



# Washington State Jobs Update Year End Report for 2005

By  
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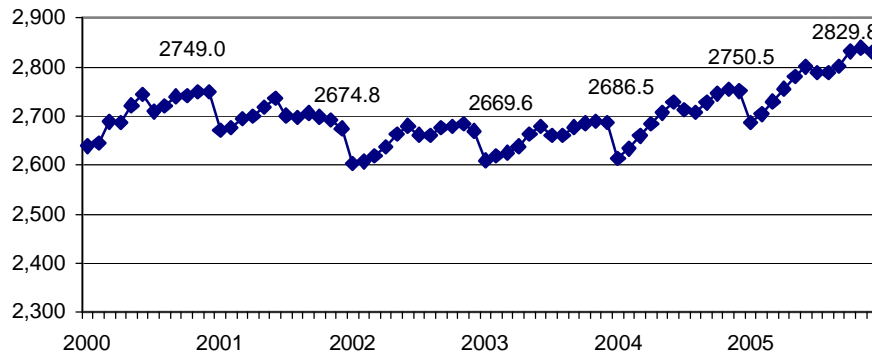
January 2006

## Key Findings:

- Washington state ended 2005 with 81,000 more jobs than in December 2000, before the onset of recession. With population growth of more than 6% since 2000, Washington would need over twice as many new jobs to have the same level of employment as in 2000.
- The decline in manufacturing jobs that began in 1998 turned to modest expansion in 2004, but manufacturing is likely to continue losing job share in the state.
- Employment in health services, construction, financial services and restaurants has expanded at faster rates than general job growth.
- Overall, the three nonfarm sectors with the highest concentrations of minimum wage and low wage jobs (accommodation and food services, retail, and health services and social assistance) have added significant numbers of new jobs since the recession.
- Rates of job growth have varied significantly around the state. King county still has not recovered year 2000 levels of employment. Spokane and Yakima counties have also struggled, but ended 2005 with more jobs than in December 2000. Meanwhile, job growth in most other urban areas has been brisk since 2001.

## Overview

**Nonagricultural Jobs for Washington State, January 2000 – December 2005**  
(in 1,000s, December job numbers)



Source: Washington Employment Security Department, Workforceexplorer.com, Industry data.

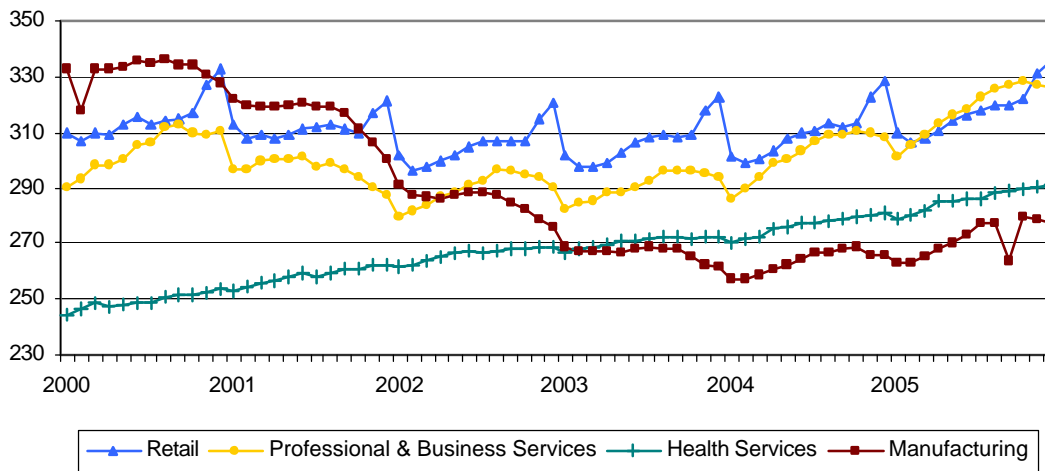
Washington state has recovered the jobs lost during recession, and experienced modest job growth since early 2004. However, the state has not returned to the employment level of 2000. By December 2005, the statewide job total was 80,800 over the pre-recession level in December 2000.<sup>1</sup> During the same period, state population increased by over 6%.<sup>2</sup> Washington would need to have gained 167,000 jobs since 2000 to enjoy the same level of employment.

Although jobs in the state have lagged behind population growth, Washington's job growth continues to outpace the national average. Washington posted 3% more jobs in December 2005 than in December 2004, compared to 1.5% growth over the year in the United States as a whole.<sup>3</sup>

Washington's economy continues to grow at an uneven pace. Both low and high wage sectors are increasing. As the effects of the recession fade, longer-term trends are becoming more obvious. The precipitous loss of manufacturing jobs that began in mid-1998 halted in early 2004 and has been replaced by modest growth. But manufacturing has been declining as a percentage of Washington jobs over several decades, and that relative loss is likely to continue. There are fewer manufacturing jobs today than in 2000 in almost every category, including aerospace, food processing, paper and wood products, and metal.

Between 2000 and 2003, the number of jobs in retail trade, professional and business services, and health services all surpassed manufacturing. Average wages in those three growing sectors are lower than typical wages in manufacturing, although compensation in professional and business services does exceed the state's average monthly wage of \$3,601 in 2004.<sup>4</sup>

**Jobs in Washington State, January 2000 – December 2005 (in 1,000s)**



Note: Sharp drops in manufacturing jobs in February 2000 and September 2005 are due to Boeing strikes.  
Source: Washington Employment Security Department, Workforceexplorer.com, Industry data.

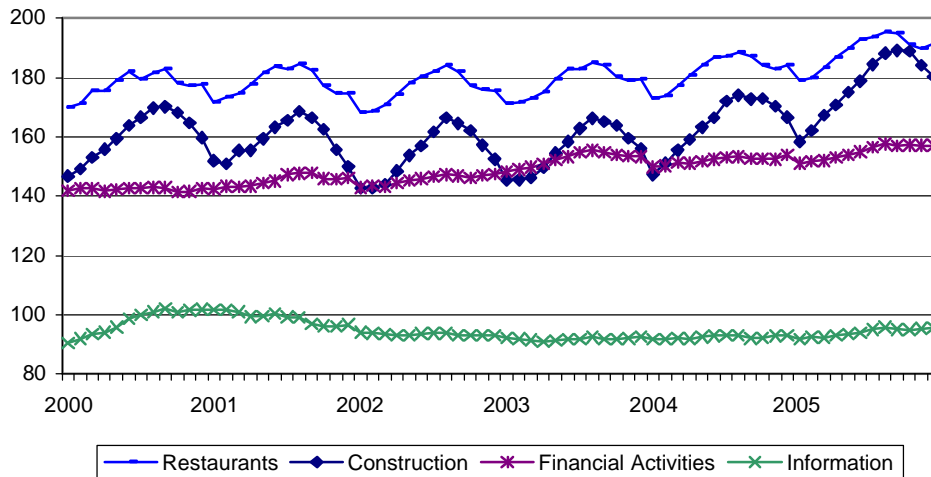
**Job Changes and Average Wages in Washington in Selected Industries, December 2000 to December 2005**

	Dec. 2000	Dec. 2005	Gain or loss		2004 Avg. Monthly Earnings
			#	%	
State non-farm jobs total	2,749,000	2,829,800	80,800	2.9%	\$3,601
Health services & social asst.	253,400	290,900	37,500	14.8%	\$3,082
Professional & business services	310,600	326,300	15,700	5.1%	\$3,997
Retail trade	332,900	335,400	2,500	0.8%	\$2,382
Manufacturing	327,400	277,500	-49,900	-15.2%	\$4,554

Source: Washington Employment Security Department, Workforceexplorer.com, Industry data; average wages from Quarterly Workforce Indicators.

Among major sectors, jobs in health services, construction, financial activities, and restaurants have grown above the rate of population increase. Professional and business services and retail trade have experienced job growth, but lag behind overall population growth. Information jobs have yet to recover from the dot.com bust, although the subcategory of software publishing grew by 26% between December 2000 and December 2005.

**Jobs in Washington State, January 2000 – December 2005  
(in 1,000s)**



Source: Washington Employment Security Department, Workforceexplorer.com, Industry data.

**Job Changes in Washington, December 2000 to December 2005,  
Selected Industries**

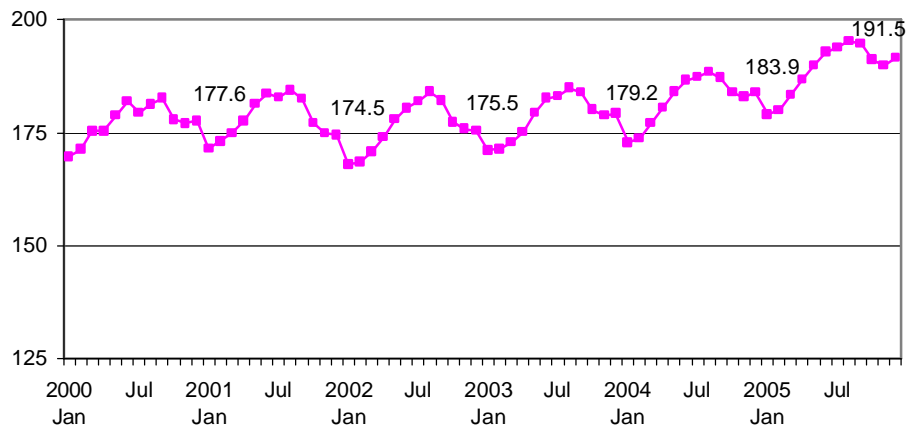
	Dec. 2000	Dec. 2005	Gain or loss		2004 Avg. Monthly Earnings
			#	%	
Construction	159,700	180,200	20,500	12.8%	\$3,579
Financial activities	142,700	157,100	14,400	10.1%	\$4,411
Food services & drinking places	177,600	191,500	13,900	7.8%	\$1,369
Information	101,900	95,600	-6,300	-6.2%	\$6,856

Source: Washington Employment Security Department, Workforceexplorer.com, Industry data; average wages from Quarterly Workforce Indicators.

### Minimum Wage Job Growth

**Restaurants:** The accommodation and food services sector employs 42% of minimum wage workers in the state. Overall, wages in the sector are well below the state average wage.<sup>5</sup> Most of these jobs are in food services. In 2004, the median wage for waiters and waitresses was \$8.21 and for fast food workers was \$8.35.<sup>6</sup> Restaurant jobs throughout the state fell in 2001 in response to the general recession, but have since increased at well above the average rate of job growth in the state, and faster than general population growth. The number of jobs at food service and drinking places was 7.8% higher in December 2005 than in December 2000. State population growth during that period was 6.2%. Even King and Yakima counties, which have seen losses in total jobs since 2000, have gained restaurant jobs.

**Restaurant Jobs in Washington, January 2000 – December 2005  
(in 1,000s, December job numbers)**



Source: Washington Employment Security Department, Workforceexplorer.com, Industry data.

**Leisure and Hospitality Jobs in Washington Counties**

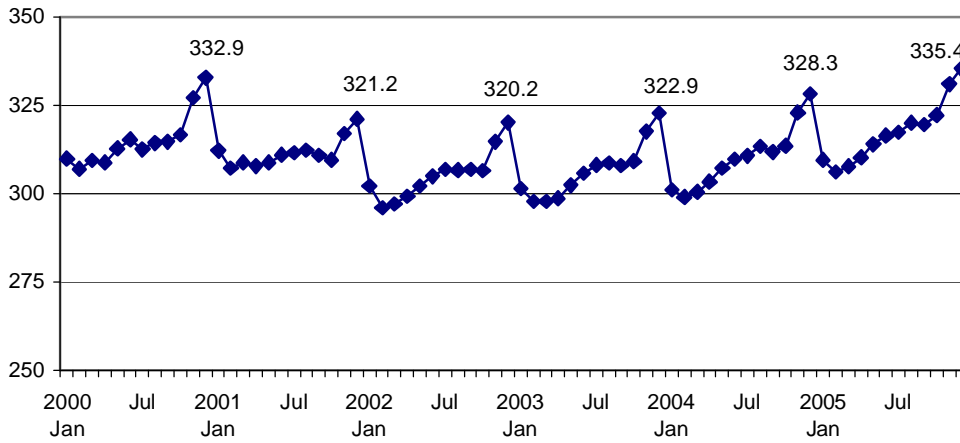
Restaurant jobs	Dec. 2000	Lowest Dec.	Dec. 2005	Gain since 2000	
				#	%
State total	177,600	174,500 (2001)	191,500	13,900	7.8%
King county	70,900	68,200 (2001)	72,800	1,900	2.7%
Pierce county	18,900	18,300 (2001)	21,400	2,500	13.2%
Snohomish county	14,500	14,200 (2001)	17,400	2,900	20%
Spokane county	13,000	12,800 (2003)	14,100	1,100	8.5%
<b>Leisure and hospitality jobs</b>					
Clark county	11,700	11,500 (2001)	12,200	500	4.3%
Whatcom county	7,700	7,200 (2001)	9,300	1,600	20.8%
Kitsap county	7,000	6,700 (2001)	7,700	700	10%
Tri-Cities	7,100	7,100 (2000)	7,700	600	8.5%
Yakima county	6,100	5,700 (2001)	7,000	900	14.8%

Source: Washington Employment Security Department, Workforceexplorer.com, Industry data.

**Retail:** Retail sales employ 30% of minimum wage workers. Median hourly wages for retail salespersons are \$10.75.<sup>7</sup> Retail jobs dipped along with the state economy in 2001 and have expanded since, but at a slower rate than overall job growth or population growth. In contrast to restaurant jobs which have increased statewide, retail jobs grew robustly in Clark, Kitsap, and Whatcom counties and shrank in King, Yakima, and Spokane counties. As retailers turn increasingly

to self-service or limited service, and consumers turn to internet shopping, the retail sales staff may continue to lag behind general economic growth.

**Washington Retail Trade Jobs  
(in 1,000s, December job numbers)**



Source: Washington Employment Security Department, Workforceexplorer.com, Industry data.

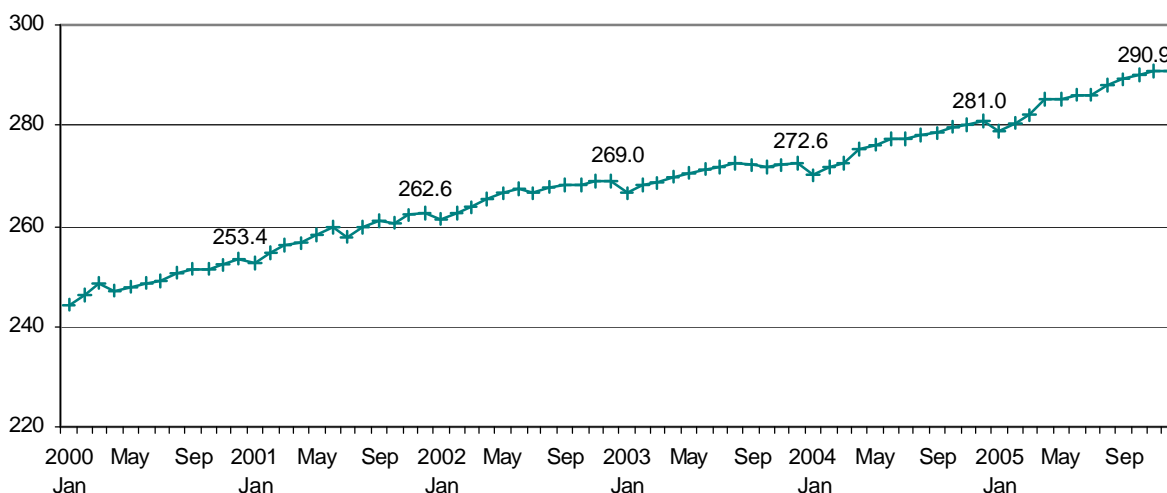
**Retail Jobs in Washington Counties**

	Dec. 2000	Lowest Dec.	Dec. 2005	Gain since 2000	
				#	%
State total	332,900	320,200 (2002)	335,400	2,500	0.8%
King county	129,500	120,500 (2002)	124,300	-5,200	-4.0%
Pierce county	32,100	30,300 (2001)	32,400	300	0.9%
Snohomish	29,300	28,000 (2002)	30,600	1,300	4.4%
Spokane county	27,400	26,100 (2003)	27,200	-200	-0.7%
Clark county	13,900	13,800 (2001)	15,100	1,200	8.6%
Kitsap county	10,600	10,600 (2001)	11,500	900	8.5%
Tri-Cities	10,300	10,100 (2002)	10,800	500	4.9%
Whatcom	9,400	9,300 (2001)	10,000	600	6.4%
Yakima	9,800	9,200 (2001)	9,700	-100	-1.0%

Source: Washington Employment Security Department, Workforceexplorer.com, Industry data.

**Health Services and Social Assistance:** Health services and social assistance is the final nonfarm job category to include significant numbers of minimum wage workers. This sector experienced steady growth, even during the recession of 2001. As the population ages, health services will likely continue to expand.

**Health Services Jobs, January 2000 – December 2005  
(in 1,000s, December job numbers)**

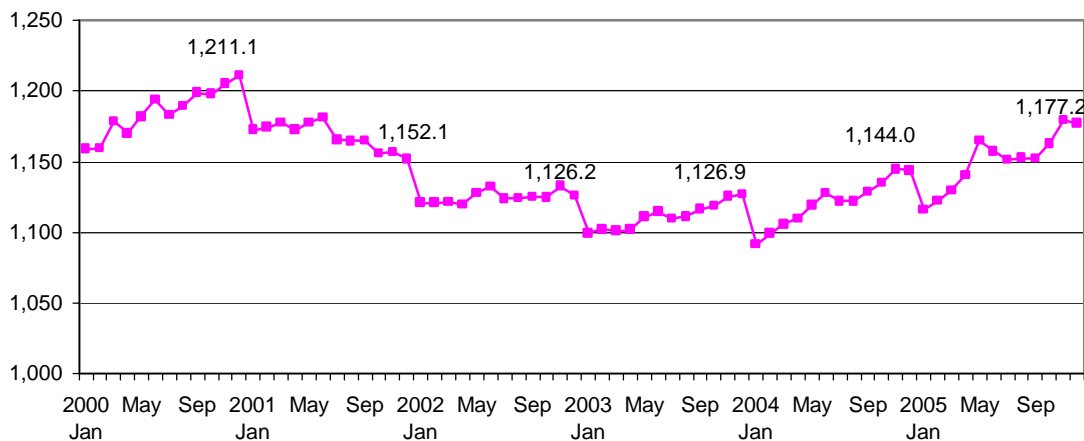


Source: Washington Employment Security Department, Workforceexplorer.com, Industry data.

**Jobs by Regions**

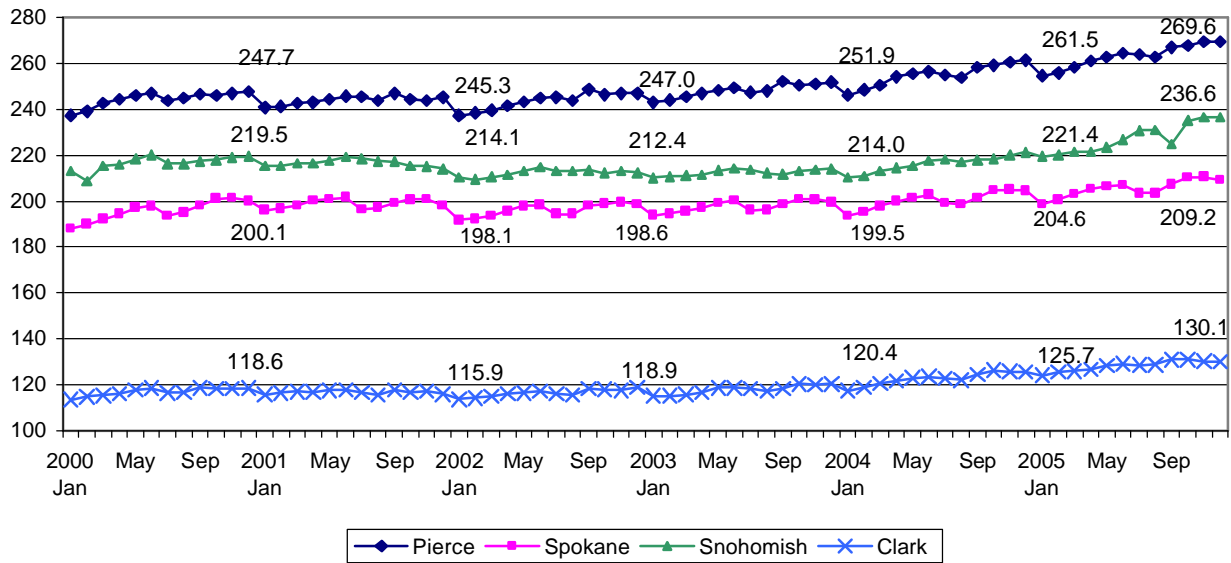
Most regions of the state have been gaining jobs steadily since 2002 and have easily made up recession losses, but growth has been uneven. King county, with more than 40% of state employment, continued to lose jobs through 2003 while most other urban counties were adding jobs. King county's job total for December 2005 remained 34,000 lower than the December 2000 level, a loss of 2.8%. The economies of Spokane and Yakima also struggled, but the two counties ended 2005 with more jobs than in December 2000. Meanwhile, Pierce county saw a job increase of 8.8% between December 2000 and December 2005, while Snohomish county jobs grew by 7.8%, and Clark county by 9.7%. Bellingham, Bremerton, Olympia, and the Tri-Cities all surpassed 12% in job growth between December 2000 and December 2005.

**Nonagricultural Jobs in King County, January 2000 – December 2005  
(in 1,000s, December job numbers)**



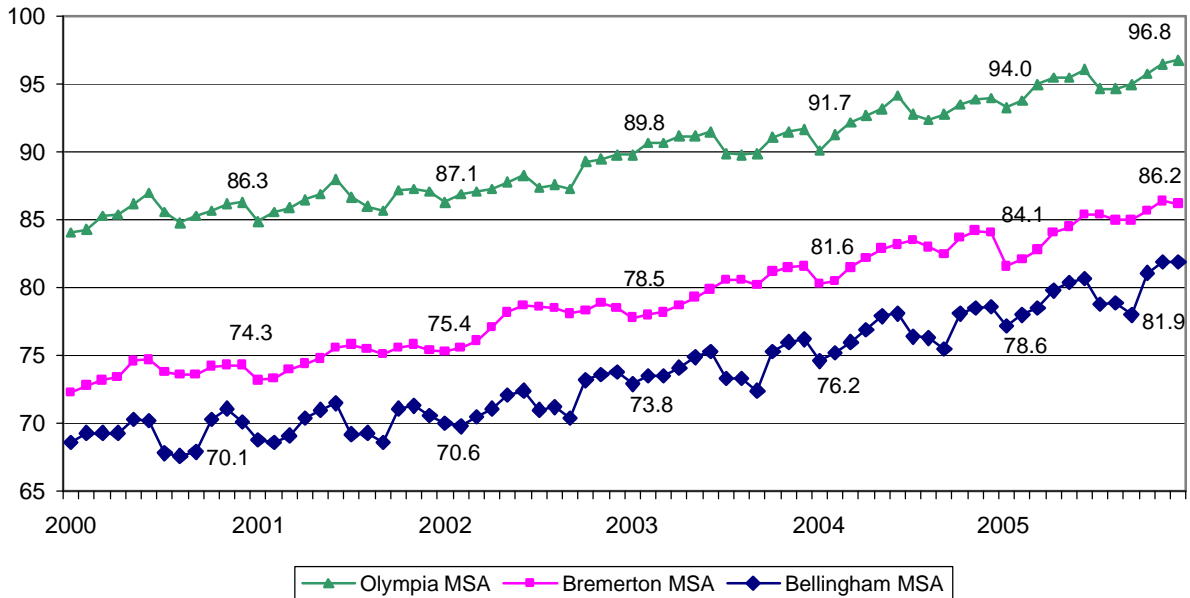
Source: Washington Employment Security Department, Workforceexplorer.com, Industry data.

**Nonagricultural Jobs in Pierce, Snohomish, Spokane, and Clark Counties,  
January 2000 – December 2005 (in 1,000s, December job numbers)**



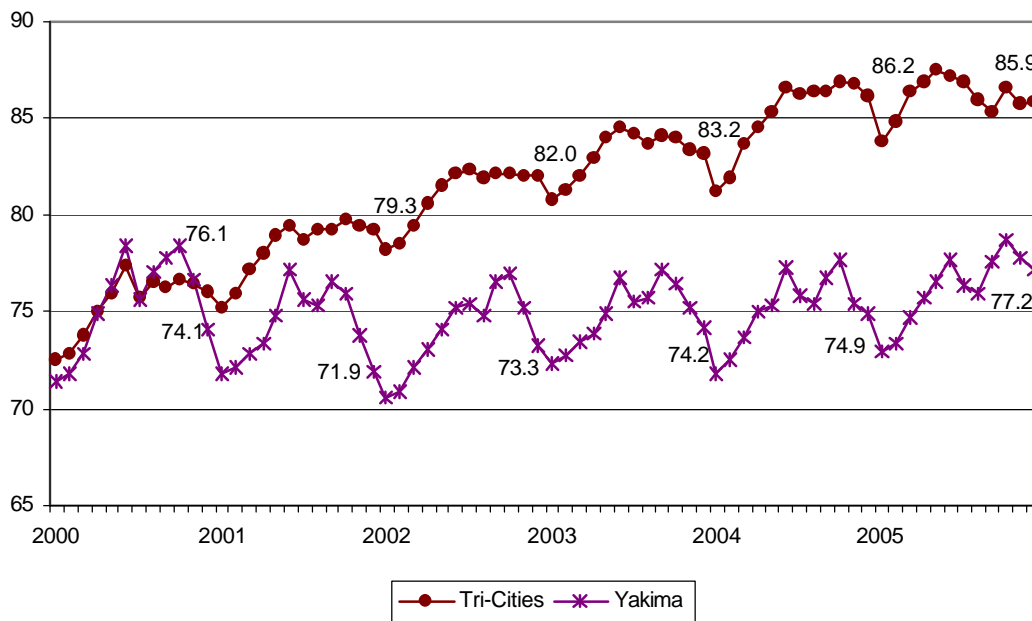
Source: Washington Employment Security Department, Workforceexplorer.com, Industry data.

**Nonagricultural Jobs in Western Washington's Mid-Size Cities, January 2000 – December 2005  
(in 1,000s, December job numbers)**



Source: Washington Employment Security Department, Workforceexplorer.com, Industry data.

**Nonagricultural Jobs in Eastern Washington's Mid-Size Cities, January 2000 – December 2005  
(in 1,000s, December jobs numbers)**



Source: Washington Employment Security Department, Workforceexplorer.com, Industry data.

**Notes:**

<sup>1</sup> Job numbers in this report are from Washington Employment Security Department, Workforceexplorer.com, Industry Data, as posted January 17, 2006, benchmarked with 3<sup>rd</sup> quarter 2005 data. December job numbers are preliminary.

<sup>2</sup> Washington Office of Financial Management, Forecast of the State Population, November 2005, <http://www.ofm.wa.gov/pop/stfc/index.htm>.

<sup>3</sup> See U.S. Bureau of Labor Statistics for national job figures. Table 4, Employment change from same month a year ago, December 2004 – December 2005, <ftp://ftp.bls.gov/pub/suppl/empsit.tab4.txt>.

<sup>4</sup> Average monthly wages are from Quarterly Workforce Indicators, Washington Industry Reports, for 4<sup>th</sup> quarter of 2004 and 3 proceeding quarters, <http://www.workforceexplorer.com/?PAGEID=94&SUBID=135>.

<sup>5</sup> Kirsta Glenn, "Minimum Wage Workers in Washington State, Washington Employment Security Department, 2003, [http://www.workforceexplorer.com/admin/uploadedPublications/988\\_MinimumWageArticle.pdf](http://www.workforceexplorer.com/admin/uploadedPublications/988_MinimumWageArticle.pdf).

<sup>6</sup> Washington State Employment Security Department, *Occupational Employment and Wage Estimates, Washington State and Sub-State Areas*, June 2005.

<sup>7</sup> ESD, *Occupational Employment*.