



POLICY BRIEF

The State of Working Washington, 2005

Trends in Jobs, Wages, and the Well-Being of Washington Families

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Executive Summary and Introduction

After a lingering recession, jobs are increasing again throughout Washington. New jobs are opening across almost all sectors. The typical Washington worker continues to earn more than workers in most other states. Many Washington residents are doing very well.

Nevertheless, economic insecurity and hardship have increased among Washington's working families since the new century dawned. Poverty rates rose by 21% among the general population and by 19% among children between 2000 and 2004. In 2004, 13% of all Washington residents and 17% of children lived below the poverty line. The recession is officially over, but job growth has not caught up with population growth. Rates of long-term unemployment remain high, and more people are working part-time because they cannot find a full-time job. Those with jobs are less likely to receive health insurance, paid leave, or a retirement plan.

Income disparity among Washington families also continues to grow. With wages adjusted for inflation, middle and low-income men earned about the same per hour in 2004 as in 1990, and less than their counterparts did in 1979. High-income men, meanwhile, have enjoyed real salary increases. The median household income in the state has risen largely because women are earning more, while still typically making \$3.31 less per hour than men.

Financial security for Washington's working families is strongly affected by where they live and by the experience and education of their wage earners. At the same time, larger economic trends and forces of globalization and consolidation affect workers whether they live in Seattle or Sunnyside and whether they formerly built airplanes, canned asparagus, or designed software. These same larger forces affect workers across the nation.

From the employment peak in November 2000 to November 2002, Washington state lost nearly 66,000 non-agricultural jobs. Since then, jobs have gradually increased, but in annual averages, Washington had 9,050 fewer non-agricultural jobs in 2004 than in 2000. The number of jobs continues to expand in 2005. In July 2005, Washington had 83,000 more jobs than in July 2000. However, full recovery from the recession is far from complete. Washington's population grew by over 6% between 2000 and 2005. Washington would have to end 2005 with 167,000 more jobs than existed in 2000 in order to enjoy the same rate of employment.

While job growth is taking place across the board, the structure of the economy is changing. Many unemployed workers will not be able to find the same kind of jobs that they lost. Manufacturing shed 108,000 jobs between July 1998 and February 2004. Even though manufacturers have been adding jobs since then, the long-term shift away from manufacturing is a nationwide trend that is unlikely to reverse. Manufacturing represented 26% of Washington's non-agricultural jobs in 1950, 13% in 1998, and only 9.7% in 2004. On the other hand, 2004 ended with more jobs in health care, restaurants, construction, and finance than before the recession. Some growing jobs pay well, but many of the growing occupations do not match the lost manufacturing jobs in wages and benefits.

Some regions of the state have added jobs steadily since 2000, while others are still struggling to recover lost jobs. Bellingham, Bremerton, Olympia, and the Tri-Cities largely escaped job losses during the recession and have added more than enough jobs since 2000 to keep pace with population growth. The Vancouver, Spokane, and Tacoma regions experienced economic

downturns, but resumed growth in 2003 and have pulled back above their pre-recession job numbers. Employment in the Yakima and Wenatchee areas, where nearly one in five jobs is in agriculture, has stayed fairly level. The Seattle metropolitan area, which includes King and Snohomish counties and provides nearly half the jobs in the state, continued to lose jobs through 2003 when most of the rest of the state was turning around economically. March 2004 was the first month in which the Seattle area posted an increase in jobs over the same month of the previous year. In July 2005, King county employment remained nearly 25,000 behind the July 2000 level, while Snohomish county was more than 10,000 jobs ahead.

The lingering recession and slow growth of the first years of the 21st century are in sharp contrast with the steady job growth Washington experienced during the 1990s. Even though that decade also opened with a recession, every year of the decade posted gains over the previous year; overall employment in the state grew by 26.5% between 1990 and 2000, outpacing population growth.

Unemployment in Washington increased from 5% in 2000 to 7.4% in 2003. By July 2005, the seasonally adjusted rate had fallen to 5.7%. Despite its continuing jobs deficit, King county still had one of the lowest unemployment rates in the state in 2004, at 4.6%. Workers under age 25 and those without high school diplomas saw their unemployment rates begin to climb in 1999, a year earlier than the general workforce. In 2004, unemployment remained at 15% for non-high school graduates, while unemployment for college graduates was only 3%.

Overall inflation pressures have been relatively low in recent years, but the cost of some basic necessities has risen much faster than inflation. The cost of full-time care in a childcare center increased by 22% between 2000 and 2004, while general inflation increased by only 13%. Healthcare costs have been rising by more than 7% each year, and employers have been shifting more of the cost to employees. Meanwhile, the percent of state residents paying more than 30% of their income for housing rose from 31% to 35% between 2000 and 2003 among homeowners and from 43% to 49% among renters.

Washington residents continue to fare better generally than other Americans and residents of neighboring states. Both Idaho and Washington have been adding jobs at a faster pace than the U.S. average, with Idaho also outpacing Washington. Nevertheless, median hourly wages in Washington were \$1.00 higher than in Oregon or the nation and nearly \$3.00 higher than in Idaho in 2004. The lowest 10% of wage earners in Washington experienced only slight real gains but did not lose wages to inflation, even during the slack job market between 2000 and 2004. In 2004, Washington's low-wage earners made \$1.07 more per hour than their counterparts in Idaho, who saw significant real loss of pay since 2001. Poverty rates for both the general population and for children were lower in Washington in 2004 than in Idaho, Oregon, or the nation as a whole.

The slow recovery from recession and the increasing insecurity among working families are nationwide phenomena. Working families across the United States could be in much better shape had the federal administration actively pursued more direct policies of economic stimulation at the onset of the recession in 2001.¹ Washington policymakers can do little to change the macroeconomic trends that shape employment opportunities for workers in the state, but the data examined here do validate some existing state policies and suggest areas where improvements would benefit Washington's working families.

Washington's relatively high minimum wage with annual inflation indexing appears to be working as intended. It has protected the earnings of the state's lowest-paid workers, even during a period of significant job loss. Although Washington initially lost jobs at a faster rate than the nation as a whole at the onset of the recession, the leading contributors to the decline were the relatively high-wage manufacturing and information sectors. Since 2003, Washington has been recovering jobs at a faster clip than the U.S. average, in both low and high-wage areas.

In contrast, in Idaho, where the federal minimum wage of \$5.15 has prevailed without increase since 1997, the bottom 10% of wage earners have experienced a real decrease in buying power since 2000. Poverty rates for both the general population and for children are also higher in Idaho than in either Washington or Oregon, where the minimum wage is also indexed.

Washington's support of publicly provided health insurance for low-income residents also has proved at least partially effective. The percentage of uninsured state residents crept up between 2001 and 2003, but an even greater number of state residents lost private insurance. Publicly provided benefits made up the difference. Children, in particular, are benefiting from public programs. Unfortunately, the state's Basic Health Plan for low-income workers did not expand when it was most needed. Rather, the state legislature cut funding and restricted access to the program at the peak of the recession because of the state budget shortfall.

Other workplace benefits that are critical to short and long-term economic security for working families have fallen with the economic downturn. The State Population Survey recorded a drop in the percentage of workers with employer-paid vacation or sick leave, from 86% in 2002 to 80% in 2004. Retirement benefits in the private sector fell from nearly 55% of workers in the state in the late 1990s to 46% in 2003, according to U.S. Census data. Thus far, Washington legislators have not chosen to provide for greater access to paid leave or retirement benefits for the state's private sector workforce, but policy options do exist to make these benefits far more universal.

Perhaps the most important area for continued state action is in education, from preschool through higher education. We can count on the mix of jobs in Washington's economy to continue to change. Education clearly makes a difference in people's ability to find a job and stay employed. In an increasingly global economy, Washington needs to have a highly educated workforce to attract and keep high-wage jobs that have multiplier effects across sectors. Including preschool in the state's education focus will pay double dividends for the state's working families. It will help ease the burden of rising childcare costs for working parents at the same time that it prepares young children to be successful in school and later in the workforce.

Part I. Jobs in Washington State

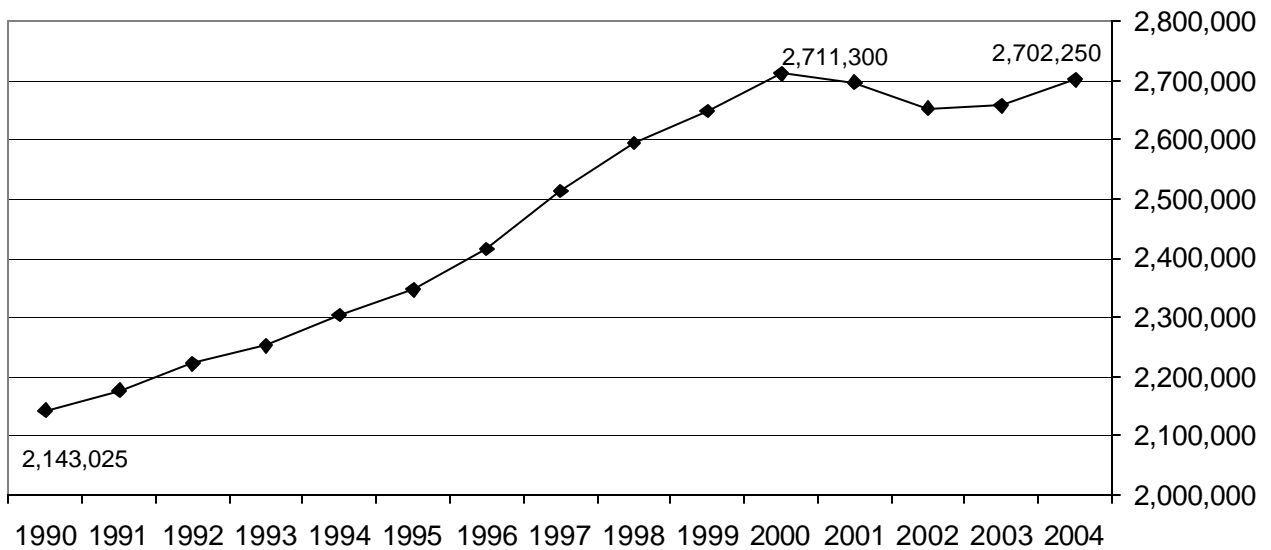
From the employment peak in November 2000 to November 2002, Washington state lost nearly 66,000 jobs, or 2.4% of the state's non-agricultural employment. Since then, jobs have gradually increased, but in annual averages, Washington had 9,050 fewer non-agricultural jobs in 2004 than in 2000. Jobs have continued to expand in 2005. According to preliminary estimates, in July 2005 Washington had 83,000 more jobs than in July 2000.² Barring a national disaster, the state will end 2005 with more jobs than before the recession.

The resumption of job growth is certainly good news for Washington's working families. However, a careful look at a range of data on jobs, income, regions of the state, and rising expenses reveals a decidedly mixed picture. The slow recovery from recession has taken a toll on many families, especially when combined with longer-term trends that are changing the mix of jobs available. The state enjoys areas of real prosperity and opportunity side-by-side with wage stagnation and dislocation.

Washington's population also grew by over 6% between 2000 and 2005.³ Washington would have to end 2005 with 167,000 more jobs than existed in 2000 in order to enjoy the same rate of employment. Full recovery from the recession is far from complete.

In contrast, the 1990s saw a steady increase in jobs. Even though that decade also opened with a recession, jobs quickly recovered. Employment grew faster than population in Washington between 1990 and 2000, with jobs growing 26.5% and population expanding by 21.1%.⁴

Washington State Average Annual Non-Agricultural Jobs, 1990-2004

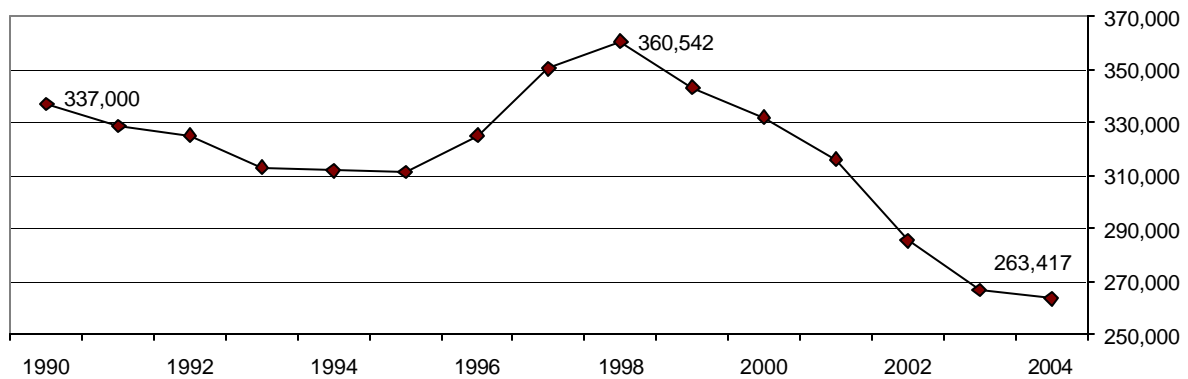


Source: Washington State Employment Security Department, Industry Employment

Industrial sector outlook

Job changes within industrial sectors show both long-term trends and the effects of recession and recovery. Manufacturing jobs have taken a real beating. The numerical decline began in July 1998, well before the more general recession. Between June 1998 and February 2004, the manufacturing sector in Washington lost 108,000 jobs, 30% of the state's manufacturing employment. Over 52,000 of those lost jobs were in aerospace. Since March 2004, the job numbers have begun to creep up again, including in aerospace, but manufacturing jobs in July 2005 were still 92,000 below the July 1998 level. The structural shift away from manufacturing has been going on for decades and is unlikely to fully reverse. Manufacturing represented 26% of the state's non-agricultural jobs in 1950, 15% in 1990, 13% in 1998, and only 9.7% in 2004.⁵

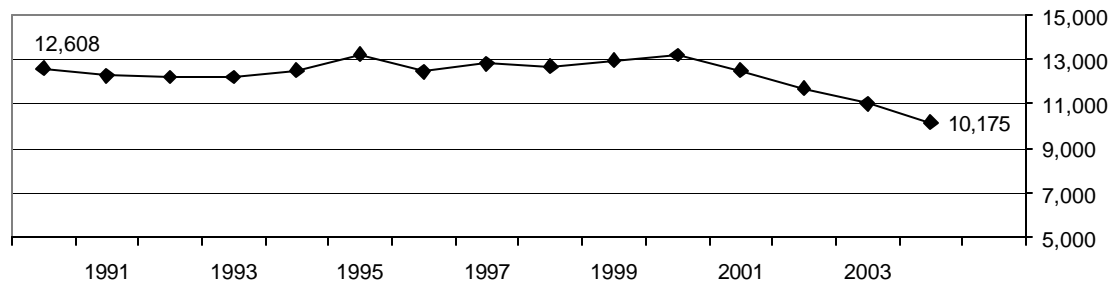
Washington State Manufacturing Jobs, Annual Average 1990-2004



Source: Washington State Employment Security Department, Industry Employment

Many of the lost manufacturing jobs paid relatively high wages and offered good benefits. Average monthly wages for manufacturing jobs in Washington for 2004 were \$4,383, 28% higher than the average Washington worker's earnings of \$3,435. Not all manufacturing jobs pay high wages, however. Included in the total are food processing jobs, including fruit and vegetable preserving, with average monthly wages of \$2,792. Jobs preserving Washington's abundant fruit and vegetable harvest increased slightly between 1996 and 2000 and have since dropped steadily.

Average Annual Employment in Fruit and Vegetable Preserving, 1990-2004



Source: Washington State Employment Security Department, Industry Employment

Washington's loss of manufacturing jobs is part of a national trend, but the situation was made worse in Washington by the effects of the September 11 attacks and the recession on the airline industry. While the state lost a higher percentage of manufacturing jobs than the national average, it is also regaining jobs at a faster pace. The United States lost 3.5 million manufacturing jobs, or 20% of its total, between June 1998 and February 2004 and has gained back 200,000 of them.

**Change in Annual Average Jobs, Selected Sectors, 2000-2004,
and Average Monthly Earnings in Washington State***

Industry	Change 2000-2004		Average Monthly Earnings**
	%	#	
Health Services and Social Assistance	11%	27,300	Ambulatory health care services - \$3,188 Hospitals - \$3,866 Nursing a residential care - \$2,042 Social Assistance - \$1,738
Financial Activities	6.8%	9,742	Finance & Insurance - \$5,140 Real Estate and Rental Leasing - \$2,690
Construction	2.3%	3,675	Construction - \$3,510
Leisure & hospitality	1.5%	3,733	Arts, entertainment, recreation - \$2,268 Accommodation & food - \$1,397
Total non-farm jobs	-0.3%	-9,050	\$3,435
Professional & Business Services	-0.4%	-1,267	Professional, scientific, and technical services - \$4,886 Management of companies - \$4,228 Admin. and support services - \$3,041
Wholesale trade	-1.4%	-1,700	Wholesale Trade - \$4,251
Retail trade	-1.6%	-5,000	Retail Trade - \$2,338
Information	-5.3%	-5,217	Information - \$7,914
Transportation & warehousing	-5.6%	-5,100	Transportation & Warehousing - \$3,651
Other Services	-5.6%	-5,933	Other Services (except public administration) - \$1,850
Natural Resources & Mining	-8.2%	-825	Mining - \$4,422
Manufacturing	-20.6%	-68,483	Manufacturing - \$4,383

* This table includes selected sectors only. Industry sectors are arranged from those with the highest percentage increase in jobs to those with the highest percentage decrease.

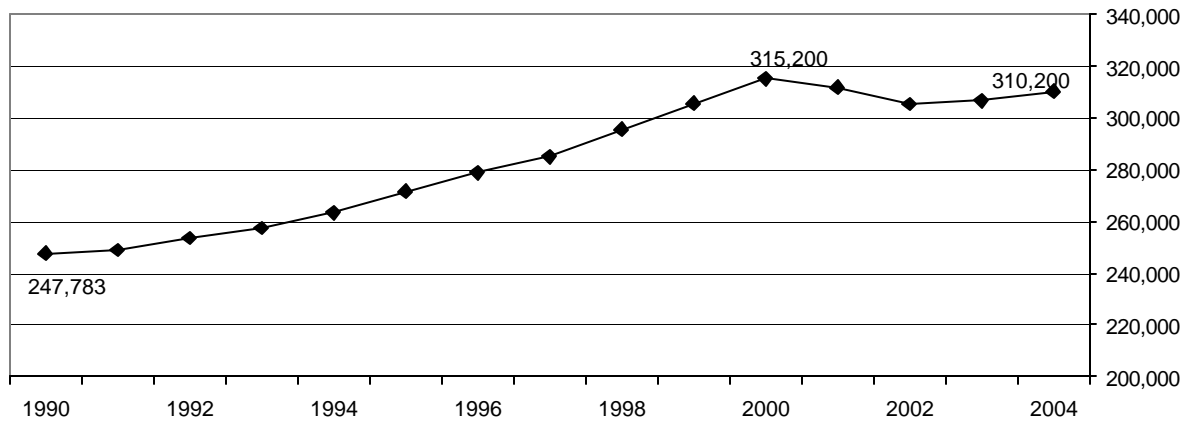
** Average monthly earnings for 1st quarter of 2004 and 3 previous quarters.

Source: Washington State Employment Security Department, Industry Employment and U.S. Census, Quarterly Workforce Indicators

Other sectors that have not fully recovered their pre-recession jobs include information, transportation and warehousing, retail trade, and natural resources. The information sector, including software publishing and telecommunications, peaked in December 2000 with nearly 102,000 jobs, then shed 11,000 jobs through April 2003. That sector, which boasts average monthly earnings more than double the average for all state jobs, began to slowly add jobs during 2004 and has continued to grow in 2005. However, the July 2005 figure is still 6,200 jobs short of the peak. The transportation and warehousing sector, with wages slightly above the state average, lost over 7,000 jobs between 2000 and 2003. That sector also began recovering in 2004, but still has 2,300 fewer jobs in July 2005 than July 2000.

Retail trade, with average monthly wages nearly one-third lower than the state average, has clear seasonal swings. The sector lost 9,600 jobs between 2000 and 2002 and ended 2004 still 5,000 jobs behind the 2000 monthly average. However, in 2005 the sector appears to have fully regained the lost jobs. In July 2005 retail jobs exceeded the July 2000 figure by 5,900 jobs.

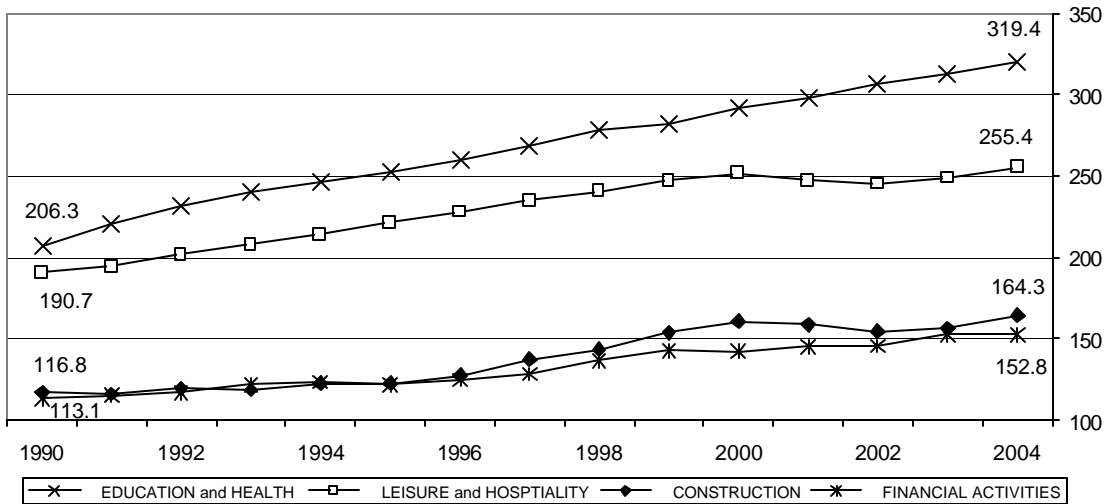
Average Annual Retail Trade Jobs in Washington, 1990-2004



Source: Washington State Employment Security Department, Industry Employment

The lost jobs in manufacturing and other sectors have been replaced with jobs from a broad range of occupations, some with good pay, others with low pay and sharp seasonal swings. Health services and financial activities are two of the fastest growing sectors, increasing faster than state population growth between 2000 and 2005. Jobs in health continued growing right through the recession. Some of the new jobs in these sectors pay high wages. However, most of the new health services jobs are in occupations that pay below the state's average monthly earnings.

**Washington State Job Sectors with Net Gains, 2000-2004,
in thousands of jobs**



Source: Washington State Employment Security Department, Industry Employment

The construction and leisure and hospitality sectors lost jobs in 2001 and 2002, but ended 2004 with net increases in jobs over 2000. Both of these sectors have continued to add jobs in 2005. Construction jobs are subject to seasonal swings and often lack health care, retirement, and paid leave benefits, but provide average monthly earnings slightly above the state average.⁶ The leisure and hospitality sector added 10,400 jobs between 2002 and 2004, ending 2004 with 3,700 more jobs for the year than were posted in 2000. In July 2005, the state had 15,700 more leisure and hospitality jobs than in July 2004, most of those in restaurants. Jobs in this sector tend to be low wage and without benefits. Average monthly wages for food service workers in Washington for 2004 were \$1,348. At the seasonal peak in June, the sector provided over 23,000 more jobs than in January.

Government jobs have also increased steadily, but at a slightly slower pace than population growth. In 2001, approximately 21,000 tribal employees were reclassified from a variety of other sectors and added to the count of government employees, at the direction of the state legislature. Once that artificial surge is accounted for, all levels of government added 19,500 jobs between 2000 and 2004, primarily in education and local government. Government jobs increased at a rate of 4% over a period when state population grew by 4.6%.⁷

Agricultural jobs

Agriculture is a major component of Washington's economy. The state's agricultural output was valued at \$5.8 billion in 2003.⁸ Every year, about 149,000 individuals work in agriculture in Washington, with average annual earnings of about \$10,000, according to a 2003 state report. About one-third of these jobs are seasonal. Average monthly agricultural employment came to 83,000 in 2003. In Eastern Washington, one in every ten workers is employed directly in farming.⁹ Apples are Washington's biggest crop, accounting for 20% of all state farm receipts and over half of the nation's apple harvest. Apples also provide over half of the annual seasonal farm jobs in the state. Dairy products, wheat, potatoes, and cattle and calves are the next four largest producers in terms of value, though not necessarily in terms of labor.¹⁰

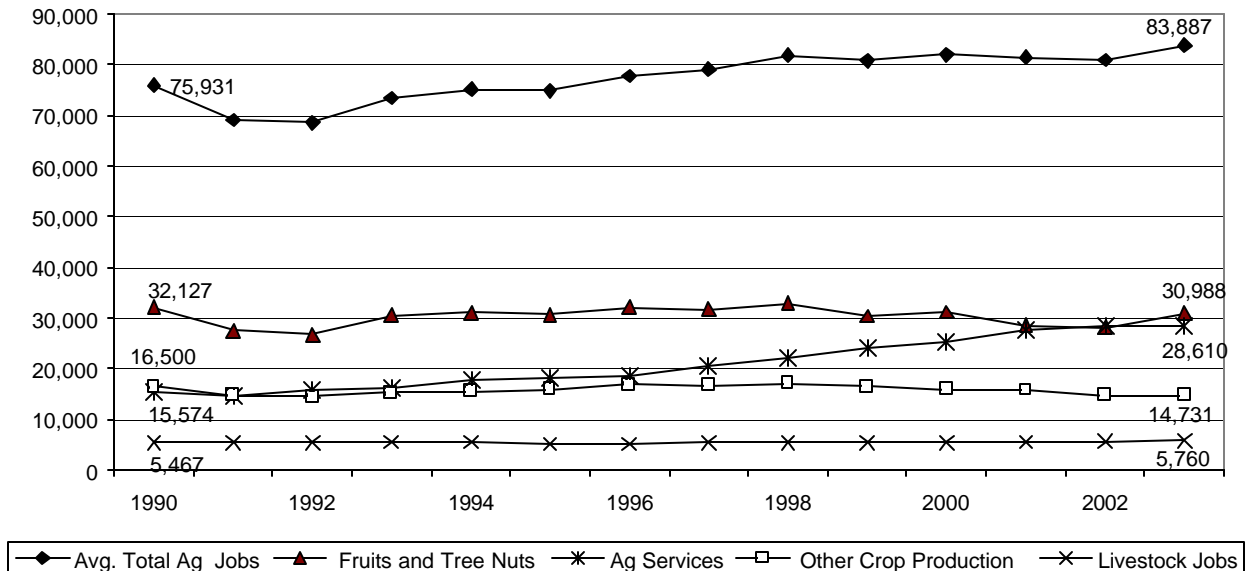
Annual variations in weather and other factors directly affecting crop production and sales contribute to annual changes in job numbers. Agricultural jobs and profits are also influenced by the same long-term trends of globalization, consolidation, and mechanization that are affecting American manufacturing. Washington exports about one-third of its annual agricultural production, with 70% to 80% of exports bound for Asia. The value of exported crops rose sharply in the mid-1990s as Asian economies boomed, then fell rapidly with the Asian economic crisis in 1997 and 1998.¹¹

In the United States, consolidation is taking place at every stage of the food production and marketing system, from farming, to manufacturing, to wholesaling, to retailing. The 2001 purchase of Pillsbury by General Mills, which now owns Betty Crocker, Green Giant, Haagen-Dazs, and dozens of other formerly independent brands, was one more step towards consolidation of food processing and marketing by corporations with international reach.¹² Between just 1997 and 2000, the four top grocery retailers (Kroger, Albertson, Safeway, and Wal-Mart) increased their share of all grocery store sales from 18% to 27%.¹³

According to the U.S. Department of Agriculture's census that is conducted every five years, in 2002 Washington had 35,939 farms and 15 million acres in farmland. Between 1997 and 2002, the state had lost about 4,000 farms and the average farm size increased, continuing a trend of decades. Only 41% of farms reported net profits in 2002, but overall, the market value of agricultural products sold in the state exceeded total expenses by \$900 million.¹⁴

Jobs classified as agricultural have trended up in Washington since the early 1990s, and more of these jobs are year-round. Seasonal work has declined from about 45% of Washington agricultural employment in 1997 to about one-third in 2003, according to an analysis by Washington's Employment Security Department.¹⁵ The increase in overall agricultural employment has occurred primarily in agricultural services, a diverse category including soil preparation, contracted planting and harvesting, veterinarians, and landscaping services. In fruit and other crop production, the annual average number of workers appears fairly flat when viewed over the whole period since 1990. The numbers trended up modestly in both these categories in the mid-1990s to the end of the decade, fed in part by rising exports to Asia. With the Asian economic crisis beginning in 1997, employment in Washington fruit and crop production dropped off somewhat after 1998. Livestock production employs relatively few workers, but employment has held steady since 1990.

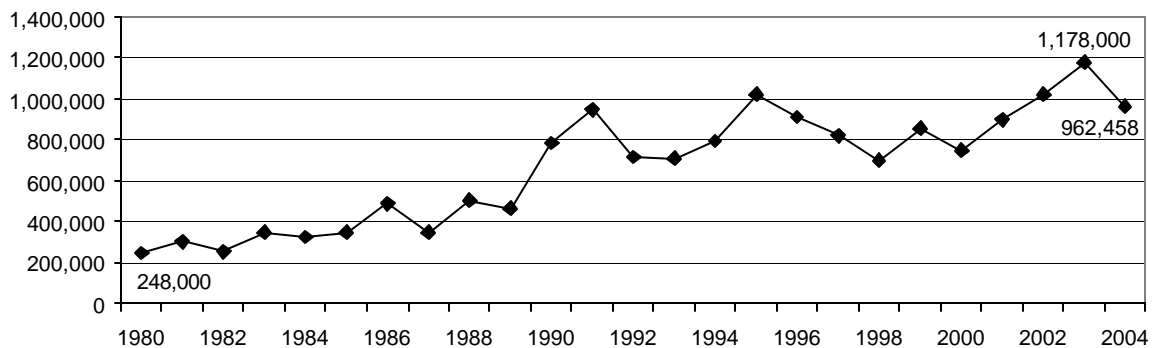
Washington Average Monthly Agricultural Jobs, 1990-2003



Source: U.S. Census, Quarterly Workforce Indicators, SIC classification data

In 2004, Washington state produced its largest apple crop since 1998, 58% of the nation's total apple harvest. The bumper crop of 2004 followed a particularly low yield in 2003. Washington's 2005 apple harvest is expected to come in 7% lower than in 2004, but still makes up 57% of the national crop, according to the National Agricultural Statistics Service.¹⁶ However, big crops mean lower prices. In 2003, when Washington farmers produced 2.3 million tons of apples, they received \$518 per ton. In contrast, 2004's crop of 6 million tons brought only \$318 per ton, so the state's farmers actually received \$216 million less in total for their apples.

Value of Washington's Apple Crop, 1980-2004, in \$1,000s



Source: Washington Agricultural Statistics Service

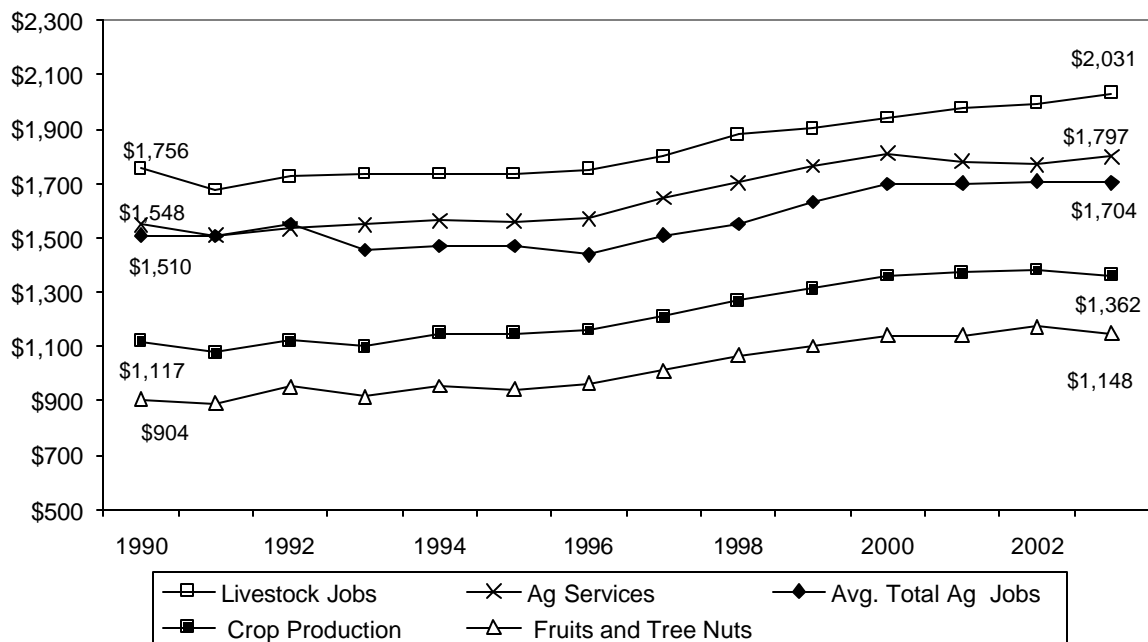
Farm work peaks in June, July, September, and October when between 50,000 and 60,000 seasonal workers are employed. In 2003, apples accounted for 53% of seasonal agricultural employment. Cherries provided 12%, while berries, pears, asparagus, grapes, potatoes, and

miscellaneous vegetables each contributed between 4% and 6% of the seasonal jobs.¹⁷ Washington's cherry and grape harvests have been growing. Acres planted in grapes have increased two and a half times since 1980. Cherry acreage more than doubled in Washington between 1988 and 2003. During that same period, acres in asparagus fell by half.¹⁸ U.S. asparagus production has been severely damaged by foreign competition, as the U.S. government has encouraged asparagus growing in Latin American in an effort to reduce the flow of illegal drugs into the country.¹⁹

Even with year-round work increasing as a share of agricultural employment, agricultural workers earn among the lowest annual incomes in the state. According to a 2003 state survey, nearly 149,000 individuals work in agriculture in the state, averaging 803 hours in the sector and earning on average \$8,359. About 31% of those workers also find employment outside of agriculture, adding 392 hours of work and \$5,151 in annual earnings.²⁰ Jobs in fruit and tree nut farming paid an annual average of \$12,998 in 2003, vegetable and melon work earned \$19,256, cattle ranching paid \$22,771, poultry and egg production paid \$24,426, and the growing agricultural services sector paid \$22,797.²¹ Those annual wages translate into average monthly earnings ranging from \$1,083 to \$2,036.

Agricultural workers have seen modest real gains in their earnings, although at a slower rate than non-agricultural workers. Average monthly earnings (in year 2000 dollars) for the state's agricultural workers increased from \$1,440 in 1996 to \$1,707 in 2002, or about half the state's average monthly earnings.²² In 1996, apple harvest workers were paid on average \$16 per bin. In 2004, the average bin rate was \$20.37.²³

Average Monthly Earnings for Washington Agricultural Workers, in 2000 dollars



Source: U.S. Census, Quarterly Workforce Indicators, SIC classification data

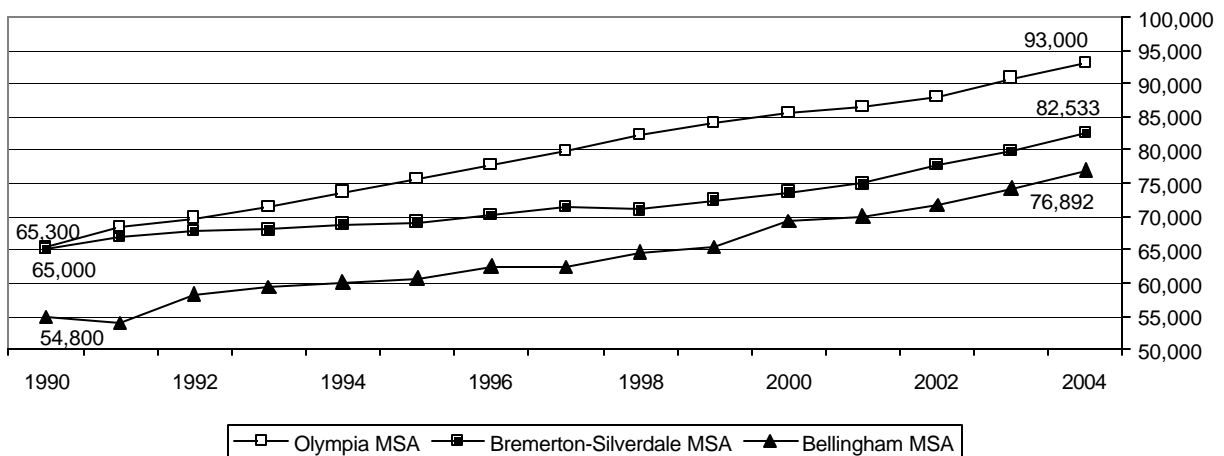
Part II. Regional Overview of Jobs

The employment situation in the state's regions looks different from the general employment landscape for Washington state. Some areas of the state continued to gain jobs throughout the recession. The Seattle metropolitan area, on the other hand, which provides half of the statewide job total, lost over 76,000 jobs between July 2000 and July 2003, and as of July 2005, it was still 13,000 jobs short of the 2000 total.

Bellingham, Bremerton, and Olympia – Mid-size cities with steady economic growth

For the three mid-size cities of Bellingham, Bremerton, and Olympia, the recession caused only a brief slowdown in the rate of growth. Between 2000 and 2004, each enjoyed over 8% job growth.

Annual Average Non-Farm Jobs, Whatcom, Kitsap, and Thurston Counties, 1990-2004



Source: Washington State Employment Security Department, Industry Employment

Bellingham has boasted an 11% increase in jobs between 2000 and 2004. During that same period, the county's population increased by 6.3%.²⁴ Whatcom County has a fairly diverse employment base, with 20% of non-agricultural jobs in goods-producing sectors, 60% in private services, and 20% in government, including employees of Western Washington University. The job growth is also broad-based, with a range of pay levels. Local government, leisure and hospitality, construction, retail trade, and professional and business services have all created a significant number of new jobs. Manufacturing is the only sector that has declined substantially. Jobs in the Bellingham area are continuing to expand in 2005. In addition to 77,000 non-agricultural jobs, Whatcom County supported over 2,000 average monthly agricultural jobs in 2004. Dairy, berries, and cattle and calves are the county's leading agricultural products.²⁵

Bellingham Metropolitan Area (Whatcom County)

Annual Average Job Change in Selected Sectors, 2000-2004

Industry	% Change 2000-2004	# Change 2000-2004	Average Monthly Earnings, 2003 (4 quarter average, Whatcom Co.)
Financial Activities	23.5%	558	Finance & Insurance - \$3,414
Leisure & hospitality	15.5%	1,175	Arts, entertainment, rec. - \$1,522 Accommodation & food - \$1,098
Natural resources, mining & construction	13.4%	817	Construction - \$3,207
Professional & Business Services	11.8%	650	Professional, scientific, and technical services - \$3,270
Total non-farm jobs	11%	7,592	\$2,566
Government	10.8%	1,517	
Retail trade	7.6%	692	Retail trade - \$2,005
Manufacturing	-9.4%	-858	Food manufacturing - \$2,369 Primary metal manufacturing - \$4,377

Source: Washington State Employment Security Department, Industry Employment and U.S. Census, Quarterly Workforce Indicators

In contrast to other urban parts of the state, job growth in Bremerton and Kitsap county was tepid through much of the 1990s and sagged in the late 1990s when cities across Puget Sound were booming. Since 2000, job growth has been strong, especially in higher-wage occupations. In fact, the job growth of 12% between 2000 and 2004 far outpaced population growth of 3.2%. The local economy is strongly influenced by the naval base and support services. Over one-third of Bremerton area jobs are with the government, and only 8% are in goods-producing sectors. Professional and business services saw the greatest percentage increase in jobs between 2000 and 2004. Construction, local government, and retail trade also expanded significantly. State government was the only major category of jobs to decline since 2000. In July 2005, the Bremerton area had 2,400 more jobs than in July 2004.

Kitsap County Annual Average Job Change in Selected Sectors, 2000-2004

Industry	% Change 2000-2004	# Change 2000-2004	Average Monthly Earnings, 2003 (4 quarter average, Kitsap Co.)
Professional & Business Services	18%	1,133	Professional, scientific, and technical services - \$3,913
Construction	16.7%	683	Construction - \$2,946
Local government	15.9%	1,525	
Total non-farm jobs	12%	8,833	\$2,596
Retail trade	6.9%	700	Retail Trade - \$2,123
Leisure & hospitality	6.8%	492	Arts, entertainment, rec. - \$1,688 Accommodation & food - \$1,261
Federal government	3.3%	475	
State government	-12%	-300	

Source: Washington State Employment Security Department, Industry Employment and U.S. Census, Quarterly Workforce Indicators

Jobs in Olympia and Thurston County increased by nearly 9% between 2000 and 2004. During the same period Thurston County's population increased by 5.4%. The four industrial sectors with the most job growth had earnings at least equal to the county average of \$3,000 a

month. Both manufacturing and federal government jobs declined between 2000 and 2004. During the first half of 2005, manufacturing jobs edged up slightly. Because it houses the state capital, 39% of Olympia-area jobs are with government. The large number of both state and local government jobs helps insulate Olympia from economic booms and busts. Additionally, Olympia is continuing to grow because of development up and down the I-5 corridor.²⁶

Olympia Metropolitan Area (Thurston County), Annual Average Job Change 2000-2004

Industry	% Change	# Change	Average Monthly Earnings, 2003 (4 quarter average, Thurston Co.)
Professional & business services	44.9%	2,200	Professional, Scientific, and Technical Services - \$3,863
Financial activities	22.6%	700	Finance & Insurance - \$3,941
Trade, Transportation, warehousing, & utility	15%	1,900	Transportation & warehousing - \$3,003
Natural resources, mining, & construction	13.3%	600	Construction - \$3,066
Total non-farm jobs	8.8%	7,225	\$3,039
Retail trade (sub-set of trade, transportation, warehousing, & utility)	6.1%	600	Retail trade - \$2,484
Leisure & hospitality	5.7%	400	Arts, entertainment, rec. - \$2,111 Accommodation & food - \$1,190
Manufacturing	-13.5%	-500	Food manufacturing - \$1,981 Manufacturing (general) - \$3,049
Federal government	-9.1%	-100	

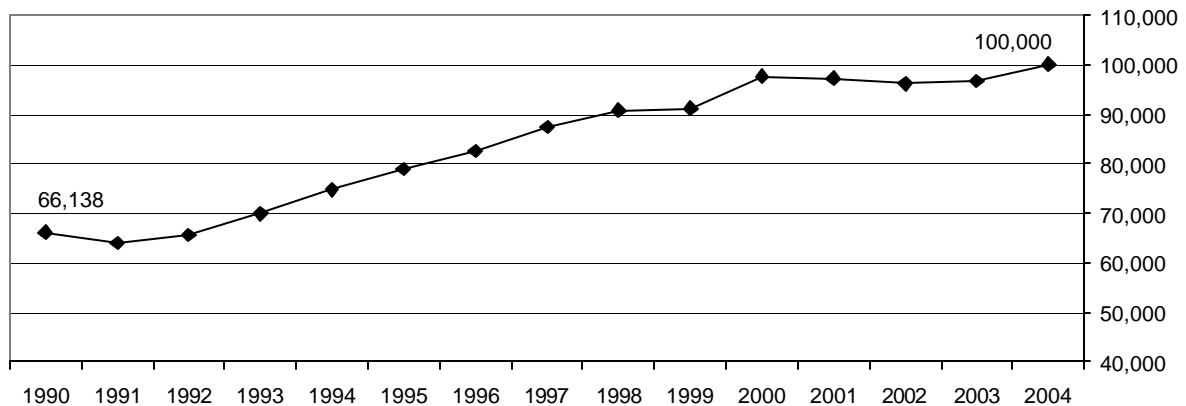
Source: Washington State Employment Security Department, Industry Employment and U.S. Census, Quarterly Workforce Indicators

Vancouver, Spokane, and Tacoma – Climbing out of recession

The metropolitan areas of Vancouver, Spokane, and Tacoma clearly felt the recession, but ended 2004 with a net increase in jobs over 2000. During the 1990s, private sector jobs boomed in Clark County. Between 1991 and 2000, the Vancouver area enjoyed a 47% increase in non-agricultural, private sector jobs. However, growth sagged after 2000, before resuming in 2003. The statewide loss of manufacturing and high tech jobs has been strongly felt in Clark County. Jobs manufacturing computer and electronic equipment in the county peaked in December 2000 at 5,300 jobs and have fallen every year since, plateauing at 2,900 during the first half of 2005. Paper manufacturing declined from 2,700 jobs early in 2000 to 1,900 in 2005. Altogether, the manufacturing sector in the county lost 22% of its jobs between 2000 and 2004. The information sector lost over 800 jobs, 23% of employment.

Job growth resumed in Clark County in 2003, and 2004 ended nearly 5,000 jobs ahead of 2000. That is a solid 4.1% increase, but not enough to keep up with the county's population growth of 11%. While many of the manufacturing and information sector jobs that were lost paid well above average wages, growth has been in a mix of areas. Some growth areas enjoy good pay, including finance and wholesale trade. Many of the new jobs, however, pay well below average, including general merchandise stores, administrative support, and health and social assistance occupations.

Private Sector Non-Agricultural Jobs, Clark County, 1990-2004²⁷



Source: U.S. Census Bureau, Quarterly Workforce Indicators

Vancouver Area (Clark County) Annual Average Job Change, 2000-2004

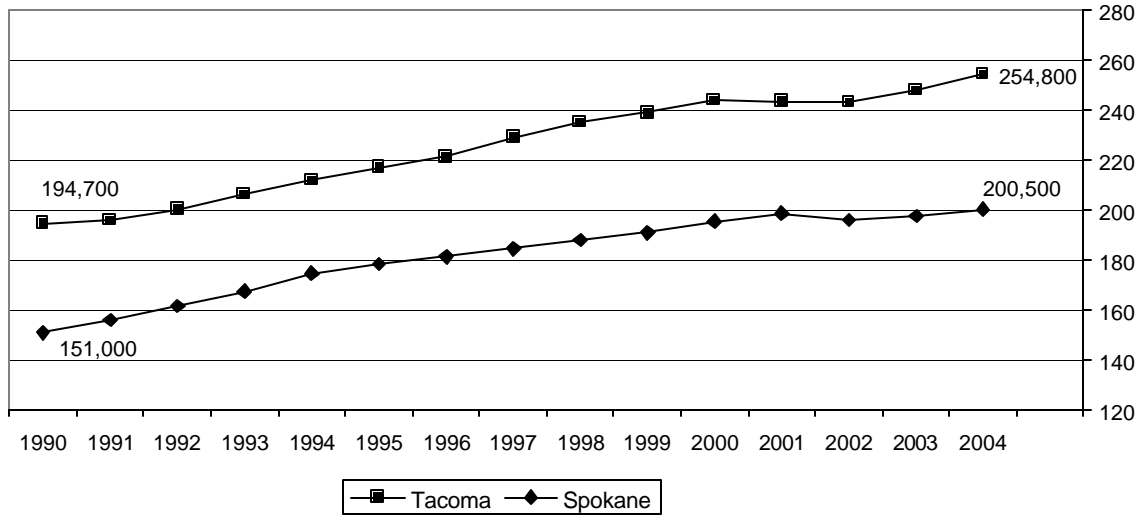
Industry	% Change	# Change	Average Monthly Earnings, 2003 (4 quarter average, Clark Co.)
General Merchandise stores	31.8%	950	General Merchandise stores - \$1,598
Financial & Insurance	30.8%	833	Finance & insurance - \$4,653
Health care & social assistance	21%	2,041	Ambulatory health care - \$3,483 Nursing and residential care - \$1,868 Social assistance - \$1,611
K-12 education	19.5%	1,725	
Wholesale trade	18.8%	775	Wholesale trade - \$4,141
Real estate, rental, and leasing	11.2%	241	Real estate, rental, and leasing - \$2,375
Retail trade	6.6%	883	
Total non-farm jobs	4.1%	4,825	\$3,020
Leisure & hospitality	2.3%	275	Arts, entertain, rec. - \$1,379 Accommodation & food - \$1,253
Information	-22.8%	-816	Information - \$3,772
Manufacturing	-22.2%	-3,841	Paper manufacturing - \$4,482 Computer and electronic - \$5,130

Source: Washington State Employment Security Department, Industry Employment and U.S. Census, Quarterly Workforce Indicators

Jobs in the Spokane area increased by 29% during the 1990s, a little ahead of the statewide average. Growth continued into 2001, dipped in 2002, and resumed at a slow pace in 2003. By 2004, Spokane had recovered the jobs lost to recession, but had not resumed the rate of growth it experienced in the 1990s. Slow growth is continuing in 2005. Manufacturing and information are two of the sectors that have experienced large job losses and have not recovered. The sub-sector of food and beverage stores has seen a loss of over 600 jobs, but in July 2005 overall retail trade was up 1,100 jobs over July 2000. The positive news for Spokane-area workers is that many of the jobs that are growing pay higher than the average

earnings in the county. Population growth in Spokane has also been at a relatively slow pace, equaling 3.4% between 2000 and 2004.

Non-Agricultural Jobs in Spokane and Pierce Counties, 1990-2004
(Annual Average in 1,000s)



Source: Washington State Employment Security Department, Industry Employment

Spokane County Annual Average Job Change, Selected Sectors, 2000-2004

Industry	% Change	# Change	Average Monthly Earnings, 2003 (4 quarter average, Spokane Co.)
Finance & Insurance	10.2%	892	Finance & insurance - \$4,414
Health & social assistance	9.6%	2,508	Ambulatory Health Care Services - \$2,846
Natural resources & construction	3.9%	433	Construction - \$2,932
Federal government	1.4%	67	
Total non-farm jobs	2.4%	4,692	\$2,760
Wholesale trade	-5.6%	-592	Wholesale trade - \$3,298
Food & beverage stores	-12.9%	-658	Food & beverage stores - \$2,066
Information	-17.1%	-617	Information - \$3,656
Manufacturing	-21.6%	-4,733	Computer and Electronic Product Mfg. - \$5,130

Source: Washington State Employment Security Department, Industry Employment and U.S. Census, Quarterly Workforce Indicators

The Tacoma area's diverse economy grew by nearly 50% during the 1990s. After a small dip in 2001 and 2002, Pierce County has resumed a brisk pace of growth. This growth is spread over both low and high-wage industries, primarily in the service sector. As throughout Washington, Tacoma has lost manufacturing and information industry jobs but has begun to regain a few of them. Overall, Pierce County had 9,300 more jobs in July 2005 than

July 2004, a 3.6% increase over the year. Pierce County's job growth of 4.5% between 2001 and 2004 closely matched the population growth rate of 4.3%.

Tacoma Metropolitan Area (Pierce County), Job Change 2001-2004

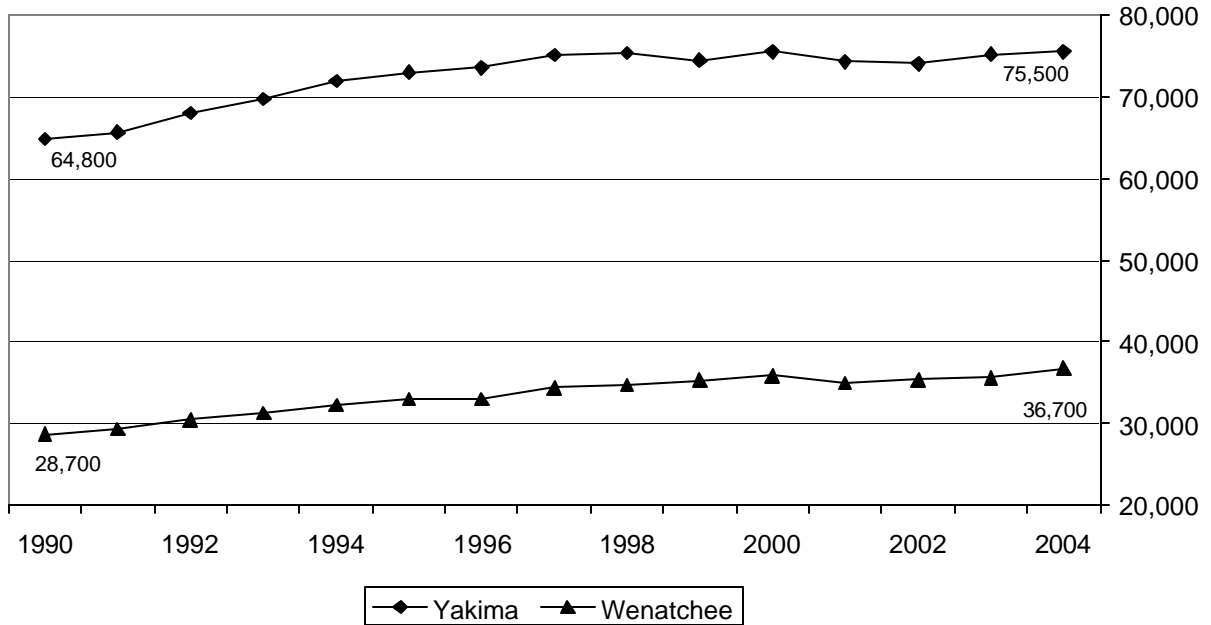
Industry	% Change 2001-2004	# Change 2001-2004	Average Monthly Earnings, 2003 (4 quarter average, Pierce Co.)
Administrative & support services	25.9%	2,433	Admin. & support services - \$2,257
General merchandise stores	20.5%	1,067	General merchandise stores - \$1,067
Specialty Trade Contractors	18.4%	1,767	Specialty trade contractors - \$3,119
Transportation, Warehousing, and Utilities	11.8%	1,042	Transportation & warehousing - \$3,782 Utilities - \$4,447
Hospitals	10.9%	825	Hospitals - \$3,723
Ambulatory Health Care Services	7.4%	867	Ambulatory Health Care Services - \$3,446
Financial Activities	7.2%	925	Finance & insurance - \$5,450
Food services & drinking places	6.6%	1,125	Food services & drinking places - \$1,275
Total non-farm jobs	4.5%	10,900	\$3,001
Retail trade	2.6%	767	Retail trade - \$2,077
Arts, Entertainment and Recreation	-7.9%	-333	Arts, Entertainment and Recreation - \$1,861
Durable goods manufacturing	-8.4%	-1,150	Fabricated metal product Mfg. - \$3,706 Wood product Mfg. - \$3,266 Computer & electronic product Mfg. - \$7,086
Information	-13.7%	-492	Information - \$3,256
Non durable goods manufacturing	-18%	-1,425	Food manufacturing - \$2,729 Paper manufacturing - \$4,096

Source: Washington State Employment Security Department, Industry Employment and U.S. Census, Quarterly Workforce Indicators

Yakima, Wenatchee, and Tri-Cities

Non-agricultural jobs in Yakima County grew slowly during the 1990s, increasing by 16.2% between 1990 and 1998. Between 2000 and 2002, Yakima County lost 1,500 jobs, or 2% of its total, and had regained them by 2004. Most sectors ended 2004 with very close to the same number of jobs they had had in 2000. Once again manufacturing had the largest loss of jobs, dropping from average monthly employment of 11,300 in 2000 to 9,400 in 2004. Manufacturing employment in July 2005 was down another 300 jobs from the previous year. The two areas with the largest job gains between 2000 and 2004 were health services and local government. Yakima County is also experiencing little population gain, growing only 2.2% between 2000 and 2004.

Yakima and Wenatchee Areas Annual Average Non-Agricultural Jobs, 1990-2004



Source: Washington State Employment Security Department, Industry Employment

Yakima County Average Annual Job Change, Selected Sectors, 2000 – 2004

Industry	% Change	# Change	Average Monthly Earnings, 2003 (4 quarter average)
Natural resources, mining & construction	6.1%	200	Construction - \$2,514
Local government*	9.7%	1,100	
Health services	8.8%	900	Health care & social assistance - \$2,570
Transportation, warehousing, utilities	7.4%	200	Utilities - \$4,033 Transportation & warehousing - \$2,559
Total non-farm jobs	0%	0	\$2,285
Leisure & hospitality	0	0	Arts, entertainment, rec. - \$1,342 Accommodation & food - \$1,153
Wholesale trade	- 11.1%	- 500	Wholesale trade - \$2,810
Non-durable goods manufacturing	- 15%	- 900	Food manufacturing - \$2,578 Paper manufacturing - \$4,171 Plastics & rubber products manufacturing - \$3,131
Federal government	- 23.5%	- 400	

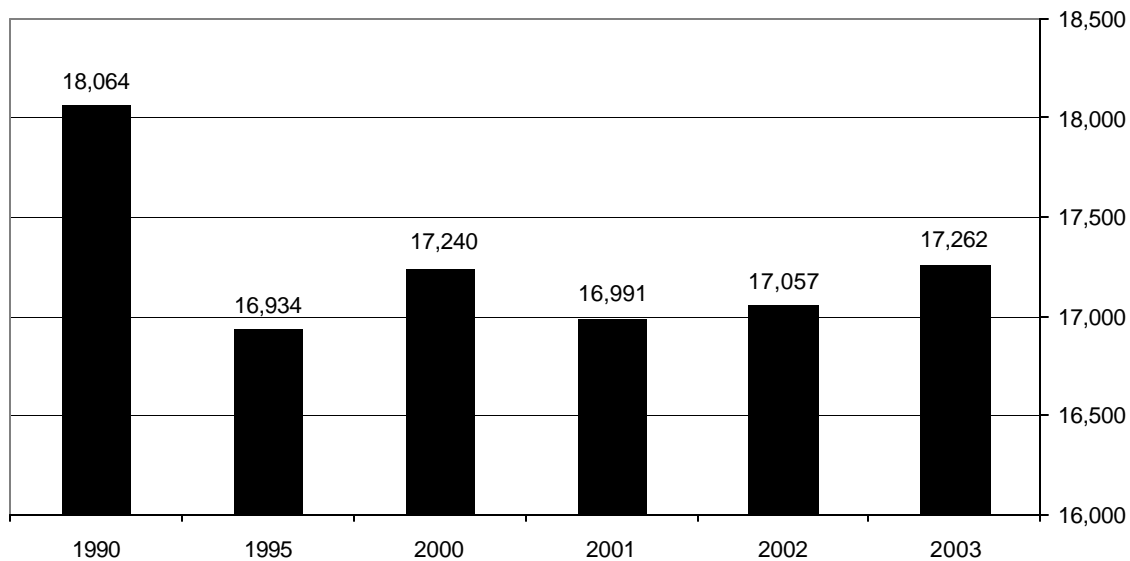
* In 2001, tribal employees were reclassified to government from other sectors, inflating the increase in government jobs. The Yakima Indian Reservation is located largely in Yakima county. Between 2001 and 2004, local government jobs, including schools, expanded by 700.

Source: Washington State Employment Security Department, Industry Employment and U.S. Census, Quarterly Workforce Indicators

Yakima's tepid job market of the last eight years is related to the agriculture sector. Yakima County has more acres devoted to apples and hops than any other county in the United States. The county is also a major producer of other fruits and vegetables, dairy, and cattle and calves.²⁸ Food manufacturing, wholesale trade, and other declining industries depend on the output of area farms, and farmers grow the produce that sells. As market forces impact agricultural production, related manufacturing and processing jobs are affected. Recently, fresh fruit packinghouses have been closing steadily because of consolidation.²⁹ Washington's last major asparagus processing plant has closed, as U.S. drug policy has encouraged Latin American farmers to grow asparagus and major corporations have moved from domestic to foreign supply.³⁰

Agricultural jobs compose a particularly large part of Yakima county's economy. In 2003, the county supported, on average, 75,200 non-agricultural jobs and 17,300 agricultural jobs each month. Farm jobs are volatile, varying from year to year with the crop and market conditions, as well as with longer-term trends. After peaking at 18,000 in 1990, average monthly agricultural jobs in the county dropped to near 16,000 in the early 1990s and has hovered around 17,000 since.³¹ Apples, cherries, and asparagus, along with other fruits and vegetables, provide the bulk of the farm sector jobs.³²

Yakima County Average Monthly Agricultural Jobs, 1990-2003



Source: U.S. Census, Quarterly Workforce Indicators

The Wenatchee area shares many characteristics with Yakima, but Chelan and Douglas counties have experienced stronger rates of growth in both jobs and population. Between 1990 and 2000, non-farm jobs in the Wenatchee area expanded by 25%, close to the overall rate for Washington state. The metropolitan area experienced a dip in jobs in 2001, but began gaining jobs again in 2002. Average monthly employment in 2004 was 2.2% above the 2000 level, and the first seven months of 2005 posted higher monthly totals than the corresponding months of 2004. Manufacturing and retail trade have lost jobs, while health services and leisure and hospitality jobs were up.

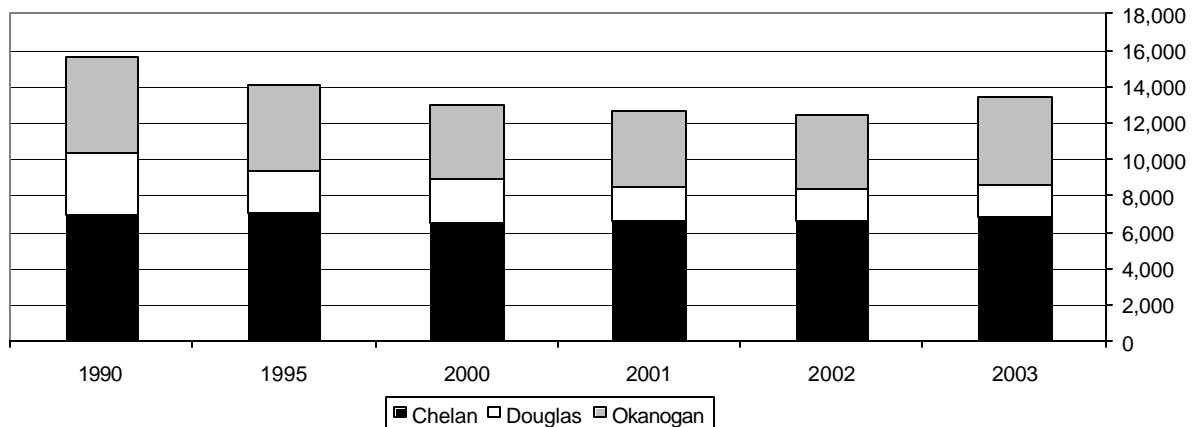
Wenatchee Area Average Annual Job Change (Chelan and Douglas Counties), 2000 – 2004

Industry	% Change	# Change	Average Monthly Earnings, 2003 (4 quarter average, Chelan Co.)
Natural resources, mining & construction	13%	300	Construction - \$3,287
Leisure & hospitality	6.7%	300	Arts, entertainment, rec. - \$1,547 Eating and drinking places - \$1,149
Educational and health services	13%	600	Ambulatory health care. - \$3,465 Hospitals - \$3,846
Total Non-farm jobs	2.2%	800	\$2,405
Retail trade	- 6.8%	- 400	\$1,832
Manufacturing	- 18.5%	- 500	Food manufacturing - \$2,728 Primary metal manu. - \$3,633

Source: Washington State Employment Security Department, Industry Employment and U.S. Census, Quarterly Workforce Indicators

Agricultural jobs make up 19% of the average monthly job total in Chelan County and Douglas County, about the same as in Yakima County. Apples, pears, and cherries are the biggest crops in North Central Washington.³³ Overall, average monthly farm jobs in the region declined between 1990 and 2000, but had turned up again in 2003.

**North Central Region Average Monthly Agricultural Jobs, 1990-2003
(Chelan, Douglas, and Okanogan Counties)**

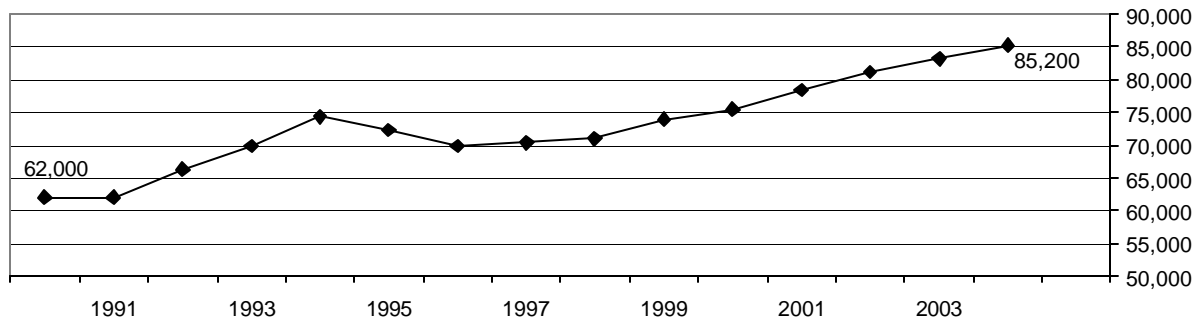


Source: U.S. Census, Quarterly Workforce Indicators

The Tri-Cities of Kennewick, Richland, and Pasco have a unique economy with a heavy reliance on the Hanford nuclear facility. In the early 1990s, large numbers of new workers came to the area for clean-up activities, but between 1994 and 1996 many of these jobs were cut.³⁴ Robust job growth resumed in 1998 and continued through 2004, with no hint of the general recession. In 2002, the Department of Energy employed over 15,000 contractors at Hanford, and the numbers have continued to go up each year.³⁵ Construction, school, and

other jobs have expanded to keep pace. The two-county metropolitan area has seen jobs increase by nearly 13% between 2000 and 2004, while population grew by 12%.

**Tri-Cities Average Monthly Non-Agricultural Jobs, 1990-2004
(Benton and Franklin Counties)**



Source: Washington State Employment Security Department, Industry Employment

**Kennewick-Richland-Pasco MSA (Benton and Franklin Counties)
Annual Average Job Change 2000-2004**

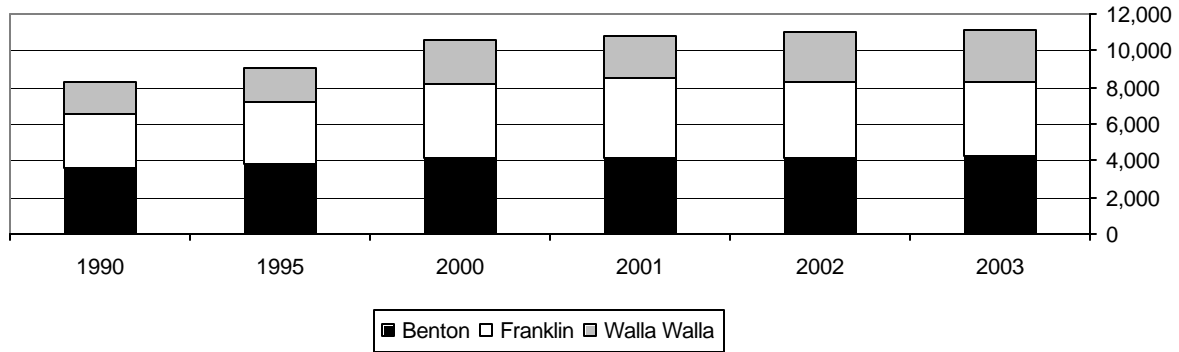
Industry	% Change	# Change	Average Monthly Earnings, 2003 Benton/Franklin county (4 quarter average)
Natural resources, mining & construction	29%	1,190	Construction - \$3,354/2,810
Educational & health services	27.4	1,891	Health care & social assist. - \$2,788/2,922 Educational services - \$2,591/2,801
Professional & Business Services	22.8%	3,880	Architecture, engineering services - \$5,272 Scientific research and development - \$5,347
State government	22.7%	408	
Financial Activities	22.2%	600	Finance & insurance - \$3,465/3,029
Total non-farm jobs	12.8%	9,700	\$3,343/2,502
Local government	11.2%	1,216	
Retail trade	3.7%	358	Retail trade - \$1,945/2,396
Leisure & hospitality	3.5%	258	Arts, entertain, rec. - \$1,049/1,438 Accommodation & food - \$1,213/1,064
Manufacturing	-6.4%	-380	Food manufacturing - \$2,965/2,581 Manufacturing (general) - \$3,700/2,778
Federal government	-3.9%	-59	

Source: Washington State Employment Security Department, Industry Employment and U.S. Census, Quarterly Workforce Indicators

Agriculture is also a major component of the Tri-Cities' economy. In contrast to the situation in Central Washington counties, agricultural employment in the counties surrounding the Tri-Cities expanded between 1990 and 2000, then remained fairly flat between 2000 and 2003.

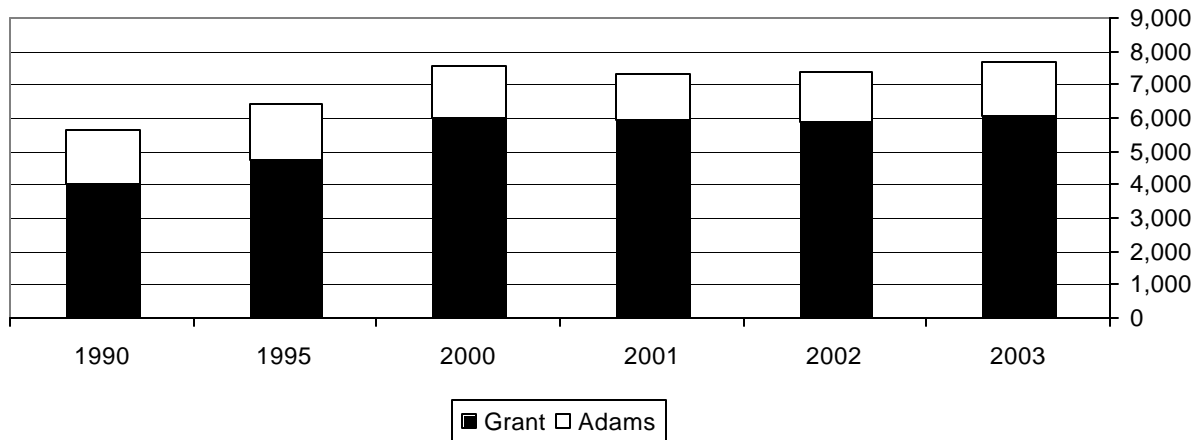
While fruit and vegetables are produced in these counties, potatoes, grapes, wheat, and cattle are important contributors.³⁶

**Average Monthly Agricultural Employment
in Benton, Franklin, and Walla Walla Counties, 1990-2003**



Source: U.S. Census, Quarterly Workforce Indicators

Average Monthly Agricultural Employment in Grant and Adams Counties, 1990-2003



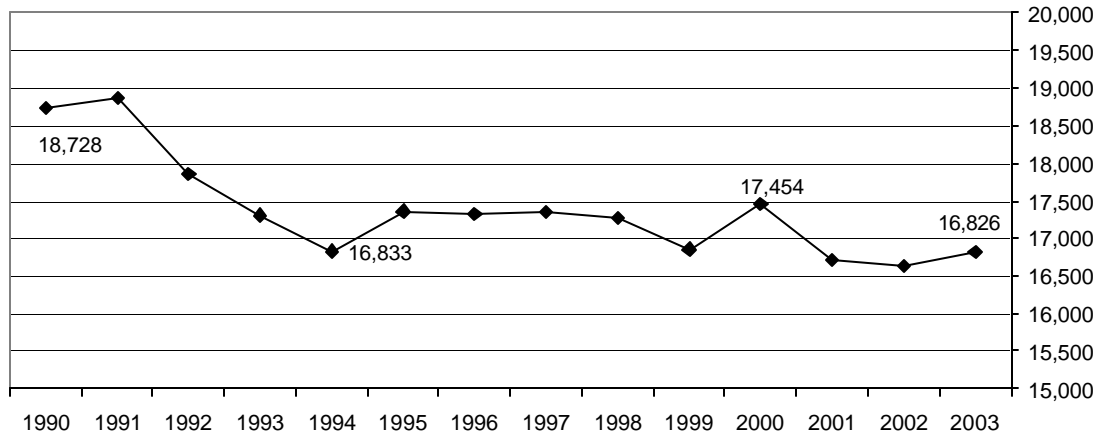
Source: U.S. Census, Quarterly Workforce Indicators

Grays Harbor County

Grays Harbor County did not experience the expansion in jobs during the 1990s that most regions of the state enjoyed. In fact, the area experienced a sharp drop in jobs in the early 1990s, particularly in the timber industry, and has yet to recover. Unemployment was as high as 15% in the early 1990s.³⁷ Today's much lower unemployment rate of 7% is more a reflection of fewer people looking than of more jobs being available. Between 2000 and 2002, the county experienced further job loss. Since 2003, employment has been creeping back up.

Wholesale trade has increased, along with transportation, warehousing, and utilities. Manufacturing jobs are also up modestly.³⁸ Compared to the jobs available in Grays Harbor County in 1990, most categories are down. Retail trade and government were among the few categories that provided more jobs in 2004 than in 1990.

Annual Average Private Sector Non-Agricultural Jobs, Grays Harbor County, 1990-2003



Source: U.S. Census Bureau's QWI Online (SIC) Data

Grays Harbor County Job Change 2000-2004

Industry	% Change	# Change	Average Monthly Earnings, 2003 (4 quarter average)
Wholesale trade	45.8%	228	Wholesale trade - \$3,664
Transportation, warehousing, & utilities	18.7%	108	Transportation & warehousing - \$3,174 Utilities - \$4,288
Manufacturing	2.2%	77	Food manufacturing - \$2,041 Manufacturing (general) - \$3,644
Educational Services	5.2%	125	
Total non-farm jobs	-11%	-2,998	\$2,599
Retail trade	-3.3%	-104	Retail trade - \$1,908
Information and financial activities	-6.5%	-83	
Federal government	-19.8%	-50	

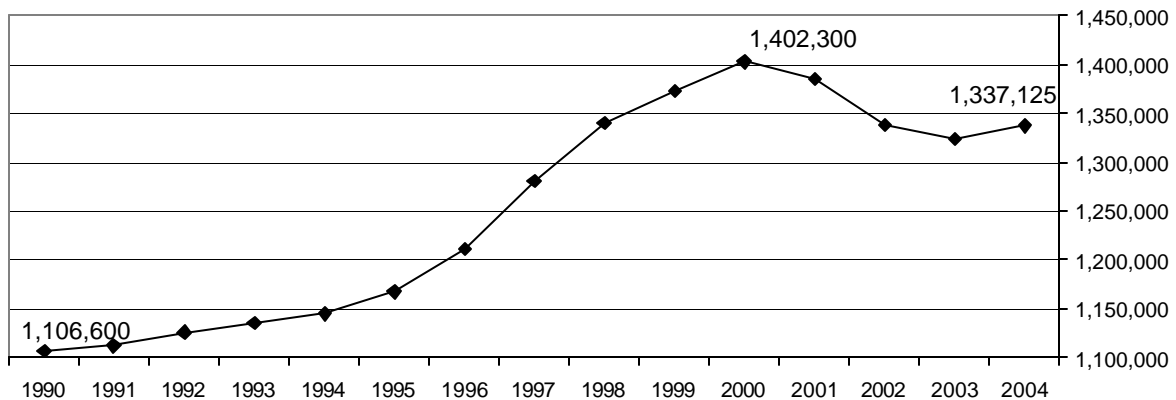
Source: Washington State Employment Security Department, Industry Employment and U.S. Census, Quarterly Workforce Indicators

Seattle-Bellevue-Everett Metropolitan Area (King and Snohomish counties)

The Seattle metropolitan area provides nearly half the jobs in Washington. While most other regions in the state have surpassed their pre-recession job levels, the Seattle area has clearly not yet fully recovered. Between 1990 and 2000, King and Snohomish counties enjoyed a 26.7% increase in jobs. However, from the peak in 2000, the metro area lost jobs through 2003. March 2004 was the first month to post an increase in jobs from the previous year. Since then, the Seattle area has added jobs steadily, but the July 2005 jobs total was still 13,000 below July 2000. Big losers included manufacturing, which lost over 45,000 jobs between 2000 and 2004; construction, down by 6,400; retail trade, down by 8,800; and computer system design, down by 8,300. Jobs in these sectors have been replaced by gains in multiple occupations. Some of the growing occupations enjoy high rates of pay, including software publishing and credit services. Other growing fields, such as non-profit work, health services, and child care, do not come close to matching the wage and benefit packages of the lost manufacturing and professional jobs. Over the past year, manufacturing and professional jobs also turned around. From July 2004 to July 2005, 7,100 new manufacturing jobs were created along with 4,800 professional, scientific, and technical services jobs.

King County continues to lag more than Snohomish. In July 2005, King County jobs remained 24,700 behind the July 2000 figure, while Snohomish County was more than 10,000 ahead.

Annual Average Non-Agricultural Jobs, Seattle-Bellevue-Everett Metropolitan Area, 1990-2004



Source: Washington State Employment Security Department, Industry Employment

Seattle – Bellevue – Everett MD (King and Snohomish Counties)
Job Change in Selected Sectors, 2000-2004

Industry	% Change	# Change	Average Monthly Earnings, 2003 (4 quarter avg, King/Snohomish Co.)
Software publishers	21.7%	6,800	Software publishers - \$13,592/\$5,071
Credit Intermediation & Related Activities	21.5%	5,300	Credit Intermediation & Related Activities - \$5,675/\$5,110
Management of Companies and Enterprises	12.6%	2,700	Management of Companies and Enterprises - \$4,514/4,639
Religious, Grantmkg, Civic, Prof & Similar Org.	14.8%	2,975	Religious, Grantmkg, Civic, Prof & Similar Org. - \$2,922/2,055
Ambulatory Health Care Services	14.7%	6,325	Ambulatory Health Care Services - \$3,402/3,466
Social Assistance	10.6%	2,050	Child Day Care - \$1,435 Individual and Family Services - \$2,062
Arts, Entertainment and Recreation	9.2%	2,058	Arts, Entertainment and Recreation - \$2,975/2,238
State Government Education	9%	3,517	
Local Government	6.5%	6,942	
Food Services & Drinking Places	1.2%	975	Food Services & Drinking Places - \$1,509
Total non farm jobs	-4.6%	-65,175	\$4,225/3,515
Wholesale trade	-4.9%	-3,542	Wholesale trade - \$4,911/4,339
Retail trade	-5.9%	-8,792	Retail trade - \$2,650/2,294
Professional, Scientific & Technical Services	-12%	-11,658	Computer systems design - \$6,710/3,988 Architecture, engineering - \$5,260/4,972 Accounting, tax prep, etc. - \$4,348/3,652
Manufacturing	-23.7%	-45,283	Computer & electronic product - \$4,871/5,815 Aerospace - \$6,588

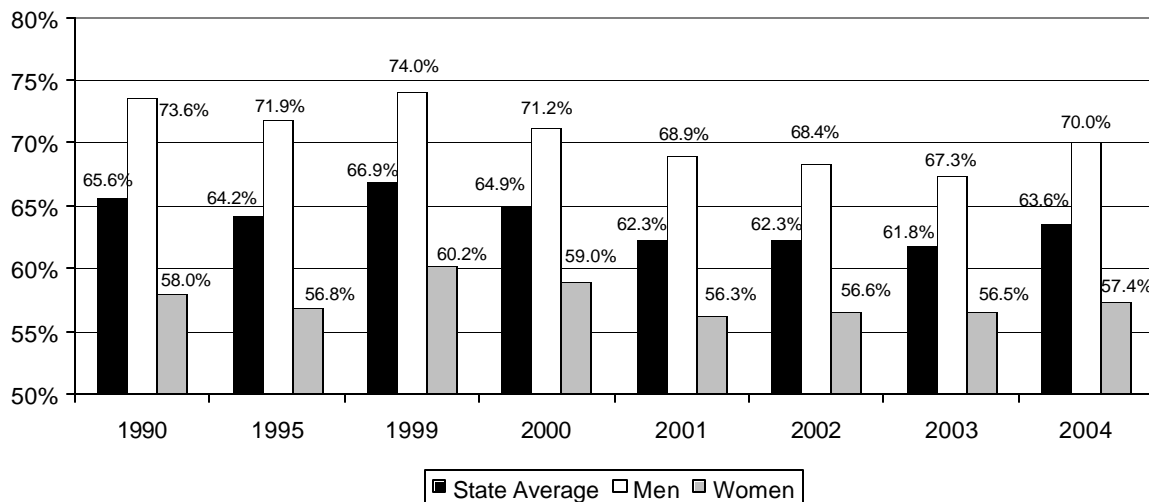
Part III. Measures of Security and Insecurity

Even as jobs rebound throughout most of Washington, by a number of measures, economic insecurity remains high. General unemployment rates remained higher in 2004 than the rates from 1996-2001. Nearly one-fourth of those who were unemployed in 2003 and 2004 had been without a job for longer than six months. Poverty rates were still climbing in 2003. While median wages and household incomes in Washington resumed growth in 2002 and 2003, the median earnings for Washington men fell again in 2004. Access to health insurance and to workplace retirement and paid leave benefits continued to fall in 2004. Meanwhile costs of housing, child care, health care, gasoline and other basic necessities rose faster than inflation.

Employment rates

During the latter half of the 1990s, jobs increased faster than population in Washington. In 1995, 64% of Washington's non-institutionalized residents over age 16 were employed. By 1999, that number had pushed up to 67%. The employment rate increased for both men and women, from 72% to 74% for men and from 57% to 60% for women. However, from 1999 to 2003, the employment-to-population ratio declined, falling to 67% for men and 56.5% for women. The numbers were up in 2004, but the employment rate for men remained under the 1995 level, and the rate for women was still well under the 1999 peak.

**Percentage of Washington Adults Employed
(of non-institutionalized population age 16+)**



Source: Economic Policy Institute analysis of Current Population Survey data

Unemployment and underemployment

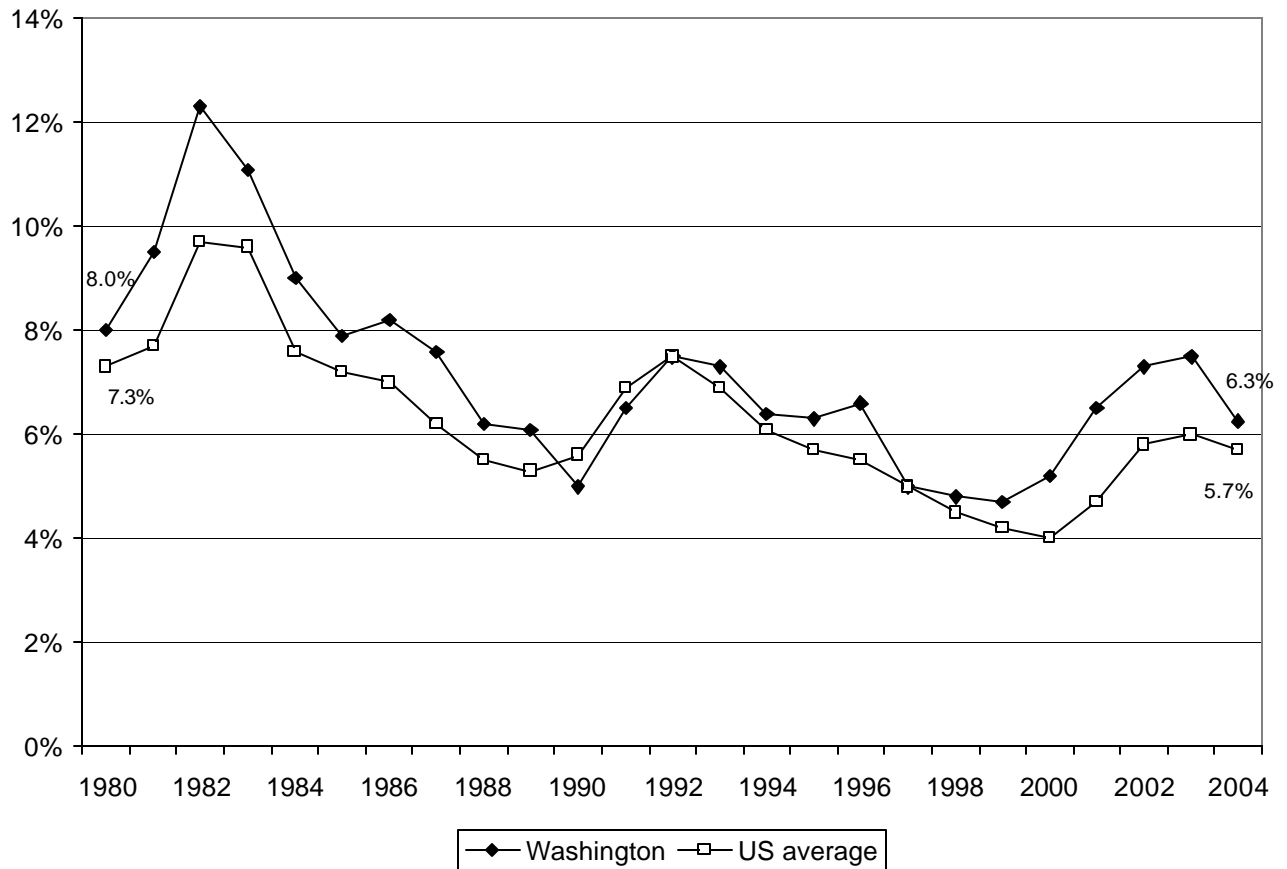
The unemployment rate counts only individuals who are not working and who are also actively looking for a job and able to work if they find one. It does not count those who have given up, do not believe they could find a job, or would like to work more hours or in a different position. Therefore, by itself the unemployment rate only gives a partial picture of the match between jobs and potential workers. The unemployment rate in Washington increased from 5% in 2000

to an annual average of 7.4% in 2003 as the state lost jobs. By July 2005, the seasonally adjusted rate had fallen to 5.7%, even as the labor force expanded.³⁹

Despite its continuing jobs deficit, King County still had one of the lowest unemployment rates in the state, at 4.6%. Ferry County was the highest at 8%, followed by Lewis County at 7.3% and Grays Harbor at 7%. Clark County stood at 6.8%, Yakima County at 6.7%, and Pierce County at 6%.

Washington's unemployment rate has typically been about a point higher than the national average. The national recessions, which have hit about every decade in the early 1980s, 1990s, and opening of the 21st century, are evident in the following graph. Washington fared relatively well compared to the rest of the country during the recession of the 1990s, but was hit harder than average both in the most recent recession and in the 1980s.

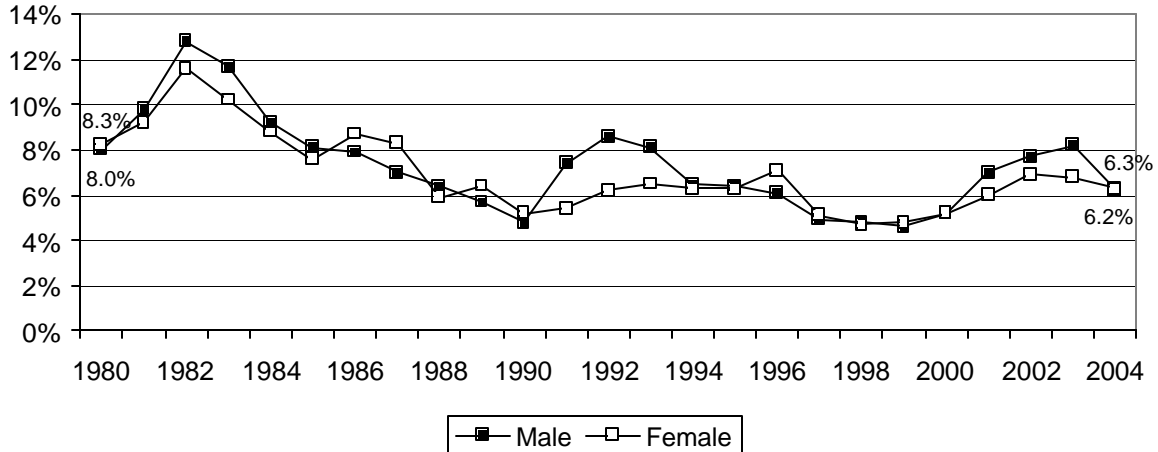
Average Annual Unemployment Rate, Washington and U.S. Average, 1980-2004



Source: Bureau of Labor Statistics

During each of the last three recessions, men experienced somewhat higher rates of unemployment than women.

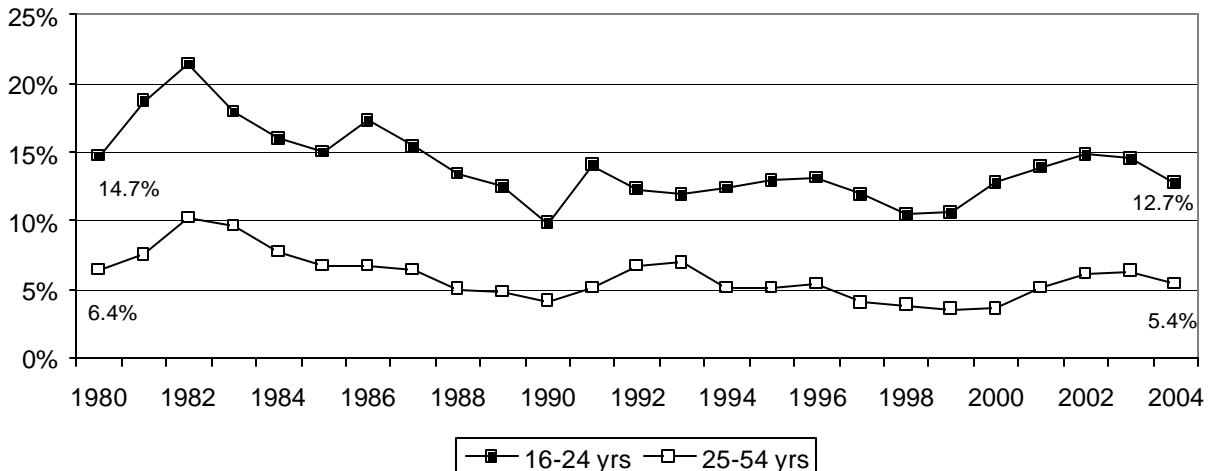
Washington Unemployment Rate by Gender, 1980-2004



Source: Economic Policy Institute analysis of Current Population Survey data

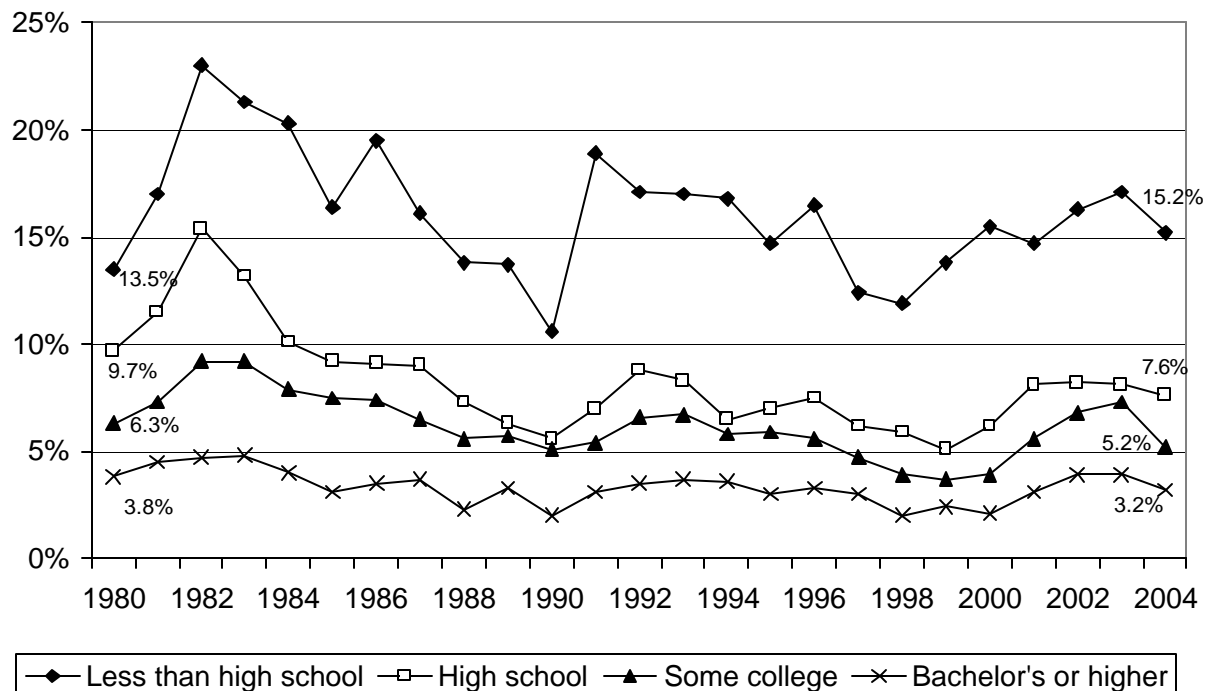
Even during economic booms, workers under age 25 and those without a high school diploma suffer much higher rates of unemployment than more experienced and better educated workers. Young and under-educated workers saw their already high unemployment rates begin to climb in 1999, a year earlier than the general workforce. Unemployment rates for all groups remained relatively high through 2003 and were dropping by 2004.

Washington Unemployment Rate by Age, 1980-2004



Source: Economic Policy Institute analysis of Current Population Survey data

Washington Unemployment Rate by Education, 1980-2004



Source: Economic Policy Institute analysis of Current Population Survey data

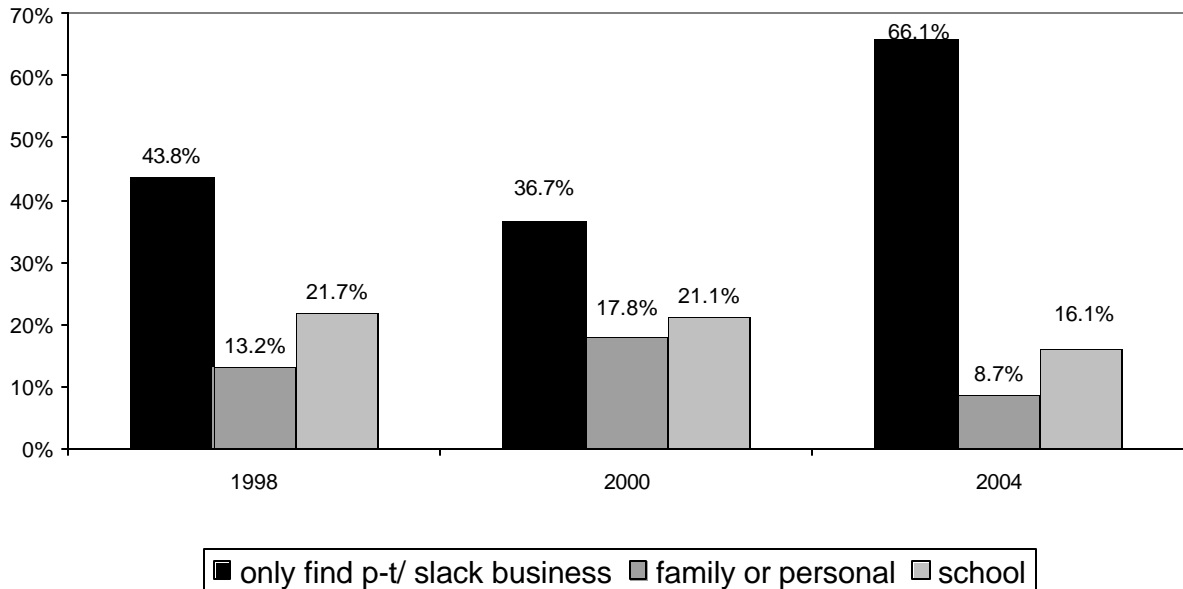
Not only were more people unemployed in the early years of the 21st century, but they were unemployed for longer periods. Even as jobs resumed growth, long-term unemployment continued. In 1999, 10.5% of those who went through a bout of unemployment were still looking for a job 26 weeks later. By 2001, that percentage had increased to 11.3%, and in 2002, it jumped to 20.6%. In 2004, the long-term unemployment rate further increased to 22.3%.⁴⁰

The unemployment insurance system is designed both to help individual families cope with layoffs and to provide economic stimulus to counter recessions. Workers receiving unemployment benefits are able to maintain essential spending, minimizing the effects of layoffs on the rest of the community. As the most recent recession took hold, Washington residents who were out of work became *less* likely to receive unemployment insurance benefits. In 1998, 54.5% of the state's unemployed received unemployment insurance. That rate fell to 50.1% in 2001 and was only 39% in 2004. Out-of-work Washingtonians still fared better than the national average, even with that decline. Nationally, only about 36% of the unemployed received benefits in both 1998 and 2004, while 44% qualified in 2001. The average weekly benefit in Washington in January 2004 was \$334.51, compared to a national average of only \$267.11.⁴¹

As another indicator of economic insecurity, part-time work also increased between 1999 and 2001, from 26.4% of workers to 27.6%. That percentage remained above 27% through 2003, then in 2004 dropped back to the same level as in 1999.⁴² However, the percentage of people who reported they worked part time mainly for economic reasons shot up between 2000 and

2004, from 36% to 66%. The proportion of those working part time for family or personal reasons or because of school decreased.⁴³

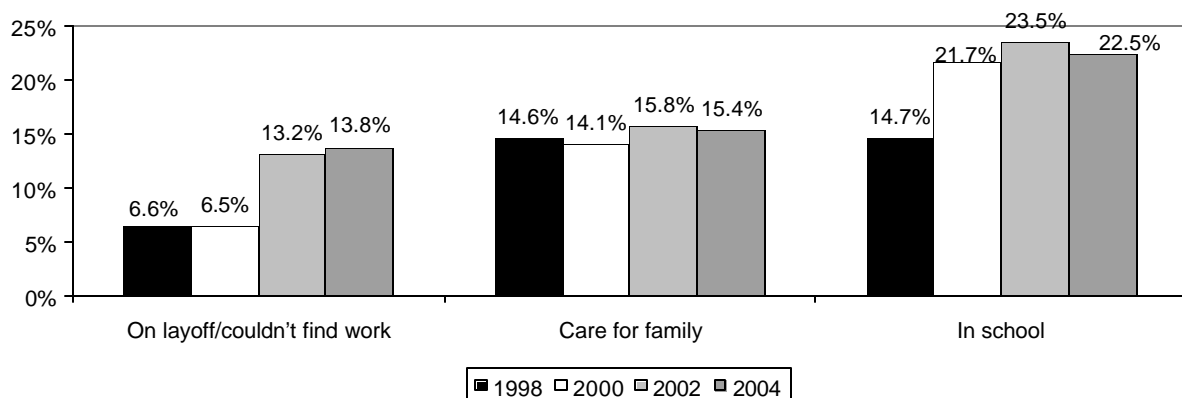
Main Reason for Working Part Time



Source: Washington State Population Survey

The Washington State Population Survey conducted every two years asks people who are not employed the main reason they did not work for pay the previous week. Between 1998 and 2004, the percentage of those who reported being laid off or unable to find work more than doubled, from 6.6% to 13.8%. The increase was particularly stark in King County, where only 5.4% reported being laid off or unable to find a job in 1998 and 15.5% cited those reasons in 2004. The non-employed who were in school also increased, while the percentage who were retired dropped from 44% to 37%; those who reported caring for the home or family remained about level, near 15%.⁴⁴

Main Reason for Not Working Last Week (of those not working for pay)

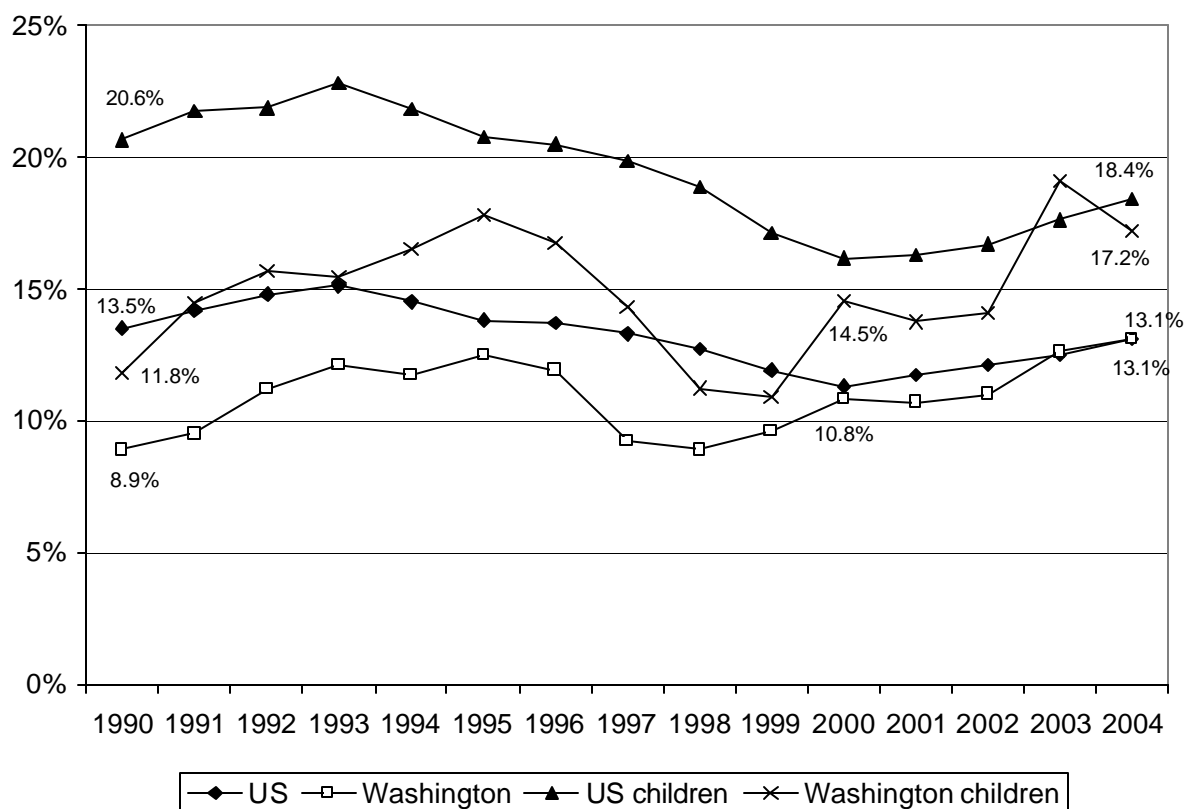


Source: Washington State OFM, State Population Survey

Poverty

Not surprisingly, when jobs abounded, poverty declined and vice versa. Between 1990 and 1995, the employment-to-population ratio dropped and poverty rose. Between 1995 and 1998, when jobs increased rapidly, rates of poverty for all Washington residents and for Washington children declined. Throughout the 1990s, Washington's poverty rate was lower than the national average. However, Washington's poverty rate began going up as manufacturing jobs began to decline in 1998, while the national poverty levels continued to drop until 2000. Both the state and national rates have edged up every year between 2001 and 2004. In 2004, Washington's overall poverty rate matched the national level of 13%. In 2003, Washington's child poverty exceeded the national rate, reaching over 19%. In 2004, the state child poverty rate dropped to 17.2% while the national rate continued to climb to 18.4%.⁴⁵

Poverty Rates for Children and Total Population, U.S. and Washington, 1990-2004



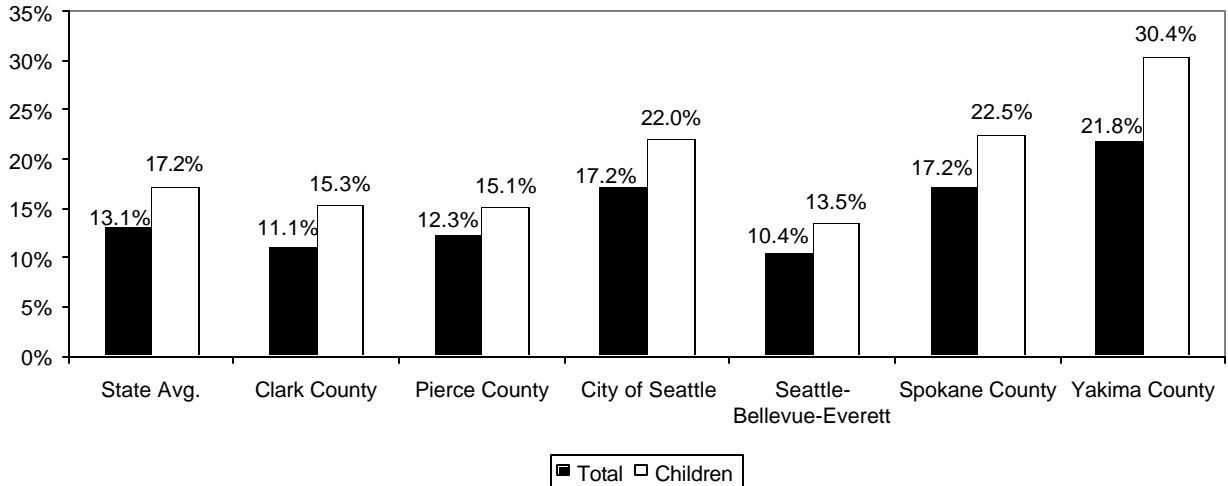
Source: Economic Policy Institute analysis of U.S. Census data

The federal poverty thresholds are quite low, only \$12,830 for a family of two and \$19,350 for a family of four in 2005.⁴⁶ Families with incomes up to twice the poverty level frequently struggle to meet basic expenses. The percentage of Washington residents with incomes below 200% of the poverty level followed the same basic pattern as poverty rates. Between 2000 and 2003, the state rates stayed just below the national average. In 2003, 29% of state residents and 36.5% of state children lived in households with incomes below this level.

The incidence of poverty varies across the state. Poverty rates remain lower in suburban King and Snohomish counties than in other regions of the state, but are relatively high within the city

of Seattle. Poverty is more prevalent in Central and Eastern Washington than along the I-5 corridor. In Yakima County, over 30% of children live below the poverty level.

Poverty Rates for Children and Total Population by Region, 2004

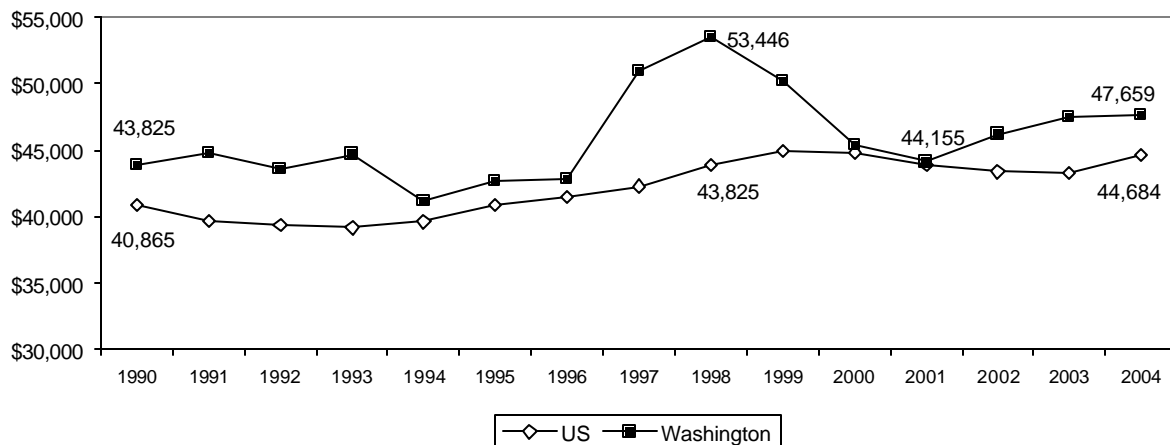


Source: U.S. Census, American Community Survey, 2004

Income and earnings

Median household income mirrored poverty rates in reverse. Washington's median income has remained higher than the national level. State median income rose sharply to a peak of \$54,000 in 1998, then fell almost as dramatically to below \$45,000 in 2001. Washington's median income rose in 2002 and 2003, but remained nearly level in 2004, at \$47,659. The national median income continued to trend down through 2003, then rose in 2004 to \$44,684.

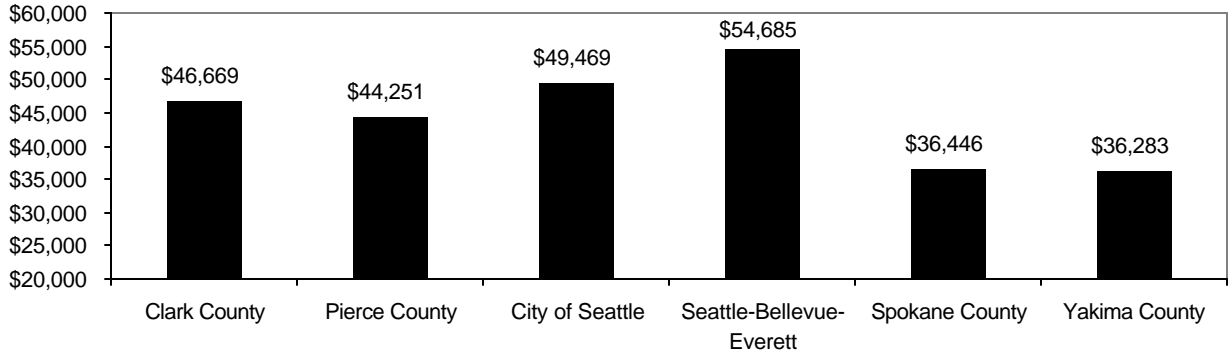
Median Household Income in 2004 Dollars, 1990-2004



Source: Economic Policy Institute analysis of U.S. Census data

Within the state, the suburban Seattle metropolitan area enjoys the highest income levels. Median household income in King and Snohomish counties is about \$18,000 higher than in Spokane and Yakima counties.

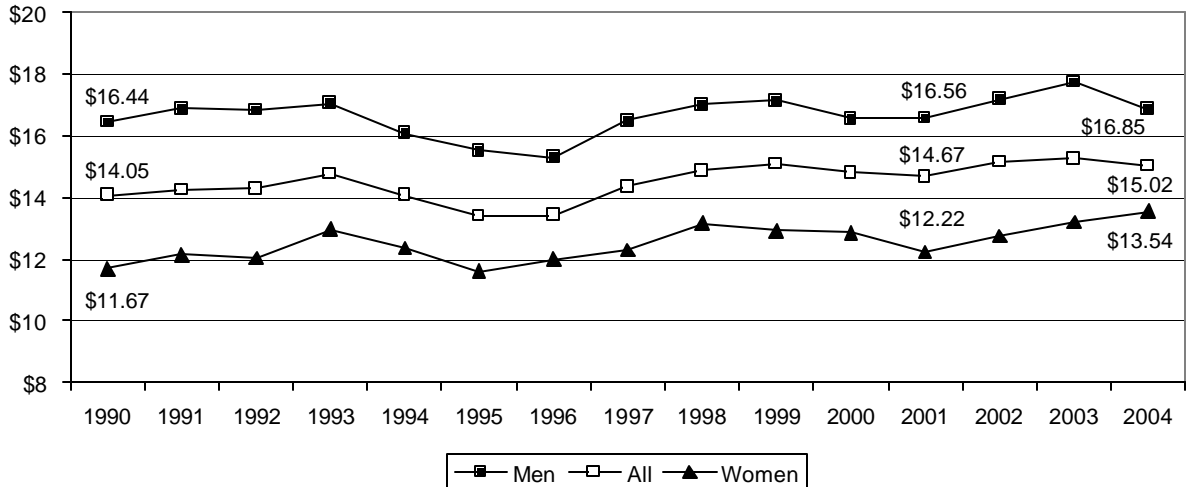
Median Household Income by Region, 2003



Source: U.S. Census, American Community Survey, 2003

Hourly earnings for most workers rose in tight job markets and fell during economic downturns. Women still typically earned \$3.31 less per hour than men, but they ended 2004 with significantly higher median wages than in 1990. The median male worker, on the other hand, earned very close to the same amount in 2004 as in 1990.

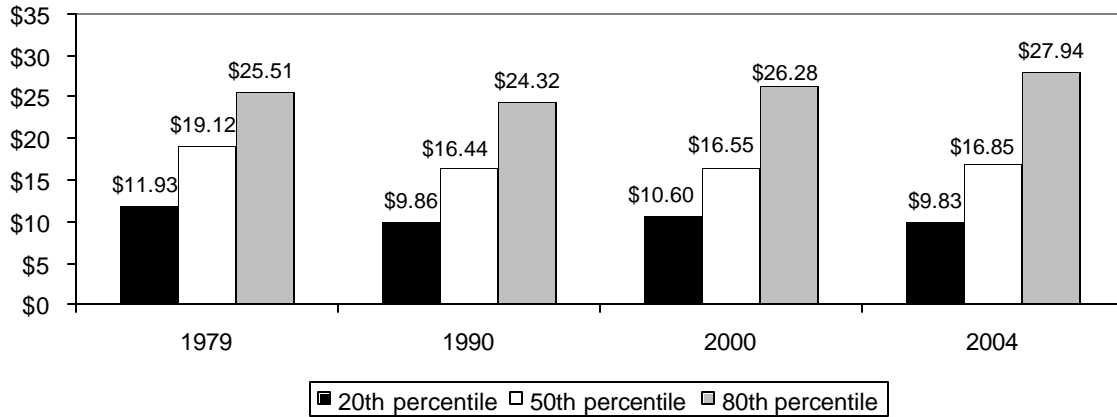
Median Wages for Washington Workers, in 2004 Dollars



Source: Economic Policy Institute analysis of U.S. Census data

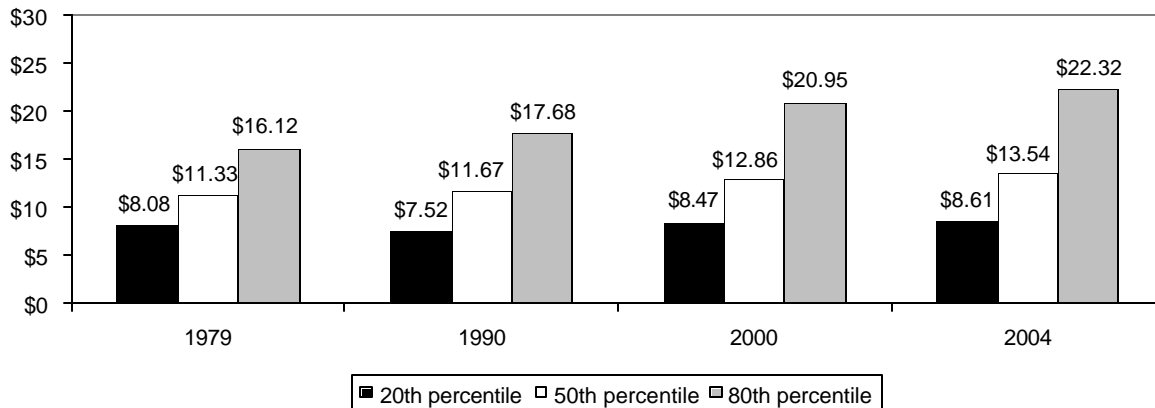
In fact, once their earnings are adjusted for inflation, middle and low-income men earned less per hour in 2004 than their counterparts did in 1979. High-earning men, on the other hand, have experienced a real increase over the past 25 years. Among women, low earners have seen their wages largely stagnate, but middle and high earners have enjoyed steady increases although staying well below the earnings of men.

Washington Men's Hourly Wages, 20th, 50th, and 80th Deciles, 2004 Dollars



Source: Economic Policy Institute analysis of U.S. Census data

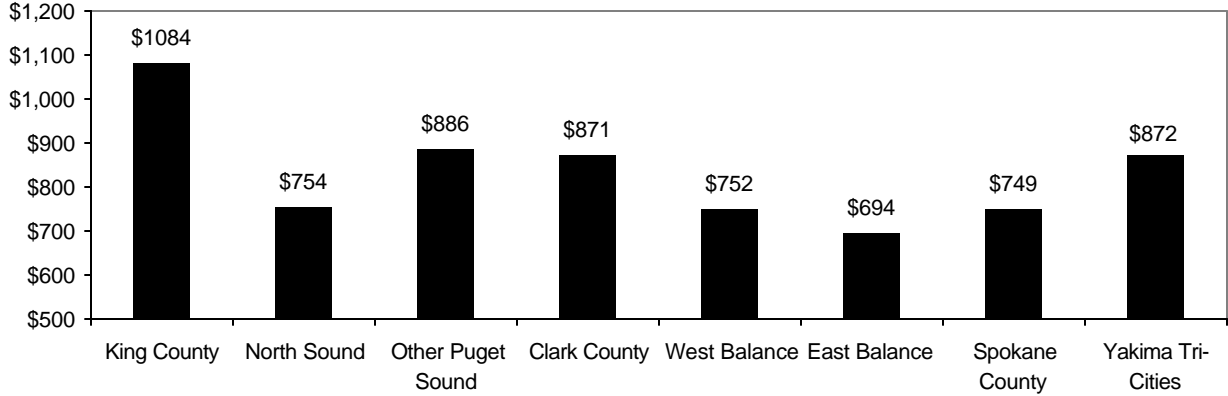
Washington Women's Hourly Wages, 20th, 50th, and 80th Deciles, 2004 Dollars



Source: Economic Policy Institute analysis of U.S. Census data

Weekly earnings depend on a combination of hourly wages and the number of hours worked. Median weekly earnings were highest in the urban areas of Western Washington and lowest in the most rural areas, according to the Washington State Population Survey.

Median Weekly Wages, 2003



North Sound includes Island, San Juan, Skagit, and Whatcom counties; Other Puget Sound: Kitsap, Pierce, Snohomish, Thurston; West balance: Clallam, Cowlitz, Grays Harbor, Jefferson, Klickitat, Lewis, Mason, Pacific, Skamania, Wahkiakum; East balance: Adams, Asotin, Chelan, Columbia, Douglas, Ferry, Garfield, Grant, Kittitas, Lincoln, Okanogan, Pend Oreille, Stevens, Walla Walla, Whitman; Yakima-Tri-Cities: Benton, Franklin, Yakima.

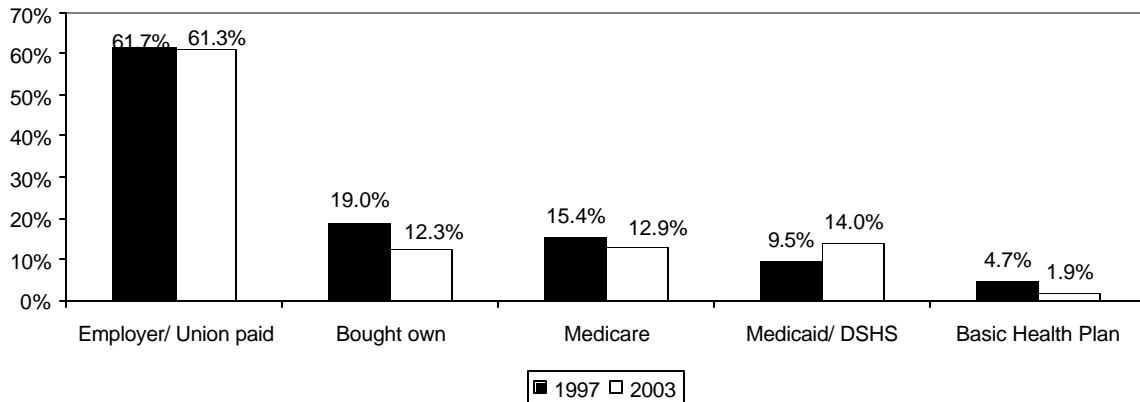
Source: Washington State OFM, State Population Survey, 2004

Benefits

In the soft economy, workplace benefits have eroded. The percentage of Washingtonians without health insurance gradually increased from 11.4% in 1990, to 13.5% in 2000, to 15.5% in 2003. The percentage of uninsured fell back to 13% in 2004. Private-sector insurance declined from covering 77% of state residents in 1990 to 70% in 2004, while government-provided insurance, such as Medicare and Medicaid, expanded from 23% to 29%.⁴⁷

The percent of state residents with employer or union-provided health insurance stayed at about 61% between 1997 and 2003. The big decline in private insurance has come in individuals purchasing their own plan. Coverage under the Basic Health Plan, the state's program for low-income workers, fell by more than half, from 4.7% to only 1.9% of state residents, as the state legislature reduced funding for the program.⁴⁸

Source of Health Insurance for Washington Residents, 1997 and 2003



Note: Individuals may have more than one type of insurance, so totals may equal more than 100%.

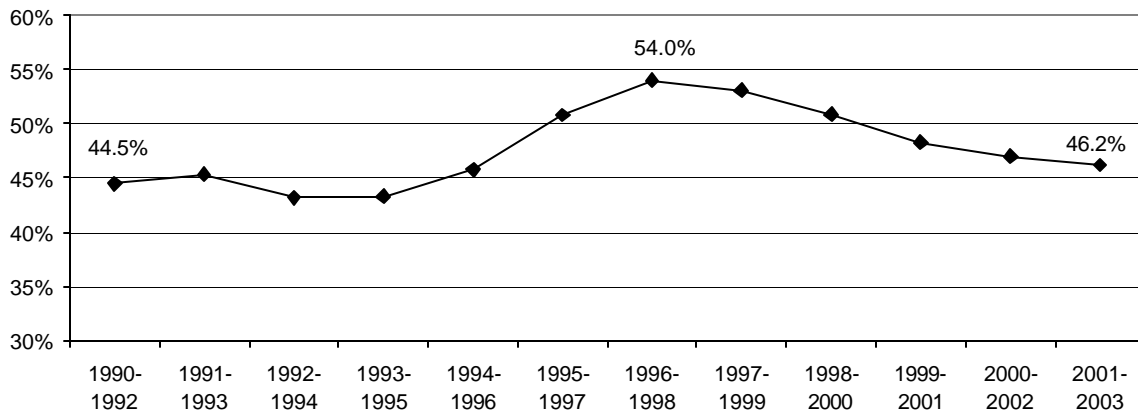
Source: Washington State OFM, State Population Survey, 2004

Children were both more likely to be covered and more often covered by government insurance than non-senior adults. Only 7% of the state's children had no health insurance in 2004. Thirty-six percent of children were covered under government-sponsored programs. With the onset of the recession in 2001, the percentage of Washington children without health insurance rose, from 9.2% in 2000 to 11.3% in 2001. Since then, the rate of uninsured children has fallen every year. State residents over age 65 were almost universally covered in 2004, mainly through Medicare.⁴⁹

Among those without health insurance in Washington, 79% said they could not afford it.⁵⁰ The only good news about healthcare costs is that the rate of increase has slowed, from 9.3% in 2002 to 7.5% in 2004. Not only are total costs increasing, but out-of-pocket costs are rising, as employers shift costs to employees. In a national survey conducted in the spring of 2005, 66% of Americans said their health insurance premiums had gone up in the past five years, and 50% reported paying more for both co-payments and deductibles.⁵¹ The United States spent 15.4% of its gross domestic product on health care in 2004, far more proportionally than any other country in the world.⁵² The United States remains virtually alone among advanced economies in not assuring universal health insurance coverage, and it has higher rates of infant death and lower life expectancies than many countries with far lower total health costs.⁵³

The percentage of workers receiving retirement and paid leave benefits has fallen. Pension coverage for Washington workers has followed a predictable pattern, tracking closely with overall employment and wages. The percentage of private-sector workers covered by a retirement plan increased in the mid-to-late 1990s to a high of nearly 55% and dropped to about 46% by 2003.

Private Sector Pension Coverage, Washington Workers, 1990-2003

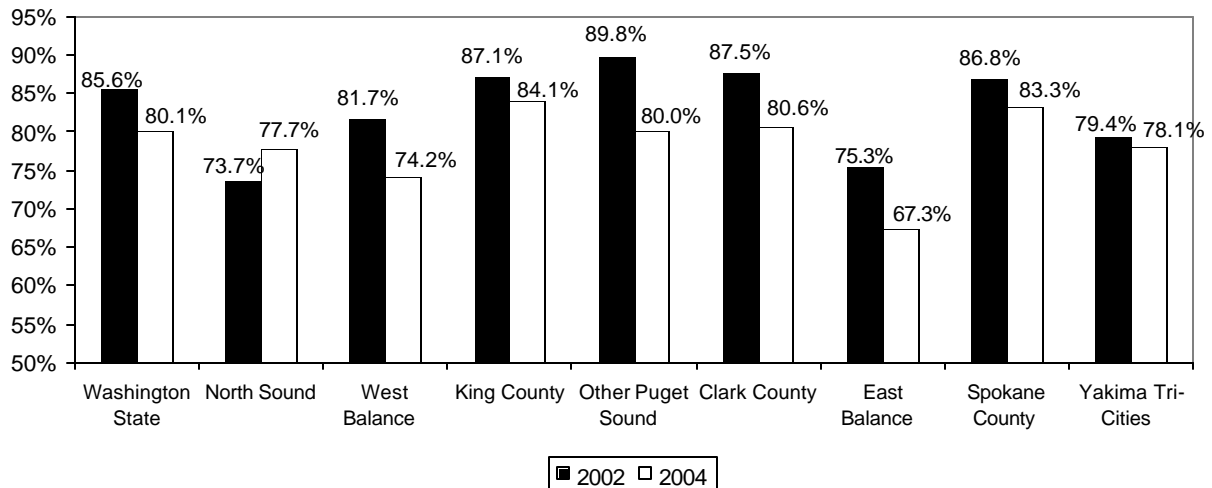


Note: These figures are given in three year rolling averages, because of the low sample size.
Source: Economic Policy Institute analysis of U.S. Census data

The percentage of Washington workers who reported that their employers provided paid leave dropped from 85% in 2002 to 80% in 2004. Unfortunately, we have little state-specific data on this important component of job quality and family economic security. The state's population survey, conducted every two years, asks only if the employer provides leave, but not what type, how much, or even if the worker being questioned has access to the leave. Workers in highly

urbanized regions of the state were more likely to get paid leave and all other workplace benefits.⁵⁴

Washington Workers Whose Employers Offer Paid Sick Leave or Vacation, 2002-2004



Source: Washington State OFM, State Population Survey, 2002 and 2004

Provision of paid leave and all types of workplace benefits varies significantly by type of industry. Workers in accommodation and food services, retail trade, construction, and natural resource industries are particularly unlikely to receive workplace benefits. Many employers provide paid leave for full-time workers but not part-time, according to a survey of state employers conducted by the Employment Security Department. That survey in 2004 found that 73% of the state's private-sector employers provided paid vacation to full-time employees, but only 20% to part-time. Sick leave was provided less frequently, 46% for full-time workers and 12% for part-time. Those numbers have been declining. In 2002, full-time workers received vacation from 77% of employers and sick leave from 56%.⁵⁵

Percent of Firms Providing Benefits to Full-Time Employees

Industry	Health Insurance	Retirement Plan	Paid Vacation	Paid Sick Leave
Wholesale trade	85%	57%	90%	69%
Professional & technical services	80%	60%	90%	75%
Manufacturing	78%	49%	84%	38%
Finance & insurance	76%	64%	94%	81%
Information	74%	44%	80%	71%
Health care & social assistance	74%	57%	88%	69%
Construction	61%	36%	62%	27%
Real estate	61%	31%	77%	60%
Arts, entertainment, and recreation	60%	26%	67%	44%
Retail trade	55%	29%	70%	34%
Agriculture, forestry, fishing, hunting	34%	17%	40%	22%
Accommodation & food services	26%	11%	42%	15%

Source: Washington State Employment Security Department, 2004 Employee Benefits Survey

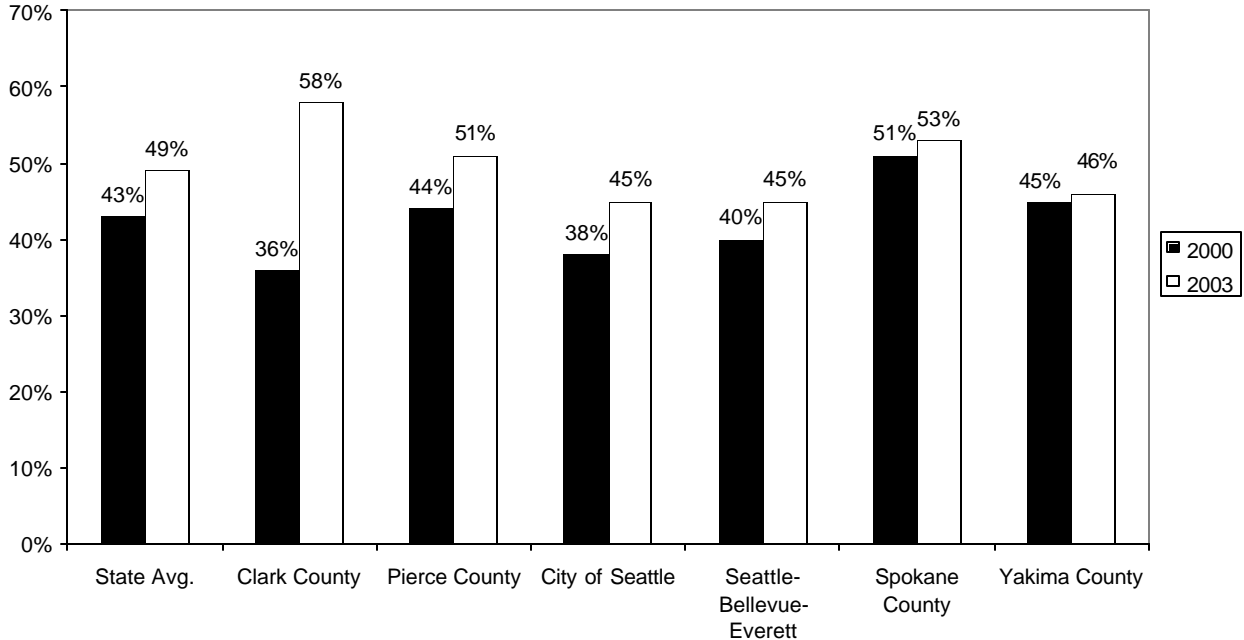
Union membership fell between 1990 and 2000, from close to 23% of the workforce to 18%. Much of the decline occurred between 1998 and 2000, with the drop in manufacturing employment. Between 2000 and 2004, union membership rose to over 19%.⁵⁶

Increasing costs for family essentials

Inflation has been relatively low in the opening years of the 21st century. Nevertheless, prices, as measured by the Consumer Price Index, have risen 13.2% between 2000 and 2005.⁵⁷ The cost of some basic necessities has gone up faster than inflation and personal income, including housing, child care, health care, and gasoline.

Nearly half of Washington residents who rent their homes pay more than 30% of their income for housing. Between 2000 and 2003 the percentage of renters paying over this common measure of “affordability” has risen in every region of the state. Clark County has the distinction of being the region with the least affordable rental housing – 58% of county renters pay more than 30% of income on housing. Homeowners fare better statewide and particularly in Clark County where only 29% of mortgage-holders pay more than 30%. Statewide, the percentage paying over this level has increased from 31% in 2000 to 35% in 2003. The city of Seattle has seen the biggest increase, from 33% to 44%. About 70% of the state’s households are homeowners and 30% are renters.⁵⁸

Renters Spending Over 30% Of Income On Housing



Source: U.S. Census, American Community Survey

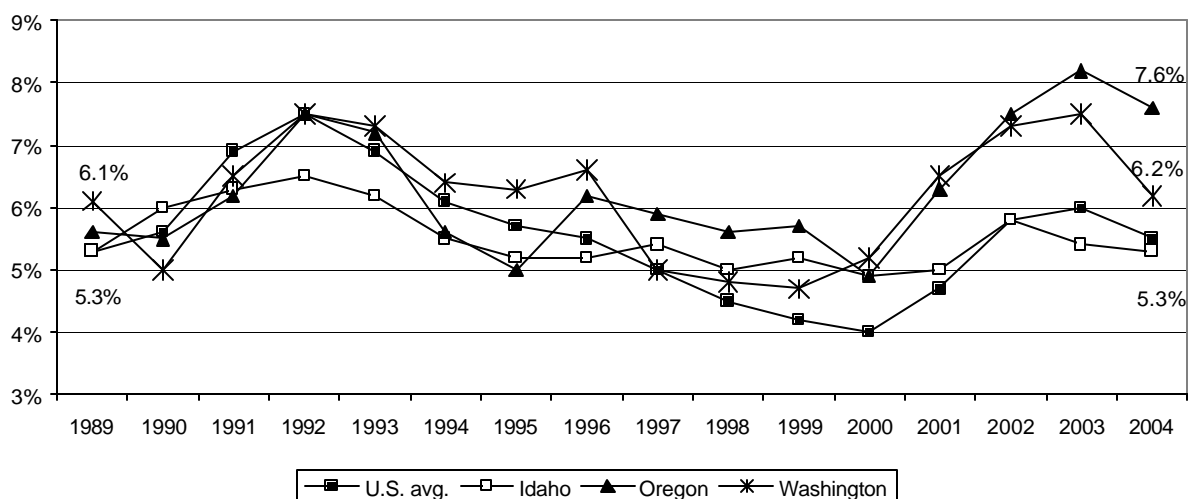
Childcare costs across Washington have risen faster than inflation since at least 1990, according to the Department of Social and Health Services. Market rate surveys conducted by

DSHS every two years have shown that between 1990 and 2004 prices rose 46% above the rate of inflation at childcare centers, and 34% over inflation at home daycares. Between 2000 and 2004, the average monthly cost for full-time care in a childcare center rose from \$513 to \$626, a 22% increase over a period in which the general inflation rate was 13%. Actual costs for child care vary by the age of the child, region, and type of care. In 2004 in Eastern Washington, the median monthly cost for a school-age child in licensed home care was \$400 and for an infant in a childcare center was \$620. In King County, median prices ranged from \$550 to \$1,000, depending on the age of the child and type of care.⁵⁹

Comparison with the United States and neighboring states

Compared to the neighboring states of Oregon and Idaho and to the nation as a whole, Washington continues to provide workers of all income levels with higher wages, despite the long and continuing period of economic insecurity. Washington and Oregon typically have higher rates of unemployment than the national average and during the most recent recession had among the highest unemployment rates in the nation. Both states particularly felt the loss of high tech and manufacturing jobs. In 2004, Washington's unemployment rate dropped significantly, from 7.5% to 6.2%, while Oregon's tapered off from 8.2% to 7.6%. Idaho's unemployment rate jumped less dramatically than the other northwestern states at the onset of the recession and began dropping in 2003 while Washington and Oregon's rates were still climbing.

Average Annual Unemployment Rates in Washington, Oregon, and Idaho



Source: Economic Policy Institute analysis of Current Population Survey data

By December 2004, both Washington and Idaho had recovered all the jobs lost during recession and added some new jobs. However, neither Idaho nor Washington has added enough new jobs to accommodate their growing populations. Both states were in better shape than the nation as a whole. At the end of 2004, the United States was still 241,000 jobs short of the job total when the recession began in March 2001, and over 5 million short of the number needed to keep pace with population growth.

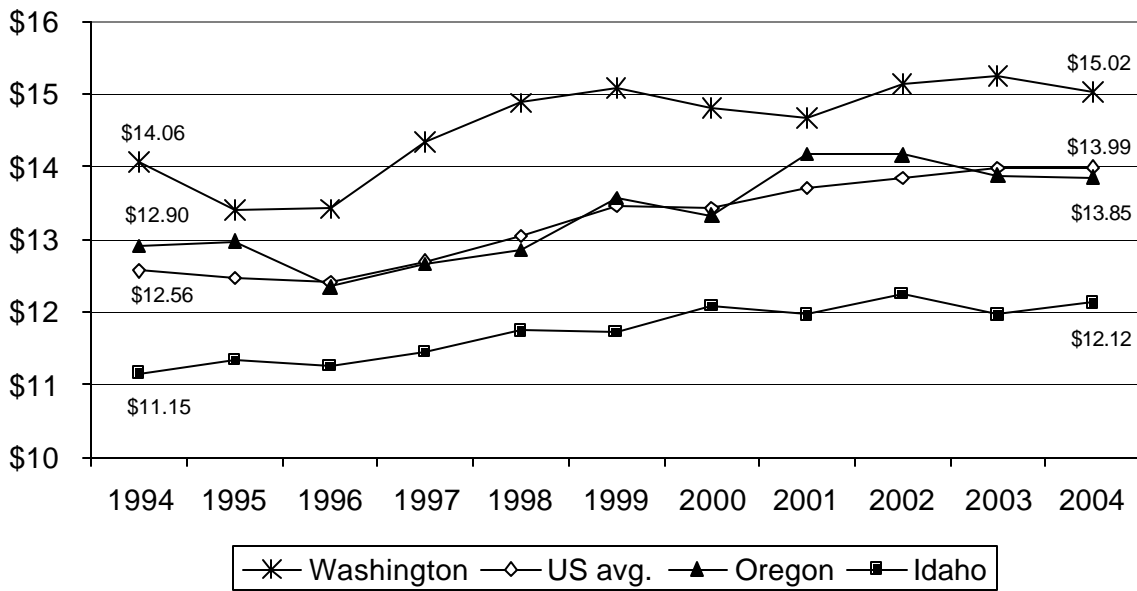
Job Change Compared to Population Growth, March 2001-December 2004

	% Job Change	# Job Change	Working Age Population Growth	Additional Jobs Needed for Population Growth
United States average	-0.2%	-241,000	3.9%	5,366,000
Washington	0.5%	13,200	6.2%	154,000
Oregon	-0.5%	-7,400	6.4%	110,000
Idaho	3.4%	19,400	8.4%	28,000

Source: Economic Policy Institute analysis of U.S. Bureau of Labor Statistics seasonally adjusted data. Population projections from economy.com.

Washington workers continue to enjoy significantly higher wages than the average for the United States or in neighboring states. The median hourly wage in Washington was \$1.00 higher than in Oregon or the nation and nearly \$3.00 higher than in Idaho in 2004.

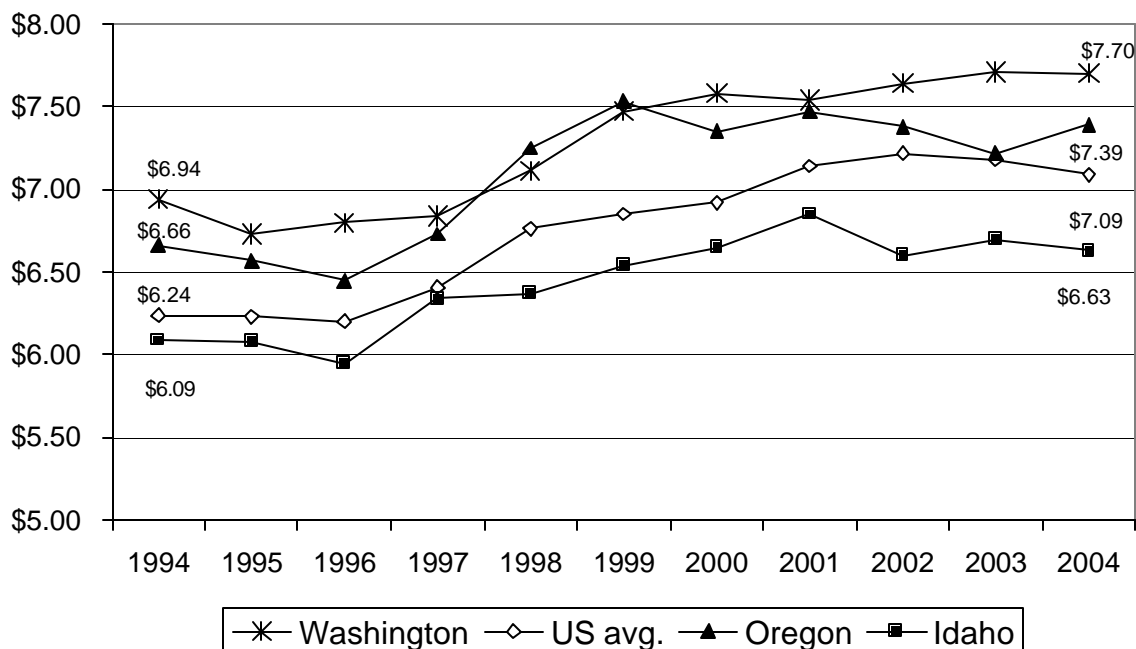
Median Hourly Earnings in Washington, Oregon, and Idaho, in 2004 Dollars



Source: Economic Policy Institute analysis of Current Population Survey data

Among the lowest earning workers, Washington residents were also better off. The average hourly wage for the lowest 10% of wage earners was \$1.07 higher in Washington than in

**Average Hourly Wage for the Lowest 10% of Wage Earners
in Washington, Oregon, and Idaho, 2004 Dollars**

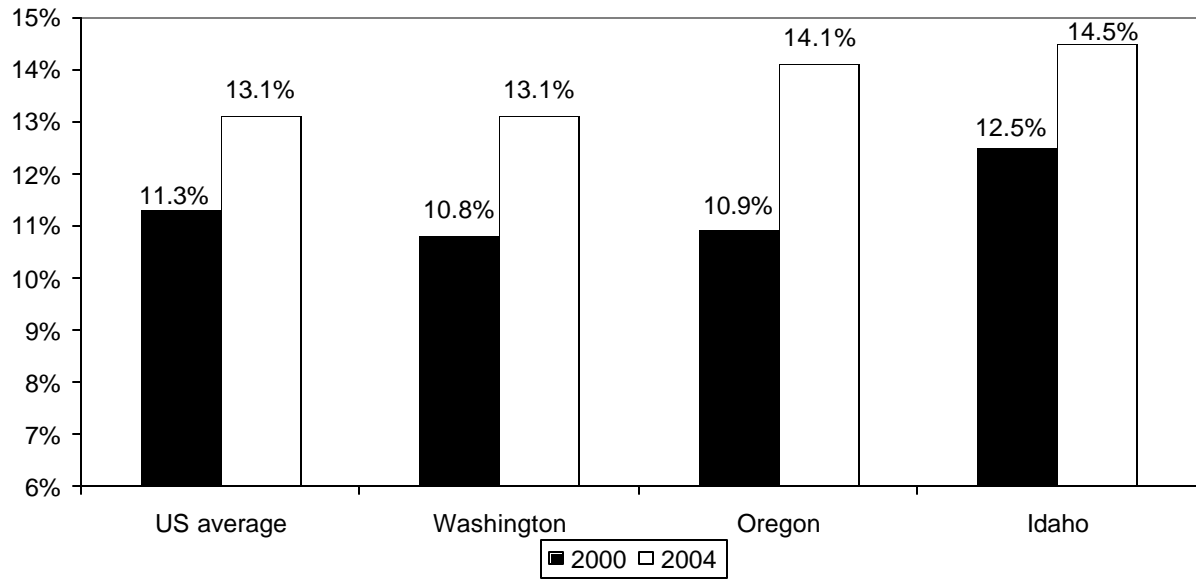


Source: Economic Policy Institute analysis of Current Population Survey data

Idaho in 2004 and 31 cents higher than in Oregon. Even though Idaho experienced stronger job growth between 2001 and 2004 than the other northwestern states, its lowest-wage workers lost 22 cents an hour in purchasing power over that period. Washington's low-wage workforce saw real, if modest gains, and Oregon's stayed even. Idaho still holds to the federal minimum wage of \$5.15 an hour, which has not been raised since 1997, while both Washington and Oregon have raised their minimum wages and indexed them to inflation.

Poverty rates across the United States have increased since 2000. Washington's poverty rate was at the national average of 13.1% in 2004, while both Oregon and Idaho's rates were higher, at 14.1% and 14.5%, respectively.

Poverty Rates in Washington, Oregon, and Idaho, 2000 and 2004



Source: Economic Policy Institute analysis of Current Population Survey data

Conclusion

The slow recovery from recession and the increasing insecurity among working families are nationwide phenomena. At the national level, job growth has been even more sluggish than in Washington. Poverty in the United States has increased from 11.3% in 2000 to 13.1% in 2004. Low and middle-income Americans have seen their wages stagnate or drop relative to inflation, even while the well-to-do have continued to enjoy rising incomes. Working families across the United States could be in much better shape had the federal administration actively pursued more direct policies of economic stimulation at the onset of the recession in 2001.⁶⁰

Washington policy makers can do little to change the macroeconomic trends that shape employment opportunities for workers, but the data examined here do validate some existing state policies and suggest areas where improvements would benefit Washington's working families.

Washington's relatively high minimum wage with annual inflation indexing appears to be working as intended. It has protected the earnings of the state's lowest-paid workers, even through the recession. Although Washington initially lost jobs at a faster rate than the nation as a whole at the onset of the recession, the leading contributors to the decline were the high-wage manufacturing and information sectors. Since 2003, Washington has been recovering jobs at a faster clip than the U.S. average, in both low and high-wage areas.

In contrast, in Idaho, where the federal minimum wage of \$5.15 has prevailed without increase since 1997, the bottom 10% of wage earners have experienced a real decrease in buying power since 2000. Working full time at \$5.15 per hour leaves a family of two well below the poverty level. Poverty rates for both the general population and for children are higher in Idaho than in either Washington or Oregon, where the minimum wage is also indexed.

Washington's support of publicly provided health insurance for low-income children and adults also has proved at least partially effective. The rate of uninsured children rose in 2001, but has fallen since. The percentage of uninsured adults crept up between 2001 and 2003, but an even greater number of state residents lost private insurance. Publicly provided benefits made up the difference. Unfortunately, the state's Basic Health Plan for low-income workers did not expand when it was most needed. Rather, the state legislature cut funding and restricted access to the program at the peak of the recession.

Other workplace benefits that are critical to short and long-term economic security for working families have fallen with the economic downturn. The State Population Survey recorded a drop in the percentage of workers with employer-paid vacation or sick leave, from 86% in 2002 to 80% in 2004. Retirement benefits in the private sector fell from nearly 55% of state workers in the late 1990s to 46% in 2003, according to U.S. Census data. Thus far, Washington legislators have not chosen to provide for greater access to paid leave or retirement benefits for the state's private-sector workforce, but policy options exist to make these benefits far more universal.

Perhaps the most important area for continued state action is in education, from preschool to higher education. We can count on the mix of jobs in Washington's economy continuing to change. Education clearly makes a difference in people's ability to find a job and stay employed. In an increasingly global economy, Washington needs to have a highly educated workforce to attract and keep high-wage jobs that have multiplier effects across sectors. Including preschool in the state's education focus will pay double dividends for the state's

working families. It will help ease the burden of rising childcare costs for working parents, at the same time that it prepares young children to be successful in school and later in the workforce.

Notes

- ¹ See “Financial Insecurity Lingers for Washington Families,” Economic Opportunity Institute, September 2004, www.eoionline.org.
- ² Washington State Employment Security Department, “Nonagricultural Wage and Salary Workers Employed in Washington State,” Industry Employment, Historical Series, www.workforceexplorer.com.
- ³ Office of Financial Management, Forecasting Division, “Population and Components of Population Change by County: April 1, 2000 to April 1, 2005,” <http://www.ofm.wa.gov/pop/april1/cocmpch2005.pdf>.
- ⁴ ESD, “Nonagricultural Wage and Salary Workers,” Washington State Office of Financial Management, “Total Population for Washington State,” 2003 State Data Book, www.ofm.wa.gov.
- ⁵ ESD, “Nonagricultural Wage and Salary Workers.”
- ⁶ Job numbers from ESD, Industry Employment. Earnings data from Quarterly Workforce Indicators, using 1st quarter 2004, 4 quarter average. For employer provided benefits in Washington, see Washington State Employment Security Department, 2004 Employer Benefits Survey, March 2005, http://www.workforceexplorer.com/admin/uploadedPublications/4619_EB9_04ReptR.pdf.
- ⁷ Office of Financial Management, Forecasting Division, “Population and Components of Population Change by County: April 1, 2000 to April 1, 2005,” <http://www.ofm.wa.gov/pop/april1/cocmpch2005.pdf>.
- ⁸ U.S. Department of Agriculture, Washington Agricultural Statistics Service, 2004 *Washington Agricultural Statistics*, p. 5, <http://www.nass.usda.gov/wa/annual04/content4.htm>.
- ⁹ Washington State Employment Security Department, *Agricultural Workforce in Washington State, 2003*, June 2004, p. 6, 24, www.workforceexplorer.com. Note: SIC data has been used for analyzing agricultural jobs rather than the more recently developed NAIC classifications in order to be able to compare data since 1990.
- ¹⁰ WASS, 2004 *Washington Agricultural Statistics*, p. 5; and ESD, *Agricultural Workforce in Washington State, 2003*, June 2004, p. 8, 11.
- ¹¹ Washington State Department of Agriculture, International Marketing, Exports Statistics, <http://agr.wa.gov/marketing/international/statistics.htm>.
- ¹² See General Mills website, “Our Brands,” http://www.generalmills.com/corporate/brands/view_all_brands.aspx.
- ¹³ U.S. Department of Agriculture, “The U.S. Food Marketing System, 2002,” by Steve W. Martinez, p. 28, <http://www.ers.usda.gov/publications/aer811/aer811e.pdf>.
- ¹⁴ U.S. Department of Agriculture, National Agricultural Statistics Service, 2002 Census of Agriculture, State Data, Washington, Tables 1 and 5, <http://www.nass.usda.gov/census/census02/volume1/wa/index1.htm>.
- ¹⁵ ESD, *Agricultural Workforce in Washington State, 2003*, p. 11-12.
- ¹⁶ US Department of Agriculture, National Agricultural Statistics Service, *Agri-Facts*, August 16, 2005, <http://www.nass.usda.gov/wa/rlsetoc.htm#agrifact>.
- ¹⁷ WSESD, “Apple Worker Wages Keep Pace with Economy,” by John Wines, 2005, www.workforceexplorer.com.
- ¹⁸ Washington Agricultural Statistics Service, “Asparagus, 1923-2004,” <http://www.nass.usda.gov/wa/hist/asparags.pdf>; “All Grapes, 1909-2003,” <http://www.nass.usda.gov/wa/hist/grapes.pdf>; and “Sweet Cherries, 1934-2003,” <http://www.nass.usda.gov/wa/hist/cherrysw.pdf>.
- ¹⁹ *New York Times*, “War on Peruvian Drugs Takes a Victim: U.S. Asparagus,” April 25, 2004.
- ²⁰ ESD, *Agricultural Workforce in Washington State, 2003*, p. 24.
- ²¹ Jobs in covered employment as defined by Employment Security. ESD, *Agricultural Workforce in Washington State, 2003*, p. 22. Agricultural Services data from QWI, SIC series data for 2003.
- ²² U.S. Census, Quarterly Workforce Indicators, <http://lehd.dsd.census.gov/led/datatools/qwiappsic.html>. Note: SIC data has been used for analyzing agricultural jobs rather than the more recently developed NAIC classifications in order to be able to compare data since 1990.
- ²³ WSESD, “Apple Worker Wages Keep Pace with Economy,” by John Wines, 2005, www.workforceexplorer.com.
- ²⁴ OFM, “Population and Components of Population Change by County: April 1, 2000 to April 1, 2005,” www.ofm.wa.gov/pop/.
- ²⁵ USDA, NASS, 2002 Census of Agriculture, County Profile – Whatcom, <http://www.nass.usda.gov/census/census02/profiles/wa/index.htm>.
- ²⁶ Phone conversation with Paul Turek, a Washington State Employment Security economist.
- ²⁷ Because job data for Clark County was not available in the NAIC coding system for 1990-1999, this graph is based on SIC series numbers for those years. Government employment is not included in those figures. For the years 2000-2004, NAIC figures were used, with government employees subtracted. Government provided 21,700 jobs in Clark County in 2004, and 19,200 in 2000.

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- ²⁸ USDA, NASS, 2002 Census of Agriculture, County Profile – Yakima, <http://www.nass.usda.gov/census/census02/profiles/wa/index.htm>.
- ²⁹ E-mail correspondence with Don Meseck, Washington State Economic Security Department economist.
- ³⁰ *Walla Walla Union Bulletin*, “For Longtime workers, plant’s closure marks the end of an era,” June 9, 2005; *Miami Herald*, “Fresh from Peru,” November 24, 2003; *New York Times*, “War on Peruvian Drugs Takes a Victim: U.S. Asparagus,” April 25, 2004.
- ³¹ US Census, Quarterly Workforce Indicators, SIC data series 1990-2004.
- ³² ESD, Yakima County Profile, 2002, http://www.workforceexplorer.com/admin/uploadedPublications/451_yakima.pdf.
- ³³ USDA, NASS, 2002 Census of Agriculture, County Profile – Chelan, <http://www.nass.usda.gov/census/census02/profiles/wa/index.htm>.
- ³⁴ In the early years of the Clinton administration 6,000 jobs came to the area for Hanford clean up. When former Speaker of the House Tom Foley of Spokane lost his seat and Republicans gained a majority under Newt Gingrich in 1994, these jobs were lost. E-mail correspondence with Dean Schau, a Washington State Economic Security Department economist.
- ³⁵ ESD, Kennewick-Richland-Pascoe MSA (Benton and Franklin Counties) Labor Area Summary, July 2005,” by Dean Schau, <http://www.workforceexplorer.com/article.asp?ARTICLEID=5398&PAGEID=4&SUBID=>.
- ³⁶ USDA, NASS, 2002 Census of Agriculture, County Profiles – Benton, Franklin, Grant, Adams, Walla Walla, <http://www.nass.usda.gov/census/census02/profiles/wa/index.htm>.
- ³⁷ U.S. Census, “Population of Counties by Decennial Census: 1900 to 1990,” www.census.gov; ESD, Grays Harbor and Pacific Counties Profile, 2002, http://www.workforceexplorer.com/admin/uploadedPublications/395_ghpc.pdf.
- ³⁸ ESD, [workforceexplorer.com](http://www.workforceexplorer.com).
- ³⁹ ESD, “Resident Civilian Labor Force and Employment in Washington State, Seasonally Adjusted, August 18, 2005, <http://www.workforceexplorer.com/>.
- ⁴⁰ Economic Policy Institute analysis of U.S. Census, Current Population Survey data.
- ⁴¹ State unemployment insurance rules vary, but generally to qualify workers must have worked in employment covered by the system, be unemployed through no fault of their own, be actively looking for work, and able to take a job if offered one. U.S. Department of Labor, http://workforcesecurity.doleta.gov/unemploy/teuc/sum_2004/html/sum0104.html; and EPI analysis of DOL data.
- ⁴² Economic Policy Institute analysis of U.S. Census, Current Population Survey data.
- ⁴³ OFM, State Population Surveys, 2004, 2000, 1998, Question 4P21, www.ofm.wa.gov.
- ⁴⁴ OFM, State Population Surveys, 2004, 2002, 2000, 1998, Question 4P6, www.ofm.wa.gov.
- ⁴⁵ US Census, <http://factfinder.census.gov/home/>. State-level child poverty rates can be jumpy from year to year because of the relatively small sample size.
- ⁴⁶ US Health and Human Services, 2005 HHS Poverty Guidelines, <http://aspe.hhs.gov/poverty/05poverty.shtml>.
- ⁴⁷ U.S. Census, Current Population Survey, www.census.gov.
- ⁴⁸ Data on the source of health insurance coverage are drawn from the State Population Survey, conducted every two years by the state of Washington, www.ofm.wa.gov. Figures on overall coverage were drawn from U.S. Census Department Current Population Survey. Therefore, the data will vary slightly.
- ⁴⁹ U.S. Census, Current Population Survey, www.census.gov.
- ⁵⁰ OFM, 2004 State Population Survey, www.ofm.wa.gov.
- ⁵¹ *USA Today*/Kaiser Family Foundation/Harvard School of Public Health, “Health Care Costs Survey, April 25-June 9, 2005, www.kff.org.
- ⁵² US Health and Human Services, Centers for Medicare & Medicaid Services, “2003 expected to mark first slowdown in health care cost growth in six years,” 2/11/2004; “Overall health care cost growth projections slow...” 2/23,2005, <http://www.cms.hhs.gov/media/press/release.asp?Counter=1356>.
- ⁵³ World Health Organization, *World Health Report 2003*, Statistical Annex, www.who.org.
- ⁵⁴ See OFM, 2004 State Population Survey, www.ofm.wa.gov.
- ⁵⁵ Washington State ESD, 2004 Employee Benefits Survey and 2002 Employee Benefits Survey. The 2003 figures were higher than 2002, with 82% providing vacation and 57% sick leave to full time workers. www.esd.wa.gov.
- ⁵⁶ EPI analysis of Bureau of Labor Statistics data.
- ⁵⁷ Washington State Economic and Revenue Forecast Council, *Washington Economic and Revenue Forecast*, June 2005, p. 14, <http://www.ercf.wa.gov/pubs/jun05pub.pdf>.
- ⁵⁸ U.S. Census, American Community Survey, www.census.gov.

⁵⁹ DSHS, "Licensed Child Care in Washington State: 2004, April 2005, p. 49, 50, 55, www.dshs.wa.gov.

⁶⁰ Mark M. Zandi, "Assessing President Bush's Fiscal Policies," Economy.com, July 2004; Marilyn Watkins, "Financial Insecurity Lingers for Washington Families," Economic Opportunity Institute, September 2004, www.eoionline.org.