATE**

RESTAURANTS, CONSTRUCTION, AND FINANCIAL ACTIVITIES, 1990-2009*




**2009 annual monthly average through September. Source: Washington Employment Security Department*

Health services, federal government, and local government education are among the few sectors that added jobs in the twelve months between September 2008 and September 2009. However, health services was the only one of those with a higher than average rate of job growth for the decade, increasing by 26% between 2000 and 2008.[48]

## JOB CHANGE IN WASHINGTON

ANNUAL AVERAGE 2000-2008 AND SEPTEMBER 2008-SEPTEMBER 2009

| Sector | 2000-2008 (Annual Average) | | Sep. 08 – Sep. 09 | | Avg. Monthly Wages, 2008 |
|---|---|---|---|---|---|
| | # Change | % Change | # Change | % Change | |
| **Total Nonfarm Jobs** | 247,300 | 9.1% | -134,000 | -4.5% | $3,985 |
| **Construction** | 40,000 | 24.9% | -39,200 | -19.0% | $4,286 |
| **Manufacturing** | -40,800 | -12.3% | -30,800 | -10.4% | $4,884 |
| **Wood products** | -5,000 | -22.6% | -3,900 | -23.2% | $3,492 |
| **Primary metal** | -5,300 | -48.3% | -1,000 | -17.2% | $4,894 |
| **Fabricated metal** | 1,800 | 9.6% | -4,100 | -19.4% | $3,824 |
| **Computer & electronic products** | -11,800 | -34.5% | -2,500 | -11.1% | $6,236 |
| **Aerospace** | -3,200 | -3.7% | -3,800 | -4.4% | $6,334 |
| **Professional and business services** | 44,800 | 14.8% | -22,700 | -6.4% | |
| **Administrative & support services** | 12,100 | 10.1% | -15,700 | -11.4% | $3,030 |
| **Architecture & engineering** | 8,700 | 29.0% | -2,800 | -7.2% | $6,041 |
| **Financial activities** | 10,000 | 7.1% | -7,300 | -4.8% | |
| **Finance and insurance** | 5,100 | 5.3% | -6,400 | -6.4% | $6,064 |
| **Real estate & rental leasing** | 4,900 | 10.6% | -900 | -1.7% | $3,306 |
| **Information** | 7,900 | 8.1% | -4,900 | -4.6% | $8,701 |
| **Software publishers** | 18,700 | 58.1% | -400 | -0.8% | $12,831 |
| **Telecommunications** | -4,900 | -16% | -1,600 | -6.2% | $5,927 |
| **Retail trade** | 12,200 | 3.9% | -13,900 | -4.3% | $2,723 |
| **Motor vehicle & parts** | -400 | -0.9% | -3,900 | -9.6% | $3,760 |
| **Bldg materials & garden supplies** | 2,900 | 11.2% | -2,600 | -9.2% | $2,663 |
| **General merchandise stores** | 15,300 | 32.1% | -400 | -0.6% | $2,618 |
| **State government** | 12,400 | 8.8% | -4,800 | -3.2% | $4,504 |
| **Transportation & warehousing** | 500 | 0.5% | -3,200 | -3.2% | $3,970 |
| **Leisure & hospitality** | 32,000 | 12.7% | -8,500 | -2.9% | |
| **Food service & drinking places** | 26,500 | 14.9% | -4,100 | -2.0% | $1,519 |
| **Accommodation** | 3,200 | 11.2% | -2,500 | -7.3% | $2,032 |
| **Local government*** | 24,700 | 9.1% | -500 | -0.2% | |
| **Education** | 16,800 | 13.2% | +1,800 | +1.3% | $3,166 |
| **Other local government** | 7,900 | 5.4% | -2,300 | -1.3% | |
| **Federal government** | 100 | 0.1% | +2,200 | +3.1% | $4,504 |
| **Health services & social assistance** | 65,100 | 26.1% | +10,000 | +3.1% | |
| **Ambulatory health care** | 27,700 | 28.1% | 4,200 | 3.3% | $4,044 |
| **Hospitals** | 10,300 | 17.5% | 2,900 | 4.1% | $4,709 |
| **Nursing & residential care** | 8,400 | 16.9% | 1,900 | 3.3% | $2,445 |
| **Social assistance** | 18,700 | 44.5% | 1,000 | 1.6% | $1,922 |

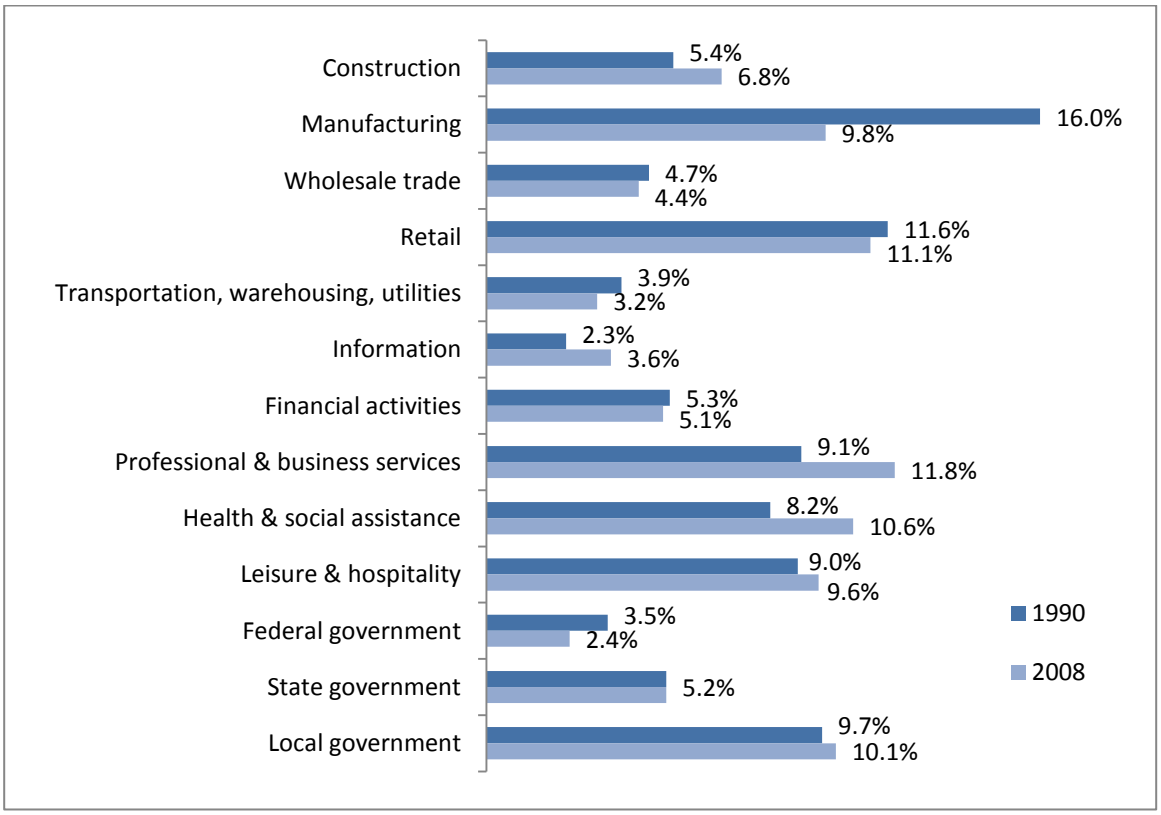
*Sources: Washington Employment Security Department, Nonagricultural Wage and Salary Employment in Washington State, Not Seasonally Adjusted, Updated with QCEW Data: March 2009, through September 2009 (September 2009 numbers preliminary). Average monthly earnings from U.S. Census Bureau, Quarterly Workforce Indicators [NAICS], 4 quarter average for 3rd quarter 2008. *Not including Native American government, which was added to local government category in 2002.*

## Structural Change in Employment

A sector by sector examination of Washington jobs since 1990 shows structural change as well as the ups and downs of business cycles. Since 1990, manufacturing jobs have dropped from 16% of all nonfarm jobs to less than 10%. Gains in the share of jobs have gone to health services and social assistance, professional and business services, construction, and information.[49]

**Percentage of Washington Nonfarm Jobs by Sector**

1990 and 2008




*Source: Washington Employment Security Department.*

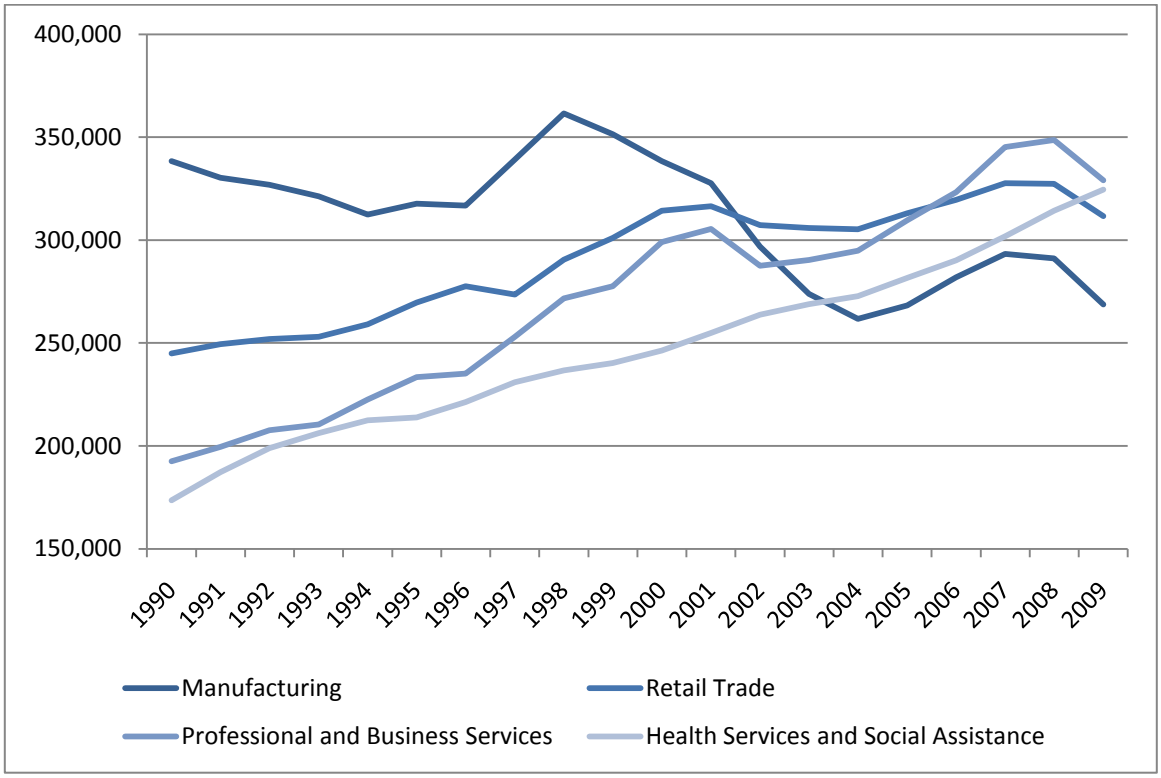
The structural decline in manufacturing's share of jobs has been long term – the sector represented one quarter of state jobs in the mid-20th century.[50] Even as they declined as a percentage of total employment, manufacturing job numbers have still trended up. After rising sharply in the mid-1990s, manufacturing employment crashed in 1998, dropping 100,000 jobs by 2004 – half of them in aerospace. Virtually all manufacturing subsectors saw losses, from wood products, to electronics, to food processing. Beginning in 2005, manufacturing jobs enjoyed a short rebound before dropping again in 2008 and 2009.

The national experience with manufacturing has generally paralleled the state's. In 1960, 28.4% of U.S. nonfarm jobs were in manufacturing. That rate fell to 16.2% in 1990 and 9.8% in 2008. Unlike in Washington, however, overall U.S. manufacturing employment has fallen steadily since 2000, with no uptick.[51]

While health service jobs have appeared to be immune to business cycles, professional and business services have grown just as much, but with sharper gains during economic booms and drops during periods of general job loss.

**WASHINGTON STATE JOBS IN MANUFACTURING, RETAIL TRADE, PROFESSIONAL & BUSINESS SERVICES, AND HEALTH SERVICES & SOCIAL ASSISTANCE**

1990-2009*



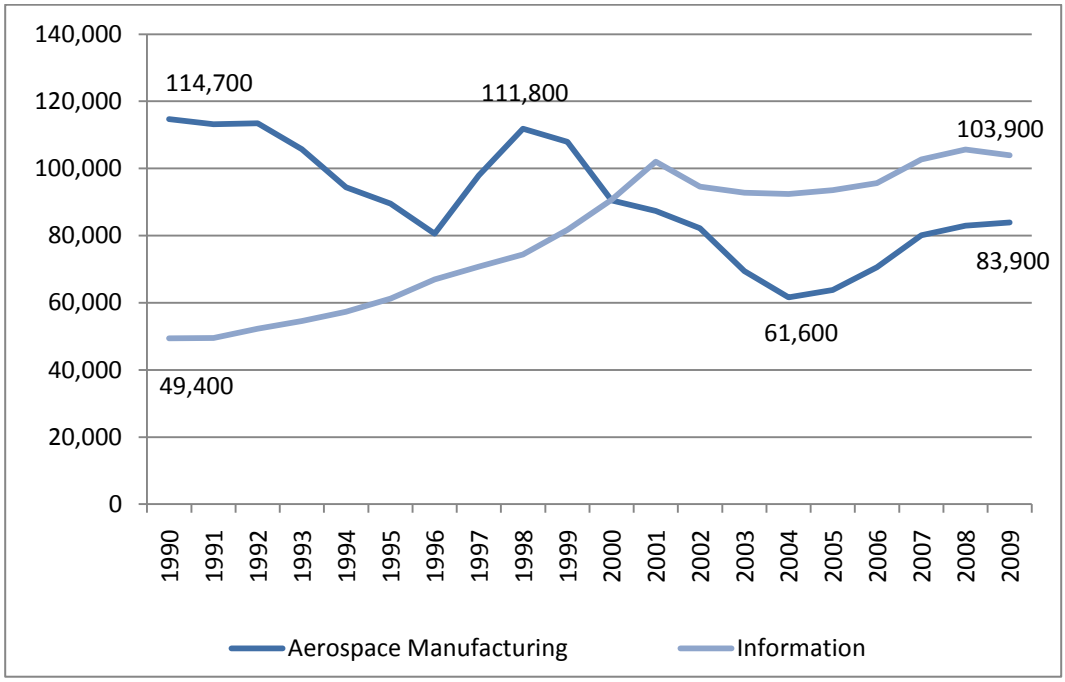

**2009 annual monthly average through September. Source: Washington Employment Security Dept.*

With ironic symbolism, at the turn of the millennium the growing information sector overtook, then surpassed aerospace manufacturing in number of jobs in Washington. The software publishing component of information included just 5,600 jobs in 1990 and grew to 52,400 by 2009.

Social assistance jobs – which include childcare teachers, home care services for elderly and disabled people, and a variety of social service providers – have not grown at quite the meteoric pace of software publishing, but still nearly tripled between 1990 and 2009 and grew 44.5% between 2000 and 2008. It is one of the lowest paying sectors, with average monthly earnings of less than $2,000 in 2008. In contrast, software is the highest paying field, with average monthly earnings of $12,800. Social assistance workers are 79% female, while software publishing employees are 74% male.[52]

## Washington State Jobs in Aerospace Manufacturing and Information

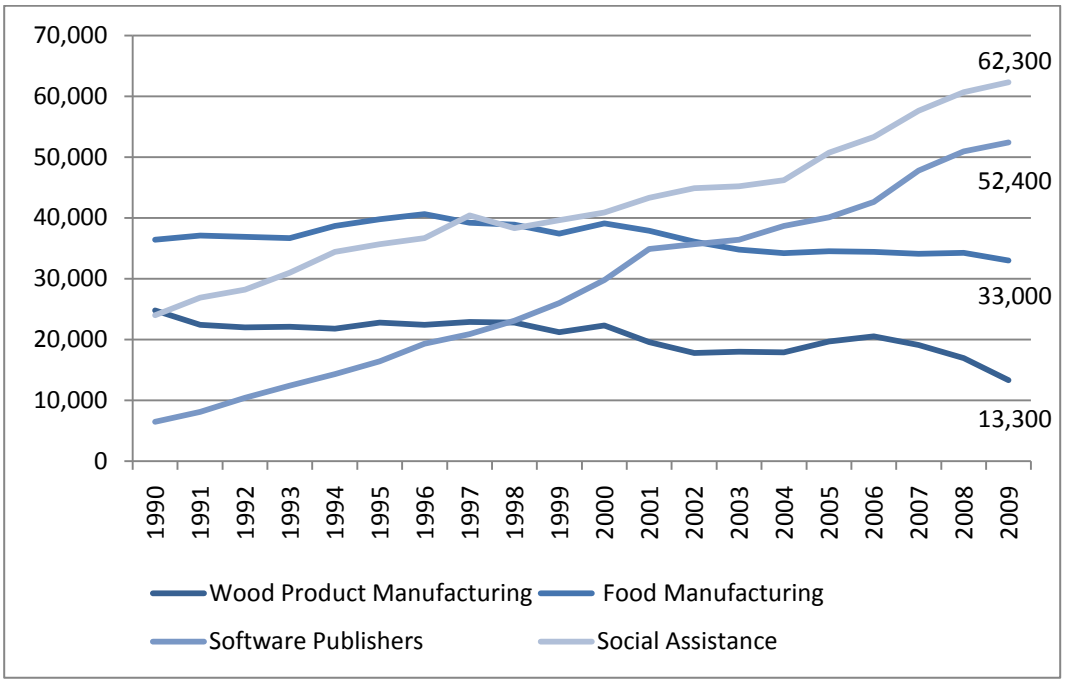
1990-2009*




**2009 annual monthly average through September. Source: Washington Employment Security Dept.*

## Washington State Jobs in Wood Product and Food Manufacturing, Software Publishing and Social Assistance

1990-2009*




**2009 annual monthly average through September. Source: Washington Employment Security Dept.*

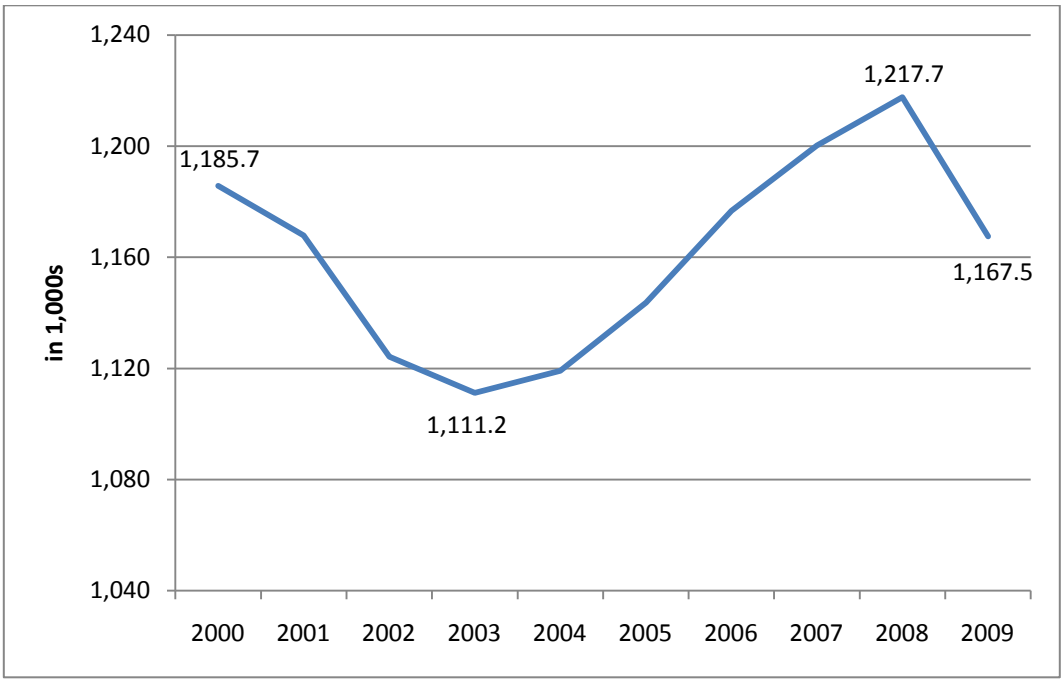
# Jobs by Region

The 2008-09 recession is hitting almost every part of the state. From September 2008 to September 2009, King County lost nearly 69,000 jobs – close to half the state's total job loss. But every metropolitan area except the Tri-Cities has also experienced a sharp reduction in employment over the past year.

In 2001, King County was at the epicenter of the recession. Jobs in King County declined through 2003 and did not recover their 2000 level until 2007. Other regions of the state had not boomed as much during the 1990s, perhaps, but lost relatively fewer jobs in 2001 and 2002, and began adding jobs much more quickly.

**AVERAGE MONTHLY NONFARM JOBS IN KING COUNTY**

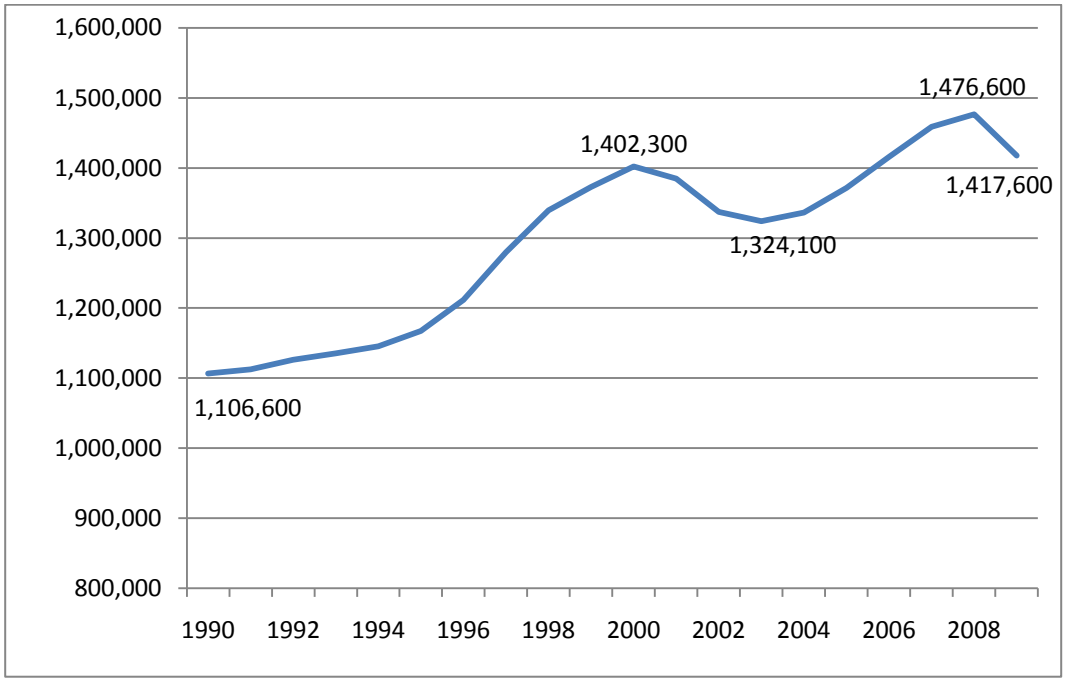
2000- 2009*




** 2009 annual average through September only. Source: Washington Employment Security Department*

## Average Monthly Nonfarm Jobs in Seattle-Bellevue-Everett

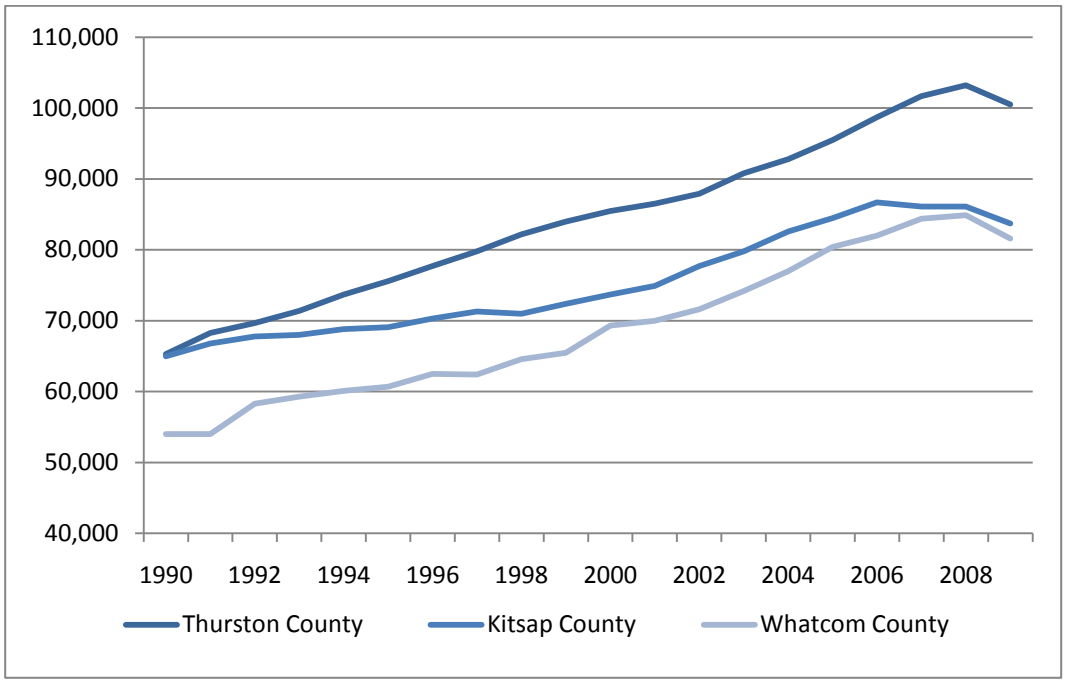
2000- 2009*




** 2009 annual average through September only. Source: Washington Employment Security Department*

## Average Monthly Nonfarm Jobs in Thurston, Kitsap, and Whatcom Counties

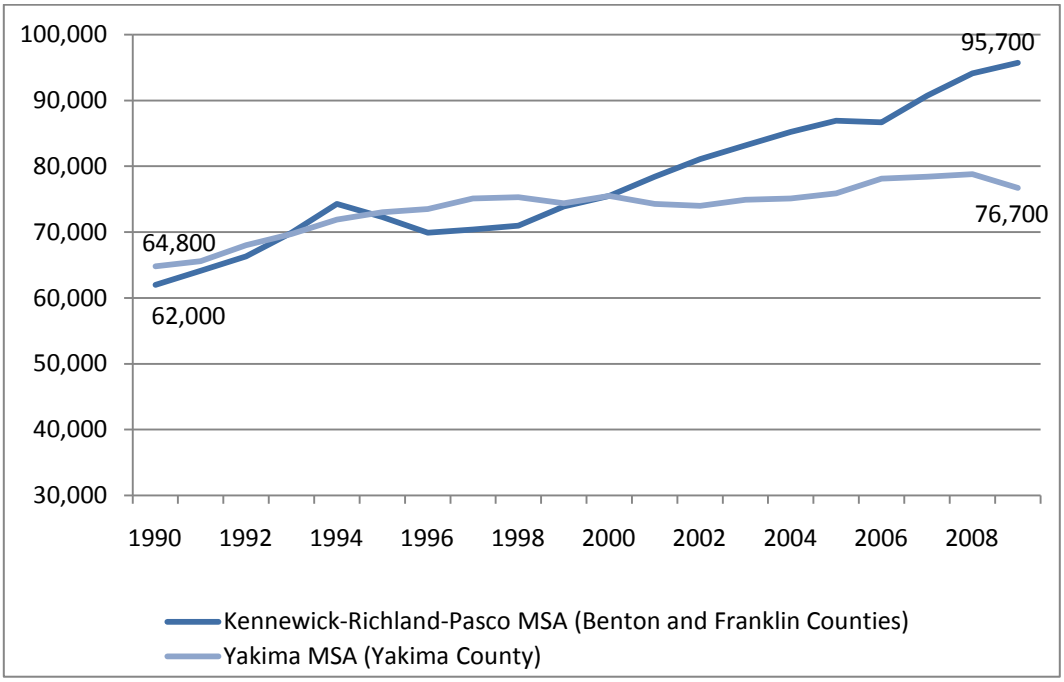
2000-2009*




** 2009 annual average through September only. Source: Washington Employment Security Department*

## Average Monthly Nonfarm Jobs in Benton-Franklin and Yakima Counties

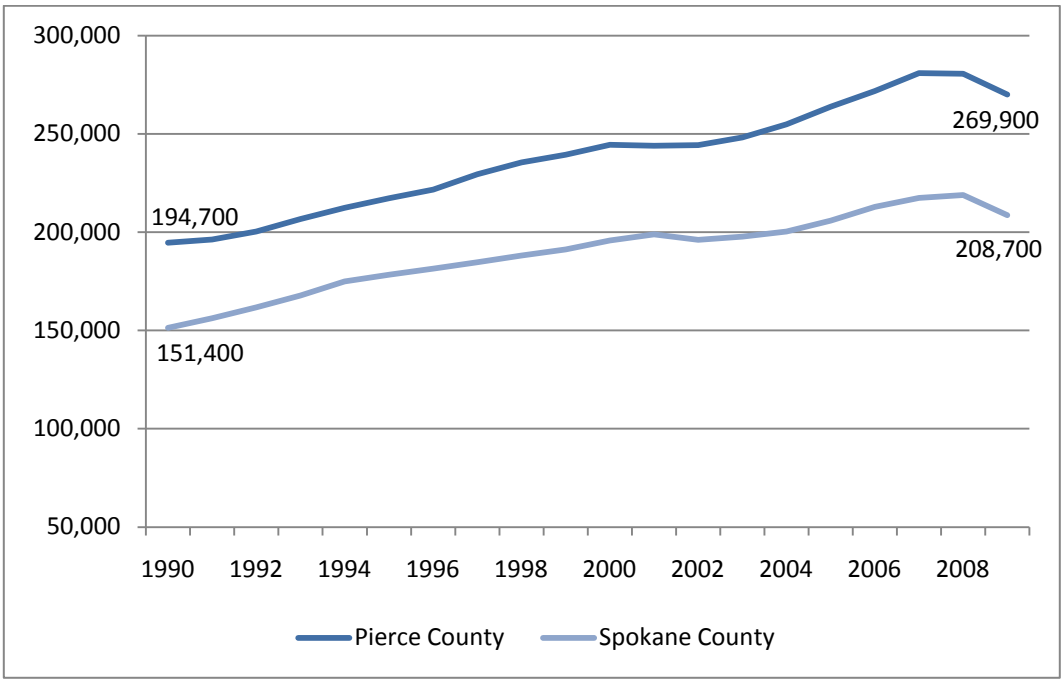
2000- 2009*




** 2009 annual average through September only. Source: Washington Employment Security Department*

## Average Monthly Nonfarm Jobs in Pierce and Spokane

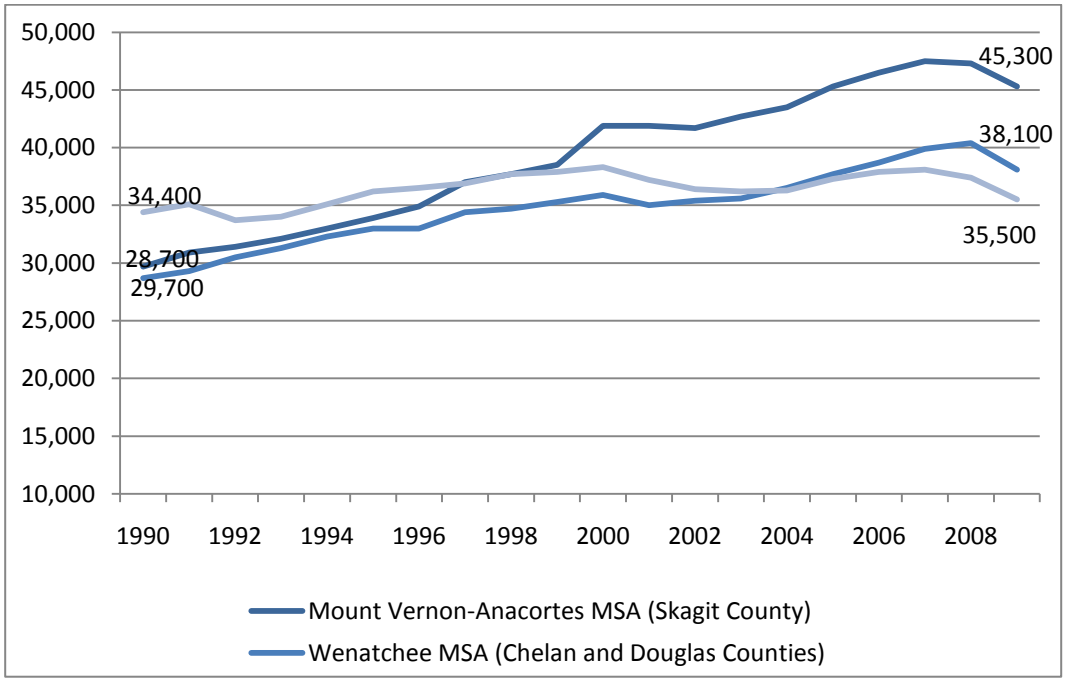
2000- 2009*




** 2009 annual average through September only. Source: Washington Employment Security Department*

## Average Monthly Nonfarm Jobs in Skagit, Chelan-Douglas, and Cowlitz Counties

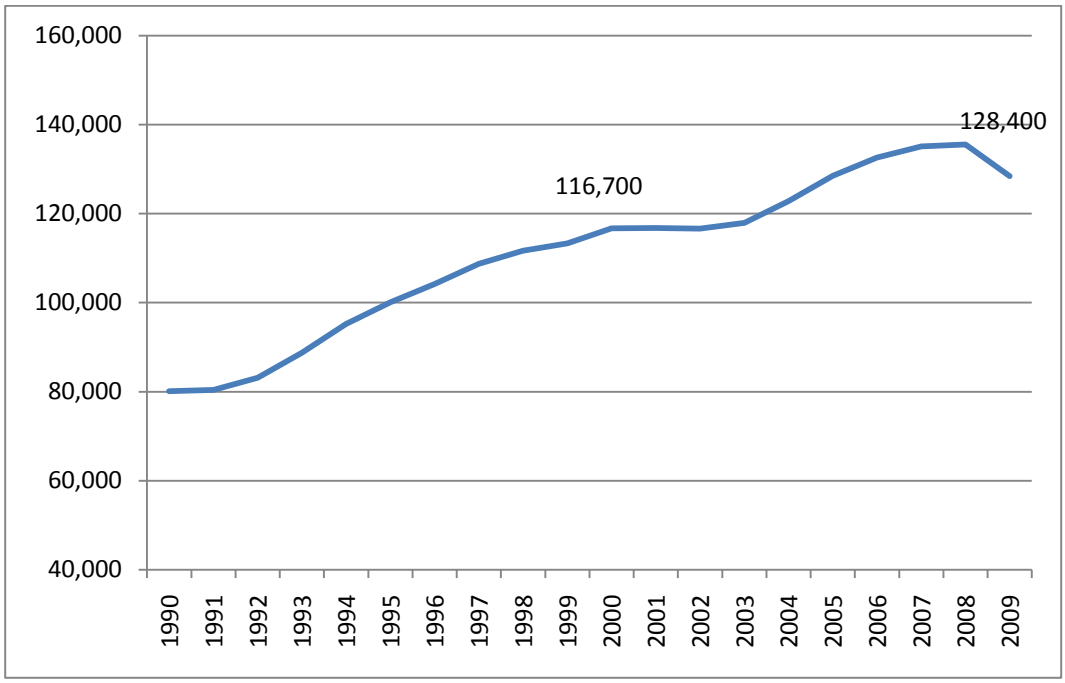
2000- 2009*




** 2009 annual average through September only. Source: Washington Employment Security Department*

## Average Monthly Nonfarm Jobs in Clark County

2000- 2009




** 2009 annual average through September only. Source: Washington Employment Security Department*

# Conclusions and Policy Implications

Working people throughout the United States – including in Washington State – will not recover quickly from this recession. Employers will be slow to start hiring again, even as the economy begins growing. But as this report has made clear, the economic squeeze on families has been accelerating over decades, not months. Without significant public policy changes, many will continue to struggle even when the economy is booming again. And without new workplace standards and public programs that recognize and support the significant care-giving responsibilities of many workers, families and children will suffer, while women will continue to face constrained career options and reduced incomes.

Restoring economic security and opportunity for the vast majority of working people and their families will require:

- Renewing state and federal investments in education – from preschool to graduate education.
- Strictly regulating the financial industry.
- Broadening the base of public supports that guard against the vicissitudes of life, including universal access to health insurance and reigning in of medical cost growth; boosting Social Security benefits for the lowest earners; providing new ways for all workers, particularly those in small businesses, to save for retirement; establishing paid family and medical leave for all workers; and assuring access to paid sick days for all workers.
- Expanding public investments in a modern transportation infrastructure and energy efficiency.

In Washington State, these investments will also require a serious look at reforming our state's antiquated and regressive tax structure.

All of us – even the small minority that has prospered over the past decade – will benefit from rebuilding a vibrant and growing middle class.

# Endnotes

[1] Unless otherwise cited, job numbers throughout this report are based on Washington Employment Security Department, Nonagricultural Wage and Salary Employment in Washington State, Not Seasonally Adjusted, Updated with QCEW Data: March 2009, through September 2009, www.workforceexplorer.com. Working age population includes 16-64 year olds, from Washington Office of Financial Management, Intercensal and Postcensal Estimates of April 1 County Population by Age and Sex: 1980-2009, Fall 2009 Update, http://www.ofm.wa.gov/pop/coseries/default.asp.

[2] Adjusted by CPI-U-RS. US Census, Current Population Survey, Historical Income Table H-8.

[3] U.S. Census Quarterly Workforce Indicators, based on 3rd quarter 4-quarter averages, adjusted using BLS inflation calculator.

[4] John Schmitt, "Inequality as Policy," Center for Economic Policy Research, October 2009, http://www.cepr.net/index.php/publications/reports/inequality-policy/.

[5] U.S. Census Bureau, *Survey of Local Government Finances – School Systems, 2006-07*, Tables 11 and 12, www.census.wa.gov.

[6] Washington Higher Education Coordinating Board, "Increasing the Future Capacity of Higher Education in Washington," Presentation to the House Higher Education Committee, January 2009, http://www.hecb.wa.gov/.

[7] Formerly Washington Voluntary Retirement Accounts. See Gary Burris, "Stronger Nests, Bigger Eggs: New Public Policy Options to Promote Retirement Income Security," Economic Opportunity Institute, June 2009, http://www.eoionline.org/retirement_security/reports/StrongerNestsBiggerEggs-Jun09.pdf.

[8] See Marilyn P. Watkins, "Who Can Stay Home with the Flu," May 2009, and "Family Leave Insurance," January 2009, Economic Opportunity Institute, www.eoionline.org.

[9] See Marilyn P. Watkins, "Washington's Structural Deficit: Without tax reform, pain will outlast recession," April 2009, http://www.eoionline.org/tax_reform/index.htm.

[10] National Bureau of Economic Research, U.S. Business Cycle Expansions and Contractions, viewed August 31, 2009, http://www.nber.org/cycles.html.

[11] Washington Office of Financial Management, Intercensal and Postcensal Estimates of April 1 County Population by Age and Sex: 1980-2009, Fall 2009 Update, http://www.ofm.wa.gov/pop/coseries/default.asp.

[12] Unless otherwise cited, job numbers throughout this report are based on Washington Employment Security Department, Nonagricultural Wage and Salary Employment in Washington State, Not Seasonally Adjusted, Updated with QCEW Data: March 2009, through September 2009, www.workforceexplorer.com. Working age population includes 16-64 year olds, from Washington Office of Financial Management, Intercensal and Postcensal Estimates of April 1 County Population by Age and Sex: 1980-2009, Fall 2009 Update, http://www.ofm.wa.gov/pop/coseries/default.asp.

[13] National Bureau of Economic Research, U.S. Business Cycle Expansions and Contractions, viewed August 31, 2009, http://www.nber.org/cycles.html.

[14] Economic Policy Institute, Job Watch, October 2009.

[15] Gender percentages calculated from U.S. Census Bureau, Quarterly Workforce Indicators data, http://lehd.did.census.gov/led/datatools/qwiapp.html.

[16] Economic Policy Institute analysis of Current Population Survey data and 2nd quarter 2009 estimates based on BLS LAUS and CPS data.

[17] Engrossed Substitute House Bill 1906, 2009, www.leg.wa.gov.

[18] Washington Employment Security Department, "Highlights of Voluntary Quits Study," December 2006, http://fortress.wa.gov/esd/portal/unemployment/researchstudies/VoluntaryQuits.pdf; and Bob Wagner, et al, "Voluntary Quit Decisions in the Unemployment Insurance System: Before and After Implementation of Second

Engrossed Substitute Senate Bill 6097," June 2005, Washington Department of Economic Security, http://fortress.wa.gov/esd/portal/unemployment/pdf_files/VoluntaryQuitStudy.pdf.

[19] Washington Employment Security Department, Recipiency Rate Fact Sheet: Qualifying for Unemployment, 2007, http://fortress.wa.gov/esd/portal/unemployment/researchstudies/FactSheet.RecRate.pdf.

[20] U.S. Bureau of Labor Statistics, "The Employment Situation – August 2009," News Release, September 4, 2009, Tables A-5, A-13, B-2,and B-4; and "The Employment Situation – August 2008," www.bls.gov.

[21] Adjusted by CPI-U-RS. US Census, Current Population Survey, Historical Income Table H-8.

[22] *U. S. Census, American Community Survey.*

[23] Adjusted by CPI-U-RS. The source from 2004-2005 changes from Current Population Survey to American Community Survey. 1974-2002 - http://www.census.gov/hhes/www/income/4person.html; 2003-04 - http://www.gpoaccess.gov/fr/index.html; 2005-08 - http://factfinder.census.gov, Table B19119.

[24] U.S. Census Bureau, American Community Survey, 2008.

[25] U.S. Census Quarterly Workforce Indicators, based on 3rd quarter 4-quarter averages, adjusted using BLS inflation calculator.

[26] U.S. Census Bureau, American Community Survey, 2008.

[27] U.S. Census Bureau, American Community Survey, 2008.

[28] Washington Employment Security Department, Employee Benefits Survey Reports, 2002-2009, www.workforceexplorer.com.

[29] Washington Employment Security Department, Employee Benefits Survey Report, 2009.

[30] U.S. Census, http://www.census.gov/hhes/www/hlthins/historic/hihistt4.xls; http://www.census.gov/hhes/www/hlthins/historic/index.html.

[31] U.S. Census, http://www.census.gov/hhes/www/hlthins/historic/hihistt4.xls; http://www.census.gov/hhes/www/hlthins/historic/index.html. Number of uninsured calculated from state population estimate for 2008 of 6,549,224 reported in U.S. Census, American Community Survey, Selected Social Characteristics.

[32] Washington Employment Security Department, Employee Benefits Survey Report, 2009, www.workforceexplorer.com.

[33] Institute for Women's Policy Research, Paid Sick Days Toolkit Calculator, http://www.iwpr.org/Work/Research_work.htm.

[34] Employee Benefit Research Institute, "401(k) Plan Asset Allocation, Account Balances, and Loan Activity in 2008," October 2009, http://www.ebri.org/pdf/briefspdf/EBRI_IB_10-2009_N0335_K-Update.pdf.

[35] Economic Policy Institute analysis of Current Population Survey March Supplement.

[36] U.S. Census, American Community Survey, 2008.

[37] Congressional Research Service, "Income and Poverty Among Older Americans in 2007," updated October 3, 2008.

[38] Median home values and household income from U.S. Census Bureau, http://www.census.gov/hhes/www/housing/census/historic/values.html, and http://www.census.gov/hhes/www/income/histinc/state/state1.html; and Washington Center for Real Estate Research, Washington State University. University of Washington tuition and fees from Washington Higher Education Coordinating Board, "2008-09 Tuition and Fee Rates: A National Comparison," March 2009, and "2001-02 Washington State Tuition and Fee Report," www.hecb.wa.gov.

[39] Washington Center for Real Estate Research, Washington State University, "Washington State's Housing Market Report, 1st Quarter 2009," http://www.wcrer.wsu.edu/WSHM/2009Q1/WSHM2009Q1-web.pdf.

[40] Family median income is higher than household median income. Affordability index assumes 30 year mortgage, 20% down payment, and 25% of income for principal and interest. Washington Center for Real Estate Research, Washington State University, "Housing Affordability Index," Time Trend series, http://www.wcrer.wsu.edu/WSHM/Report-Archives.html.

[41] U.S. Census, "Historical Census of Housing Tables, Gross Rents," and American Community Survey, Housing Financial Characteristics, 2007, www.census.gov.

[42] U.S. Census, American Community Survey 2008.

[43] Washington Higher Education Coordinating Board, "2008-09 Tuition and Fee Rates: A National Comparison," March 2009, "2001-02 Washington State Tuition and Fee Report," and "Key Facts About Higher Education in Washington," www.hecb.wa.gov

[44] See Gabriel Nishimura, Marilyn P. Watkins, and John R. Burbank, "Losing by Degrees: Rising Costs and Public Disinvestment in Higher Education," Economic Opportunity Institute, July 2009, www.eoionline.org.

[45] Licensed Child Care in Washington State reports 1990-2008, Washington Department of Early Learning, http://www.del.wa.gov/publications/research/.

[46] U.S. Census, Quarterly Workforce Indicators (NAICs), 3rd quarter 2008 data, http://lehd.did.census.gov/led/datatools/qwiapp.html.

[47] Economic Policy Institute analysis of Current Population Survey data.

[48] Job numbers used in this section are based on Washington Employment Security Department, Nonagricultural Wage and Salary Employment in Washington State, Not Seasonally Adjusted, Updated with QCEW Data: March 2009, through September 2009, www.workforceexplorer.com.

[49] Washington Employment Security Department, Nonagricultural Wage and Salary Employment in Washington State, Not Seasonally Adjusted, Updated with QCEW Data: March 2009, through September 2009.

[50] Washington State Employment Security, "A 50-Year Perspective of Employment Trends in Washington State, 1947-1997," May 1998.

[51] U.S. Bureau of Labor Statistics, "Establishment Data, Historical Employment, Table B-1 Employees nonfarm payrolls by major industry sector, 1959 to date," viewed September 8, 2009, ftp://ftp.bls.gov/pub/suppl/empsit.ceseeb1.txt.

[52] Average monthly wages and gender are 4 quarter averages from the 3rd quarter 2008, U.S. Census Bureau, Quarterly Workforce Indicators [NAICS] data, http://lehd.did.census.gov/led/datatools/qwiapp.html.

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