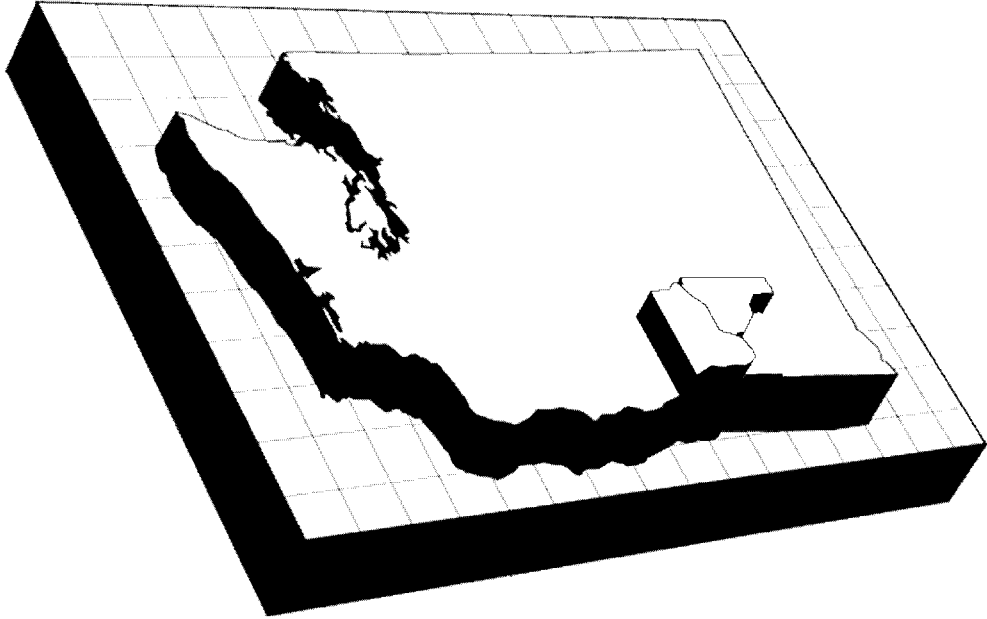


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# TRI-CITIES PROFILE

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**April 2001**  
Labor Market and  
Economic Analysis Branch  
Greg Weeks, *Director*

**Washington State  
Employment Security**

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**TRI-CITIES PROFILE**  
**APRIL 2001**

Labor Market and Economic Analysis Branch  
Employment Security Department

This report has been prepared in accordance with  
*RCW 50.38.050.*

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- ◆ *homepage at [www.wa.gov/esd/lmea](http://www.wa.gov/esd/lmea)*
- ◆ *On-line database (WILMA) at [www.wilma.org](http://www.wilma.org)*
- ◆ *Labor Market Information Center (LMIC) at  
1-800-215-1617*

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# EXECUTIVE SUMMARY

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The Tri-Cities (Richland, Kennewick, and Pasco) Metropolitan Statistical Area (MSA) is comprised of Benton and Franklin counties, which are located in south central Washington where the Snake River joins the Columbia River. Although the two counties are part of the same MSA, they are very distinct from one another with respect to their population, industry, and economic characteristics. Benton County has almost three times the population of Franklin County (140,700 and 45,900) with twice the population density.

Agriculture is a predominant feature of both counties, but even more so, in Franklin County where 23 percent of the total labor force is employed in agriculture (5,433 workers), compared to 9 percent in Benton County, and 3 percent statewide. The agriculture division pays the lowest average salary in both Benton (\$16,956) and Franklin (\$15,524) counties. (Significant amounts of part-time work in the industry drive the average down: the figure does not necessarily represent the yearly wage of a full-time worker.) Major crops include wheat, potatoes, asparagus, grapes, and deciduous orchards bearing cherries, apples, and other fruits.

Approximately 7 percent of the labor force in both counties are employed in manufacturing, much less than the 13 percent for the state as a whole. Of the 7 percent employed in manufacturing in Franklin County, 92 percent are employed in food processing, compared to 48 percent in Benton County. Another 22 percent of manufacturing personnel in Benton County are employed in chemicals and allied products, with an average salary of \$66,962.

The Department of Energy operations at Hanford is a much more predominant feature of Benton County. The emphasis at Hanford is the peace time application of nuclear energy and significant research goes into that effort. Since the end of the Cold War and following the repercussions from Chernobyl, a primary effort at Hanford has become environmental cleanup. The work force is highly specialized, contains a large number of professional and technical occupations, and receives relatively high pay.

Due to the presence of Hanford, Benton County has a much higher proportion of workers in Transportation and Public Utilities (12.6 percent) than in Franklin County (3.8 percent) and the state (4.8 percent). Ninety percent of the 7,852 workers employed in TPU in Benton County are in electric, gas, and sanitary services with an average salary of \$58,775. Another industry related to Hanford is engineering and management services which accounts for 38 percent of the services division employment in Benton County with 6,240 workers and an average salary of \$56,000. The payroll from Hanford injects a vast amount of money into the local economy and contributes greatly toward the prosperity of the region.

The industrial makeup of the Benton and Franklin counties is reflected in the 1999 average wages, \$32,714 in Benton County and \$21,684 in Franklin County, ranking 3rd and 26th among all 39 Washington counties. Similarly, the 1998 per capita income was \$24,315 in Benton County and \$18,479 in Franklin County, ranking 8th and 36th statewide. Franklin County also has the largest share of Hispanics in the state, accounting for 46 percent of the total population. Comparatively, 11 percent of the Benton County population is Hispanic and 84 percent is White.

Since 1975 there has been an increasing gap between the PCI of the two counties as well as the unemployment rate. From 1970 to 1986 the unemployment rate for Franklin County was on average 1.3 percentage points higher than the Benton County unemployment rate. Since 1987, it has been an average of 3.6 percentage points higher than the Benton County rate.

Despite the differences, the Tri-Cities area has a fundamentally strong economy supported by agriculture, food processing, and related industries on the one hand and government related employment on the other. While the nuclear work at Hanford continues to fluctuate in the midst of some downsizing, the project is a long-range effort that will employ substantial amounts of people for years to come. Agriculture, food processing, and related industries are also primary elements of the economy and will continue to provide a substantial employment base.

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# INTRODUCTION

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This report profiles the labor market and economic characteristics of the Richland-Kennewick-Pasco Metropolitan Statistical Area (frequently shortened to *Tri-Cities*), which encompasses all of Benton and Franklin counties. It was prepared by the Labor Market and Economic Analysis (LMEA) Branch of the Washington State Employment Security Department and is one in a series of reports that profiles labor market and economic conditions in each of Washington's 39 counties.

The profile is designed to help state and local planners develop economic strategies. It is also an effective tool for answering labor market and economic questions frequently asked about the counties. Readers with specific information needs should refer to the *Table of Contents* to more quickly access those sections of particular interest to them.

Like the earlier *Tri-Cities Profile* of 1997, the purpose of this report is to provide a relatively comprehensive labor market and economic analysis of the Tri-Cities area. Characteristics profiled include the following:

- physical geography, economic history, and demographics
- labor force composition and trends
- industries, employment, income, and earnings
- skills and occupations
- economic development

The profile is available in a Pdf format from the LMEA Internet homepage. Much of the information included in this report is also regularly updated on the homepage. Current and historical labor market information that can be accessed by area or by type of information can be found at:

**<http://www.wa.gov/esd/lmea>**

Any inquiries or comments about information in this profile should be directed to the Labor Market and Economic Analysis Branch or the regional labor economist. Questions relating to economic development may also be addressed to the Tri-City Industrial Development Council (TRIDEC) at 1-800-TRI-CITY.

# GEOGRAPHY

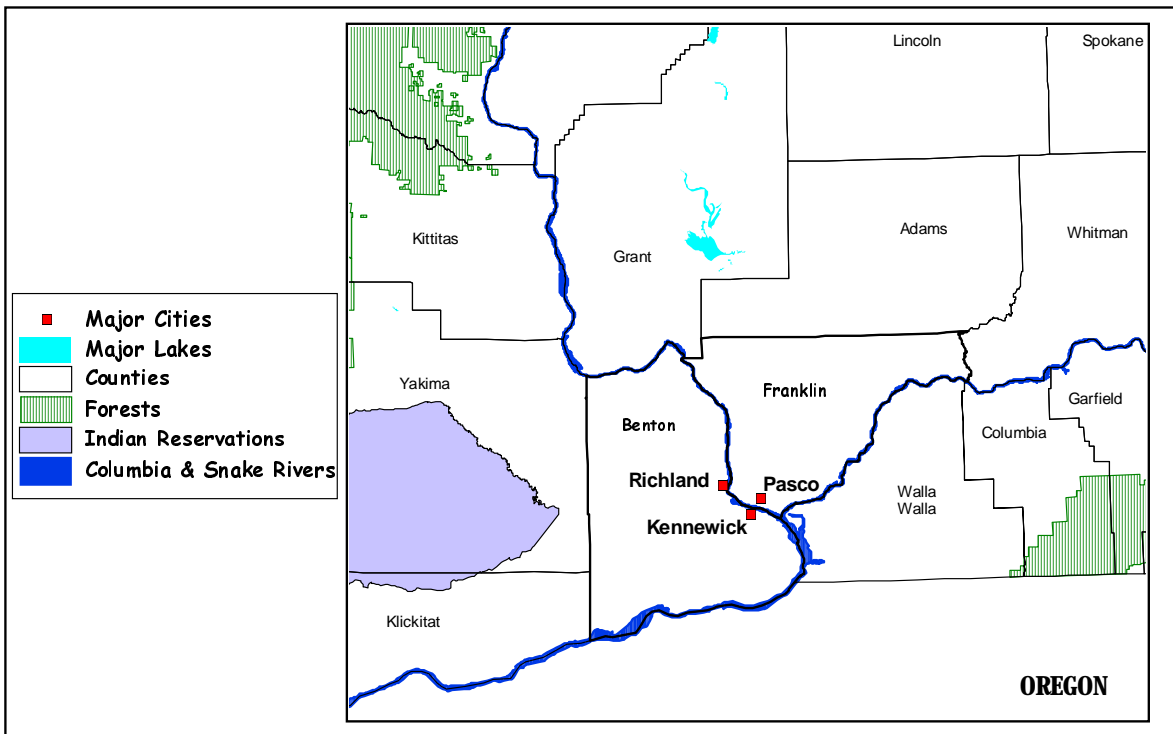
Since Washington is known as the Evergreen State, it is viewed by many as a land of forests and gentle rains. The Tri-Cities, however, is a dry land area of south central Washington, averaging only seven-to-eight inches of precipitation per year in the lower elevations and ten inches or more for the Horse Heaven Hills and higher elevations. Ample sunshine is an attractive feature of the region. Some 70 percent of the precipitation comes in the six-month period from November through April.

The geography of the region is dominated by three major rivers: the Columbia, Snake, and Yakima. The area of their confluence is, and historically has been, the site of large population centers. The Horse Heaven Hills, which lie southwest of the urban area, provide the community with its southern horizon. It is in this portion of the state that the rivers converge and form Lake Wallula upstream from McNary Dam on the Columbia River. The rivers provide a sharp contrast to the warm mosaic of the surrounding land, the majority of which is either under irrigation or dry-land cultivation. In Franklin County, for example, 71 percent of the land is given over to agriculture and 39 percent of that is under irrigation. In Benton County 56 percent of the land is under culti-

vation and 25 percent of that is irrigated. The rivers give the Tri-Cities its most enduring character; abundant water for both irrigation and energy, a major transportation intersection (water, rail, air, and road), and a major recreational resource.

Benton and Franklin counties combined occupy a total of 2,945 square miles. Benton County alone covers 1,703 square miles and ranks as the 22nd largest in the state. Its county seat is at Prosser. Franklin County covers 1,242 square miles and ranks 27th in size. Its county seat is at Pasco. The two counties are located in the south central portion of Washington State. Taken as a unit, the northern border abuts Grant and Adams counties; the western border adjoins Yakima and Klickitat counties; the eastern side faces Whitman, Columbia (briefly), and Walla Walla counties; and the southern boundary is formed by the Columbia River and the state of Oregon.

Elevations run from about 300 feet above sea level at the lower points to over 3,000 feet in the higher reaches of the Rattlesnake Hills in Benton County. The terrain is generally basin and valley bottomland with upland plateaus.



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# ECONOMIC HISTORY

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The following section was excerpted from *Tri-Cities: The Mid-Columbia Hub* by Ted Van Arsdol.

Native Americans, of course, were the first inhabitants of the Tri-Cities area and some archaeological findings have established evidence of occupancy dating back perhaps as much as 9,000 years. From the quality and variety of artifacts found, a picture of a stable culture emerges, one with leisure time, comprehensive religious beliefs, and extensive trade and communications. Articles made from Olivella shells from the Pacific Coast (beads), jade from British Columbia (adz chisels), and obsidian from Glass Butte, Oregon (arrow and spear heads and knives) have been found in the Tri-Cities, attesting to the broad extent of trade.

The principal source of food for the Columbia River tribes was salmon, mainly taken during the annual spring salmon run. Dried on open air racks, the fish would be stored for winter food or used for trading with other tribes. Aside from salmon (and steelhead), seeds, roots, and berries were important dietary elements. Native American tribes occupying the Tri-Cities area were also hunters and would often travel to the mountains outside the river country in search of game.

Even though the local tribes (the Cayuse, Walla Walla, Nez Perce, and a number of others) were used to travelers and traders, they couldn't have been prepared for the sight that greeted them in 1805—the first white men to set foot in the area, the Lewis and Clark expedition. Staying two days at the junction of the Snake and Columbia rivers, the party departed for the Pacific but returned again the following year on their way back east. After Lewis and Clark, it was just a matter of time before the onslaught of American, English, and French fur traders reached the area. The Europeans and Americans, unfortunately, brought diseases with them—approximately 80 percent of the native population of the Northwest succumbed to small pox, measles, dysentery, etc., during and after the great epidemics of 1830-31.

In 1811, an Englishman, David Thompson, claimed the land around the confluence of the three great rivers for England. Working for the North West Company, he was the first of the traders and trappers representing the great fur companies. Not long afterwards, John Jacob Astor's Pacific Fur Company established Fort Astoria on the Pacific, representing the United States; from this hub, the company's agents spread throughout the North-

west and to the Tri-Cities area. However, after the end of the War of 1812, Astor's company began withdrawing from the area because of financial reverses and was eventually gone by 1813. The North West Company merged with Hudson's Bay Company, which became the dominant force in the region.

In 1818 the construction of Fort Nez Perce began; it was located on the Columbia near the mouth of the Walla Walla River about ten miles south of the Snake River. Later known as Fort Walla Walla, the post remained the center of activity in the region until it was abandoned when the Hudson's Bay Company relinquished its presence in the region following the Indian Wars of 1855.

Trapping and trading for furs were the principal economic activities of these first white people. However, a political agenda was also involved; who would establish legal claim to the territory, the United States or Great Britain? While the British Hudson's Bay Company was the largest organized entity in the Northwest at that time, increasing numbers of U.S. settlers, with intentions of farming, were beginning to permeate the area, and had the active encouragement of the U.S. government and its Manifest Destiny policy. Eventually, Great Britain and the U.S. established the 49th parallel as the dividing line between British and American territory (1846).

The decline of fur trading and trapping in the Tri-Cities region was offset by the rise, in the 1850s, of steamship transportation on the great rivers. Steamships were necessary to support the emergent ranching enterprise; by the 1860s, cattle and horse herds dotted the area. This transportation also supported gold miners. With the discovery of gold in northeastern Washington and Canada, prospectors from California and Oregon headed north, frequently through the Tri-Cities region. A fairly substantial number of prospectors also worked the sand bars of the Columbia River although no great quantities of the metal were ever found.

After steamship transportation became firmly established, the railroads arrived. Beginning in the late-1870s, railway construction became an almost feverish activity in the region. The town of Ainsworth was laid-out and built in 1879 to house railroad construction crews. Located at the mouth of the Snake River, it was the designated county seat when Franklin County was established in 1883 by the Washington Territorial Government. Soon after, though, when construction in the Ainsworth area

was completed, the town was vacated. By 1885 nothing was left—even the wood had been evacuated to build Pasco, another railroad town, which soon became the county seat. Northern Pacific's rail link from Spokane to Minnesota was completed in 1883, and local and regional links and spurs were built thereafter throughout the Tri-Cities. Significant railroad construction activity continued until the automobile began to supplant the railroads after WWI.

During the heyday of the railroads, farming began to increase in importance in the region. The major drawback to agriculture, though, was lack of water. The early farmers, who had purchased land with the belief that the railroads would bring prosperity to the area, had a tough go of it. In the 1890s, first attempts were made to irrigate land by constructing canals and pumping water to farming areas. These efforts, mainly by private concerns, continued for several decades but never proved to be profitable. Even the establishment of publicly controlled irrigation districts did little to provide water at a practical cost. The price of water usually offset the profits made from crops. As late as 1900, travelers passing through by rail would mainly see vistas of sage brush and open-range grazing of cattle and horses. The increase in settlement, though, was recognized when Benton County was established in 1905 from eastern portions of Yakima and Klickitat counties. Named after the Missouri senator, Thomas H. Benton, the county's 1910 population was 7,937.

The aftermath of WWI saw a boom in road building throughout the area (and the nation). The rise of the automobile spelled the decline of the railroads and these farm-to-market roads helped open up the region as much as the railroads did. Lack of water still remained the major obstacle to agricultural and economic development. During the 1930s, though, the federal government assumed a major role in land reclamation with the construction of, among others, the Grand Coulee Dam. The Columbia Basin Irrigation Project of the 1950s expanded the amount of water going to the Tri-Cities. The McNary Dam was completed in 1954. Dam building continued, irrigation increased, advances in agricultural chemistry made dry-land farming a successful enterprise, and the Tri-Cities region bloomed as an agricultural center. Not only did agriculture boom, but its related food processing industry also flourished—all those crops had to be prepared for marketing. Beginning in the 1950s, an agricultural industry was born along the banks of the Columbia near Kennewick. The chemical production industry evolved into a major component of the region's

economy, the largest producers of fertilizers in the Pacific Northwest came to be located in the Tri-Cities.

World War II brought a new kind of prosperity to the region. Beginning with a naval air station for training pilots and ending with a plutonium production facility, the war completely transformed the Tri-Cities. The 1940 Census listed 18,360 people in Benton and Franklin counties—the 1950 Census showed 64,933—over a 250 percent increase.

The driving force behind the growth, of course, was the plutonium production facility at Hanford. As part of the Manhattan Project, plutonium from Hanford went into the first atomic explosion at Alamogordo and into the atomic bomb *Fat Man* that was dropped on Nagasaki to end the war.

The wherewithal to produce such materials required a new labor force and a new city. Hanford was built at the site of the old Hanford irrigation/agricultural town (population less than 300) to house the labor force that constructed the nuclear plant. The new Hanford included barracks, mess halls, and all other necessary facilities for a work force which peaked at 51,000. The nearby city of Richland was also taken over by the U.S. government to house the operators of the nuclear reactors being built.

The region grew at a tremendous pace during the war years but did not slump back to pre-war levels at the conclusion of hostilities like many other communities. The Cold War and the threat of nuclear war kept the Hanford Project thriving. Plutonium production for use in nuclear weapons continued until 1988 when it was halted amid controversy and publicity following the Chernobyl disaster. Through the 1960s and 1970s, Hanford also became a center for research and application of nuclear energy to non-military purposes. This strong effort into basic and applied nuclear research continues to the present.

Another construction boom hit the Tri-Cities in the 1970s. The Washington Public Power Supply System (WPPSS) had selected the Tri-Cities for construction of three nuclear reactor plants to generate electricity (another two plants were to be built at Satsop in Grays Harbor County). Although only one was ultimately built and put into operation, construction employment payrolls swelled through the 1970s and 1980s. The abnormally high employment levels fell back when WPPSS halted construction of four of the five plants in 1982 and defaulted on its bonds for two plants in 1983. The Hanford Plant 2 reactor was completed and opened in 1984.



# POPULATION

## Population Trends

The Office of Financial Management estimated Benton and Franklin counties' populations to be 140,700 and 45,900 in 2000, making them the 10th and 21st largest of Washington's 39 counties. With a total geographic area of 2,945 square miles, the population densities of Benton and Franklin counties are 83.7 and 39.7 residents per square mile, respectively.

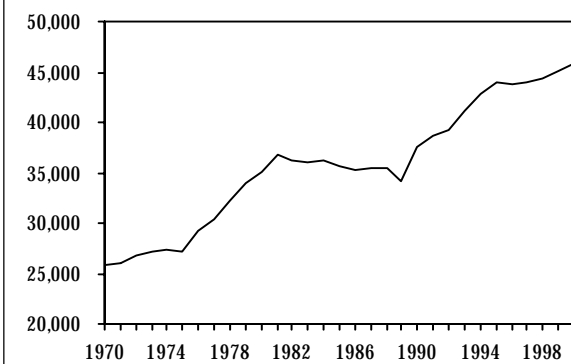
Changes in population generally reflect, although belatedly, economic conditions; the fluctuations in population, therefore, are usually viewed as an after-the-fact judgement of economic health—people follow jobs. Growth of population in the Tri-Cities has varied widely during the last two decades. From 1970 to 2000, the populations of Benton and Franklin counties grew by 109 percent and 78 percent, both surpassing the state which grew by 70 percent. The Benton County population increased from 67,450 in 1970 to 140,700 in 2000, while Franklin County grew from 25,816 to 45,900 (see *Figures 1 and 2*).

The population annual growth rates for both counties and the state are shown in *Figure 3*. The county growth rates tend to be more extreme than the state growth rate which hovered between zero and 4 percent. From 1970 to 1981, both counties experienced strong growth; Benton County had an average annual growth rate of 4.9 percent, while Franklin County had a 3.3 percent average growth rate. From 1982 through 1989 both

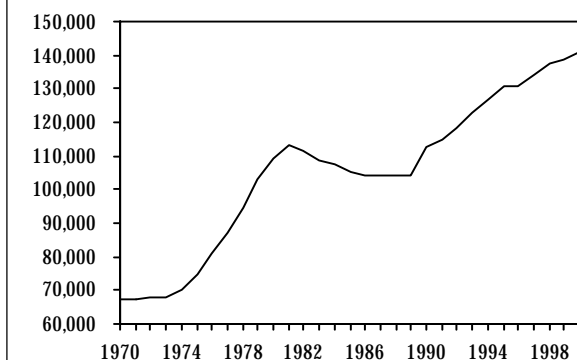
counties experienced negative population growth, an annual average of about -1 percent. During the next strong period of growth, 1990 to 1995, Franklin County had stronger growth than Benton County, 4.3 and 3.9 percent, respectively. From 1995 to 2000, both counties had slower growth but Benton County outpaced Franklin County, 1.4 and 0.9 percent respectively.

Unfortunately, most of the new population data from the 2000 Census were not yet available for this report, except for the total change in population between 1990 and 2000—the basis for this discussion. Components

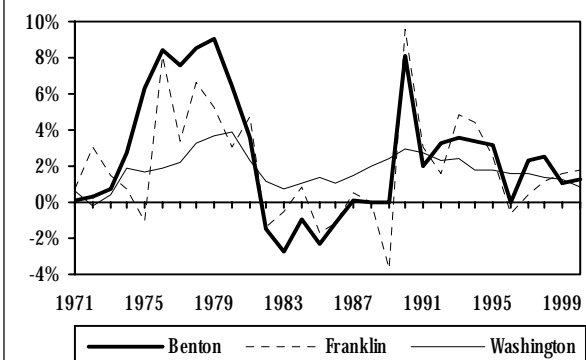
**Figure 2**  
Population Trend  
Franklin County, 1970-2000  
*Source: Office of Financial Management*



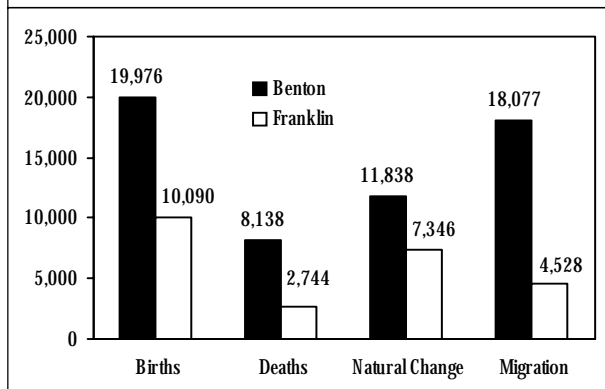
**Figure 1**  
Population Trend  
Benton County, 1970-2000  
*Source: Office of Financial Management*



**Figure 3**  
Population Annual Growth Rates  
Benton, Franklin, & Washington, 1970-2000  
*Source: Office of Financial Management*



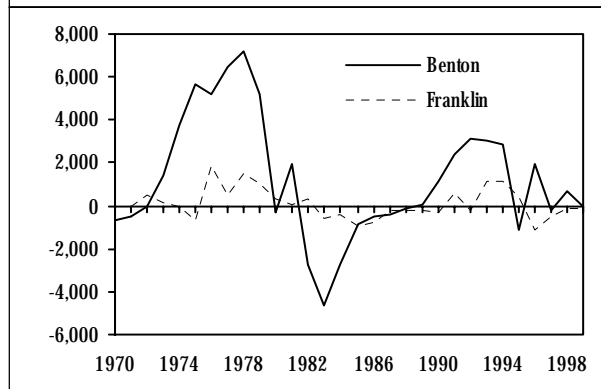
**Figure 4**  
**Components of Population Change**  
**Benton and Franklin Counties, 1990-2000**  
*Source: Office of Financial Management*



of population change such as births, deaths and migration can provide insight into larger population trends (see Figure 4). From 1990 to 2000 the total populations of Benton and Franklin counties increased by 29,915 and 11,874, respectively. A much larger share of population growth in Benton County was due to migration (60 percent), compared to Franklin County (38 percent). The statewide share of growth due to migration is 63 percent. Benton and Franklin rank 28th and 35th among the counties, in terms of share of population growth due to migration.

Figure 5 shows the annual rates of migration from 1970 to 1999 for both counties. The migratory ele-

**Figure 5**  
**Migration Trends**  
**Benton and Franklin Counties, 1970-1999**  
*Source: Office of Financial Management*



ment of population change reacts more quickly to economic change than does the natural element (births and deaths). The population change during the “bust” decade of the 1980s in the Tri-Cities reveals the extent to which migration affects population. There was a net out-migration of 2,757 people from 1980 through 1989, and a resulting decline in the total population of 825 people. Fortunately, the situation improved in the early 1990s. Most recently, Benton County has been fluctuating between negative and positive migration, while Franklin County has experienced only negative migration since 1996.

## Towns and Cities

Although both Benton and Franklin counties grew by about 25 percent, their areas of growth were different (Figure 6). While Benton County had the same rate of growth in both the incorporated and unincorporated areas (25-26 percent), Franklin had only 3 percent growth in its unincorporated areas compared to 35 percent growth in the incorporated areas. The two counties are similar in the proportion of population living in incorporated areas, 75 percent in Benton County and 67 percent in Franklin County.

The Tri-Cities had nine municipalities in 2000. In Benton County, the two largest cities Kennewick and Richland hold 38 and 26 percent of the total county population, respectively. In Franklin County 60 percent of the population lives in Pasco. West Richland which accounts for 6 percent of the Benton County population had the greatest rate of growth (101 percent). Mesa, with only 440 people had the next greatest increase of 75 percent.

**Figure 6**  
**Population of Cities, Towns, and Counties**  
**1990-2000**  
*Source: Office of Financial Management*

Municipality	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	% Chg. 1990-00
<b>Benton</b>	112,560	114,800	118,500	122,800	127,000	131,000	131,000	134,100	137,500	138,900	140,700	25%
Unincorporated	27,849	28,962	30,000	32,610	32,625	33,280	33,335	34,555	35,915	36,370	35,005	26%
Incorporated	84,711	85,838	88,500	90,190	94,375	97,720	97,665	99,545	101,585	102,530	105,695	25%
Kennewick	42,152	42,773	44,490	45,110	46,960	48,130	48,010	49,090	50,390	50,950	53,270	26%
Richland	32,315	32,740	33,550	34,080	35,430	36,270	35,990	36,550	36,860	36,880	37,190	15%
West Richland	3,962	4,020	4,065	4,510	5,265	6,420	6,720	6,930	7,295	7,625	7,960	101%
Prosser	4,476	4,470	4,485	4,540	4,630	4,790	4,835	4,840	4,865	4,900	5,035	12%
Benton City	1,806	1,835	1,910	1,950	2,090	2,110	2,110	2,135	2,175	2,175	2,240	24%
<b>Franklin</b>	37,473	38,600	39,200	41,100	42,900	44,000	43,700	43,900	44,400	45,100	45,900	22%
Unincorporated	14,712	15,500	15,820	16,840	17,575	18,270	18,067	15,215	14,843	15,030	15,110	3%
Incorporated	22,761	23,100	23,380	24,260	25,325	25,730	25,633	28,685	29,557	30,070	30,790	35%
Pasco	20,337	20,660	20,840	21,370	22,170	22,500	22,370	25,300	26,090	26,600	27,370	35%
Cornell	2,005	2,015	2,040	2,375	2,640	2,690	2,634	2,750	2,780	2,800	2,735	36%
Mesa	252	250	315	315	315	325	397	420	430	425	440	75%
Kahlotus	167	175	185	200	200	215	232	215	257	245	245	47%

## Age Groups

The distribution of the population among various age groups as well as the changes in this distribution over time shows aspects of the population not revealed by the overall numbers. *Figure 7* categorizes the population of Benton and Franklin counties and Washington State by age group share size for 2000. These age groups are significant when viewed in terms of labor market assumptions:

- 0-14 = Infants or adolescents a decade or two removed from the labor force
- 15-19 = Prospective new entrants into the labor force
- 20-24 = New entrants into the labor force
- 25-44 = Young workers in their prime years of productivity
- 45-64 = Mature workers with years of accumulated skills and experience
- 65+ = Retirees

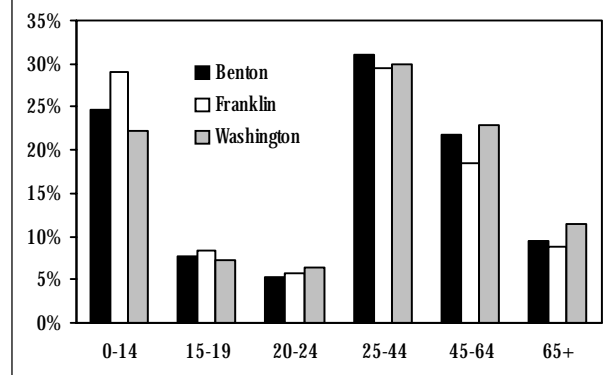
By far, the largest population group in the Tri-Cities, Washington, and the nation at this time is the 25 to 44 year olds. The *baby boom*, which lasted from 1946 to 1964, resulted in a large population surge whose members are now beginning to turn 50. The 0-14 category, also known as the *Echo Boom* or *Baby Boomlet*, is another sizable group at present.

There are some significant differences between the counties and the state. The biggest difference is the share of population which is under 14 years old. Both are higher than for the state but the larger gap is between

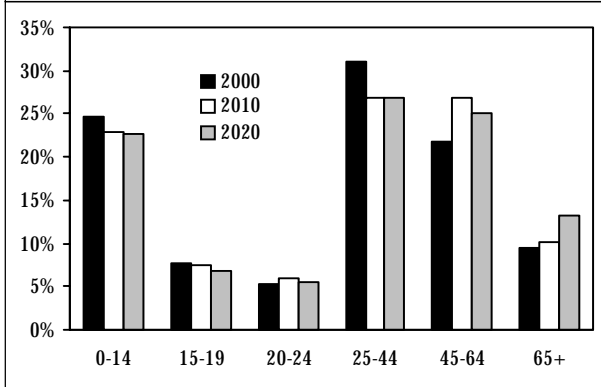
Franklin County and the state, 29 percent versus 22 percent. This is very likely due to the larger Hispanic population which tend to have more children. At the same time, both counties have low percentages for the two oldest age groups.

*Figures 8 and 9* show the age groups in Benton and Franklin counties for 2000, 2010, and 2020. In Benton County the group with the greatest increasing share of population are the 45-64 year olds, from 22 percent in 2000 to 27 percent in 2010, and those 65 and over who increase from 10 percent in 2010 to 13 percent in 2020. In terms of absolute growth, the groups with the greatest

**Figure 7**  
**Population Share by Age Groups**  
**Benton, Franklin, & Washington, 2000**  
*Source: Office of Financial Management*



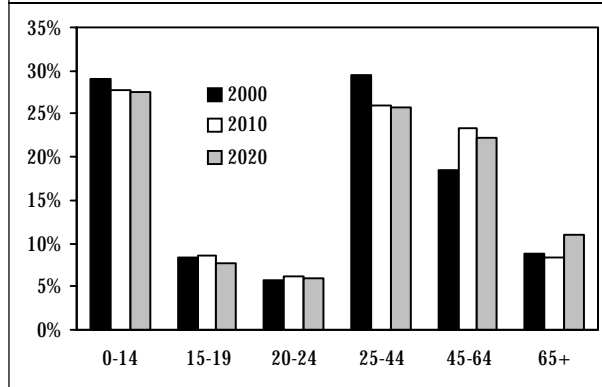
**Figure 8**  
**Population by Age Groups**  
**Benton County, 2000, 2010, & 2020**  
*Source: Office of Financial Management*



growth between 2000 and 2010 are the 45-64 year olds (48 percent), and 20 to 24 years old (26 percent). The total population growth for this period is 11 percent. During the following 10 years, from 2010 to 2020 the population is again projected to grow by 11 percent, while those 65 and over are expected to increase by 46 percent. The second fastest growing group is the 25 to 44 year olds with a projected increase of only 12 percent.

In Franklin County the group with the greatest increasing share of population is also the 45-64 year olds, from 19 percent in 2000 to 23 percent in 2010. Those 65 and over increase from 8 percent in 2010 to 11 percent in 2020. In terms of absolute growth, the groups with the greatest growth between 2000 and 2010 are the 45-64 year olds (46 percent), and 20 to 24 year olds (21 percent). The total population growth for this period is 16 percent. During the following 10 years, from 2010 to 2020 the population is projected to grow by 15 percent, while those 65 and over are

**Figure 9**  
**Population by Age Groups**  
**Franklin County, 2000, 2010, & 2020**  
*Source: Office of Financial Management*



expected to increase by 50 percent. The second fastest growing group is the 25 to 44 year olds with a projected increase of only 15 percent.

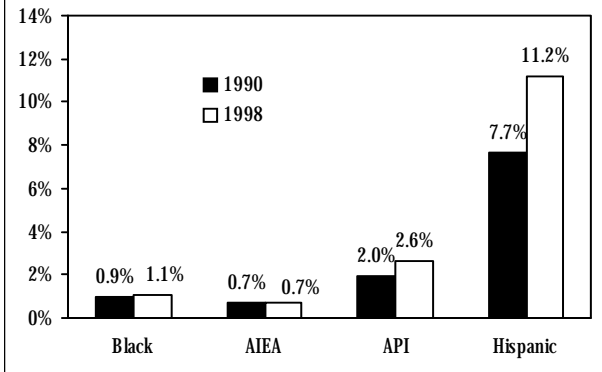
As most people are aware, these demographics will have a significant impact on society. While the primary wage earners (those 25 to 64) will comprise 52 percent of the total Tri-Cities population from 1990 to 2010, that share declines to 51 percent in 2020. At the same time the 65 and over age group increases from 10 to 13 percent of the population. There will be a smaller percentage of people paying into social security used to support a larger number of people. Although there will not be a similar dramatic growth among the young, also supported by primary wage earners, there is likely to be a loss of support for funding of education through property taxes on the part of the increasing senior population.

## Demographics

In accordance with the federal Office of Management and Budget, the state Office of Financial Management tracks five broad race and ethnic groups: White, Black, American Indian/Eskimo or Aleut (AIEA), Asian or Pacific Islander (API), and Hispanic origin. (People of Hispanic origin can be of any race and are tallied separately.) *Figures 10 and 11* show the population shares for each of these groups in Benton and Franklin counties, in 1990 (Census) and 1998 (estimate), and their rate of growth.

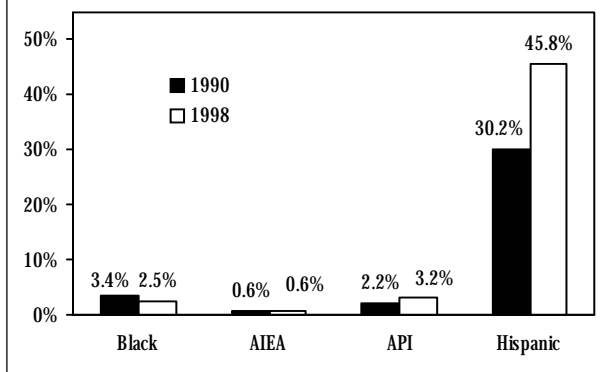
There are real differences between the populations of Benton and Franklin counties. In 1998, 84 percent of the population in Benton County was white, compared to 48 percent in Franklin. In both counties, the largest minority group is Hispanic, 11 percent in Benton County and 46 percent in Franklin County. Hispanics have also had the greatest overall growth from 1990 to 1998, increasing by about 79 percent in both counties. In Franklin County the increase was from 30.2 percent to 46 percent of the population.

**Figure 10**  
**Population by Race and Hispanic Origin**  
**Benton County, 1990 and 1998**  
*Source: Office of Financial Management*



The API and AIEA populations are similar in the two counties, about 0.7 and 2.5 percent respectively. Interestingly, there is a higher percentage of Blacks in Franklin County compared to Benton County (2.5 and 1.1 percent), although there has been a decline in Franklin County. In fact, the Black population increased 43 percent in Benton County and declined by 12 percent in Franklin County. Similarly the white population grew by

**Figure 11**  
**Population by Race and Hispanic Origin**  
**Franklin County, 1990 and 1998**  
*Source: Office of Financial Management*



16 percent in Benton County and declined by 11 percent in Franklin County. The AIEA population increased by about 22 percent in both counties, and the APIs by about 70 percent.

In contrast, for the state the order of minority ethnic groups was Hispanic (6.2 percent), APIs (5.9 percent), Blacks (3.5 percent) and AIEAs (1.9 percent). State-wide 89 percent of the population is white.

# CIVILIAN LABOR FORCE

The *resident civilian labor force* is defined as all persons 16 years of age and older within a specified geographic area who are either working or actively seeking work. This excludes those serving in the armed forces. Like general population, labor force can be seen as a key economic indicator. Patterns of growth and decline in a county's labor force are largely driven by economic cycles as well as specific non-cyclical activities in local industry divisions. Since gross domestic product and gross state product are not gathered at the county level, labor force changes and other measures often serve as substitutes or proxies.

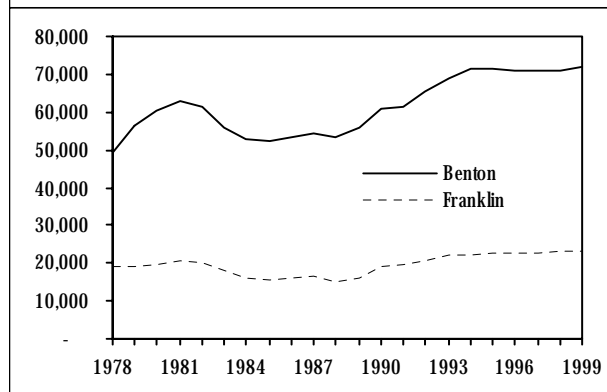
The Benton and Franklin counties' resident civilian labor forces, which increased 46 and 19 percent respectively, from 1978 to 1999 are shown in *Figure 12*. Statewide the CLF increased 70 percent. The average annual growth rates from 1978 to 1999 (*Figure 13*) were 1.9

percent in Benton County, 1.0 percent in Franklin County, and 2.6 percent statewide.

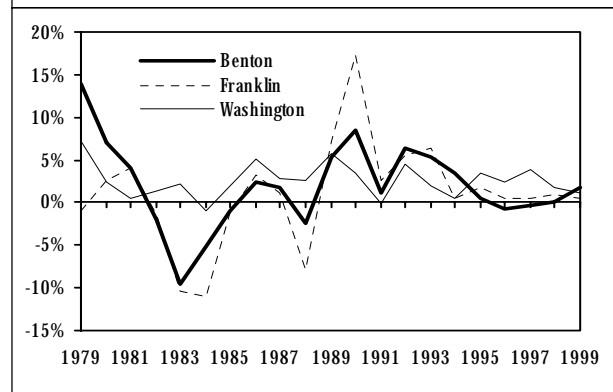
The declines in the early-1980s are related to the closure of the WPPSS nuclear power generator program and the 1980-81 recessions. From 1985 to 1990, both counties enjoyed modest growth in their labor force size; Benton County increased 16 percent and Franklin County grew 21 percent. Both counties began the last decade with record high growth rates in 1991, 8.4 percent in Benton County and 17.2 percent in Franklin County. And yet, total growth for the 1990s was similar to the previous 5-year period, 19 and 20 percent, respectively. The increase in labor force size beginning in 1989 is primarily attributed to increased nuclear waste management efforts.

The average CLF growth for the 1990s was very close for both counties, 1.9 and 2.1 percent in Benton and Franklin counties. Most recently, from 1995 to 1999 the average growth rates were 0.2 and 0.8, respectively.

**Figure 12**  
**Civilian Labor Force**  
**Benton and Franklin Counties, 1978-1999**  
*Source: Employment Security Department*



**Figure 13**  
**Annual Civilian Labor Force Growth Rates**  
**Benton, Franklin, & Washington, 1978-1999**  
*Source: Employment Security Department*



# Demographics

The racial and ethnic composition of the Benton and Franklin counties' civilian labor force (1997) is very much like that of the general population (1998). In Benton County 85 percent is white; 10 percent is Hispanic; 2.8 percent is Asian and Pacific Islander; 1.1 percent is Black; and 0.7 percent is Native American. Again, there is big difference for Franklin County, where only 50 percent of the CLF is white and 44 percent is Hispanic (see Figure 14). (Note: Race estimates are based on 1990 Census and 1997 population data from the Office of Financial Management. New information will be provided after the 2000 Census.)

In 1998, the female share of the total population was 50 percent in Benton County and 48 percent in Franklin County. Comparatively, the female share of the CLF was 43 and 41 percent, respectively.

**Figure 14**  
**Civilian Labor Force by Race and Gender**  
**Benton and Franklin Counties, 1997**  
*Source: Employment Security Department*

Category	Benton County		Franklin County	
	Labor Force	% Distrib.	Labor Force	% Distrib.
Total	71,000	100.0%	22,400	100.0%
White	60,500	85.2%	11,300	50.4%
Black	800	1.1%	400	1.8%
AIEA	500	0.7%	200	0.9%
API	2,000	2.8%	700	3.1%
Hispanic	7,200	10.1%	9,800	43.8%
Female	30,900	43.5%	9,200	41.1%

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# UNEMPLOYMENT

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The civilian labor force consists of both those who are working and those without a job who are actively looking for work. The unemployment rate is the share of the total labor force that is not working but who are actively looking for work. The ranks of the unemployed do not include retirees, persons in institutions, or those known as *discouraged workers* (i.e., persons who would like to work but who are not actively searching for a

job). None of these groups are included in the unemployment figures because they are not looking for work.

At the national level, the unemployment rate is determined by a monthly survey of households. At the local level, the state's portion of this household survey is integrated with other data and information (e.g., unemployment insurance claims, surveys of business establishments, etc.) to produce unemployment rates for the state and counties.

## Trend

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*Figure 15* shows the unemployment rates for Benton and Franklin counties, and Washington since 1978. Prior to 1978, data regarding unemployment for Benton and Franklin counties were consolidated into the Tri-Cities series; after 1978, separate county data series were kept. Unemployment in the county tracks remarkably well with unemployment in Washington, rising during periods of national economic contraction and falling during economic expansions. In 1999, the unemployment rate was 5.6 percent (4,000 workers) in Benton County, 9.6 percent (2,200 workers) in Franklin County, and 4.7 percent statewide.

From 1978 to 1981, the Benton and Franklin counties and the Washington unemployment rates were very

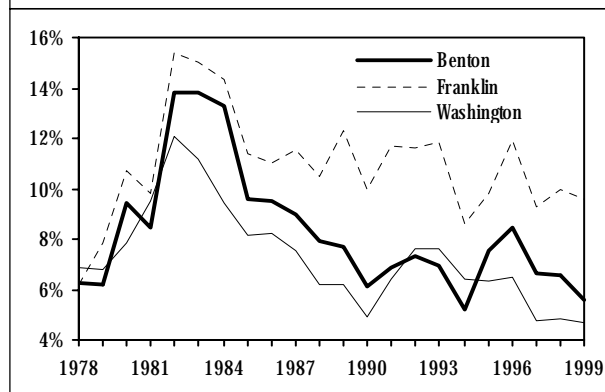
close, and until 1982, unemployment in the counties closely paralleled that of the state. In 1982, the rate went up by 5 percentage points in both counties, compared to less than 3 percentage points for the state. From 1978 to 1986, the difference between the Franklin and Benton counties' unemployment rates was always less than 2 percentage points. From 1987 to 1999 the difference fluctuated between 2.5 and 4.9 percentage points, with an average difference of 3.6 percentage points. While Benton County followed the downward trend of the state until 1994, Franklin County tended to fluctuate more between 8.6 and 11.8 percent.

One cause of the higher fluctuating unemployment rate in Franklin County may be that in prior years, much of the farm work was done by migrants from Texas, California, and other states. Now the majority of the work is done by permanent residents who are unemployed locally in the winter months.

The 1997 unemployment rates disaggregated by race, ethnicity, and sex for Benton and Franklin counties are shown in *Figure 16*. Unemployment does not affect racial groups equally. Interestingly, while the total unemployment rate was 6.6 and 9.8 percent in Benton and Franklin counties, respectively, the unemployment rate for Whites was about 6 percent in both counties.

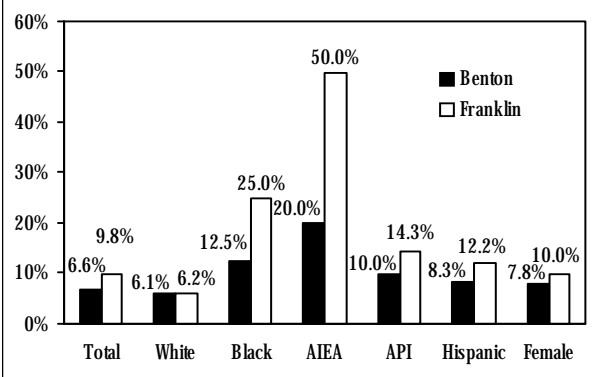
Except for APIs, all minority groups in Franklin County had significantly higher unemployment rates than in Benton County. The unemployment rate for Native Americans in Franklin County was more than double (50 percent) the rate in Benton County (20 percent), but in each county that equaled 100 persons.

**Figure 15**  
**Unemployment Rates**  
**Benton, Franklin, & Washington, 1978-1999**  
**Source: Employment Security Department**





**Figure 16**  
**Unemployment by Race, Ethnicity, & Gender**  
**Benton and Franklin Counties, 1997**  
*Source: Employment Security Department*



## Unemployment Insurance Claims

One of the key factors, and perhaps most reliable methods, in determining unemployment is the number of claims filed with the Employment Security Department for unemployment insurance (UI) benefits. *Figure 17* shows the number of UI claims filed in Benton and Franklin counties and Washington State during FY 1999-2000 by occupational groupings. Occupational groupings differ from industry designations in that the former deal with the type of work performed regard-

less of industry and the latter deal with work performed within a given industry. The table lists the groupings in descending size based on the number of claims in the state. Benton and Franklin counties had 9,067 and 5,806 UI claimants, respectively, between July 1, 1999 and June 30, 2000.

The concentration of UI claims in the county occupational groupings reflect significant differences from concentrations statewide. Overall, both counties, but

**Figure 17**  
**Unemployment Insurance Claimants**  
**Benton and Franklin Counties, and Washington, July 1, 1999 - June 30, 2000**  
*Source: Employment Security Department*

	Benton		Franklin		Washington	
	Claimants	Percent	Claimants	Percent	Claimants	Percent
Total	9,067	100.0%	5,806	100.0%	369,331	100.0%
Structural work	2,287	25.2%	694	12.0%	69,552	18.8%
Professional, Technical, and Managerial	1,335	14.7%	302	5.2%	65,042	17.6%
Clerical	944	10.4%	305	5.3%	39,843	10.8%
Service	836	9.2%	404	7.0%	38,823	10.5%
Packaging and materials handling	472	5.2%	331	5.7%	32,096	8.7%
Agriculture, forestry, and fishing	1,060	11.7%	1,710	29.5%	29,550	8.0%
Machine trades	387	4.3%	149	2.6%	22,377	6.1%
Processing	699	7.7%	1,438	24.8%	19,673	5.3%
Sales	417	4.6%	156	2.7%	19,259	5.2%
Motor freight and transportation	459	5.1%	277	4.8%	18,242	4.9%
Benchwork	109	1.2%	31	0.5%	12,538	3.4%
Miscellaneous, Not elsewhere classified	62	0.7%	9	0.2%	2,336	0.6%
White-Collar	3,532	39.0%	1,167	20.1%	162,967	44.1%
Blue-Collar	5,473	60.4%	4,630	79.7%	204,028	55.2%

especially Franklin, have much higher percentage of claims in the agriculture and processing occupational categories. Agriculture accounts for 11.7 percent of claims in Benton County and 29.5 percent in Franklin County (its largest category). Statewide only 8 percent

of UI claims are in agriculture. It should be kept in mind that this information does not imply that certain occupations are more vulnerable to unemployment, but that these types of occupations are more predominant in the county.

## Industrial Typology

The characteristics of an area's industrial base hint at the unemployment patterns that the area might face. Therefore, calculations were made to establish the share of seasonality, cyclicity, and structural maturity in the area's employment base. These terms are defined as follows.

Industries with *seasonal* employment patterns are characterized by large employment increases and decreases in particular months of the year, for example, construction and retail sales. These variations occur during the same months each year and are caused by factors that repeat each year, for example: poor weather conditions, holiday seasons, and weather-related activities such as harvesting. A seasonal industry is one in which the maximum variation between the highest and lowest monthly employment is 18.9 percent or more of the industry's annual average employment.

*Cyclicity* refers to business and unemployment patterns caused by or linked to the broader movements of the economy—expansions and contractions. Unemployment in such industries is attributable to a general decline in macroeconomic activity, especially expenditures, which occurs during a business-cycle downturn, for example, ship building, aerospace, and automobile manufacturing. When the economy dips into a contraction, or recession, aggregate demand declines, so less output is produced and sold, and thus fewer workers and other resources are employed. A cyclical industry is one in which its highest to lowest annual average employment varied 24 percent or more from the midpoint trend line from 1982-90.

*Structurally mature* industries are characterized by long-term declines in total annual average employment. These declines may be the result of increased productivity, automation, technological change, exhaustion of natural resources, or other factors. Decreasing sales are due to either displacement by less-expensive competitors, or decreasing overall demand for the good. Affected industries must either shut down, or restructure.

Areas with a high degree of structurally mature industries experience specific unemployment issues. First, structurally mature industries shed a significant number of

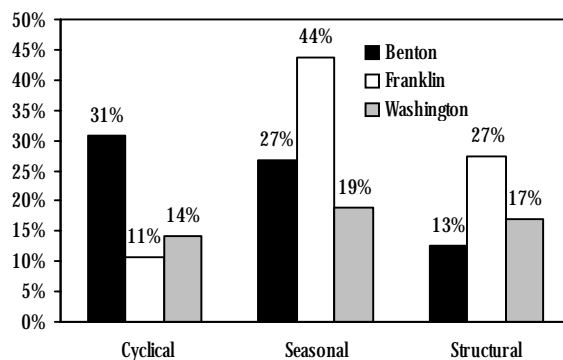
workers causing unemployment to increase. Second, unemployment can persist because of a mismatch between the skills possessed by the available work force and the skills called for in existing and newly created jobs. The impact of structurally mature industries on local economies, therefore, can be devastating in the short run. An industry is structurally mature if there is a decrease in employment from the pre-recession peak of 1990.

Only private industries were included when producing the figures below, so the large impact of government employment is excluded.

Note: The percentages will not necessarily total 100 percent. An industry can be recognized in more than one typology. Construction, for example, is very dependent upon weather and is also highly sensitive to fluctuations in overall economic activity, i.e., the business cycle. It has been categorized as both seasonal and cyclical.

As can be seen in *Figure 18*, there are major differences between Benton and Franklin counties and in comparison to the state, with respect to industrial typology. In 1999, cyclical industries accounted for 31 percent of all non-government employment in Benton County, 11 percent in Franklin County, and 14 percent statewide. In contrast, seasonal industries accounted for a very high

**Figure 18**  
**Industrial Typology**  
**Benton, Franklin, & Washington, 1999**  
*Source: Employment Security Department*



44 percent of employment in Franklin County, 27 percent in Benton County, and only 19 percent statewide. Again for structural employment, Franklin County has a much higher percentage (27 percent), compared to Benton County (13 percent) and the state (17 percent).

Both Benton and Franklin counties have a total of about 55 percent of workers in seasonal and cyclical

industries, (Washington has 33 percent) suggesting that both counties are more subject to regular short-term swings in employment. In addition, Franklin County, which also has a higher share of structural based employment might also be more vulnerable to longer-term, longer-lived declines in employment consistent with structural employment.

# INDUSTRIES, EMPLOYMENT, AND WAGES

Data in this section are derived through two different Bureau of Labor Statistics programs which are conducted in Washington by the Employment Security Department. The first, called CES (Current Employment Statistics), generates monthly nonagricultural employment figures; the second, the Quarterly Employment and Wages program (ES-202), includes data on both agricultural and nonagricultural employment covered under the state

unemployment insurance program. All agriculture wage and employment data in this section stem from the Employment and Wages program; other employment information (which is grouped for the two counties) comes from the CES program. Approximately 85 percent of all workers in the state are covered by unemployment insurance.

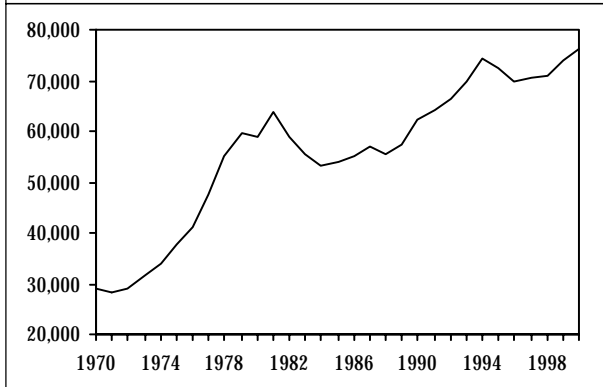
## Employment Trends

Over the last 30 years, nonfarm jobs in the Tri-Cities grew 164 percent, going from 28,890 in 1970 to 76,200 in 2000 (see Figure 19). During the same period, Washington State's employment increased by 152 percent. Although, this equates to an average annual growth rate of 3.4 percent in the Tri-Cities compared to 3.1 percent statewide the annual growth rate in the Tri-Cities has fluctuated greatly (see Figure 20).

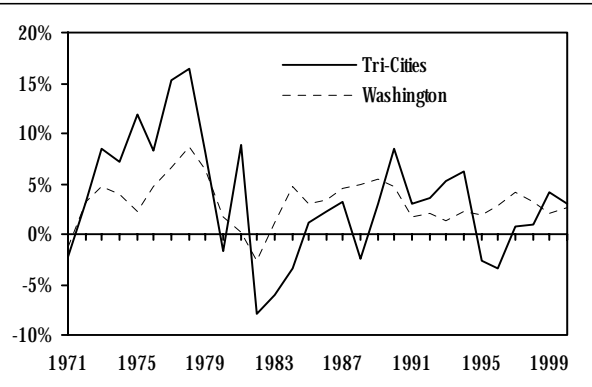
From 1970 to 1981, the average annual growth rate was 7.6 percent, compared to 3.7 percent for the state. The bulk of this growth has been associated with Hanford, be it WPPSS construction, nuclear weapons production,

or nuclear waste cleanup efforts. Then from 1982 through 1984, the average growth rate was -5.8 percent, with a total loss of over 10,000 jobs. Employment then began to increase progressively each year from 1985 through 1994, with an average annual growth rate of 3.4 percent. Then there was another two year period of decline (1995-96), with a loss of 4,300 jobs mostly in the service division. The economy then began to pick up with 0.9 percent growth in 1998, 4.1 percent growth in 1999, and 3.1 percent in 2000. The total Tri-Cities employment in 2000 (76,200) is finally higher than the all-time high of 74,200 of 1994.

**Figure 19**  
Nonagricultural Wage & Salary Employment  
Tri-Cities, 1970-2000  
Source: Employment Security Department



**Figure 20**  
Nonagricultural Wage & Salary Growth  
Tri-Cities and Washington, 1970-1999  
Source: Employment Security Department



# Location Quotients

One way of determining the industrial makeup of an area, and thereby its relative economic strength or weakness, is to compare it to another area. This comparison can be done using various measures of economic activity, such as employment, income, or retail sales. In the following analysis, location quotients are calculated using employment figures.

The following section shows fairly specifically, by industry division, how Benton and Franklin counties' employment patterns both differ from and coincide with Washington State's. When comparing an industry's share of total employment at the county level to the same industry's share at the statewide level, it becomes apparent that some county employment is distributed differently than statewide employment. The location quotient compares the share of total employment in a particular industry division in the county with the share it represents in Washington State.

The quotient is determined by dividing the local industry's share of local total employment by the same industry's share of total employment at the state level. A value higher than 1.0 denotes a local industry with a higher percentage of employment than exists in the same industry at the state level. A value below 1.0 denotes the opposite. A quotient of 1.0 denotes an industry in which the county is comparable to the state as a whole.

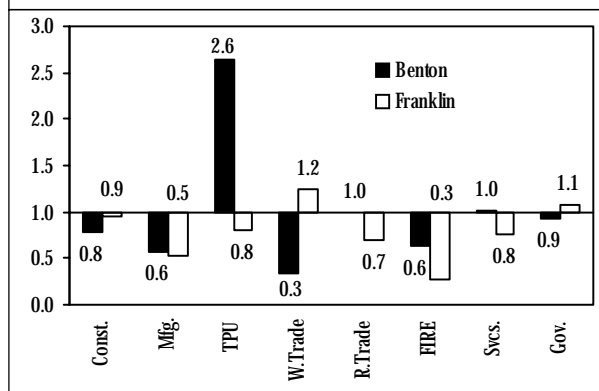
A quotient above 1.0 suggests that the good or service produced by an industry is exported from the area; a quotient below 1.0 is a sign that, hypothetically, goods or services must be imported into an area to provide the same consumption patterns found at the state level. The greater the value above or below 1.0, the stronger the suggestion of exporting or importing becomes.

Figure 21 shows the location quotients of the major industry divisions in Benton and Franklin coun-

ties. The location quotients for agriculture are not included in the graph because they were so high it would have been difficult to observe numbers for the other divisions. The agriculture location quotients were 2.8 for Benton County and 7.2 for Franklin County. The next highest was for transportation and public utilities (TPU) in Benton County (2.6). Most of the other location quotients are less than 1.0, with both counties having low figures for manufacturing.

Interestingly, Franklin's location quotient for wholesale trade is significantly different than Benton County's (1.2 and 0.3); that is the lowest quotient for Benton County. Franklin County's lowest quotient is 0.3 for fire, insurance, and real estate (FIRE). Except for agriculture, TPU in Benton County, and wholesale trade in Franklin County, both counties are importers of most other commodities and services, but not to an extreme.

**Figure 21**  
**Location Quotients**  
**Benton and Franklin Counties, 1999**  
*Source: Employment Security Department*



# Goods and Services

There are three broad sectors in an economy: primary, secondary, and tertiary. The primary sector is comprised of agriculture and mining. The secondary sector is the goods-producing sector, comprised of manufacturing and construction. Finally, the service-sector is everything else—although government is often excluded. Over the past several decades, most job growth in the U.S. has been in the service sector.

Figure 22 shows the total number of jobs in the "goods" and "service" production sectors in the combined Tri-Cities area. While employment in the goods sector has increased only 44 percent from 7,230 jobs in 1970 to 10,400 jobs in 2000, the service sector has tripled from 21,600 jobs in 1970 to 65,700 in 2000. Figure 23 shows a dramatic drop in the percentage of goods based employment between 1990 and 1991. This

was due to a reclassification of most research activity associated with Hanford from manufacturing into the services division. Although, the Tri-Cities now has a significantly lower share of employment in goods production compared to the state (14 percent versus 19 percent), at least it was not due completely to the loss of jobs.

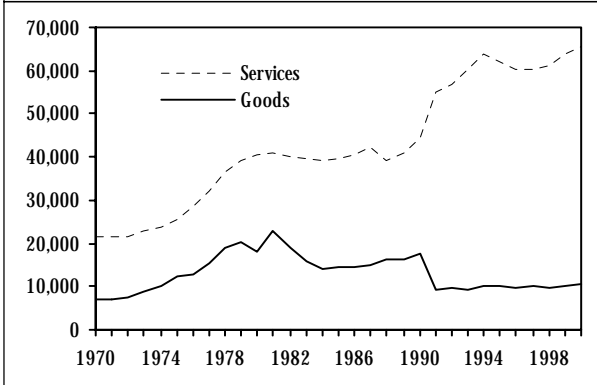
Although the seven major industrial divisions are grouped into either “goods” or “services” it is more illuminating to compare the individual divisions. *Figure 24* compares the employment share of each division in 2000 for the Tri-Cities and Washington. The services division is the largest division for both the Tri-Cities and the state. The biggest difference is for TPU which is 12 percent of the Tri-Cities employment and only 5 percent statewide; this is predominantly due to Benton County as seen in the location quotients.

The next two graphs (*Figures 25 and 26*) show the change in share of total employment for all divisions from 1970 to 2000. *Figure 25* shows the larger divisions including: manufacturing, trade, services and government. While trade and government were fairly consistent, hovering around 20 and 18 percent, respectively, there was a dramatic flip-flop between manufacturing and services (due to the reclassification mentioned earlier). In 1991, manufacturing dropped from 23 to 9 percent of total employment where it has pretty much leveled out. On the other hand, services increased from 26 percent to 40 percent, but then slowly declined to 30 percent in 2000. Since 1991, manufacturing employment increased 12.7 percent while services decreased 14.6 percent.

At the state level, construction, TPU, and FIRE normally account for only 5-6 percent of total employment, each. As can be seen in *Figure 26*, the construction division was unusually large in the Tri-Cities from 1972

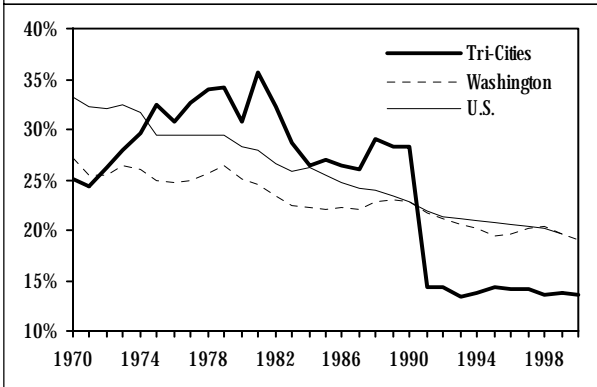
**Figure 22**  
Total Number of Nonagricultural Jobs  
Tri-Cities, 1970-2000

Source: Employment Security Department



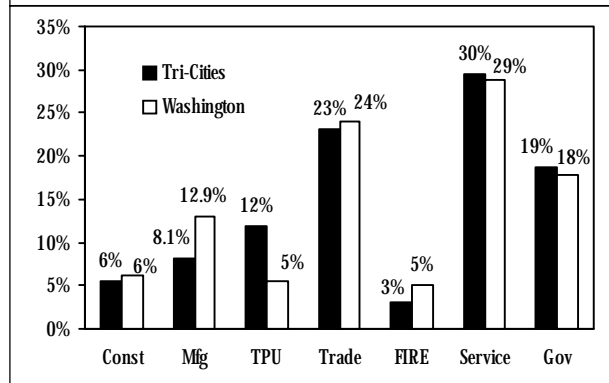
**Figure 23**  
Percentage of Goods Producing Jobs  
Tri-Cities, Washington, & US, 1970-2000

Source: Employment Security Department



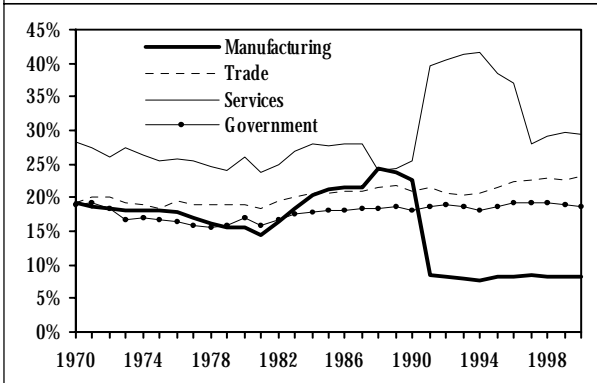
**Figure 24**  
Share of Employment for All Divisions  
Tri-Cities and Washington, 2000

Source: Employment Security Department



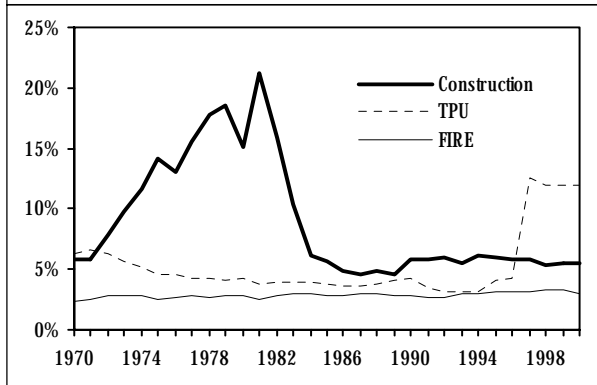
**Figure 25**  
Share of Employment in Larger Divisions  
Tri-Cities, 1970-2000

Source: Employment Security Department



through 1984. With the end of the WPPSS construction program, construction dropped to 6 percent of total employment where it has stabilized. TPU jumped from 4 to 13 percent of total employment in 1997, due to a second reclassification of Hanford jobs from services to TPU.

**Figure 26**  
**Share of Employment in Const., TPU, and Fire**  
**Tri-Cities, 1970-2000**  
*Source: Employment Security Department*



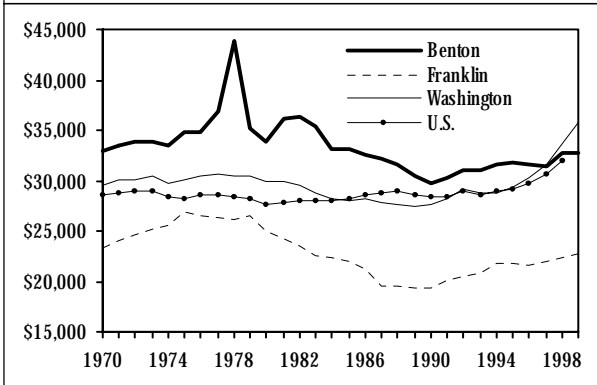
## Annual Average Covered Wage

Annual average covered wages are derived by dividing the total wages paid in an area by the annual average employment in that area. Jobs not covered by the unemployment insurance program are excluded; however, approximately 85 percent of all employment in the state is covered under the program. *(Note: all amounts here have been inflation adjusted to 1998 dollars.)* The average wage does not include any benefits (e.g., insurance or retirement plans) other than actual wages.

In 1999, the average covered wage was \$32,714 in Benton County, \$21,684 in Franklin County, and \$35,401 in Washington. Benton County ranked 3rd and Franklin County ranked 26th out of the 39 Washington counties. *Figure 27* shows the real annual covered wage from 1970 to 1999 for Benton and Franklin counties, Washington, and the Nation. From 1970 to 1999, the average wage for both Benton and Franklin counties declined, by 0.9 and 2.5 percent, respectively. During this time the state average wage increased 22 percent. Similar to the state and the nation, there was a general decline in the average wage between 1977/78 and 1990/91. Fortunately, since their average wages bottomed out in 1990 there has been an increase of 9.8 and 17.2 percent for Benton and Franklin counties' average wages, respectively. Comparatively, the state average wage increased 29 percent since 1990.

Although the average wage trend is similar for the counties and the state, there is a consistent and large gap (about \$10,000) between the Benton and Franklin counties' average wages, with the state in between the

**Figure 27**  
**Real Average Covered Wage**  
**Benton, Franklin, Washington, & US, 1970-1999**  
*Source: Employment Security Department*



two. The gap is caused primarily by the high concentration of relatively well-paying jobs at Hanford in Benton County, and the high concentration of lower paying agriculture jobs in Franklin County. Since 1979, the gap between the state and Franklin County has been increasing, while Benton County and the state began to converge from 1984. Most recently, Benton County was outpaced by the state average wage in 1998.

It should be remembered that King County, with its huge population and highly paid high-tech and aerospace industries, is the strongest driver of the statewide average. This effect has been even more pronounced most recently with the growth in "high tech" industries. In

fact, King County was the only county to have an annual covered wage higher than the state average of \$35,724. If King County were removed from the state average it would fall to \$24,711.

Although the annual wage has improved since 1990, the fact that in 1998 it was less than it was 20 years earlier is a matter of concern that has been a subject of considerable discussion. It is a national trend as well as one occurring in Washington and the Tri-Cities. Some of the explanations proffered are listed below; undoubtedly, each is a contributing factor.

- Pay declines within industries caused by international competition, restructuring, the decreased power of unions to set wages, and other factors.
- An overall decline in high paying goods-producing jobs accompanied by a large increase in lower paying trade and services jobs.
- The substitution of employee benefits for direct pay increases.
- Increase in part-time workers.

In the following sections the different employment divisions are discussed using two different data sources. Each division and the industries within the division are discussed in terms of 1999 employment and average salary based on ES-202 data. Then, except for agriculture, the employment trend for the division (1970-1999) is discussed based on data from the CES program.

The annual average 1999 covered wage, and the number employed, for major industry divisions and permissible two-digit SIC code industries are shown in *Figure 28* for Benton and Franklin counties and Washington State. Note that the average wage by division throughout the state is almost always higher than both Benton and Franklin counties, and the latter is the lowest of the three. (Again, the state's average wage data are heavily influenced by King County: the high-paying aerospace and high-tech industries drive up the wage for the densely populated county and, consequently, for the state as a whole.)

**Figure 28**  
**Annual Covered Wages and Employment**  
**Benton, Franklin Counties, and Washington State, 1999**  
*Source: Employment Security Department*

SIC Total	Benton		Franklin		Washington	
	Employment	Avg. Wage	Employment	Avg. Wage	Employment	Avg. Wage
<b>Total</b>	<b>60,282</b>	<b>\$27,325</b>	<b>21,270</b>	<b>\$21,684</b>	<b>2,606,633</b>	<b>\$35,401</b>
<b>Total Private</b>	<b>50,558</b>	<b>\$26,491</b>	<b>17,338</b>	<b>\$20,856</b>	<b>2,156,356</b>	<b>\$35,331</b>
<b>Agriculture, Forestry, and Fishing</b>	<b>5,433</b>	<b>\$16,956</b>	<b>4,976</b>	<b>\$15,524</b>	<b>84,738</b>	<b>\$17,582</b>
01 Agricultural Production - Crops	4,462	\$15,170	4,239	\$13,050	54,110	\$13,647
02 Agricultural Production - Livestock	44	\$21,226	194	\$16,730	5,738	\$20,133
07 Agricultural Services	927	\$14,471	543	\$16,791	24,890	\$18,966
<b>Construction and Mining</b>	<b>2,664</b>	<b>\$33,858</b>	<b>1,126</b>	<b>\$31,254</b>	<b>145,913</b>	<b>\$37,317</b>
14 Nonmetallic Minerals, except Fuels	*	*	25	\$30,115	2,310	\$36,408
15 General Building Contractors	676	\$25,426	123	\$24,185	39,143	\$34,383
16 Heavy Construction, except Building	236	\$43,054	221	\$36,669	18,988	\$44,209
17 Special Trade Contractors	1,752	\$33,094	757	\$34,046	85,472	\$34,266
<b>Manufacturing</b>	<b>4,388</b>	<b>\$33,339</b>	<b>1,439</b>	<b>\$20,317</b>	<b>335,246</b>	<b>\$41,014</b>
20 Food and Kindred Products	2,092	\$33,084	1,319	\$29,806	40,591	\$31,154
23 Apparel and Other Textile Products	37	\$11,519	*	*	7,070	\$21,451
24 Lumber and Wood Products	*	*	83	\$19,545	33,147	\$37,770
27 Printing and Publishing	385	\$24,125	17	\$11,730	23,572	\$33,464
28 Chemicals and Allied Products	970	\$66,962	*	*	6,104	\$70,893
30 Rubber and Miscellaneous Plastic Products	*	*	*	*	10,015	\$31,242
32 Stone, Clay, and Glass Products	30	\$26,074	*	*	8,633	\$35,512
33 Primary Metal Industries	363	\$42,111	*	*	11,586	\$44,067
34 Fabricated Metal Products	126	\$39,533	*	*	14,185	\$32,871
35 Industrial Machinery and Computer Equip.	119	\$31,303	20	\$20,186	24,413	\$46,556
36 Electronic Equipment, except Computer	38	\$23,633	*	*	18,231	\$41,020
37 Transportation Equipment	51	\$26,000	*	*	114,616	\$55,599
38 Instruments and Related Products	177	\$42,383	*	*	14,537	\$54,866
39 Miscellaneous Manufacturing Industries	*	*	*	*	8,546	\$37,726



**Figure 28 (Continued)**  
**Annual Covered Wages and Employment**  
**Benton, Franklin Counties, and Washington State, 1999**  
**Source: Employment Security Department**

SIC	Benton		Franklin		Washington	
	Employment	Avg. Wage	Employment	Avg. Wage	Employment	Avg. Wage
<b>Transportation and Public Utilities</b>	<b>7,582</b>	<b>\$30,437</b>	<b>812</b>	<b>\$26,079</b>	<b>123,991</b>	<b>\$39,219</b>
41 Local and Interurban Passenger Transit	54	\$15,824	*	*	6,680	\$19,707
42 Trucking and Warehousing	330	\$25,195	453	\$26,288	31,672	\$30,801
45 Transportation By Air	49	\$19,441	206	\$26,248	26,406	\$38,483
47 Transportation Services	90	\$23,426	9	\$20,369	11,923	\$33,852
48 Communication	273	\$39,960	78	\$31,738	31,694	\$59,055
49 Electric, Gas, and Sanitary Services	6,786	\$58,775	66	\$25,752	15,616	\$53,416
<b>Wholesale Trade</b>	<b>1,149</b>	<b>\$28,834</b>	<b>1,520</b>	<b>\$29,183</b>	<b>149,133</b>	<b>\$40,085</b>
50 Wholesale Trade - Durable Goods	537	\$33,396	754	\$31,808	84,772	\$44,227
51 Wholesale Trade - Nondurable Goods	612	\$24,273	766	\$26,558	64,361	\$35,943
<b>Retail Trade</b>	<b>10,883</b>	<b>\$16,993</b>	<b>2,707</b>	<b>\$16,879</b>	<b>472,458</b>	<b>\$22,582</b>
52 Building Materials and Garden Supplies	380	\$25,258	69	\$22,140	21,861	\$25,037
53 General Merchandise Stores	1,792	\$16,553	164	\$11,503	49,287	\$21,021
54 Food Stores	1,296	\$18,111	415	\$16,065	69,332	\$20,306
55 Automotive Dealers and Service Stations	1,084	\$23,592	676	\$30,872	48,050	\$30,516
56 Apparel and Accessory Stores	547	\$11,307	45	\$12,096	25,405	\$21,033
57 Furniture and Homefurnishings Stores	418	\$17,119	54	\$18,055	21,526	\$27,490
58 Eating and Drinking Places	4,036	\$10,048	1,026	\$8,919	176,049	\$12,256
59 Miscellaneous Retail	1,330	\$13,957	258	\$15,379	60,948	\$22,993
<b>Finance, Insurance, and Real Estate</b>	<b>1,955</b>	<b>\$29,758</b>	<b>309</b>	<b>\$21,985</b>	<b>134,122</b>	<b>\$52,991</b>
60 Depository Institutions	647	\$27,220	126	\$26,643	38,184	\$37,558
61 Nondepository Institutions	64	\$37,476	*	*	11,538	\$49,436
62 Security and Commodity Brokers	182	\$51,476			7,981	\$96,218
63 Insurance Carriers	156	\$30,140	*	*	26,869	\$44,641
64 Insurance Agents, Brokers, and Service	225	\$26,540	29	\$24,015	13,328	\$40,639
65 Real Estate	654	\$14,772	154	\$15,298	33,633	\$26,378
67 Holding and Other Investment Offices	27	\$20,679	*	*	2,589	\$76,065
<b>Services</b>	<b>16,504</b>	<b>\$23,735</b>	<b>4,449</b>	<b>\$18,158</b>	<b>710,755</b>	<b>\$29,785</b>
70 Hotels and Other Lodging Places	458	\$12,833	247	\$13,812	28,212	\$16,637
72 Personal Services	572	\$14,351	59	\$16,407	22,450	\$17,399
73 Business Services	2,179	\$32,666	1,001	\$20,930	165,464	\$88,797
75 Auto Repair, Services, and Parking	505	\$18,661	367	\$24,383	25,900	\$24,829
76 Miscellaneous Repair Services	109	\$25,040	140	\$27,076	7,575	\$29,872
78 Motion Pictures	156	\$7,333	13	\$6,349	9,928	\$13,461
79 Amusement and Recreation Services	870	\$9,750	113	\$9,737	40,268	\$19,647
80 Health Services	2,807	\$27,804	1,348	\$30,842	185,827	\$31,616
81 Legal Services	190	\$22,414	46	\$19,195	17,528	\$44,849
82 Educational Services	212	\$51,335	77	\$17,519	22,720	\$27,132
83 Social Services	1,340	\$16,239	398	\$15,486	59,140	\$17,080
84 Museums, Botanical, Zoological Gardens	17	\$16,180	*	*	1,532	\$21,471
86 Membership Organizations	300	\$19,540	98	\$20,582	24,580	\$22,145
87 Engineering and Management Services	6,240	\$56,583	175	\$25,117	64,036	\$46,629
88 Private Households	505	\$7,212	367	\$6,772	33,439	\$8,814
89 Services, NEC	44	\$41,822			2,156	\$46,18
<b>Government</b>	<b>9,724</b>	<b>\$42,909</b>	<b>3,932</b>	<b>\$33,550</b>	<b>450,277</b>	<b>\$36,809</b>
Federal	842	\$59,665	480	\$43,174	67,631	\$42,858
State	961	\$31,722	896	\$30,206	116,784	\$35,091
Local	7,921	\$37,338	2,556	\$27,271	265,862	\$32,477

*\*Employment and wages not shown to avoid disclosure of data for individual employers.*

The average salary for the government division in Benton County is the only county divisional salary higher than the state average. Wholesale trade is the only Franklin County division with a higher average salary than Benton County. There are 8 SIC two-digit industries in Benton County which have slightly higher salaries than for the state. The educational services industry salary is almost double the state average. There are also ten two-digit salaries in Franklin County which are higher than the

Benton County averages, mostly within the trade and services divisions. One of these (automotive dealerships) is also higher than the state average.

These figures should be used only to draw broad conclusions. Some industries are purposefully excluded for confidentiality purposes, and the inclusion of data on part-time workers and executive earnings exaggerate wage disparities between otherwise comparable industries. Moreover, the wages have not been adjusted for regional cost-of-living variations, which can be very significant.

## Agriculture

Agriculture is an immensely important segment of the Tri-Cities economy. It employs many workers and generates a large payroll. The number of jobs in the division has been growing every year and totaled about 10,400 in 1999. Employment is close to equal between the two counties: Benton with 52 percent and Franklin with 48 percent. But, as Franklin County has a much lower population than Benton County, agriculture employment accounts for a higher share of total employment, 23 percent versus 9 percent. Statewide agriculture accounts for only 3.3 percent of total employment.

Of the total, about 8,700 workers (about 83 percent in both counties) were involved in crop production, with the remainder engaged in rearing livestock or providing agricultural services. Unemployment insurance became required for agriculture employment in 1990; since then more comprehensive data are available on agriculture workers. Between 1990 and 1999, crop production employment increased 24 percent in Benton County and 27 percent in Franklin County (see *Figure 29*). At the same time, total nonagriculture employment increased 23 percent in both counties. In 1999, crop production employment decreased 9 and 8 percent in Benton and Franklin counties, respectively.

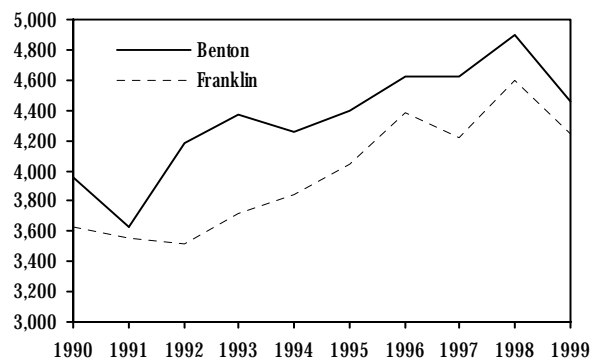
Major agricultural employment industries within crop production include fruits (melons, grapes, and tree fruits), field crops, vegetables, and cash grains. The largest industry within crop production was tree fruit production, 36 and 40 percent of crop employment in Benton and Franklin counties, respectively, in 1999. Between 1990 and 1998, fruit tree employment decreased 2 percent (2,007 to 1,962 workers) in Benton County, while increasing 132 percent (from 848 to 1,967 workers) in Franklin County. Tree fruit employment then declined by 18 and 14 percent, in Benton and Franklin counties, respectively.

In the meantime, the number of workers employed in grape production in Benton County increased from 348 in 1990 to 859 in 1999 (147 percent). Grape production accounted for 19 percent and general farms accounted for 24 percent of total crop production employment in 1999, in Benton County. In 1992, Benton County was ranked 5th for acres of orchards and 2nd for nectarines, plums, and grapes.

In Franklin County, the next largest employment source after tree fruit production was vegetables and melons, which decreased 37 percent from 1,025 workers in 1990 to 641 workers in 1999, and accounted for 15 percent of crop production employment in 1999. In 1992, Franklin County was ranked 7th in the state for the amount of land in orchards and 3rd for grapes and peaches. The county was ranked 1st for total potato, asparagus, and sweet corn production.

The majority of the jobs found locally in agriculture are highly seasonal and often involve the import of migrant farm workers. Although the agricultural division

**Figure 29**  
**Total Employment in Crop Production**  
**Benton and Franklin Counties, 1990-1999**  
*Source: Employment Security Department*



is a primary industry in the Tri-Cities, its large work force, on average, is paid the least of all major industry divisions. The average annual wage for agricultural workers in 1999 was \$16,956 in Benton County and \$15,524 in Franklin County. (Significant amounts of part-time

work in the industry drive the average down: the figure does not necessarily represent the yearly wage of a full-time worker.)

It is interesting that although there is a higher percentage of people employed in agriculture in Franklin County, the average wage is higher in Benton County.

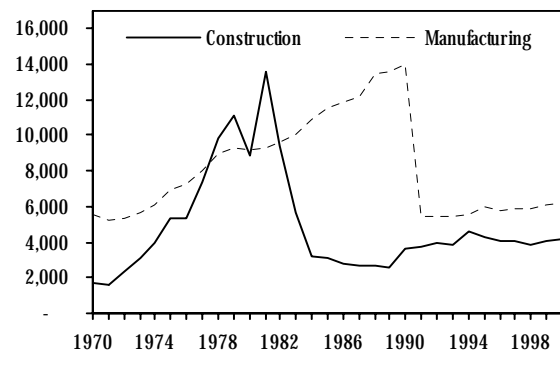
## Construction

In 1999, 4.4 percent and 5.3 percent of all employment in Benton and Franklin counties was in the construction and mining division, both of which are comparable to the statewide share of 5.5 percent. As mining is a very small portion of employment within the division this discussion will focus on construction.

Within the construction division, both Benton and Franklin counties' special trade contractors have the highest share of employment, about 67 percent compared to 59 percent statewide. Franklin County has a higher proportion (20 percent) of heavy construction workers than both Benton County (9 percent) and the state (13 percent). Because heavy construction is generally higher paid than other construction employment, this helps push up the entire division's average wage. In contrast, Franklin County had a much lower share (11 percent) of division employment under general building contractors compared to Benton County and the state, both about 26 percent. The construction average salary was the second highest division salary after government in both counties, and yet it is still less than the state average salary for the same division (\$37,317).

Figure 30 shows the Tri-Cities employment trend for construction from 1970 to 2000. The large bal-

**Figure 30**  
**Construction & Manufacturing Employment**  
**Tri-Cities, 1970-2000**  
*Source: Employment Security Department*



loon in construction jobs that began in 1971 and ran through 1984 was caused by the huge WPPSS construction program. At the peak in 1981, there were 13,550 construction jobs, or 21 percent of all nonfarm jobs in the area. From 1981 there was a steady decline in construction employment until bottoming out at 2,600 in 1989; it then increased to 4,000 in 1992 where it has hovered ever since.

## Manufacturing

Manufacturing accounts for 7.3 and 6.8 percent of total employment in Benton and Franklin counties, respectively, compared to 12.9 percent for the state. Food processing provides 48 percent of manufacturing division employment in Benton County and almost twice that (92 percent) in Franklin County. Comparatively, statewide only 12 percent of manufacturing employment is in food processing. Since 1981, there has been a 92 percent increase in food processing employment in Benton County, but only a 17 percent increase in Franklin County. Frozen fruits and vegetables account for 92 percent of food processing in Franklin County and about 64 percent in Benton

County. In 1995, canned fruits and vegetables and frozen fruits and vegetables each accounted for 45 percent of food processing in Benton County. By 1999, canned fruits and vegetables decreased to 21 percent, while frozen products increased to 64 percent.

Most of the other Franklin County industries are confidential, but the second largest manufacturing industry in Benton County is chemical and allied products, which also offers the highest salary (\$66,962) in the county. This industry accounts for 22 percent of division employment, compared to 2 percent statewide. The third largest group is printing and publishing, which

accounts for 9 percent of manufacturing employment in Benton County and 7 percent statewide.

*Figure 30* also shows the trend in manufacturing employment in the Tri-Cities from 1970 to 2000. Manufacturing employment increased steadily from 5,530 in 1970 to 14,000 in 1990. In 1991, most research activity at Hanford was reclassified out of manufacturing (chemical and allied products) and into services, under engineering and management services, or more specifically, commercial and physical research. (The services division shows the reciprocal increase in employment at the same time.)

Since 1991, manufacturing has grown by 12.7 percent, with total employment at 6,200 in 2000. This

amounted to 700 new jobs since 1991, 400 of which were in food processing. Major employers include Welch Foods, Twin City Foods, Ste. Michelle Vintners, Seneca Foods, Preston Wine Cellars, Lamb-Weston, and others. While the local industry is dominated by the large food processor, many of the local food processors are small specialty firms or smaller vintners.

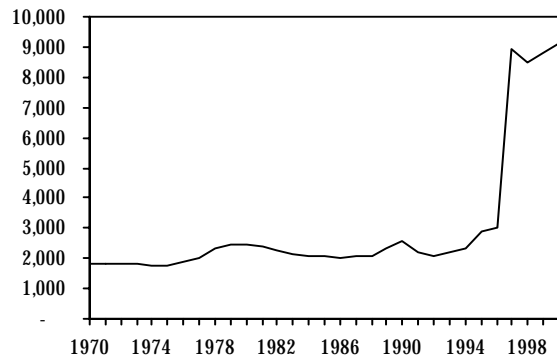
Overall, the 1999 average wage in manufacturing was \$33,339 in Benton County and \$20,317 in Franklin County. The Benton County average was pushed up by very high wages for chemical and allied products, metal industries, and instruments.

## Transportation and Public Utilities (TPU)

Transportation and Public Utilities (TPU), which includes trucking, warehousing, and utilities, accounted for 12.6 and 3.8 percent of employment in Benton and Franklin counties, respectively, and 4.8 percent statewide in 1999. In Benton County, TPU is a very high paying division providing 21.4 percent of total county wages. In Franklin County and for the state, the share of total wages is less than one percentage point greater than the share of employment.

As can be seen in *Figure 31*, the size and makeup of the TPU division changed dramatically in 1997, when it was decided that employment related to the Hanford clean-up be moved from the services division to TPU, specifically sanitary services. This caused an increase of 5,900 jobs in TPU and a loss of 6,100 jobs in services in 1997. Due to the change in coding, Benton County has a huge percentage (90 percent) of TPU employment in electric, gas, and sanitary services, in fact, 43 percent of total state employment for this industry. Sanitary services provides the second highest salary in Benton County (\$58,775). From 1997 to 2000, TPU had a 2.2 percent increase in employment, compared to 13.6 percent increase in services.

**Figure 31**  
**TPU Employment**  
**Tri-Cities, 1970-2000**  
*Source: Employment Security Department*



In Franklin County, 56 percent of TPU employment is in trucking and warehousing with a relatively low salary of \$26,288, and 25 percent in transportation by air, with a similarly low average salary. The third largest industry in Franklin County is electric, gas, and sanitary services with 8 percent of division employment, compared to 13 percent statewide and 90 percent in Benton County.

## Trade

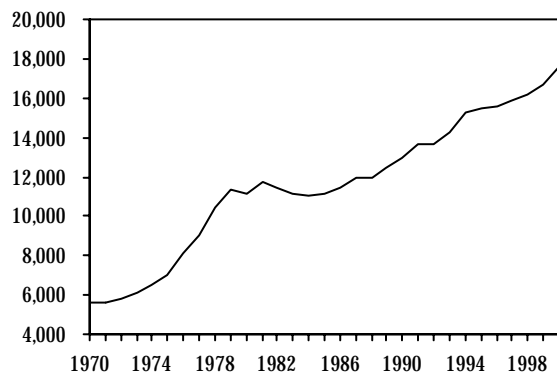
The trade division includes wholesale and retail trade. Wholesale trade generally accounts for a lower share of employment but a higher salary than retail trade. In 1999, wholesale trade accounted for 1.9 percent and 7.1 percent of total employment in Benton and Franklin counties; statewide the wholesale share of employment was 5.7 percent.

In contrast, retail trade provides 18 percent of total employment in Benton County and in Washington, but only 13 percent in Franklin County. The largest industry within retail trade in both counties and the state was eating and drinking places, providing 37 percent of retail trade employment and the lowest average wage. The second largest industry in Franklin County was automo-

tive dealers (25 percent of retail trade employment), which provided the only county salary (\$30,872) that was higher than both Benton County and the state. In comparison, automotive dealers accounted for 10 percent of retail employment in Benton County and the state. Retail trade provides the second lowest average division salary after agriculture, just under \$17,000 in both counties. However, like agriculture, retail trade has significant amounts of part-time work which brings down the annual average. Even so, the county retail wage was only 74 percent of the statewide average.

Overall, trade employment in the Tri-Cities increased steadily from 5,570 in 1970 to 17,600 in 2000 (see Figure 32), a total 216 percent increase (statewide the increase was 171 percent). Trade employment increased from 19 percent of total employment in 1970 to 23 percent in 2000. Thirty-two percent of new jobs since 1991, were in the trade division (3,900 jobs).

**Figure 32**  
**Wholesale and Retail Trade Employment**  
**Tri-Cities, 1970-2000**  
*Source: Employment Security Department*



## Finance, Insurance, and Real Estate

The finance portion of the economy includes banks, savings and loans, credit unions, mortgage banks, loan brokers, and security and commodity brokers. Insurance encompasses carriers, agents, and brokers. Real estate includes agents, brokers, apartment managers, and even title abstract offices. Finance, Insurance, and Real Estate (FIRE) is the smallest division in the Tri-Cities accounting for 3.2 and 1.5 percent of total employment in Benton and Franklin counties. Comparatively, statewide FIRE accounts for 5.1 percent of total employment. In both counties, the FIRE division offers an average salary just slightly higher than the county average, the fourth highest of the eight divisions.

In 1999, 33 percent of Benton County FIRE division jobs and 50 percent of Franklin County jobs were in real estate, compared to 25 percent of the state. Real estate had the lowest FIRE division salary in all areas, about \$15,000 in both counties (real estate generally involves much part-time work). Insurance agents accounted for 12 and 9 percent of division employment in Benton and Franklin counties, respectively. The highest division salary (\$51,476) in Benton County was for security and commodity brokers, which provided 9 percent of division employment, compared to 6 percent statewide.

The biggest difference between the two counties was for depository institutions, which accounted for only 1 percent of division employment in Benton County and 41 percent in Franklin County; statewide the share is 28 percent.

**Figure 33**  
**FIRE Employment**  
**Tri-Cities, 1970-2000**  
*Source: Employment Security Department*

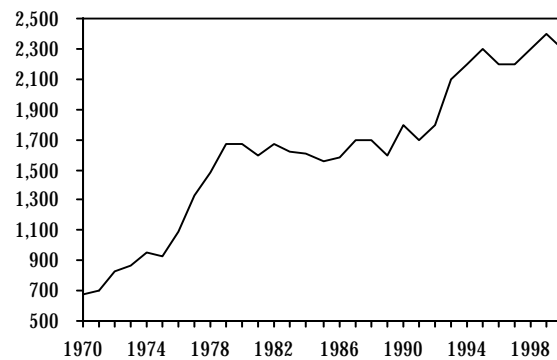


Figure 33 shows the trend for employment in the FIRE division for the Tri-Cities, which grew from 680 in 1970 to 2,400 in 1999, a 253 percent increase, before declining to 2,300 in 2000. The division had an average annual growth rate of 4.4 percent, significantly higher than the state average growth rate of 2.9 percent. During the 1970s, the FIRE division had a high average annual growth rate of 10.8 percent. The division then stagnated throughout the 1980s with an average growth rate of -0.3 percent. During the 1990s, the division expanded again with an average growth rate of 3.6 percent.

# Services

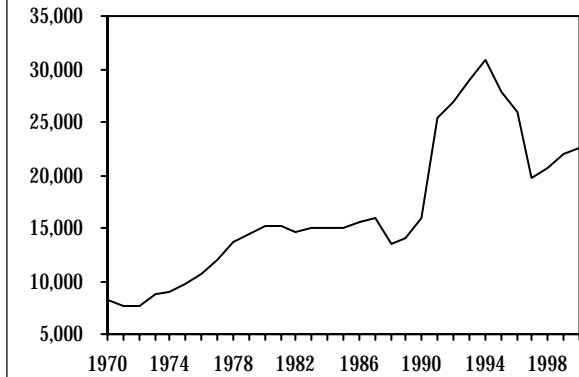
Services is the largest division in the state (27 percent of total employment) and in most counties. Services is also the largest division in Benton County, with 27 percent of employment, but the second largest (after agriculture) in Franklin County with 21 percent of employment. The average division salary is \$23,735 in Benton County and \$18,158 in Franklin County, both between 83 and 87 percent of the county average.

As discussed earlier, there was a large increase in services employment in 1991 when about 10,000 Hanford related jobs were reclassified from manufacturing to services, more specifically within engineering and management services. This was in addition to an earlier shift in 1988 when about 4,000 jobs were reclassified from business services to engineering services. In 1997, more than 4,000 jobs were reclassified from services to TPU. In 1999, engineering and management services accounted for 38 percent of division employment in Benton County, but only 4 percent in Franklin County and 9 percent statewide. Engineering and management services pays the third highest salary in Benton County (\$56,583); it is twice the Franklin County industry salary and higher than the state average, as well.

The second largest industry in Benton County is health services (17 percent), which is the largest industry in Franklin County, with 30 percent of division employment. In Franklin County, the health services salary (\$30,842) is the highest in the division, higher than the Benton County salary (\$27,804), and just under the state average (\$31,616). Business services is the second largest employing industry in Franklin County (22 percent) and the third largest in Benton County (13 percent). Statewide the business service share is 23 percent, with an average salary of \$88,797. Although the Benton County salary of \$32,666 is much higher than that in Franklin County (\$20,930), it is much less than the state average.

*Figure 34* shows how the services division grew from 8,140 in 1970 to 22,500 in 2000. Due to the reclassification of jobs from manufacturing to services in 1991, and then again from services to TPU in 1997 it is irrelevant to discuss the overall growth of the division. Instead, the growth between reclassifications is more relevant. The division grew by 95 percent between 1970 and 1990. It then increased by only 2 percent from 1991

**Figure 34**  
**Services Employment**  
**Tri-Cities, 1970-2000**  
*Source: Employment Security Department*



to 1996. After the second reclassification in 1996, it then expanded by 13.6 percent from 1997 to 2000.

The Department of Energy activity at its Hanford site is a colossal effort, fueled by federal dollars, that began during World War II and has continued to this day. The Hanford site is located near Richland in Benton County. In 1989, with the end of the Cold War and heightened concerns about nuclear energy following the Chernobyl disaster, the main thrust of the mission at Hanford shifted from producing plutonium to cleaning up the forty-five years worth of accumulated nuclear waste.

Most of the work done at Hanford, research as well as cleanup, is contracted out. Some of the major players are the Pacific Northwest National Laboratory, Bechtel Hanford Inc., and Kaiser Engineers. Most recently, a team of firms headed by Fluor Daniel Hanford Inc. replaced Westinghouse Hanford Co. in running the Hanford reservation and cleanup effort.

It would be difficult to overestimate the importance of Hanford to the area's economy. To give an idea of the magnitude, consider aircraft manufacturing (Boeing) accounts for 7 percent of nonfarm employment in the Seattle-Bellevue-Everett PMSA (King, Snohomish, and Island counties); Hanford accounts for 22 percent of nonfarm employment in Benton County. With so many eggs in the Hanford basket, the area's economy is profoundly influenced by changes there, whether positive or negative.

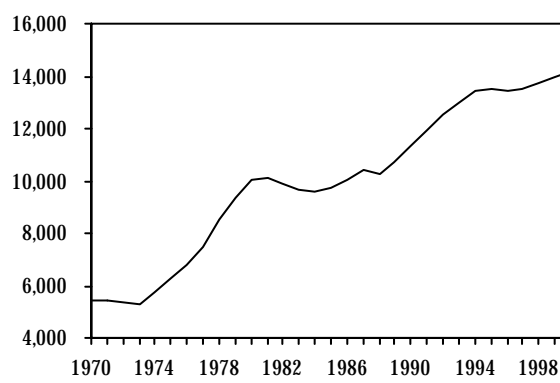
# Government

Overall, the government division in the Tri-Cities has about the same share size as it does throughout the state: 17 percent of nonfarm jobs. However, the breakdown between local, state, and federal government differs between the counties. There is, surprisingly, a smaller federal presence in Benton County. While Hanford employs a fair number of federal workers, there are no sizable military installations with large numbers of employees in the area. The share of federal employment is 9 percent in Benton County, 12 percent in Franklin County, and 15 percent statewide.

While state government accounts for 23 and 26 percent of government employment in Franklin County and the state, respectively, the share is only 10 percent in Benton County. In contrast, local government comprises 81 percent of government employment in Benton County, compared to 65 percent in Franklin County and only 59 percent statewide. Local government's size is boosted by employment in the WPPSS electric energy generating facility. The largest portion of local government employment, though, is devoted to K-12 education.

Benton County has the highest average government salary (\$42,909) which is pushed up by the federal salary of (\$59,665). This is driven primarily by the higher than average wages among the Department of Energy

**Figure 35**  
**Government Employment**  
**Tri-Cities, 1970-2000**  
*Source: Employment Security Department*



employees and the WPPSS workers, whose numbers contain a large number of engineers and other professionals working on the various nuclear-associated projects in the area. *Figure 35* shows how government employment has increased from 5,450 in 1970 to 14,200 in 2000, a 161 percent increase. Statewide total government employment grew by 98 percent. Nineteen percent of new jobs since 1991 were in the government division.

## Industry Projections

Nonfarm employment projections for the 1998-2008 period, for the Tri-Cities and Washington State, are shown in *Figure 36*. The projections are made by Employment Security Department analysts based on historical trends and anticipated developments in the various industries. The projections are modified according to economic outlook and anticipated developments such as plant openings and closures, energy availability, foreign and domestic trade volume, and government resource policies.

The Tri-Cities is expected to experience less growth in its employment base than the state, 14 percent compared to 19 percent, which translates into 10,000 more

jobs for the area. The greatest percentage and absolute growth is projected for the services division, with a 19 percent projected increase and 3,900 new jobs. Statewide services is expected to expand by 33 percent, driven by business services. Second is manufacturing which is the only division with greater projected growth in the Tri-Cities (17 percent) than for the state (1 percent); 90 percent of the projected 1,000 new manufacturing jobs are in food processing.

The government and trade divisions are both expected to grow by 15 percent, compared to state growth of 18 and 17 percent, respectively.

**Figure 36**  
**Industry Projections**  
**Tri-Cities and Washington State, 1998 and 2008**  
**Source: Employment Security Department**

	Tri-Cities				Washington		
	1998	2008	% Chg.	# of Jobs	1998	2008	% Chg.
Total	71,100	81,100	14%	10,000	2,595,000	3,080,600	19%
Manufacturing	5,900	6,900	17%	1,000	378,800	383,600	1%
Food and Kindred Products	3,400	4,300	26%	900	40,400	44,500	10%
Printing and Publishing	400	400	0%	0	24,200	26,100	8%
Chemicals and Allied Products	800	800	0%	0	6,000	6,100	2%
Primary and Fabricated Metal Products	500	500	0%	0	26,600	29,100	9%
Construction	3,800	4,000	5%	200	147,000	167,100	14%
Transportation and Public Utilities	8,500	8,700	2%	200	136,100	151,900	12%
Wholesale and Retail Trade	16,200	18,600	15%	2,400	624,000	732,700	17%
Finance, Ins. & Real Estate	2,300	2,500	9%	200	135,000	151,000	12%
Services	20,700	24,600	19%	3,900	710,000	941,000	33%
Business Services	2,800	3,100	11%	300	154,200	237,000	54%
Research Services	6,600	7,400	12%	800			
Government	13,700	15,800	15%	2,100	464,100	549,500	18%



# OCCUPATIONAL PROFILE

A different but informative way to view an area's work force is in terms of occupational divisions rather than industrial divisions. Occupation data differ from industry data in that the former are categorized by job function regardless of output, whereas the latter are categorized by final product. In other words, an occupation category, such as managerial and administrative, tracks employment and wages for all workers (16 and older) who perform a certain class of duties regardless of the industry. *Figure 37* shows 1998 employment and 2008 projections in the major occupational divisions, as well as the share of each grouping for the Tri-Cities

and the state. The data are based on Occupational Employment Surveys (OES) conducted in the area by the Employment Security Department in 1998.

The occupational makeup reveals a substantive departure from the state's occupational structure in 1998, which continues in 2008. The most visible disparities between the county and state were for agriculture occupations (11.6 verses 3.9 percent), and in contrast, marketing and sales (9.2 verses 11.4 percent). The Tri-Cities also has lower percentages of clerical support and service occupations, both at 13 percent compared to over 15 percent statewide.

**Figure 37**  
**Occupational Projections**  
**Tri-Cities and Washington State, 1998 and 2008**  
*Source: Employment Security Department*

	1998		Tri-Cities 2008		% Chg.	# Jobs
<b>Total</b>	<b>92,294</b>	<b>100.0%</b>	<b>103,379</b>	<b>100.0%</b>	<b>12.0%</b>	<b>11,085</b>
Managerial and Administrative	6,811	7.4%	7,924	7.7%	16.3%	1,113
Professional, Paraprof., & Tech	21,981	23.8%	25,672	24.8%	16.8%	3,691
Marketing and Sales	8,479	9.2%	9,874	9.6%	16.5%	1,395
Clerical and Administrative Support	12,031	13.0%	12,581	12.2%	4.6%	550
Services	11,977	13.0%	13,503	13.1%	12.7%	1,526
Agriculture, Forestry, Fishing, & Related	10,677	11.6%	10,832	10.5%	1.5%	155
Prec. Production, Craft, & Repair	10,043	10.9%	11,329	11.0%	12.8%	1,286
Operators, Fabricators, & Laborers	10,295	11.2%	11,664	11.3%	13.3%	1,369
White-Collar	61,279	66.4%	69,554	67.3%	13.5%	8,275
Blue-Collar	31,015	33.6%	33,825	32.7%	9.1%	2,810
			Washington			
	1998		2008		% Chg.	
<b>Total</b>	<b>3,042,950</b>	<b>100.0%</b>	<b>3,583,190</b>	<b>100.0%</b>	<b>17.8%</b>	
Managerial and Administrative	236,687	7.8%	288,456	8.1%	21.9%	
Professional, Paraprof., & Tech	689,989	22.7%	869,794	24.3%	26.1%	
Marketing and Sales	345,850	11.4%	406,194	11.3%	17.4%	
Clerical and Administrative Support	474,747	15.6%	519,647	14.5%	9.5%	
Services	469,185	15.4%	574,817	16.0%	22.5%	
Agriculture, Forestry, Fishing, & Related	119,106	3.9%	122,271	3.4%	2.7%	
Prec. Production, Craft, & Repair	336,198	11.0%	374,422	10.4%	11.4%	
Operators, Fabricators, & Laborers	371,188	12.2%	427,589	11.9%	15.2%	
White-Collar	2,216,458	72.8%	2,658,908	74.2%	20.0%	
Blue-Collar	826,492	27.2%	924,282	25.8%	11.8%	

Occupational employment projections are also shown in *Figure 37*. The greatest growth for Tri-Cities occupations is expected for the top three white-collar occupations (managerial, professional, and sales), each with more than 16 percent expected growth. Specific occupations expected to increase by over 200 positions by 2008 include: general managers and engineer/math/natural science managers; elementary and secondary teachers, and teacher aides (each over 200); salespersons (over 600), cashiers and sales supervisors; and, childcare workers. The least growth is expected for clerical support (4.6 percent) and agriculture (1.5 percent). State-wide, these same occupations are also projected to have the least growth, 9.5 and 2.7 percent, respectively.

Occupations in the Tri-Cities are somewhat more “blue-collar” than for the state as a whole. Blue-collar jobs include the bottom three categories in the table (agriculture, precision production, and operators). While, blue-collar jobs account for 34 percent of all jobs in the Tri-Cities compared to 27 percent for the state, this is due primarily to the predominance of agriculture based occupations. The most interesting characteristic of the occupational breakdown in the Tri-Cities areas is the predominance of the professional category (almost 22,000 jobs) which includes many of the professions at Hanford. This category will also add the largest number of new jobs (3,691) by 2008. The Tri-Cities accounts for about 3.0 percent of all jobs in the state, but that share includes about 30 percent of all chemical, nuclear, and safety engineers.

**Figure 38**  
**Occupational Wages**  
**Tri-Cities, 1998**  
*Source: Employment Security Department*

Occupational Title	Wage*	Rank**	Occupational Title	Wage*	Rank**
<b>Managerial and Administrative</b>			All Other Physical Scientist	\$24.45	107
General Manager & Top Executive	\$28.52	5	Photographer	\$12.25	109
All Other Manager & Administrator	\$30.32	11	Teacher, Special Education	\$33.780	112
Engineering, Math, Natrl Science Mgr	\$33.61	26	Chemical Technician, except Health	\$21.22	117
Financial Manager	\$27.80	48	Geologist, Geophysicist, Oceanographer	\$27.27	119
Food Service & Lodging Manager	\$11.56	55	Personnel, Train & Labor Relation Spec	\$25.43	121
Administrative Service Manager	\$25.04	70	Management Analyst	\$26.71	122
Personnel, Train & Labor Relation Mgr	\$27.21	88	Lawyer	\$32.66	124
Property & Real Estate Manager	\$13.24	89	Safety Engineer, except Mining	\$29.20	125
Marketing, Advertising, Public Rel Mgr	\$29.18	97	Cost Estimator	\$21.82	130
Construction Manager	\$28.63	98	Mechanical Engineering Technician	\$21.62	132
Education Administrator	\$30.29	102	Biological Scientist	\$25.96	133
Medicine & Health Service Manager	\$23.38	120	Artist & Related	\$14.98	134
Purchasing Manager	\$21.19	143	Biologic, Agri, Food Tech, exc Health	\$13.65	135
Communication, Transport, Utilities Mgr	\$25.48	195	All Other Teacher, Instructor	\$30.170	140
<b>Professional, Paraprofessional, and Technical</b>			Physician & Surgeon	\$56.50	141
All Other Management Support Worker	\$19.46	9	Technical Writer	\$23.45	142
Teacher, Secondary School	\$36,850	13	All Other Physical & Life Science Tech	\$13.85	146
Teacher, Elementary	\$43,730	16	Social Work, Medical & Psychiatric	\$18.12	153
Registered Nurse	\$22.88	17	Electrical & Electronic Technician	\$23.22	156
Teacher Aide, Paraprofessional	\$10.26	20	Computer Programmer	\$24.74	158
Accountant & Auditor	\$21.88	27	Teacher, Vocational Education	\$17.34	159
All Other Engineer	\$28.44	28	All Other Health Prof, Paraprof, Tech	\$15.33	160
Mechanical Engineer	\$30.10	39	Writer & Editor	\$17.51	161
Designer, except Interior Design	\$14.35	40	Vocational & Educational, Counselor	\$19.70	166
All Other Postsecondary Teacher	\$34,960	42	Dentist	\$55.86	167
Civil Engineer, including Traffic	\$29.75	43	Computer Programmer Aide	\$12.88	170
Computer System Analyst, EDP	\$26.02	46	Public Relations Spec, Publicity Writer	\$21.39	177
All Other Professional, Paraprof, Tech	\$21.07	53	Nuclear Technician, Technologist	\$24.17	180
All Other Engineering & Related Tech	\$19.15	54	Instructor, Nonvocational Education	\$16.54	184
Computer Engineer	\$29.10	66	Librarian, Professional	\$19.19	185
Drafter	\$16.60	67	Dental Hygienist	\$26.65	186
Social Work, exc Medical & Psychiatric	\$16.22	69	Clergy	\$17.51	188
Electrical & Electronic Engineer	\$28.85	74	Physicist & Astronomer	\$33.23	193
Chemical Engineer	\$36.03	90	Radiologic Technologist	\$16.30	194
Licensed Practical Nurse	\$14.47	91	<b>Sales and Related</b>		
Instructor & Coach, Sport	\$11.90	94	Salesperson, Retail	\$9.03	2
Purchase Agent, exc Whlsl, Retail, Farm	\$26.51	95	Cashier	\$8.33	6
Industrial Engineer, except Safety	\$27.80	96	First Line Supervisor, Sales & Related	\$15.27	8
Chemist, except Biochemist	\$26.99	99	Sales Rep, exc Retail, Sci, Related	\$16.91	41
Nuclear Engineer	\$29.09	103	Stock Clerk, Sales Floor	\$8.33	64

**Figure 38 (Continued)****Occupational Wages****Tri-Cities, 1998****Source: Employment Security Department**

<b>Occupational Title</b>	<b>Wage*</b>	<b>Rank**</b>	<b>Occupational Title</b>	<b>Wage*</b>	<b>Rank**</b>
Salesperson, Parts	\$12.19	83	Grader & Sorter, Agricultural Product	\$7.20	38
Counter & Rental Clerk	\$7.64	84	First Line Supervisor, Agr, Forest, Fish	\$15.88	47
Telemarketer, Door-To-Door Sales & Rel	\$9.21	104	Laborer, Landscaping & Groundskeeping	\$10.93	60
All Other Sales & Related Occupation	\$11.46	114	Farmerworkers, Farm/Ranch Animals	\$8.10	68
Sales Rep, Science & Related, exc Retail	\$19.40	137	Pruner	\$12.54	75
Sales Agent, Advertising	\$12.93	196	Sprayer & Applicator	\$13.97	127
<b>Clerical and Administrative Support</b>			<b>Prod, Construction, Oper, Maint, &amp; Material Handling Occupations</b>		
Secretary, except Legal & Medical	\$12.35	3	All Other Help, Labor, Matl Move, Hand	\$10.67	10
General Office Clerk	\$11.10	4	Truck Driver, Heavy or Tractor-Trailer	\$14.56	14
Bookkeeping, Accounting & Auditing Clerk	\$11.39	7	Carpenter	\$19.05	15
Receptionist, Information Clerk	\$9.73	23	Maintenance Repairer, General Utility	\$12.94	21
First Line Supervisor, Clerical	\$15.47	36	Truck Driver, Light, incl Delivery & Rel	\$10.29	24
Stock Clerk, Stockroom or Warehouse	\$10.02	57	Automotive Mechanic	\$14.26	30
Typist, including Word Processing	\$11.01	61	Electrician	\$23.96	33
All Other Clerical & Admin Support	\$14.46	62	Industrial Truck & Tractor Operator	\$11.18	34
Traffic, Shipping & Receiving Clerk	\$11.48	71	All Other Plant & System Operator	\$12.83	35
Bank Teller	\$8.93	77	All Other Freight, Stock, Mat Move, Hand	\$8.55	37
Medical Secretary	\$12.20	101	Hand Packer & Packager	\$7.11	44
Postal Mail Carrier	\$16.19	113	Packaging & Filling Machine Op/Tend	\$8.75	50
Billing, Cost & Rate Clerk	\$12.45	128	Painter & Paperhanger, Constr & Maint	\$16.83	51
File Clerk	\$8.13	145	Bus Driver, School	\$12.14	52
Payroll & Timekeeping Clerk	\$12.30	154	All Other Machinery Mechanic	\$19.65	65
Dispatcher, exc Police, Fire & Ambulance	\$16.22	174	Farm Equipment Mechanic	\$12.14	73
Library Assistant & Bookmobile Driver	\$10.20	175	Vehicle Washer & Equipment Cleaner	\$7.17	76
Teacher Aide & Educational Asst, Clerk	\$6.83	176	First Line Supervisor, Mechanic & Repair	\$21.04	78
Order Clerk, Materials, Service	\$11.42	182	Heat, A/C, Refrigeration Mech & Install	\$12.62	79
Loan & Credit Clerk	\$10.54	189	Plumber, Pipefitter, Steamfitter	\$25.09	81
Computer Operator, exc Peripheral Eq	\$13.90	190	Carpet Installer	\$17.96	82
Legal Secretary	\$12.20	192	First Line Supervisor, Production	\$22.43	85
<b>Service Occupations</b>			First-Line Supervisor, Mgr, All Other	\$20.46	86
Combined Food Preparation & Service	\$6.57	12	First Line Supervisor, Constr & Extract	\$25.54	87
Waiter & Waitress	\$6.28	18	Cannery Worker	\$8.23	93
Janitor & Cleaner, except Maid	\$9.43	19	Automotive Body, Related Repairer	\$15.12	106
Child Care Worker	\$6.02	25	Helper, Carpenter & Related Worker	\$8.37	110
All Other Service Supervisor	\$13.18	29	Driver/Sales Worker	\$12.06	116
Food Preparation Worker	\$6.70	31	Bus & Truck Mechanic & Diesel Specialist	\$18.79	118
Maid & Housekeeping Cleaner	\$7.11	45	Welder & Cutter	\$15.85	123
Guard & Watch Guard	\$15.97	49	Electronic Repair, Commercial & Industry	\$22.63	126
Nursing Aide, Orderly & Attendant	\$8.12	56	Operating Engineer	\$18.91	129
Cook, Restaurant	\$7.53	58	All Other Mechanic, Installer & Repairer	\$15.54	131
Cook, Fast Food	\$6.27	59	Production Inspector, Grade, Sort, Test	\$13.99	136
Hairdresser & Cosmetologist	\$7.12	63	Bus Driver, except School	\$13.81	139
Home Health Aide	\$7.41	72	Roofer	\$13.55	147
Bartender	\$7.35	80	Extruding Mach Setter/Op, Metal/Plastic	\$10.92	148
Counter Attendant, Lunchroom, Cafeteria	\$6.57	92	Taxi Driver & Chauffeur	\$8.14	151
Cook, Institution or Cafeteria	\$9.94	100	All Other Hand Worker	\$7.44	152
Dental Assistant	\$13.48	105	All Other Const & Extract, exc Helper	\$12.45	157
All Other Food Service Worker	\$8.40	108	Insulation Worker	\$16.01	163
All Other Protective Service	\$12.24	111	Machinist	\$18.00	164
Police Patrol Officer	\$20.89	115	Service Station Attendant	\$8.61	165
Medical Assistant	\$11.03	138	Separate, Filter & Rel Machine Op/Tender	\$13.83	169
Dining Room, Cafeteria & Bartender Help	\$6.04	144	All Other Transportation Related Worker	\$15.25	171
Correction Officer & Jailer	\$16.91	149	All Other Precision Worker	\$12.29	172
Cook, Short Order	\$7.64	150	Chemical Plant & System Operator	\$18.91	178
All Other Service Worker	\$9.58	155	Helper, Mechanic & Repairer	\$9.44	179
Amusement & Recreation Attendant	\$6.20	162	Concrete & Terrazzo Finisher	\$16.59	181
All Other Cleaning & Building Service	\$11.87	168	Refuse & Recyclable Collector	\$14.54	187
Fire Fighter	\$18.16	173	All Other Material-Moving Equipment Op	\$14.28	191
Host & Hostess, Restaurant, Lounge	\$6.15	183			
<b>Agricultural, Forestry, Fishing, and Related Occupations</b>					
Farmworkers, Food/Fiber Crops	\$8.69	1			
Farm Equipment Operator	\$8.23	22			
All Other Agricultural, Forestry, Fish	\$10.42	32			

\*Wages are either hourly or annual.

\*\*Ranking is by amount of employment per occupation, from highest (1) to lowest (196).

*Figure 38* is also based on occupational surveys conducted in the Tri-Cities area by the Employment Security Department in 1998. The list of occupations and wages presents the 196 most common nonfarm jobs in the area and their average level of pay. Wages are generally provided as hourly rates, except for those occupations for which hourly rates are unavailable. The rank of each occupation, in terms of the number of people employed, is also shown. The occupation of farmworker is ranked number 1, which means there are more per-

sons employed in farm work than any other occupation. In most counties the number one position is salesperson, which is number 2 in the Tri-Cities.

The occupations are organized under seven broad categories, for example, "Managerial and Administrative Occupations." Within each category the occupations are sorted by rank, the most common occupation will be at the top of the list within its category. For example, the most common occupation within "managerial and administrative" is general manager and top executive.

# INCOME

The following sections relate to income, which includes both wage and non-wage sources. The data are derived from the U.S. Department of Commerce, Bu-

reau of Economic Analysis. All income data have been adjusted to constant 1998 dollars.

## Personal Income

Personal income is generally seen as a key indicator of a region's economic vitality. Conceptually, personal income captures all forms of income: wages, salaries, government transfer payments, retirement income, farm income, self-employed income, proprietors' income, interest, dividends, and rent, but not contributions toward social insurance. By definition business and corporate incomes are not included.

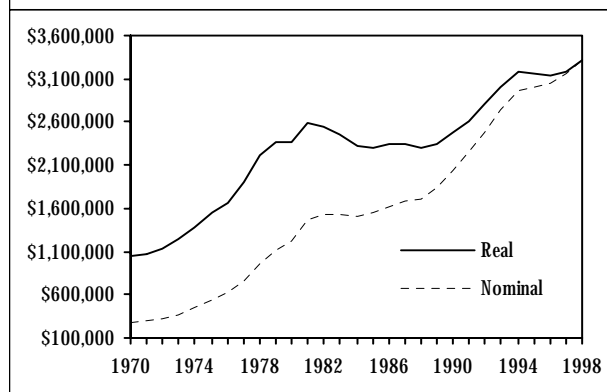
Figures 39 and 40 display both real and nominal (not adjusted for inflation) total personal income from 1970 to 1998, in Benton and Franklin counties. Benton County personal income increased from \$1 billion in 1970 to \$3.3 billion in 1998, based on an average growth rate of 4.3 percent and a total increase of 217 percent. Total personal income in Franklin County increased from \$381 million to \$859 million, with an average annual growth rate of 3.1 percent and a total increase of 125 percent. Benton and Franklin counties ranked 10th and 21st out of the 39 Washington counties in terms of real total personal income in 1997.

As can be seen in Figure 41, both counties had fairly good growth from 1970 through 1980, with average an-

nual growth rates of 8.7 and 6.3 percent in Benton and Franklin counties, respectively. In comparison the state average growth rate during this time was 4.8 percent. Then from 1981 to 1989, Benton and Franklin counties had average personal income growth rates of -0.1 and -1.0 percent, while the state average growth rate was 2.9 percent. In the 1990s the economy in both counties picked up again, with average growth rates of 3.5 percent in Franklin County and 3.9 percent in Benton County; the state average was 4.2 percent.

The total amount of income in an area is only a sensible concept if there is some relationship to the number of people in an area. For example, there was a decline in population from 1981 to 1989 that corresponded with the decline in total personal income. Per capita income (PCI) is calculated by dividing total personal income by the total population for an area. PCI provides a figure that can be used as a common denominator between different time periods and/or different areas. It is also useful as an indicator of the character of consumer markets and of the overall economic well being of the residents of an area.

**Figure 39**  
**Total Personal Income**  
**Benton County, 1970-1998**  
*Source: Bureau of Economic Analysis*



**Figure 40**  
**Total Personal Income**  
**Franklin County, 1970-1998**  
*Source: Bureau of Economic Analysis*

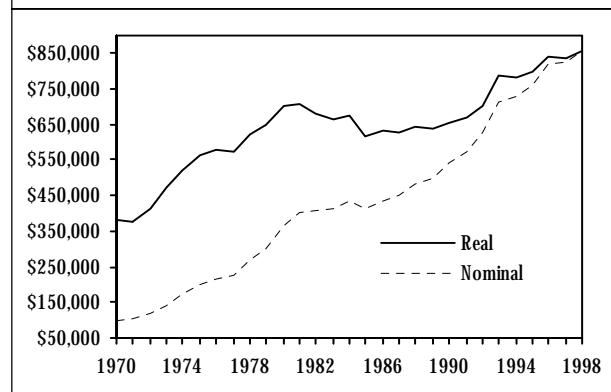


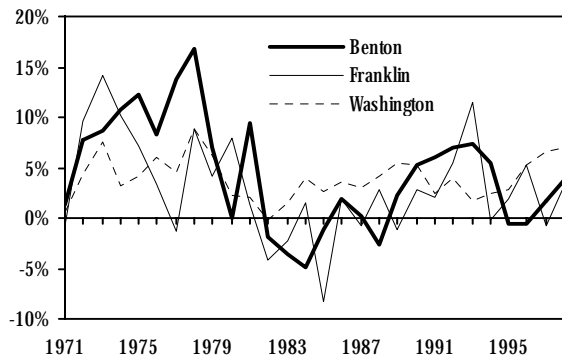
Figure 42 compares the adjusted per capita personal income for Benton and Franklin counties and the state from 1970 to 1998. In 1998, the PCI was \$24,315 in Benton County and \$18,479 in Franklin County, ranking 8th and 36th in the state. The statewide PCI was \$28,719. It should be remembered that King County, with its huge population and highly paid high-tech and aerospace industries, is the strongest driver of the statewide income averages. Only King and San Juan counties have PCIs higher than the state average.

Per capita income in Franklin County has not fared well compared to Benton County or to the state. While the Washington PCI increased 79 percent from 1970 to 1998, it grew by only 58 percent in Benton County and 25 percent in Franklin County. Both counties experienced growth in the PCI from 1970 to 1975. The Franklin County PCI then proceeded to steadily decline, reaching a low of \$17,024 in 1991. The PCI has since fluctuated up and down each year ending at \$18,479 in 1998. Overall, the Franklin County PCI decreased 7 percent from its peak in 1975.

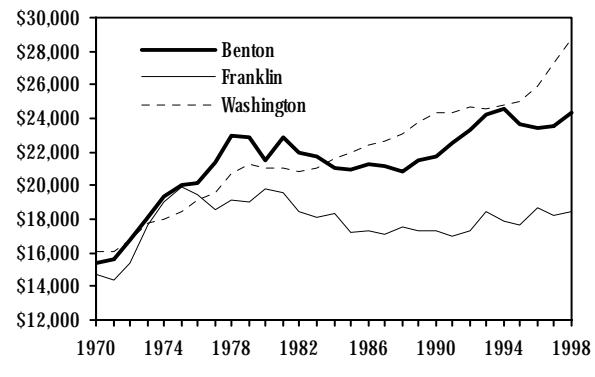
In contrast the Benton County PCI peaked at \$22,961 in 1978, before declining to \$20,836 in 1988. It then increased steadily, reaching \$24,315 in 1998, an increase of 21 percent since 1978. The state PCI increased 56 percent since 1978. There has been a growing gap between the PCIs of Franklin and Benton counties, from \$1,700 in 1980 to \$6,600 in 1994, declining to \$5,800 in 1998. The gap between Benton County and the state PCIs has also increased from \$260 in 1994 to \$4,400 in 1998, while the gap between the state and Franklin County was over \$10,000 in 1998.

Per capita personal income is a good measure of how personal income is growing relative to the population. However, it gives no indication of how income is distributed among the population. To a degree, median household income does that. It indicates the point in income where half of all households have a higher in-

**Figure 41**  
**Personal Income Growth Rates**  
**Benton, Franklin, and Washington 1970-1998**  
*Source: Bureau of Economic Analysis*



**Figure 42**  
**Per Capita Income**  
**Benton, Franklin, and Washington, 1970-1998**  
*Source: Bureau of Economic Analysis*



come and half have a lower income. The 1998 median income was \$44,219 in Benton County and \$29,182 in Franklin County, ranking 5th and 31st, respectively. The state average was \$48,289.

## Components of Personal Income

As mentioned earlier, personal income encompasses many different types of income. All the various types, however, can be subsumed under the three broad categories: 1) earnings, 2) transfer payments, and 3) investment income. Earnings include wages, salaries, and proprietors' income; transfer payments include income maintenance, unemployment insurance, medical, and

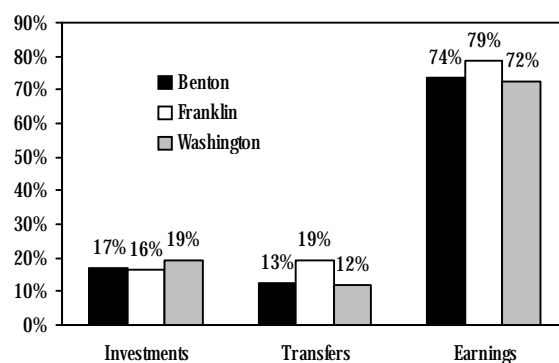
retirement payments; investment income consists of interest, dividends, and rent.

With respect to personal income components, Benton County and Washington are similar to one another while Franklin County shows distinct differences from them both (Figure 43). Earned income as a share of personal income is 74 percent in Benton County, 72 percent in Wash-

ington, and 79 percent in Franklin County. Franklin County also has a higher share of transfer payments (19 percent), compared to 13 and 12 percent for Benton County and the state. The counties both have lower shares of investment income than the state.

It should be noted, that the Franklin County components add up to 115 percent, while Benton County and the state components total 103 percent. The reason for this will be discussed within the earned income section.

**Figure 43**  
**Personal Income Components**  
**Benton, Franklin, & Washington, 1998**  
*Source: Bureau of Economic Analysis*



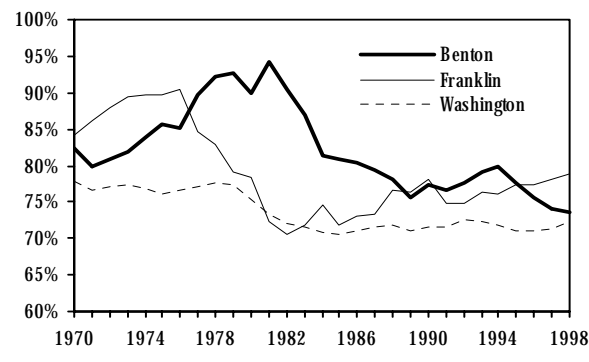
## Earned Income

Earnings constitute the lion's share of personal income, and although its share of personal income has declined significantly over the last three decades, it has had reasonable growth in absolute terms. There are three types of earnings: wages and salaries, proprietors' income, and "other labor income." Other labor income includes a number of items but is mainly driven by employer contributions to health care and retirement plans. The components which comprise earned income are based on residence within the county. In addition to the three primary components there is also an "adjustment for residence," referred to as "external" income. This is the amount of income earned outside of the county by residents of the county, or, if the figure is negative it is the amount of money earned within the county by non-residents of the county. This can be a very large percentage in counties with substantial numbers of commuters.

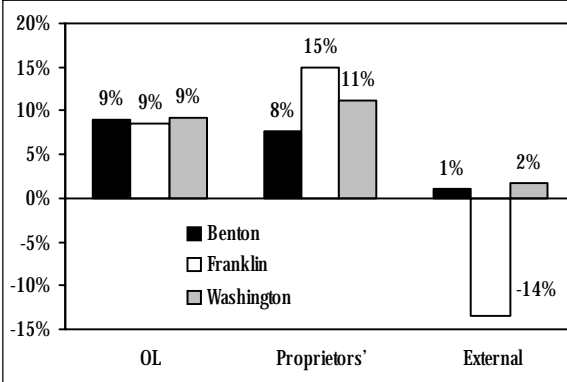
Figure 44 shows how earned income as a share of personal income has changed from 1970 to 1998, in both Benton and Franklin counties and the state. In Franklin County the share of earned income began to decline earlier (1976) than in Benton County (1981), while the state experienced a much more gradual decline since 1970. While earned income in Benton County has declined steadily from 94 percent in 1981 to 74 percent in 1998, the share of earned income in Franklin County bottomed out at 71 percent in 1982. Since then it gradually increased to 79 percent in 1998.

Of the three personal income components, earned income had the least overall growth in all three areas. In Benton County earned income grew from \$861 million in 1970 to \$2.4 billion in 1998 (183 percent), and

**Figure 44**  
**Earned Income as a Share of Personal Income**  
**Benton, Franklin, & Washington, 1970-1998**  
*Source: Bureau of Economic Analysis*



**Figure 45**  
**Components of Earned Income**  
**Benton, Franklin, & Washington, 1970-1998**  
*Source: Bureau of Economic Analysis*



in Franklin County from \$321 million in 1970 to \$678 million in 1998 (111 percent). Statewide the increase was 176 percent.

Figure 45 compares the share of each earned income component, except for wages and salary, for Benton and Franklin counties and Washington State in 1998. Wages and salary is not shown because it is by far the largest component, making the other components difficult to distinguish in the graphs. Wages and salary comprised 83 percent of earned income in Benton County, 76 percent in Franklin County and 80 percent in Washington.

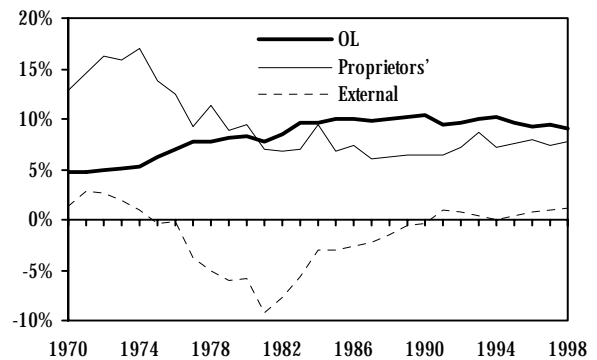
Interestingly, “other labor” accounted for 9 percent of earned income in all three areas. With respect to proprietors’ income and external income, the situation of Franklin County stands out from Benton County and the state. In Franklin County 15 percent of earned income was in the form of proprietors’ income, compared to 8 percent in Benton County and 11 percent statewide.

The biggest difference between Franklin County and the other areas is for external income, which is -14 percent in Franklin County. (The three components of personal income add up to 115 percent primarily because “external” income, which is significant in Franklin County, is not included in county based personal income.) This means that in 1998, 14 percent of the income earned in Franklin County is earned by those living outside of the county. Similarly, 2 percent of state income earned by state residents is earned outside of the state, primarily by Clark County residents who work in Oregon.

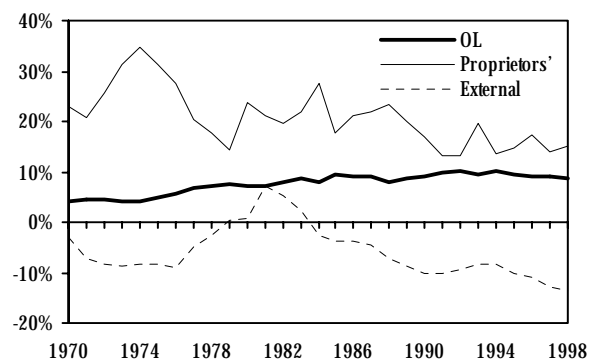
In Benton County, wages and salary has fluctuated between 78 and 85 percent of earned income since 1970 with an overall increase of 185 percent. Figure 46 shows how the smaller earned income components have changed over time as a share of total earned income in Benton County. The external income component fluctuated greatly between -9 percent (1981) and 3 percent (1971-72), with an overall increase of 168 percent. Unlike the other earned income components, external income does not “displace” the other components with respect to their share of the total. External income is comprised of the other three components.

Other labor income increased from 5 to 9 percent of earned income, with an overall increase of 445 percent (the greatest increase of all components). It was at 10 percent from 1983 to 1995. The big increase in other labor income stems from the tax advantages accruing to employers (and employees) on indirect sorts of compensation. Proprietors’ income declined, with some fluctuation, from 13 percent in 1970 to 8 percent in 1998, with the smallest overall increase of 73 percent. Proprietors’ income is the aggregate of all the self-employed workers in the county, including farmers.

**Figure 46**  
**Components of Earned Income**  
**Benton County, 1970-1998**  
*Source: Bureau of Economic Analysis*



**Figure 47**  
**Components of Earned Income**  
**Franklin County, 1970-1998**  
*Source: Bureau of Economic Analysis*



In Franklin County, wages and salary fluctuated between 61 and 77 percent of earned income since 1970 with an overall increase of 122 percent. Figure 47 shows how the smaller earned income components have changed over time as a share of total earned income in Franklin County. The external income component increased, with some fluctuation from -3 percent to -14 percent, with the greatest overall increase of 874 percent (from \$9 million to \$92 million). Again, external income is comprised of the other three components.

Other labor income increased from 4 to 9 percent of earned income, with an overall increase of 344 percent (the second greatest increase of all components). Proprietors’ income declined, with some fluctuation, from 23 percent in 1970 to 15 percent in 1998, with the smallest overall increase of 37 percent. Proprietors’ income is the aggregate of all the self-employed workers in the county, including farmers.



# Transfer Payments

The second component of personal income is transfer payments. A transfer payment is a payment, usually from the government, to someone from whom no service is required. *Figure 48* shows how transfer payments as a share of personal income have changed from 1970 to 1998, in Benton and Franklin counties and Washington.

Since the late 1970s transfer payments as a share of personal income has increased significantly: from 6 percent in 1979 to 13 percent in 1998 in Benton County, and from 9 percent in 1974 to 19 percent in 1998 in Franklin County. The overall increase was 358 percent in Benton County and 341 percent in Franklin County and 255 percent statewide. Franklin County is easily outpacing Benton County in the growth of transfer payments as a share of personal income.

*Figure 49* shows the transfer payment components for Benton and Franklin counties and Washington State in 1998. (Note: The total does not add up to 100 percent as veterans' benefits and other smaller components are not included for this analysis.) Previous county profiles included the medical component under retirement. But, as this component has become a significant percentage of transfer payments over time, it is now shown as a separate component.

By far, retirement and medical are the largest transfer components for both the state and the county. Once again, the differences between the two counties are significant. A much higher share of the Benton County transfer payments are in retirement (47 percent) compared to Franklin County (32 percent). In contrast, Franklin County has a much higher share of medical payments

(40 percent) compared to Benton County (29 percent). Franklin County also has higher shares of income maintenance and UI than Benton County.

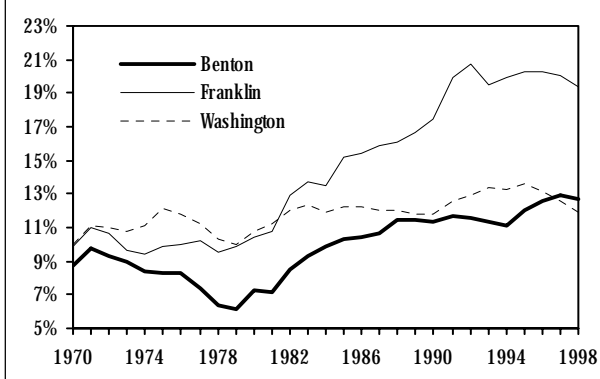
*Figures 50 and 51* shows the components of transfer payments from 1970 to 1998 for Benton and Franklin counties. In both counties, medical had the greatest overall increase, 897 percent in Benton County and 1,021 percent in Franklin County. In Benton County medical increased from 13 percent of transfer payments in 1970 to 29 percent in 1998 (\$120 million). The medical component for Franklin County increased from 16 percent in 1970 to 40 percent in 1998.

Retirement grew by 399 percent in Benton County and 247 percent in Franklin County. Retirement in Benton County increased as a share of transfer payments from 43 percent in 1970 to 57 percent in 1978/79, and then declined to 47 percent in 1998. In comparison, retirement in Franklin County increased from 41 percent in 1970 to 50 percent in 1978 and then declined to 32 percent in 1998.

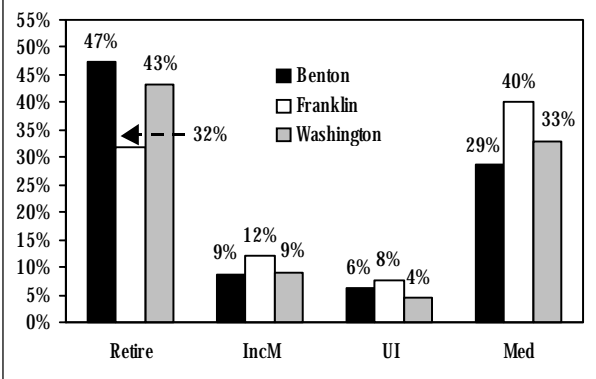
Unemployment insurance increased 120 percent in Benton County and 221 percent in Franklin County, fluctuating between 6 and 21 percent in both counties. Unemployment insurance does not follow a trend like the others but expands and contracts along with the economy, growing greatly as unemployment increases and falling off as it decreases.

The overall increase in income maintenance showed the greatest similarity between the two counties, 207 percent in Benton County and 222 percent in Franklin County. The share of income maintenance has declined

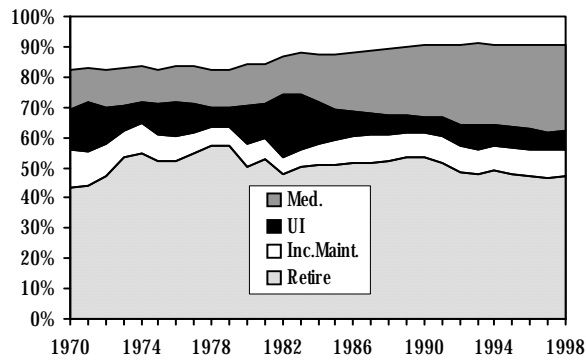
**Figure 48**  
Transfer Payments as Share of Personal Income  
Benton, Franklin, & Washington, 1970-1998  
Source: Bureau of Economic Analysis



**Figure 49**  
Components of Transfer Payments  
Benton, Franklin, & Washington, 1998  
Source: Bureau of Economic Analysis

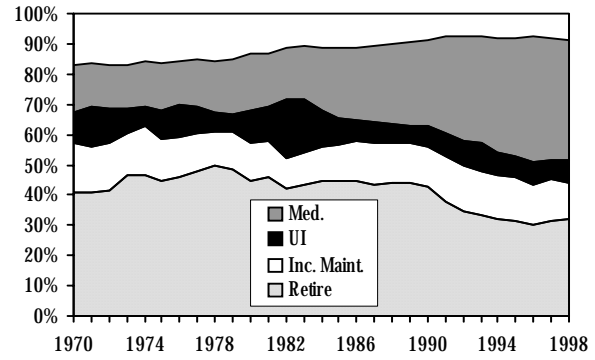


**Figure 50**  
**Transfer Payment Components**  
**Benton County, 1970-1998**  
*Source: Bureau of Economic Analysis*



in both counties, but the average over the years is higher in Franklin County (13 percent) than in Benton County (8 percent). Income maintenance are those payments generally thought of as welfare. Some of the various programs are AFDC, food stamps, and general assis-

**Figure 51**  
**Transfer Payment Components**  
**Franklin County, 1970-1998**  
*Source: Bureau of Economic Analysis*



tance. For the state as a whole, income maintenance increased by 149 percent, retirement by 258 percent, unemployment insurance by 16 percent, and medical by 700 percent.

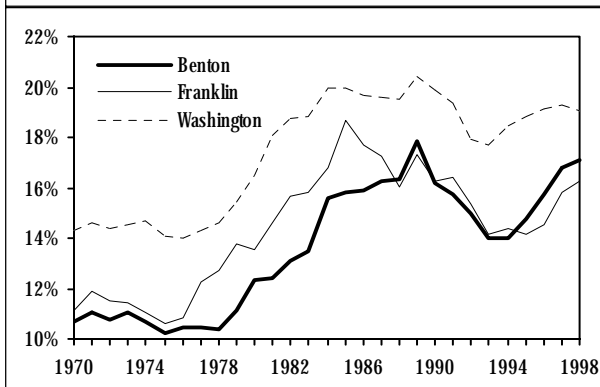
## Investment Income

Figure 52 shows investment income as a share of personal income in Benton and Franklin counties and Washington from 1970 to 1998. Interestingly Franklin County had a significantly higher share of investment income than Benton County from 1976 to 1985 when it peaked at 19 percent. It then declined and joined up with Benton County, both declining to a low of 14 percent in 1994. Since then the Benton County investment

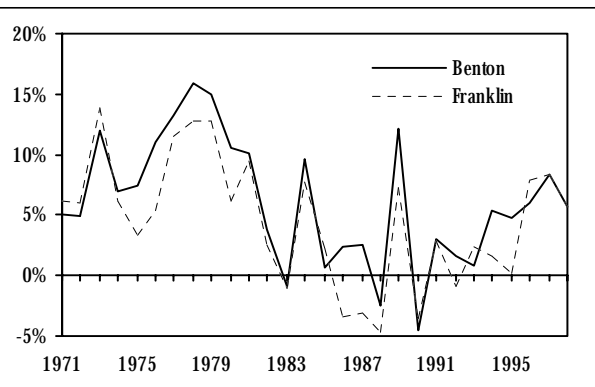
share of personal income has been about 1 percentage point higher than Franklin County.

Investment income stems from dividends, interest, and rent. In Benton County investment income has grown the most of all personal income components, 408 percent since 1970, representing 17 percent of personal income in 1998 (\$566 million). The annualized average growth was a high 6.1 percent, compared to 5.1

**Figure 52**  
**Investment as a Share of Personal Income**  
**Benton, Franklin, & Washington, 1970-1998**  
*Source: Bureau of Economic Analysis*



**Figure 53**  
**Investment Income Growth Rates**  
**Benton and Franklin Counties, 1970-1998**  
*Source: Bureau of Economic Analysis*



percent statewide and 4.5 percent in Franklin County. Only six of the 39 counties had average rates of investment higher than Benton County.

In Franklin County, investment income had the second greatest increase (229 percent) after transfer payments, from \$42 million in 1970 to \$140 million in 1998.

*Figure 53* shows the annual growth rates in investment income from 1970 to 1998 for both counties and the state. Benton and Franklin counties had good average

growth rates from 1970 to 1981, 10.2 and 8.5 percent, respectively. Then from 1982 through 1992, both counties had highly fluctuating growth rates and low overall averages of 2.5 and 0.5 percent. Things improved during the last decade with average growth rates from 1993 to 1998 of 5.2 and 4.3 percent, respectively. This component of personal income should continue to expand at a healthy clip as more and more individuals, especially but not exclusively baby boomers, save for retirement via interest- and dividend-bearing investment vehicles.

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# ECONOMIC DEVELOPMENT

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The **Tri-City Industrial Development Council (TRIDEC)** was created in 1963 to achieve stability and balanced growth through the retention and creation of jobs and the enhancement of the quality of life of the Tri-Cities, Benton and Franklin counties, and south-east Washington.

TRIDEC's mission is pursued through proactive business recruitment and business retention and expansion activities coordinated closely with the cities of Kennewick, Pasco, Richland, and West Richland, the ports of Benton, Kennewick, and Pasco, the counties of Benton and Franklin, local chambers of commerce (Connell, Pasco, Prosser, Richland, Tri-Cities Area, and West Richland) and the entire Tri-City business community.

TRIDEC is governed by a thirty-nine member board of directors. TRIDEC operations include:

- Business recruitment
- Business retention and expansion
- Minority business development
- Economic transition (transferring government assets to the private sector)

- Hanford program support
- New missions for Hanford
- Small business development

The Tri-Cities area is home to the Pacific Northwest National Laboratory (PNNL) operated by Battelle. PNNL is one of the leading research institutions in the world. The Tri-Cities area is also home to a branch of Washington State University and Columbia Basin College.

The Tri-Cities area offers all forms of transportation: air (four airports and commercial service from three airlines), barge (on the Snake and Columbia River systems), rail (from BNSF and Union Pacific) and highway (I-82 and US 395 provide four-lane access). In addition, the Tri-Cities area has over 18,000 acres of land zoned for industrial use. TRIDEC maintains a complete listing of available land and buildings in the area.

With a population of slightly less than 200,000, the Tri-Cities metropolitan area ranked among the twenty-five fastest growing areas in the nation between 1990 and 2000. For the past two years, the area has been among the leaders in the state of Washington in the rate of job growth.