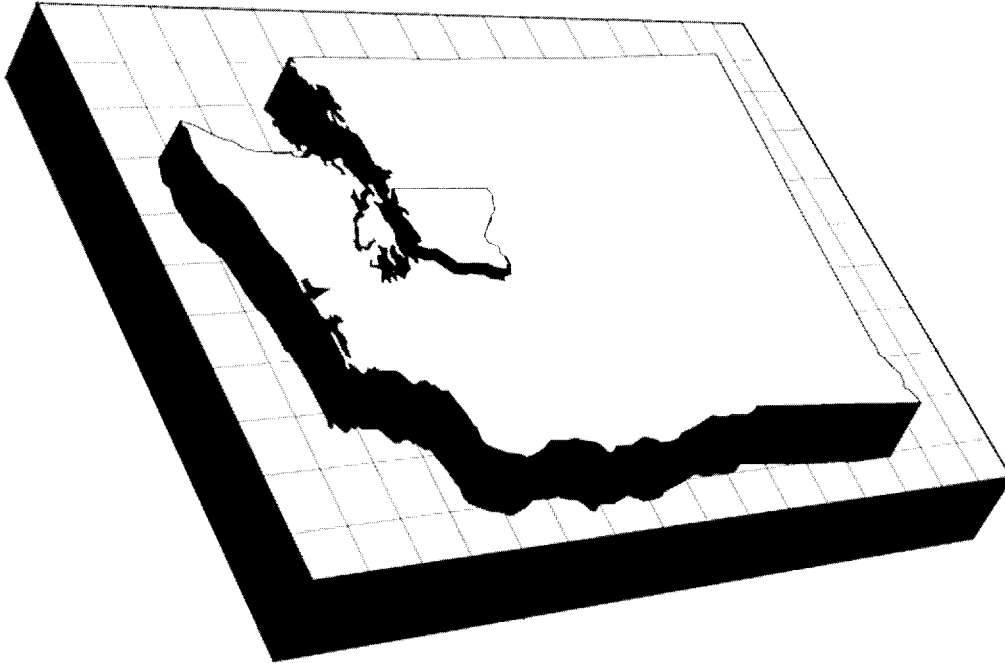


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# KING COUNTY PROFILE

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

**Washington State  
Employment Security**

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**KING COUNTY 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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# EXECUTIVE SUMMARY

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King County is unique among Washington's 39 counties in that it "dominates" the state. On the one hand, all Washington State statistics are highly influenced by the inclusion of King County data. But then, King County does represent a disproportionate share of state population (29 percent) and state jobs (43 percent) compared to other counties. Normally, county profiles refer to comparisons between the particular county and the state. In order to distinguish certain differences between King County and "the rest of the state," some of the data analysis has involved removing King County data from the state totals.

The last four to five years represent a somewhat unusual period in history for the nation, and the world in general, with the rise of the internet and more common widespread use of computers. At the same time, these years (1995-2000) occurred in the midst of an unprecedented prolonged period of high economic growth, which is apparently about to come to a close. Washington and King County, in particular, were more highly affected by these phenomena than other parts of the country and other counties. This can be seen in the data.

The population of King County increased 45 percent from 1,159,375 in 1970 to 1,685,600 in 2000. Other counties in the state have shown much faster growth. Clark County, for example, grew 169 percent since 1970; and the state as a whole grew 70 percent. King County, however, is a very large and mature county that has seen its rapid growth occur during a much earlier period. A more realistic comparison is with the nation as a whole, which grew only 33 percent over the same period. Most recently the growth rate in King County has declined from 1.2 percent in 1999 to 0.5 percent in 2000.

The wave of migration coming to Washington is not settling in King County like it once did. The percentage of state migrants moving into King County decreased from 38 percent in the 1980s to 12 percent in the 1990s. King County now ranks third, after Clark and Snohomish, in the percentage of new migrants settling in Washington. Despite the low population growth the civilian labor force (CLF) increased steadily from 2.9 percent in 1995 to 5.1 percent in 1997. It then declined to 0.8 percent in 1999. As confirmed by the demographic data, this just confirms that a relatively higher percentage of the population is in their working years (25-64).

The county's unemployment rate has been on a steady decline from 6.4 percent in 1992 to 3.2 percent in 1999.

In fact, while the CLF and the number of employed persons in King County have both increased by more than 60 percent since 1978, the number of unemployed have declined by 10 percent.

From 1994 to 1999, King County gained over 193,000 jobs, that is 17 percent of all present day employment in King County. Forty-seven percent of these new jobs were in the services division. Most recently the annual job growth rate has declined from 5.4 percent in 1997 to 2.8 percent in 1999. Comparatively nationwide growth rates declined from 2.8 percent to 2.2 percent.

In 1999, the King County average wage was \$46,053 compared to the statewide average of \$35,724, and the national average wage was \$31,908 in 1998 (the most recent year available). The King County wage has been consistently higher than both the state and the national average wage since 1970. The gap between the county and state average wage increased from \$2,742 in 1970 to \$5,086 in 1995; it then doubled to \$10,329 by 1999.

The services division as a whole increased 47 percent from 1994 to 1999 (91,100 new jobs), offsetting the earlier decline and then slower growth within manufacturing. Within that total, employment in business services increased 78 percent (51,755 of the new jobs). Within business services, the two largest industries, pre-packaged software and temporary help supply, accounted for 22 and 25 percent of the new jobs, respectively. (By comparison, total nonagriculture employment increased 22 percent for the same period.)

From 1970 to 1998, total personal income in King County increased from \$21.6 billion to over \$67.7 billion. Since 1996, King County income growth has been dramatically outpacing the rest of the state increasing steadily from 2.5 percent in 1994 to 10.4 in 1999. The growth rate for the remainder of the state increased from 2.3 percent in 1996 to 5.6 percent in 1998, before declining to 4.8 percent in 1999.

In 1998, per capita income in King County was \$40,905 (the highest in the state); for Washington it was \$28,719. If King County is taken out of the state average it drops to \$21,693. In summary, we can say that King County has been outpacing the rest of the state in terms of job and income growth. But, with 29 percent of the population and 44 percent of the jobs King County is a major part of the state.

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# INTRODUCTION

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This report profiles the labor market and economic characteristics of King County. 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 that profiles labor market and economic conditions in each of Washington's 39 counties.

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

Like earlier King County Profiles (1991 and 1996), the purpose of this report is to provide a comprehensive labor market and economic analysis of King County. 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 data for this profile are derived from various state and national sources. All dollar figures are in current or nominal dollars, except where real values are specified. Real dollars are inflation adjusted, using the Personal Consumption Expenditures deflator with 1998 equal to 1.0. The data used are the most recently updated, even though some data are up to 2 years old.

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 the profile should be directed to the Labor Market and Economic Analysis Branch or the regional labor economist.

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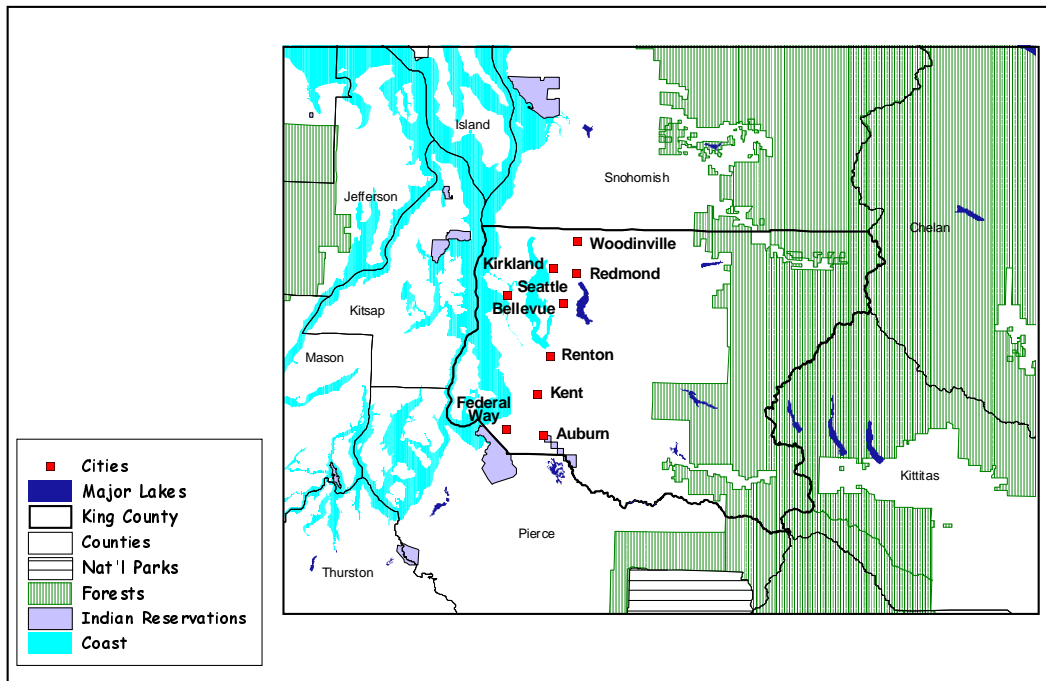
# GEOGRAPHY

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The region referred to as central Puget Sound includes King, Snohomish, Pierce, and Kitsap counties. Except for the northern boundary, shared with Snohomish County and which is a purely political creation, each of King County's boundaries reflect geographic contours. The eastern boundary closely follows the Pacific Crest National Scenic Trail—the crest of the Cascade Range—and separates King from Chelan, Kittitas, and Yakima counties. Pierce County and the White River about King's southern boundary, while western King County faces Puget Sound. Vashon and Maury islands are part of King County.

With 2,128 square miles, King County has 3.2 percent of Washington's total land mass. Only 10 of the state's 39 counties are larger.

King County has an interesting and diverse topography. Beaches, pasture lands, and ski trails are all accessible within an hour's drive, with the elevation ranging from sea level to 6,270 feet at Snoqualmie Mountain. The western part of the county, where the vast majority of the population has settled, is an alluvial plain at, or near, sea level. Going east, one encounters the Cascade Mountains, a rugged and forested range which has historically hindered transportation between eastern and western Washington. In fact, the county has only three vehicular exits to the east: Stevens Pass, Stampede Pass, and Snoqualmie Pass. A substantial portion of eastern King County is in the Mount Baker-Snoqualmie National Forest.



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# ECONOMIC HISTORY

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King County has developed over time from a narrow resource-based economy centered principally in forest products manufacturing, into an increasingly diversified export base with significant orientation in high tech industry, services, and trade serving broad national and worldwide markets. Growth has come in fits and starts associated largely with cyclical changes in national demand for producer durable goods, but gradually some of that is changing. Increasingly greater volumes of finished goods and services originating in King County are being exported overseas, particularly to Europe and the Far East. New industry is being keyed to special market niches in such areas as computer software and biotechnology with high-growth market potential.

Seattle was first inhabited by Duwamish and Suquamish Indians who largely resided in cedar longhouses and subsisted on a diet consisting principally of fish and berries. The Snoqualmies were prevalent throughout most of the county. Little economic activity existed beyond hunting and fishing. Canoes provided the principal mode of transportation both on Puget Sound and the surrounding lakes and rivers. Violent Indian uprisings were commonplace.

Navigators from Spain, Russia, England, and France all crossed through waters of the Pacific Northwest. But the first official exploration of Puget Sound is credited to George Vancouver and his First Lieutenant, Peter Puget, in 1792. Trappers from the Hudson's Bay Company followed. The Federal Homestead Act of 1850 provided the first salvo for population movement from east to west. In that year, John Holgate took up residence along the shores of Elliot Bay and became the first white settler in King County. The following year, David and Arthur Denny and a party of twenty-one landed at Alki Point. Shortly thereafter, a Henry Yesler opened the first stream log mill in the county in what is now downtown Seattle (1852).

Timber resources adjacent to deep water harbors constituted the initial principal attraction. Logs could be shipped economically from ports on Puget Sound to burgeoning markets in San Francisco and elsewhere on the West Coast. Fortunes were made in the processing and shipment of forest products. At the same time, the rich volcanic soil of the inland valleys fostered agricultural development of cash crops including hay, corn, hops, and dairy products. The Green River served as the main transportation artery for moving farm produce from

the Kent and Auburn valleys into Seattle prior to development of a rail system that was completed in 1883.

Coal was discovered in the Renton area in 1853 and later in Newcastle and Black Diamond thereby intensifying the need for vastly improved transportation systems in order to move product to market. Rail transport crisscrossed the county beginning in 1879. And finally in 1893, Seattle became the western terminus of the Great Northern Railroad—the beginning of a new era of commercial and industrial development. Railroads not only moved people far more expeditiously but also solved the problem of transporting goods not produced adjacent to navigable waters.

Seattle turned into a major trade center with the fall-out from the Alaska Gold Rush of 1897. Prospectors were required to have a full year of supplies in hand as a condition for obtaining passage, and Seattle outfitters obliged. In addition, gold shipments from Alaska were often assayed and processed locally. In an effort to demonstrate to the world the link which had been forged with its northern neighbor, Seattle hosted the Alaska-Yukon-Pacific Exposition in 1909. Attendance numbered better than 3.7 million at a 250 acre site north of Lake Union to which the University of Washington had relocated in 1894. Several of the buildings and many of the amenities were later incorporated into the University campus. The greatest return from the fair was that it showcased Seattle to the outside world.

World War I pushed manufacturing to the forefront. As early as 1906, the Moran Shipyard in Seattle had built the region's first battleship—the Nebraska. But it took the war effort to temporarily transform the Puget Sound area into a major naval shipbuilding complex. From the Pacific Aero Products Company on Lake Union came fifty training planes and initial contract work on several flying patrol boats which officially launched what was to become The Boeing Company. Military contracts were canceled following the armistice. However, Boeing—as a participant in the United Aircraft and Transport Company consortium—entered the civil aviation field as both an airframe builder and an air transport company. This latter function was spun off through reorganization in 1934 to become part of United Air Lines.

The state legislature sanctioned the concept of an independent port authority in the Port District Act of 1911 and on September 5th of that year the people of

King County voted officially to establish the Port of Seattle. Dynamic leadership soon turned concept into reality. Waterfront property was quickly acquired for construction of warehouses, wharves, and cold-storage facilities, all operated under the auspices of the central Port authority. The complex was made available to the federal government during World War I and the Port of Seattle emerged from the war as the second-ranked port in the nation.

After a period of eclipse in the interwar years, the industrial base of King County charged back with even greater determination during World War II. Battleships, destroyers, cruisers, escorts, and carriers for the Pacific theater were mass-produced in both the public and private yards of Puget Sound, driving statewide shipbuilding employment up from 6,000 before the war to 140,000 in 1943. Likewise, aircraft assumed a major tactical role, and Boeing's employment swelled from 7,600 workers in 1940 to 44,000 by 1944. Production was concentrated on the Flying Fortress and the more advanced Superfortress—the first pressurized heavy bomber with a remote control firing system. Altogether, Boeing delivered 2,700 Superfortresses of which half came from Renton.

The postwar period marked a return to normalcy. But the takeoff point was greatly elevated from that existing prior to the war. King County population jumped 45 percent in the ten years from 1940 to 1950 (from 504,980 to 732,992 residents). Many drawn to the area by the war effort simply elected to remain. Housing and infrastructure boomed. Production at shipbuilding and aerospace firms shifted to a mixture of defense and commercial activity. Return to peacetime pursuits brought forth huge advances in services and trade.

Population advanced in the decade of the 1950s to 935,000. It was during this time the advent of the jet age carried Boeing to new highs. In-house design of the nation's first jet bomber was effected in 1947 and the production models B-47 and B-52 provided substantial

work-in-force into the early 1960s. Adaptation of this military prototype into the nation's first commercial jet plane took place in the mid-1950s—the phenomenally successful Boeing 707. A new age was launched. Collaterally, transportation visualization was also the spur which launched the Port of Seattle into the big leagues. Visualizing that containerization was the wave of the future, the Port launched into a major construction effort without a single containerized client. The risk paid off. Facilities were in place when demand moved and the volume of cargo soared.

King County population hit 1,159,000 by 1970. Machinery and instruments manufacturing began adding significantly to the county's industrial mix. Many were started by former Boeing employees or were the result of applied research coming out of the University of Washington and both represented cutting edge technology. But then Boeing hit the skids early in the decade. A combination of military cutbacks, worldwide recession, and no-go on the U.S. supersonic transport plane pulled Boeing employment down from over 100,000 in 1968 to 38,000 in 1971. The Seattle area economy reeled. It was mid-decade before the economy once again regained stride.

Into the 1980s, the pace quickened. Population swelled from 1,270,000 in 1980 to 1,507,000 in 1990. Two-way trade ranked the Port of Seattle as the fourth largest container port in the nation. Increasing amounts of regional output were exported to markets outside the area. Infilling of products and services broadened the economic base. Boeing employment once again moved above the 100,000 mark but this time on a firmer foundation of strong commercial orders. The role of high-tech machinery and instruments manufacturing advanced sharply. Portions of business and professional services took on the mantle of a broader than regional market orientation. Quality of life factors moved to the forefront of industrial development as the region came to grips with King County's proper place in the future.



# POPULATION

Population is viewed correctly as a key economic indicator of an area's vitality. With the exception of retirees and a minority of "footloose" workers, people tend to migrate to an area that has economic opportunities. In short, people follow jobs. However, changes in population are lagging, not leading, indicators. It takes time for people to arrive in an area where jobs are prevalent, and it takes time for them to leave once the demand for labor eases. Nevertheless, population changes provide insight into how the economy is performing and how the economy has performed over time.

The Office of Financial Management has estimated King County's 2000 population at 1,685,600, ranking it the largest of Washington's 39 counties. With an area covering 2,126 square miles, King County's population density stands at 789 people per square mile, making it the most densely populated county in the state. The population of King County accounts for almost one-third (29 percent) of the state's entire population.

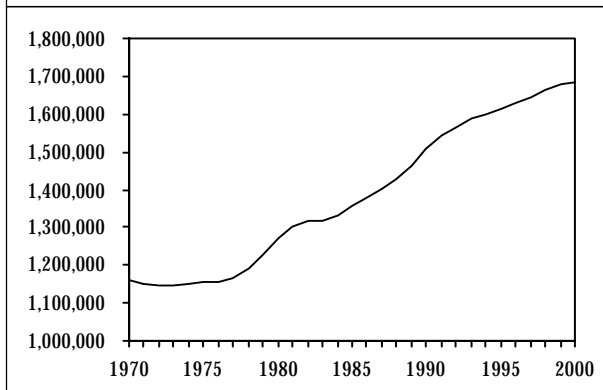
The population of King County increased 45 percent from 1,159,375 in 1970 to 1,685,600 in 2000 (see *Figure 1*). Other counties in the state have shown much faster growth. Clark County, for example, grew 169 percent since 1970; and the state as a whole grew 70 percent. King County, however, is a very large and mature county that has seen its rapid growth occur during a much earlier period. A more realistic comparison is with the nation as a whole, which grew only 33 percent over the same period.

The annual average growth rate during these thirty years was 1.3 percent, compared to 1.8 percent average growth for the state. The national recessions of the early 1970s and early 1980s slowed, and even occasionally reversed, the increase in population. In general, growth has been strong and steady since the "double-dip" national recessions of the 1980s. Most recently the growth rate in King County has declined from 1.2 percent in 1999 to 0.5 percent in 2000.

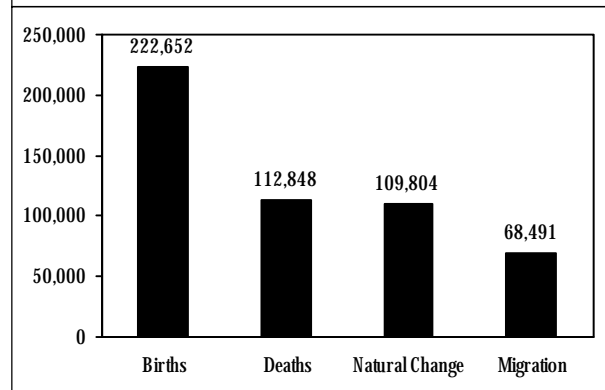
Components of population change such as births, deaths, and migration can provide insight into larger population trends (see *Figure 2*). From 1990 to 2000 the population of King County increased by 222,652. Thirty-eight percent of this growth was due to migration. This is relatively low compared to the statewide share of growth due to migration, which was 59 percent. *Figure 3* shows the annual rate of migration from 1970 to 1999. It can be seen that annual migration has been on the decline since 1990 when it peaked at 32,000. Migration has most recently tapered off from 7,000 persons in 1997 to less than 200 in 1999.

During the decade of the 1980s, the natural change in King County amounted to 96,704 but was significantly surpassed by net migration, which totaled 140,703. In the 1990s, natural change added another 109,804 residents while net migration grew by only 68,491. The wave of migration coming to Washington is not settling in King County like it once did. During the 1980s, about 38 percent of the state's net migrants came to King County.

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

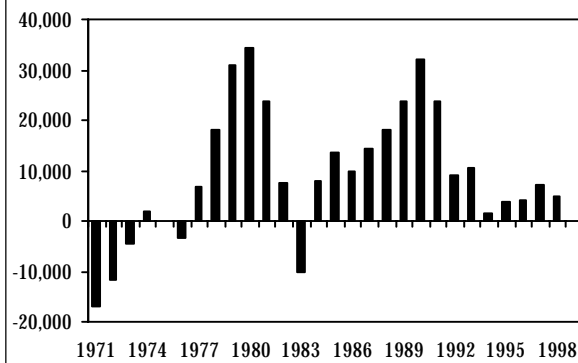


**Figure 2**  
Components of Population Change  
King County, 1990-2000  
Source: Office of Financial Management



During this last decade, the figure has dropped to 12 percent. King County now ranks third, after Clark and Snohomish, in the percentage of new migrants settling in Washington State. King County ranks 35th with respect to its share of population growth due to migration.

**Figure 3**  
**Migration Trend**  
**King County, 1970-1999**  
*Source: Office of Financial Management*



## Towns and Cities

Almost 80 percent of King County residents live in incorporated areas, and 32 percent live in Seattle alone, the largest city in the county, the state, and the Pacific Northwest. The next two largest cities in King County are Bellevue and Federal Way, but still with only 6 and 5 percent of the King County population, respectively. Of the 10 cities with population over 30,000, Seattle had the slowest growth over the past five years. Even so, its 5 percent increase equated to 24,641 new residents. Also among the major cities, Kent had very strong growth with a 93 percent growth in population, making it the 4th largest city in King County. See *Figure 4* for a listing of

the county's cities and towns and their population change over the last ten years.

The strong increase over the 1990-2000 period of incorporated residents and the 30 percent decrease among unincorporated residents does not indicate that people are moving to incorporated areas. Rather, incorporated areas are expanding and leaving fewer and fewer people in unincorporated areas. Some 166,466 residents were incorporated through annexation or incorporation from 1990 to 2000. These areas included Burien, Covington, Kenmore, Maple Valley, New Castle, Sammamish, Shoreline, and Woodinville.

## 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 5* categorizes the population of King County 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 King County, Washington, and the nation at this time is the 25 to 44 year olds. There is very little difference between King County and Washington with respect to the different age groups, except that there are slightly higher percentages for the 25-44 and 45-64 age groups, the primary wage earners. The baby boom, which lasted from 1946 to 1964, resulted in a large population surge whose members are now beginning to turn 50.

*Figure 6* shows the age groups in King County for 1990, 2000, 2010, and 2020. The 25-44 year old cohort is that group that is labeled by the share of the population, which they represent; the labeling shows how this group moves over the years. Although they continue to account for the largest share of the population from 1990 to 2010, their actual number decreases by 16 percent

**Figure 4**  
**Population of County, Towns, and Cities**  
**King County, 1990-2000**  
*Source: Office of Financial Management*

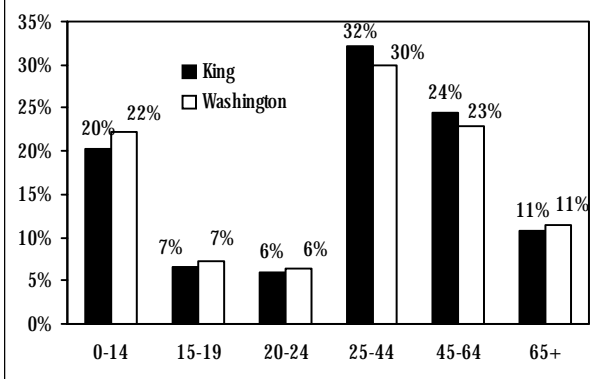
	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	%Chg. 90-00
King	1,507,305	1,542,286	1,564,486	1,587,700	1,599,500	1,613,600	1,628,800	1,646,200	1,665,800	1,677,000	1,685,600	11%
Unincorp.	513,171	531,992	540,900	511,488	507,226	497,403	431,920	432,084	404,905	387,148	359,469	-30%
Incorpor.	994,134	1,010,294	1,023,586	1,076,212	1,092,274	1,116,197	1,196,880	1,214,116	1,260,895	1,289,852	1,326,131	33%
Algona	1,694	1,757	1,851	1,895	1,940	1,970	2,035	2,070	2,100	2,110	2,080	23%
Auburn (pt)	33,650	33,828	34,260	34,550	34,970	35,230	36,130	36,720	37,440	38,980	41,670	24%
Beaux Arts	303	287	286	285	285	285	285	288	288	289	286	-6%
Bellevue	86,872	87,898	88,580	89,710	99,140	102,000	103,700	104,800	105,700	106,200	106,400	22%
Blk Diamond	1,422	1,505	1,520	1,575	1,610	1,760	2,010	2,085	3,720	3,825	3,835	170%
Bothell (pt)	11,986	12,630	12,860	13,050	13,210	13,510	13,580	13,850	14,450	14,500	14,550	21%
Burien	--	--	--	27,967	27,610	27,680	27,830	27,930	28,110	29,770	29,650	6%
Carnation	1,243	1,265	1,277	1,360	1,430	1,490	1,540	1,650	1,725	1,785	1,770	42%
Clyde Hill	2,957	2,965	2,980	2,990	2,995	3,000	3,015	3,019	3,005	2,883	2,886	-2%
Covington	--	--	--	--	--	--	--	--	12,900	13,010	13,010	
Des Moines	17,283	17,480	18,170	19,460	21,330	21,450	23,020	27,030	27,200	27,160	26,730	55%
Duval	2,770	3,020	3,125	3,200	3,280	3,490	3,635	3,813	4,120	4,435	4,645	68%
Enumclaw	7,227	7,450	8,760	9,205	9,670	10,170	10,260	10,484	10,550	10,740	10,760	49%
Federal Way	67,535	70,660	72,350	75,320	73,500	74,290	75,240	75,960	76,820	76,910	77,010	14%
Hunts Point	514	506	515	502	504	500	515	523	523	472	472	-8%
Issaquah	7,786	7,860	8,175	8,326	8,420	9,025	9,255	9,610	9,900	10,130	10,260	32%
Kenmore	--	--	--	--	--	--	--	--	--	17,168	16,890	
Kent	37,960	39,650	40,300	41,090	41,880	44,620	60,380	62,006	71,610	73,060	73,140	93%
Kirkland	40,059	40,597	41,390	41,700	41,900	42,350	43,160	43,720	44,220	44,860	45,090	13%
Lk Forest Pk	3,372	3,371	3,402	3,405	4,065	7,130	12,480	12,521	12,800	13,040	13,070	288%
Maple Valley	--	--	--	--	--	--	--	--	11,964	12,540	12,800	
Medina	2,981	2,970	2,980	3,000	3,015	3,050	3,085	3,082	3,076	2,940	2,931	-2%
Mercer Isl	20,816	21,190	21,210	21,260	21,270	21,290	21,490	21,550	21,690	21,570	21,570	4%
Milton (part)	697	695	710	760	785	795	800	845	860	895	925	33%
Newcastle	--	--	--	--	--	8,052	8,260	8,485	8,605	8,605	8,645	
Normandy Pk	6,709	6,730	6,860	6,890	6,900	6,935	7,095	7,122	7,135	7,035	7,035	5%
North Bend	2,578	2,590	2,610	2,620	2,790	2,925	3,070	3,280	3,675	3,815	3,840	49%
Pacific (part)	4,622	4,690	5,045	5,160	5,245	5,300	5,395	5,445	5,455	5,470	5,475	18%
Redmond	35,800	37,460	39,040	40,095	39,390	40,030	40,805	42,230	43,310	43,610	44,020	23%
Renton	41,688	43,000	43,090	43,470	43,970	44,890	45,170	45,920	46,270	47,620	48,270	16%
Sammamish	--	--	--	--	--	--	--	--	--	--	30,793	
SeaTac	22,701	22,830	22,830	22,840	22,800	22,910	23,110	23,320	23,540	23,570	22,840	1%
Seattle	516,259	518,000	522,000	527,700	531,400	532,900	534,700	536,600	539,700	540,500	540,900	5%
Shoreline	--	--	--	--	--	--	48,195	50,380	50,390	52,030	53,140	
Skykomish	273	275	265	250	255	270	239	239	270	275	273	0%
Snoqualmie	1,546	1,545	1,530	1,545	1,540	1,540	1,550	1,610	1,635	1,980	2,345	52%
Tukwila	11,874	14,630	14,650	14,660	14,690	14,750	14,880	14,930	14,990	14,840	14,870	25%
Woodinville	--	--	--	9,407	9,510	9,615	9,940	9,980	10,130	10,250	10,280	
Yarrow Point	957	960	965	965	975	995	1,015	1,019	1,019	980	975	2%

*Federal Way and SeaTac incorporated in February 1990. Burien incorporated February 1993. Woodinville incorporated March 1993. Newcastle incorporated as Newport Hills in September 1994. Shoreline incorporated in August 1995. Covington and Maple Valley incorporated in August 1997. Kenmore incorporated in August 1998. Sammamish incorporated in August 1999.*

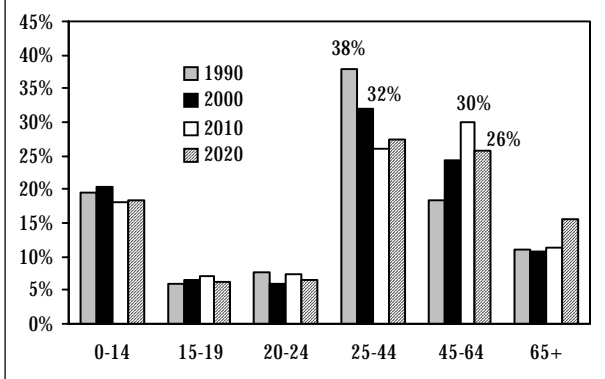
from 1990 to 2010. During this time the total county population will increase by 22 percent and the 45-64 age cohort will increase by 100 percent. Between 1990 and 2020 the two oldest age cohorts will both grow by 89 percent, while the 25-44 age group will decline by 2 percent. Further down the years, this large group of people will put a strain on social security and other services as they age.

The actual numbers of the different age cohorts can be better understood by looking at *Figure 7*. The most remarkable growth in actual numbers is again the 45-64 age group, which almost doubles from 1990 to 2010. On the other hand the other groups, beside the 65+, barely change at all. The oldest group begins to increase sharply from 2010, as the former 45-64 age group, moves into retirement.

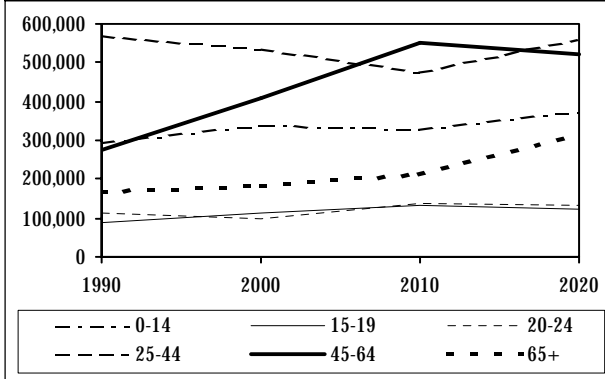
**Figure 5**  
**Population by Age Groups**  
**King County and Washington, 2000**  
*Source: Office of Financial Management*



**Figure 6**  
**Population by % Share of Age Groups**  
**King County, 1990-2020**  
*Source: Office of Financial Management*



**Figure 7**  
**Population by Age Groups**  
**King County, 1990-2020**  
*Source: Office of Financial Management*



## Demographics

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.) *Figure 8* shows the percentage of the population for each of these groups for King County and Washington State, in 1990 (Census) and 1998 (estimate). Overall, the King County population grew by only 10.5 percent and the statewide increase was almost double that (18.3 percent).

Racially, King County has a higher level of diversity than the remainder of Washington. Forty-five percent of all blacks in the state live in King County as do 49 percent of all Asian and Pacific Islanders. In 1998, Whites

comprised only 80 percent of the population, compared to 88.7 percent statewide. The next largest ethnic groups after Whites were Asian/Pacific Islanders (10.1 percent), Blacks (5.3 percent), Hispanic (3.5 percent), and AIEAs (1.1 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). The largest difference is for the APIs.

A comparison of the 1998 estimate with the 1990 Census shows that the non-white population in King County continues to grow faster than the white population. Since the 1990 Census, the overall King County population grew only 10.5 percent. Whites increased by 6 percent, blacks by 19 percent, Native Americans

by 15 percent, and Asian and Pacific Islanders had the greatest growth with 45 percent. Those of Hispanic origin also had a high growth of 30 percent. Growth rates for the different groups have been similar for the county

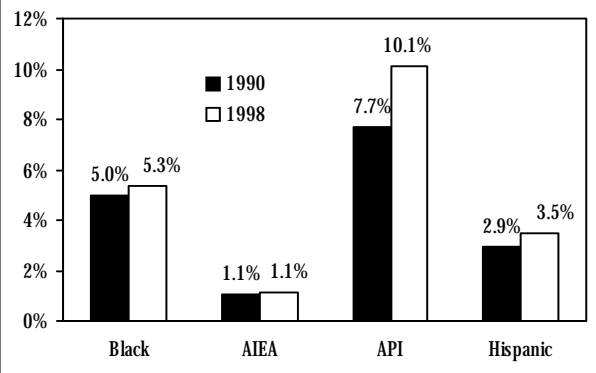
and the state, except that the King County growth rates are lower for all groups. The greatest change in absolute numbers, besides Whites, is seen for APIs, which had an estimated increase from 115,821 to 168,188.

**Figure 8**  
**Population by Race and Hispanic Origin**  
**King County and Washington State, 1990 and 1998**  
*Source: Office of Financial Management*

King	1990 Census		1998 Estimates		1990-1998
					% Change
Total	1,507,305	100.0%	1,665,800	100.0%	10.5%
White	1,256,333	83.3%	1,332,575	80.0%	6.1%
Black	74,852	5.0%	88,993	5.3%	18.9%
Indian/Aleut	15,962	1.1%	18,328	1.1%	14.8%
Asian/Pacific Islander	115,821	7.7%	168,188	10.1%	45.2%
Hispanic*	44,337	2.9%	57,716	3.5%	30.2%
Female	764,643	50.7%	842,747	50.6%	10.2%
<b>Washington</b>					
Total	4,866,692	100.0%	5,757,400	100.0%	18.3%
White	4,411,407	90.6%	5,107,571	88.7%	15.8%
Black	152,572	3.1%	198,670	3.5%	30.2%
Indian/Aleut	87,259	1.8%	109,509	1.9%	25.5%
Asian/Pacific Islander	215,454	4.4%	341,650	5.9%	58.6%
Hispanic*	214,570	4.4%	356,464	6.2%	66.1%
Female	2,452,952	50.4%	2,854,914	49.6%	16.4%

\*Hispanics may be of any race

**Figure 9**  
**Population by Race and Hispanic Origin**  
**King County, 1990 and 1998**  
*Source: Office of Financial Management*



# 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 the general population, the labor force can be seen as a key economic indicator. Patterns of growth

and decline in the county's labor force are largely driven by economic cycles, as well as activity in the local industrial divisions. Since gross domestic product and gross state product are not gathered at the county level, labor force changes, as well as other measures, serve as substitutes.

## Trend

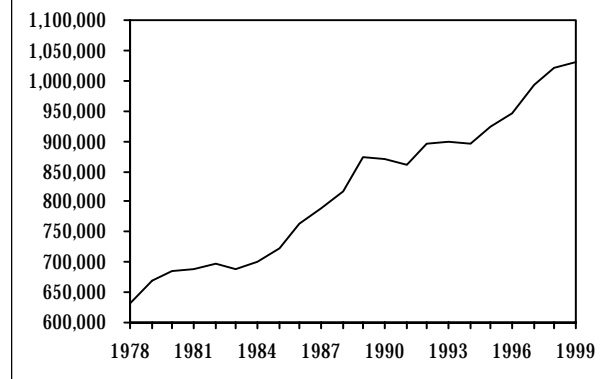
The civilian labor force in King County grew from 631,600 in 1978 to 1,030,400 in 1999, an overall increase of 63 percent (*Figure 10*). (Prior to 1978, King County data were not segregated from Snohomish County). The average annual growth rate from 1978 to 1999 was 2.4 percent, compared to an average rate of 2.6 percent for the state (*Figure 11*). By comparison, the nation's labor force grew at a 1.5 percent annualized rate.

As the figure shows, labor force growth was especially strong during the second half of the 1980s as the county's economy recovered from the devastating national recession 1981-82. From 1984 growth of the CLF increased steadily until it peaked at 7.0 percent in 1990. After the 1990-91 years of negative growth, the growth

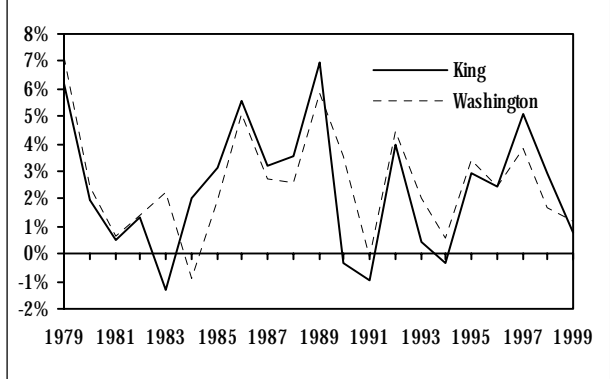
rate increased to 3.9 percent in 1992. The growth rate for the next 2 years remained below one percent before beginning a steady increase to 5.1 percent in 1997. It has since declined to 0.8 percent in 1999.

In 1999, labor force employment stood at 997,600 while the number of nonagricultural jobs was 1,151,000. From 1978, the CLF increased 63 percent, while the number of people employed increased 68 percent. The number of unemployed has actually decreased 10 percent since 1978. King County is one of the few areas in the state where there are more jobs than there are people with jobs. All of the above are *resident* labor force figures; those workers who live in other counties and work in King are not included.

**Figure 10**  
**Civilian Labor Force**  
**King County, 1978-1999**  
*Source: Employment Security Department*



**Figure 11**  
**Civilian Labor Force Annual Growth Rates**  
**King County and Washington, 1978-1999**  
*Source: Employment Security Department*



# Commuting

In 1999, there were 120,000 nonagriculture jobs more than the total civilian labor force based in King County. This suggests that a substantial number commute into the county to work. Figures from the federal Census supports that premise. In 1990, the Census showed 161,325 workers commuting into King County. The largest number (about 85,000) came from Snohomish County and another 54,000 came from Pierce County.

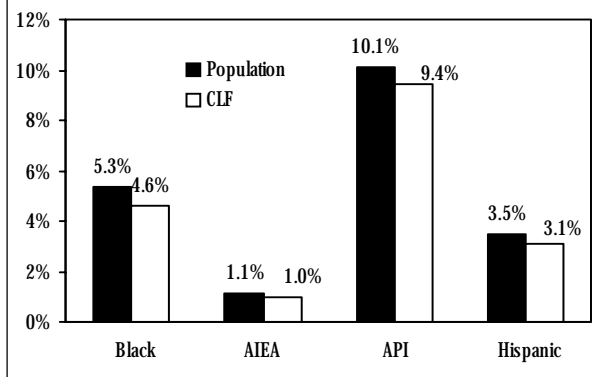
That is, as anyone in the area knows, a lot of traffic on Interstate 5 and it has been increasing over time.

Of all who work in King County, those coming from outside the county amounted to 7 percent of the total in 1960, 10 percent in 1970, 15 percent in 1980, and 18 percent in 1990. Congestion is a factor taken into account by relocating or expanding firms, and this, no doubt, is a partial explanation for high growth recently in other parts of Washington.

# Demographics

The racial and ethnic composition of the King County's civilian labor force (1997) is very much like that of the general population (1998). About 82 percent is white; 4.6 percent is black; 1 percent is Native American; 9.4 percent is Asian and Pacific Islander; and those of Hispanic origin comprise 3.1 percent of the labor force (see Figure 12). (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.)

**Figure 12**  
**Distribution of Population (1998) and CLF (1997), by Race and Ethnicity, King County**  
*Source: Employment Security Department*



# UNEMPLOYMENT

The civilian labor force consists of both those who are working and those without a job who are looking for work. The unemployment rate is the percentage of the total labor force who are not working but who are actively 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 information (e.g., unemployment insurance claims and surveys of business establishments) to produce unemployment rates at the state and county level.

## Trend

Figure 13 shows the unemployment rates for King County, Washington, and the U.S. since 1978. Unemployment in the county tracks remarkably well with unemployment in Washington and throughout the nation, rising during periods of national economic contraction and falling during economic expansions. The King County unemployment rate is on average about 1.5 percentage points lower than the statewide unemployment rate. Except for the period from 1981 to 1984, the King County unemployment rate has always been lower than the nationwide unemployment rate.

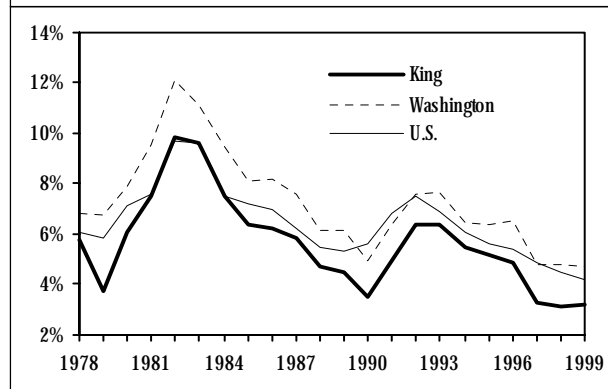
After 1982's high point of 9.6 percent, the county's unemployment rate steadily declined until 1991 when the national recession pushed it up to 6.4 percent in 1992. It has been on a steady decline since then reaching 3.2 percent in 1999. In fact, the number of unemployed declined by 10 percent, from 1978 to 1999.

The period from 1990 through the present has shown the strength of King County. A national recession from

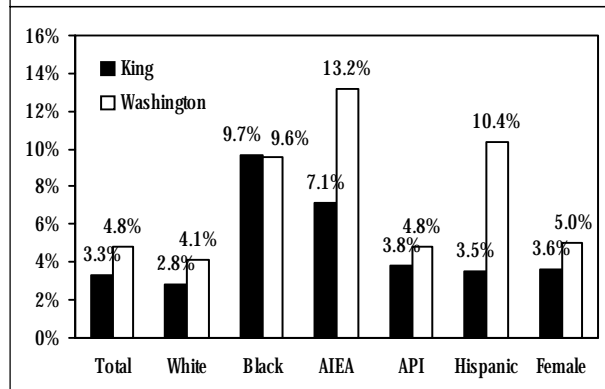
1990-91 and a heavy lay-off of workers from Boeing shortly thereafter should have been sufficient to send the county economy into a dive. But, instead the economy simply slowed. The potency and endurance of other industries carried the county through these hazards with little harm done. Unemployment rose but certainly not to astronomical heights and it quickly subsided. After Whitman County, whose major town (Pullman) is a university town, King County had the lowest unemployment rate in the state in 1999.

The unemployment rates disaggregated by race, ethnicity, and sex for King County and the state for 1997 are shown in Figure 14. Unemployment does not affect racial groups equally. While the section on the labor force showed that minority races were represented in the labor force at about the same level as they were represented in the general population, this does not hold true for unemployment. The overall unemployment rate was 3.3 percent and 2.8 percent for whites.

**Figure 13**  
Unemployment Rates  
King County, Washington, & U.S., 1978-1999  
Source: Employment Security Department



**Figure 14**  
Unemployment Rates by Race, Ethnic./Gender  
King County and Washington, 1997  
Source: Employment Security Department





While Blacks account for only 4.6 percent of the CLF they have the highest unemployment rate in King County (9.7 percent), and account for 13 percent of the total unemployed. AIEAs have the next highest unemploy-

ment rate of 7.1 percent. All ethnic groups, except for Blacks, have lower unemployment rates at the county level compared to the state.

## 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 15* shows the number of UI claims filed in King County 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 regardless 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 county. King County had 81,083 UI claimants between July 1, 1999 and June 30, 2000.

The concentration of UI claims in King County occupational groupings closely reflect concentrations state-wide. The majority of claims fell in four principal areas: professional/technical/managerial, structural, clerical, and service. The only occupational category which had a significantly greater percentage of claims in the county compared to the state was professional, technical, and managerial, 33 percent compared to 20 percent. A much higher percentage of UI claims in King County are for "white-collar" jobs compared to the state, 62 percent versus 46 percent. These differences do not mean there is greater unemployment in these professional fields in King County, but rather that there are many more occupations of that type.

**Figure 15**  
**Unemployment Insurance Claimants**  
**King County and Washington State, July 1, 1999 - June 30, 2000**  
*Source: Employment Security Department*

	King		Washington	
	Claimants	% of Total	Claimants	% of Total
Professional, Technical, and Managerial	26,480	33%	69,757	20%
Structural	12,542	15%	68,041	19%
Clerical	10,806	13%	39,861	11%
Service	7,443	9%	35,562	10%
Sales	5,245	6%	17,729	5%
Machine Trades	4,223	5%	21,643	6%
Packaging and Materials Handling	4,213	5%	26,847	8%
Benchwork	3,054	4%	10,515	3%
Motor Freight and Transportation	2,836	3%	16,993	5%
Processing	2,145	3%	17,838	5%
Agriculture, Forestry, & Fishing	1,243	2%	26,856	8%
Miscellaneous (NEC)	853	1%	2,444	1%
<b>Total</b>	<b>81,083</b>	<b>100%</b>	<b>354,086</b>	<b>100%</b>
White-Collar*	49,974	62%	162,909	46%
Blue-Collar*	31,109	38%	191,177	54%

*\*Miscellaneous/NEC occupations excluded*

# 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.

*Cyclical* 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. 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. Hence business activity of the cyclical variety decreases and unemployment increases. Industries that are especially sensitive to these economic swings are classified as cyclical industries, for example, ship building, aerospace, and automobile manufacturing. An industry is cyclical if its highest to lowest annual average employment varied 24 percent or more from the midpoint trend line from 1982-1990.

*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 decline in employment in comparison to the pre-recession peak of 1990.

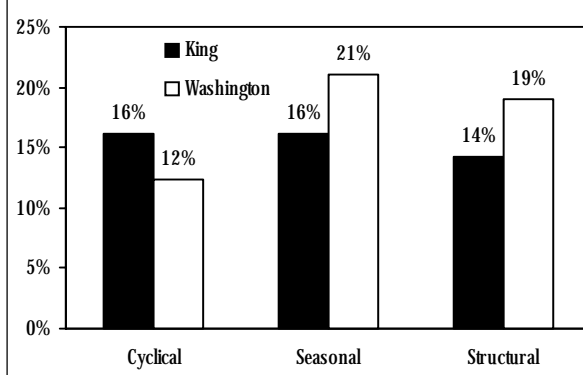
Only private industries were included when producing the figures below, so the large impact of government employment is excluded.

*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.*

The percentage of workers employed in these type of industries in King County and the rest of the state are shown in *Figure 16*. In 1999, cyclical industries accounted for 16 percent of all non-government employment in King County; statewide the share was a 12 percent. Seasonal industries accounted for 16 percent of employment at the county level and 21 percent at the state level. Only 14 percent of employed persons were in structurally mature industries, compared to 19 percent at the state level.

Since 44 percent of all nonagriculture jobs in Washington are located in King County, the county employment was subtracted from state figures to show how the rest of the state compares with the county. In King County a total of 46 percent of all jobs fall within at least one of

**Figure 16**  
**Industrial Typology, King County and Washington State—excluding King, 1999**  
**Source: Employment Security Department**



the above categories; the figure statewide is 52 percent. (Kitsap County has the lowest total percentage of cyclical, seasonal, and structural employment at 44 percent.) The only category where the county figure is higher is for cyclical employment. This reflects the fact that whereas 38 percent of all statewide seasonal and structural jobs are located in King County, the percentage of statewide cyclical jobs based in King County is 52 percent.

As all of these types of industries tend toward volatility and higher levels of unemployment, it follows that King County's unemployment would be less than the statewide average. Since unemployment within structural industries tends to be more prolonged, it would also follow that periods of higher unemployment would be shorter than at the state level.

# 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. Current Employment Statistics (CES) generates monthly *nonagricultural* employment figures. The Quar-

terly Employment and Wages program (ES-202) includes data on both agricultural and nonagricultural employment *covered* under the state unemployment insurance program. Approximately 85 percent of all workers in the state are covered by unemployment insurance.

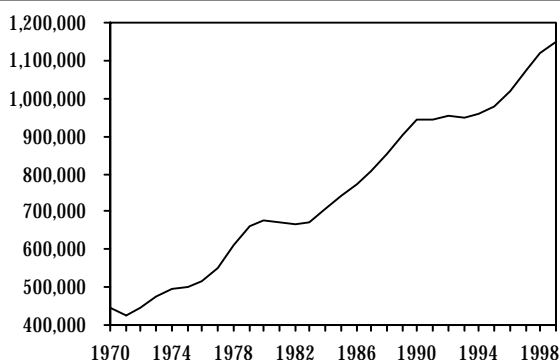
## Employment Trend

Despite the national recessions of the early 1970s, 1980s, and the 1990s, which were slowdown periods for King County, employment has increased steadily in King County from 443,000 jobs in 1970 to over 1.1 million jobs in 1999 (*Figure 17*). The most recent 1990-91 national recession coupled with heavy Boeing decreases did not cause the county to fall into recession, but it did slow the growth rate significantly to -0.4 percent in 1993. Overall growth during the last 29 years has been strong, with the county's 160 percent increase greater than that of the rest of Washington (145 percent) and twice that of the nation (81 percent).

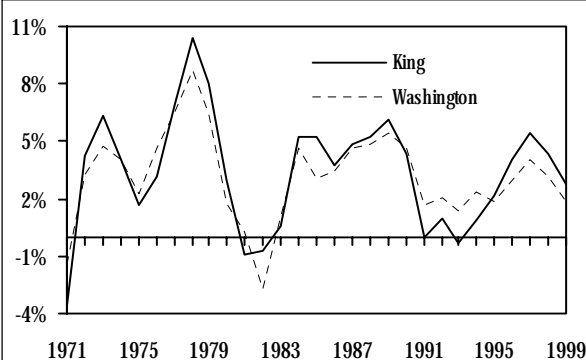
*Figure 18* shows the annual job growth rates from 1970 to 1999 for King County and Washington State. King County tends to follow the state trend (or visa versa). Since 1970 the average annual rate of job growth is 3.4 percent, somewhat higher than the statewide average growth rate of 3.2 percent.

Most recently the annual growth rate has declined from 5.4 percent in 1997 to 2.8 percent in 1999. Comparatively, nationwide growth rates declined from 2.8 percent to 2.2 percent. Despite the decline in the growth rate, it should be noted that from 1994 to 1999, King County gained over 193,000 jobs, that is 17 percent of all present-day employment in King County. Forty-seven percent of these new jobs were in the services division.

**Figure 17**  
Nonagricultural Wage & Salary Employment  
King County, 1970-1999  
*Source: Employment Security Department*



**Figure 18**  
Nonagricultural Wage & Salary Growth Rates  
King County 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 sector, how King County's employment patterns both differ from and coincide with Washington'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.

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.

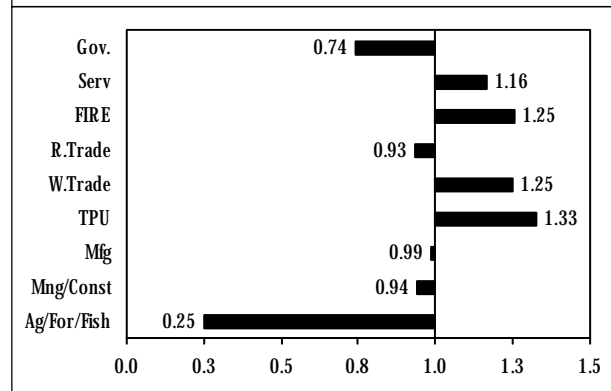
A quotient above 1.0 suggests that the good or service produced by an industry is exported from the area; a quotient below 1.0 is a sign that, hypothetically, goods or services must be imported into an area to provide the same consumption patterns found at the state level. The greater the value above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

Figure 19 shows the location quotients of the major industry sectors in King County. The location quotients reflect the fact that King County includes, by far, the largest city in Washington and the Northwest—Seattle, and 29 percent of Washington's population. It is to be expected

that such a highly urbanized area would be an importer of agriculture and an exporter of services. At the same time, it is not surprising that except for agriculture, forestry, and fishing (quotient of 0.25) the sectors are fairly close to the statewide norm (quotient of 1.0), indicating that importing/exporting consumption patterns in the county are similar to the statewide patterns.

King County has a strong manufacturing division (0.99) but does not have the wide diversity of industries found throughout the nation as a whole. While the county may export aircraft, it imports many cars. Finance, insurance, and real estate (FIRE) has a quotient of 1.25, indicating that King County exports many services, particularly those involved with finance and insurance, throughout the rest of the state and the region. King County is the banking hub for Washington, especially western Washington. Transportation and public utilities (TPU) has the highest quotient of 1.33. The main driver for this difference is Sea-Tac Airport, which "exports" transportation services for the entire region, and the Port of Seattle with its strong associated trucking and warehousing.

**Figure 19**  
**Location Quotients**  
**King County, 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 20 shows the total number of jobs in the "goods" and "service" production sectors in King County. While employment in the goods sector has increased only 70 percent from 121,000 jobs in 1970 to 215,000 jobs in 1999, the service sector increased by 190 percent from 322,000 to 935,000 jobs.

**Figure 20**  
**Total Number of Nonag Jobs in Goods & Svcs.**  
**King County, 1970-1999**  
**Source: Employment Security Department**

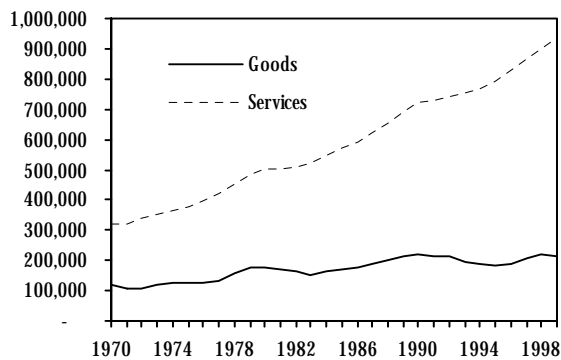
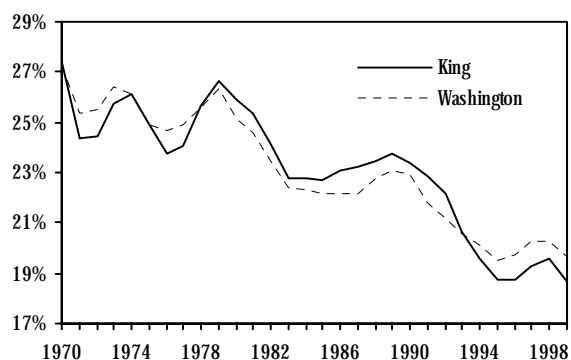


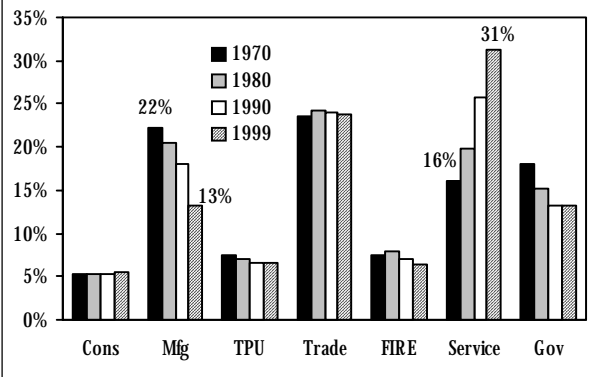
Figure 21 shows how the percentage of jobs in the goods sector in King County has declined steadily from 27 percent in 1970 to 19 percent in 1999. King County has followed, or led, the state trend, which by 1999 had only 20 percent of all employment in the goods sector. From 1979 to 1993, King County had a slightly higher share of employment in the goods sector than the state. Since 1994, the county's share of employment in the goods sector has been less than the statewide share; this is most likely due to the sudden growth in services (especially business services) rather than a decline in goods production. From 1994 to 1999, 85 percent of all new jobs in King County were in the service sector.

Although the seven major industrial divisions are grouped into either "goods" or "services" it is more illuminating to compare the individual divisions. Figure 22 shows the employment share of each division for 1970, 1980, 1990, and 1999. The two divisions with the most dramatic changes over the years are manufacturing, which declined from 22 to 13 percent of employ-

**Figure 21**  
**Percentage of Jobs in Goods Sector**  
**King County and Washington, 1970-1999**  
**Source: Employment Security Department**



**Figure 22**  
**% of Employment in All Industrial Divisions**  
**King County, 1970, 1980, 1990, & 1999**  
**Source: Employment Security Department**



ment, and services, which almost doubled its share of employment within the economy, from 16 to 31 percent. Since 1994, 47 percent of all new jobs in King County were in the services division.

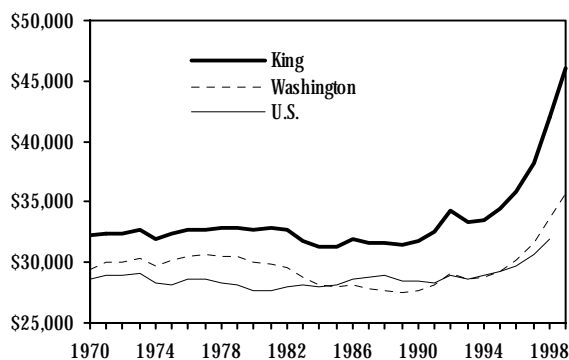
## Average Covered Wage

Average covered wages are derived by dividing the total wages paid in an area by the average employment in that area. Jobs not covered by the unemployment insurance program are excluded; however, approximately 90 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.

Figure 23 shows the real annual covered wage from 1970 to 1999 for King County, Washington, and the U.S.

In 1999, the King County average wage was \$46,053; the statewide average was \$35,724, and the national average wage was \$31,908 (1998 is the most recent year available). The King County wage has been consistently higher than both the state and the national average wage since 1970. What has changed is the gap between the King County wage and the other two. The difference between the county and state average wage increased from \$2,742 in 1970 to \$5,086 in 1995; it then doubled to \$10,329 by 1999.

**Figure 23**  
**Real Annual Covered Wage**  
**King County, Washington, & U.S., 1970-1999**  
**Source: Employment Security Department**



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 which although more than \$10,000 less than the King County average is still higher than any other county average. (If King County were taken out of the calculation the state average wage would be only \$24,711.) Further, because Seattle is a regional industrial and commercial hub, the headquarter offices of a large number of firms are located there and these workers tend to have higher wages than others. A final factor is that the cost of living, particularly housing, is considerably higher in the county than throughout the rest of the state, and this tends to ratchet wages upward.

Despite the increasing gap between the county and the state, the King County wage itself did not increase between 1979 (\$32,892) and 1991 (\$32,610). The average wage then began to increase slowly, reaching \$34,388 in 1995, and then more rapidly reaching \$46,053 in 1999. The King County annual average wage growth rate increased steadily from 0.8 percent in 1994 to 9.7 percent in 1998 and again 9.8 percent in 1999. Some of the explanations proffered, which would explain the lack of growth in the average wage between 1979 and 1991, 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.

The unusual recent growth (since 1995) in the average wage is explained primarily by the explosive growth in the “high-tech jobs” within the business services industry.

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 24* for King County and Washington State. Note that the average wage by sector throughout the state is always less than King County’s average wage. 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. The differences would be even greater if King County were taken out of the state average.

All of King County’s divisions have higher salaries than for the state, on average 14 percent higher. The greatest difference between average county and state salaries is for the agriculture, forestry, and fishing division; the county salary is 50 percent higher than the state salary. This is due primarily to the much higher salary in forestry employment.

The highest average salaries are for the fire, insurance, and real estate (FIRE) (\$58,867), and wholesale trade (\$46,500) divisions. Except for retail trade, services, and government all other divisions have a higher average salary of more than \$40,000. The highest industry salaries are for business services (\$115,602), security and commodity brokers (\$101,203), and chemicals and allied products (\$99,268). The lowest average covered wages were for private household help (\$10,079), eating and drinking places (\$15,257), and motion pictures (\$16,658).

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.

In the following sections the different employment divisions are discussed using two different data sources. Each division and industries within the division are discussed in terms of 1999 employment and average salary based on ES-202 data. These data are shown in *Figure 24*.

Then, except for agriculture, the employment trend for the division is discussed based on data from the CES program.

**Figure 24**  
**Annual Covered Wages and Employment**  
**King County and Washington, 1999**  
*Source: Employment Security Department*

	King		Washington	
	Employment	Avg Wage	Employment	Avg Wage
<b>Total</b>	<b>1,132,583</b>	<b>\$42,483</b>	<b>2,644,092</b>	<b>\$37,154</b>
<b>Private - Total</b>	<b>989,957</b>	<b>\$42,519</b>	<b>2,193,815</b>	<b>\$37,159</b>
<b>Agriculture, Forestry, and Fishing</b>	<b>9,538</b>	<b>\$40,846</b>	<b>89,789</b>	<b>\$27,299</b>
Agricultural Production - Crops	735	\$19,942	54,124	\$13,644
Agricultural Production - Livestock	378	\$23,329	5,735	\$20,136
Agricultural Services	6,868	\$23,513	24,882	\$18,995
Forestry	171	\$61,143	2,373	\$26,069
Fishing, Hunting, and Trapping	1,386	\$76,305	2,675	\$57,653
<b>Construction and Mining</b>	<b>58,983</b>	<b>\$43,950</b>	<b>146,712</b>	<b>\$37,353</b>
Metal Mining	*	*	353	\$72,207
Coal Mining	*	*	541	\$56,055
Oil and Gas Extraction	*	*	38	\$31,507
Nonmetallic Minerals, except Fuels	482	\$44,927	2,310	\$36,452
General Building Contractors	16,836	\$40,985	39,084	\$34,412
Heavy Construction, except Building	6,053	\$50,332	18,981	\$44,229
Special Trade Contractors	35,566	\$39,556	85,405	\$34,318
<b>Manufacturing</b>	<b>151,731</b>	<b>\$44,386</b>	<b>359,101</b>	<b>\$40,690</b>
Food and Kindred Products	13,401	\$40,111	40,598	\$31,185
Textile Mill Products	211	\$26,685	1,008	\$34,866
Apparel and Other Textile Products	3,443	\$23,581	7,098	\$21,469
Lumber and Wood Products	5,305	\$61,091	33,149	\$37,785
Furniture and Fixtures	2,312	\$28,608	4,608	\$27,877
Paper and Allied Products	2,520	\$40,155	15,767	\$51,205
Printing and Publishing	11,768	\$38,812	23,566	\$33,488
Chemicals and Allied Products	2,266	\$99,268	6,050	\$71,530
Petroleum and Coal Products	112	\$66,302	2,124	\$66,339
Rubber and Miscellaneous Plastic Products	3,829	\$31,068	10,015	\$31,227
Leather and Leather Products	129	\$20,638	371	\$21,728
Stone, Clay, and Glass Products	3,135	\$37,801	8,634	\$35,525
Primary Metal Industries	1,176	\$42,221	11,593	\$44,041
Fabricated Metal Products	5,435	\$35,516	14,187	\$32,865
Industrial Machinery and Computer Equip.	9,028	\$44,328	24,396	\$46,538
Electronic Equipment, except Computer	7,523	\$46,847	18,222	\$41,005
Transportation Equipment	67,419	\$57,858	114,619	\$55,598
Instruments and Related Products	7,003	\$57,993	14,553	\$54,855
Miscellaneous Manufacturing Industries	5,716	\$44,450	8,543	\$33,987
<b>Transportation and Public Utilities</b>	<b>75,620</b>	<b>\$45,736</b>	<b>132,911</b>	<b>\$43,532</b>
Local and Interurban Passenger Transit	4,070	\$21,322	6,677	\$19,722
Trucking and Warehousing	13,083	\$33,692	31,676	\$30,781
Water Transportation	5,601	\$53,257	8,879	\$55,516
Transportation By Air	21,377	\$40,611	26,427	\$38,454
Pipelines, except Natural Gas	71	\$57,275	112	\$57,621
Transportation Services	8,688	\$37,485	11,890	\$33,836
Communication	19,375	\$68,047	31,586	\$59,030



**Figure 24 (Continued)**  
**Annual Covered Wages and Employment**  
**King County and Washington, 1999**  
**Source: Employment Security Department**

	King		Washington	
	Employment	Avg Wage	Employment	Avg Wage
Electric, Gas and Sanitary Services	3,355	\$54,201	15,664	\$53,300
<b>Trade</b>	<b>268,830</b>	<b>\$30,823</b>	<b>621,923</b>	<b>\$26,081</b>
<b>Wholesale Trade</b>	<b>79,643</b>	<b>\$46,500</b>	<b>149,243</b>	<b>\$40,078</b>
Durable Goods	49,430	\$50,065	84,828	\$44,229
Nondurable Goods	30,213	\$42,934	64,415	\$35,928
<b>Retail Trade</b>	<b>189,187</b>	<b>\$26,904</b>	<b>472,680</b>	<b>\$22,581</b>
Building Materials and Garden Supplies	9,727	\$26,107	21,934	\$25,028
General Merchandise Stores	15,500	\$29,548	49,296	\$21,016
Food Stores	23,136	\$23,349	69,488	\$20,311
Automotive Dealers and Service Stations	14,503	\$36,334	48,056	\$30,520
Apparel and Accessory Stores	16,463	\$24,740	25,426	\$21,021
Furniture and Homefurnishings Stores	10,091	\$29,326	21,500	\$27,525
Eating and Drinking Places	71,935	\$15,257	176,041	\$12,259
Miscellaneous Retail	27,832	\$30,567	60,939	\$22,973
<b>Finance, Insurance, &amp; Real Estate</b>	<b>72,030</b>	<b>\$58,867</b>	<b>134,076</b>	<b>\$53,001</b>
Depository Institutions	17,390	\$44,627	38,174	\$37,569
Nondepository Institutions	6,427	\$54,662	11,528	\$49,433
Security and Commodity Brokers	4,933	\$101,203	7,975	\$96,273
Insurance Carriers	16,276	\$48,127	26,893	\$44,664
Insurance Agents, Brokers, and Service	7,474	\$49,379	13,322	\$40,643
Real Estate	17,664	\$32,996	33,597	\$26,370
Holding and Other Investment Offices	1,866	\$81,071	2,587	\$76,058
<b>Services</b>	<b>353,225</b>	<b>\$34,957</b>	<b>709,303</b>	<b>\$29,785</b>
Hotels and Other Lodging Places	12,674	\$20,767	28,223	\$16,642
Personal Services	9,657	\$20,119	22,501	\$17,467
Business Services	117,779	\$115,602	165,396	\$88,785
Auto Repair, Services, and Parking	11,662	\$26,943	25,904	\$24,833
Miscellaneous Repair Services	3,234	\$34,086	7,567	\$29,775
Motion Pictures	5,713	\$16,658	9,922	\$13,456
Amusement and Recreation Services	16,311	\$27,038	40,810	\$19,873
Health Services	69,441	\$35,358	184,107	\$31,556
Legal Services	10,523	\$54,668	17,509	\$44,889
Educational Services	11,544	\$28,920	22,693	\$27,123
Social Services	22,244	\$19,360	59,045	\$17,094
Museums, Botanical, Zoological Gardens	1,129	\$23,519	1,535	\$21,463
Membership Organizations	8,071	\$26,692	24,556	\$22,151
Engineering and Management Services	38,009	\$49,878	64,019	\$46,620
Private Households	13,510	\$10,079	33,355	\$8,787
Services, NEC	1,724	\$49,617	2,161	\$46,039
<b>Government</b>	<b>142,626</b>	<b>\$39,869</b>	<b>450,277</b>	<b>\$36,809</b>
Federal	21,291	\$46,945	67,631	\$42,858
State	40,858	\$36,128	116,784	\$35,091
Local	80,477	\$36,536	265,862	\$32,477

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

# Agriculture, Forestry, and Fishing

Agriculture is the smallest industrial division in King County, accounting for only 1 percent of the county's covered employment, compared to 4 percent of total employment statewide. There are a scattering of workers employed at dairy, vegetable, and melon farms, but the remainder of the division (72 percent) falls in the agricultural services industry, dominated by lawn and garden services and non-livestock veterinarian services, which is to be expected of a densely urbanized area.

The county average wage for the agriculture, forestry, and fishing sector is 50 percent higher than the statewide average (\$40,846 compared to \$27,299). Other division salaries range between 5 and 19 percent higher

than the statewide salaries. This large difference is due to the unusually high wages in forestry for King County, which is 135 percent higher than the statewide average. Despite the high salary the forestry industry employs only 171 workers in the county.

The fishing, hunting, and trapping industry is strong in the county, accounting for 15 percent of division employment; the statewide figure is only 3 percent. The majority of workers within this division are employed in the fishing industry. There are more commercial fishermen in King County than in all other counties combined—over 1,000 in 1999, who earned an average annual salary of \$79,000.

# Construction and Mining

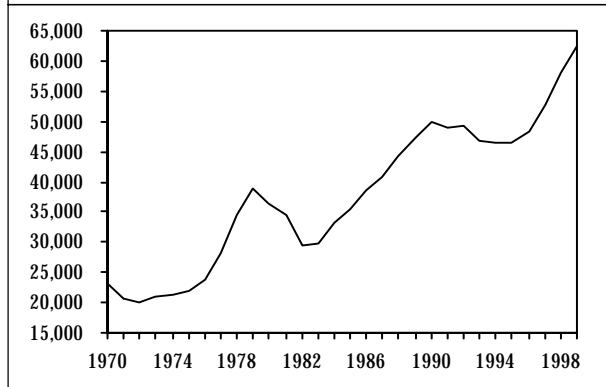
In this section, figures for mining are rolled up with construction figures. Mining in King County is relatively small, limited primarily to construction sand and gravel and dimension stone. There are a few workers engaged in anthracite coal mining. Of the division's 58,983 workers, about 500 are involved with mining.

In 1999, 6 percent of the county's employment was in construction, slightly less than for construction statewide, which was 6.7 percent. The annual average wage for the construction division was \$43,950 in 1999, 18 percent higher than the statewide average of \$37,353. The construction division has the fourth highest average wage in the county.

The construction division has three major industries: general building, heavy construction, and special trades. Largest is the special trades industry, which includes plumbers, electricians, carpenters, painters, etc., accounted for 60 percent of division jobs in 1999 and with an annual average wage of \$39,556—the lowest in the division. General building, primarily residential construction, had a 29 percent share of employment and paid a wage of \$40,985. Heavy construction, mainly road and highway work, employed only 10 percent of the division total but paid the highest average wage of \$50,332.

From 1970 to 1999 construction employment in King County grew from 23,100 to 62,400, an increase of 170 percent (see Figure 25), compared to the state which grew by 185 percent. Nationwide construction expanded

**Figure 25**  
**Construction and Mining Employment**  
**King County, 1970-1999**  
*Source: Employment Security Department*



by only 62 percent. Employment in this division can be volatile, for not only is it subject to strong seasonal variations, it is very sensitive to business cycle changes. The drops in employment all occurred during and immediately following periods of national recession. Except for the decline from 1990 to 1995, employment in construction has been climbing steadily since 1983 with an average annual growth rate of 3.8 percent. Most recently the growth rate declined from 10.3 percent in 1998 to 7.6 percent in 1999. After services, the construction division experienced the greatest average growth since 1970.

# Manufacturing

Manufacturing is a key division in any area's economy. From an employment perspective it provides a high-wage job with a large economic multiplier. Fifteen percent of the county's employment base is in manufacturing, while the share is 16 percent throughout Washington.

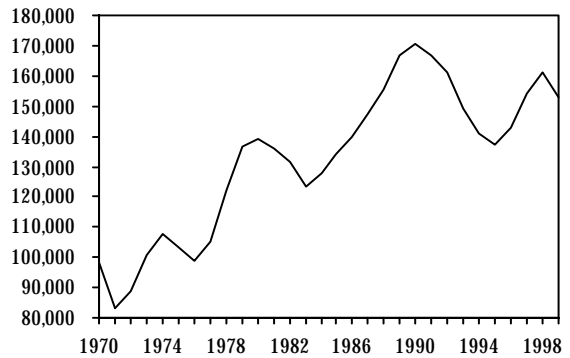
In King County manufacturing firms pay an average wage of \$44,386 (1999), the third highest division wage in the county.

Transportation equipment is the largest industry in the division, with 44 percent of division employment (67,419 workers) and an average wage of \$57,858, which is \$13,000 higher than the average wage for the division. While transportation equipment includes boat and ship building, the bulk of employment (79 percent) is in aircraft production. Although aircraft production has remained consistently about 80 percent of transportation equipment since 1980, the share of manufacturing comprised of transportation equipment has declined from 54 percent in 1981 to 44 percent in 1999.

From 1990 to 1995, over 32,000 jobs were lost in aircraft production, but only 27,800 jobs were lost in manufacturing as a whole. In other words, 4,200 jobs were gained in other industries. At the same time, when aircraft production began to pick up (7,180 jobs were gained between 1995 and 1999), manufacturing as a whole gained more than double that (15,700 jobs). While employment in aircraft production declined by an overall 9 percent from 1981 to 1999, and transportation equipment declined by 8 percent; during the same period manufacturing increased by 15 percent.

Manufacturing in King County seems to be diversifying in the context of slow but positive growth. Other forms of manufacturing, especially in advanced technology, have been starting up or relocating to the county. Much of this development activity has been concentrated in the county's *Technology Corridor*. The Technology Corridor is a 10-mile stretch along the I-5/I-405 area, comprised of seven master-planned business parks totaling nearly

**Figure 26**  
**Manufacturing Employment**  
**King County, 1970-1999**  
*Source: Employment Security Department*



four million square feet of office space and extending into Snohomish and King counties.

After transportation equipment, food and kindred products is the next largest industry with 9 percent of division employment (13,401 workers). Printing and publishing, and industrial machinery/computer equipment each account for 8 and 6 percent of the division employment, respectively.

Figure 26 shows the number of jobs in manufacturing from 1970 (98,300) to 1999 (152,800). Overall employment in manufacturing increased by 55 percent for the county and 52 percent in the state, from 1970 to 1999. Nationwide manufacturing employment declined by 5 percent for the same period. Except for a few short-term peaks in manufacturing employment there has been little overall growth since 1988 when the number of jobs reached 155,500. Since 1970, manufacturing has had an average growth rate of 1.8 percent. The average growth rate for the state was 1.6 percent and -0.1 percent for the nation. Most recently manufacturing employment declined by 5 percent in 1999; 79 percent of the 8,100 lost jobs were in aircraft production.

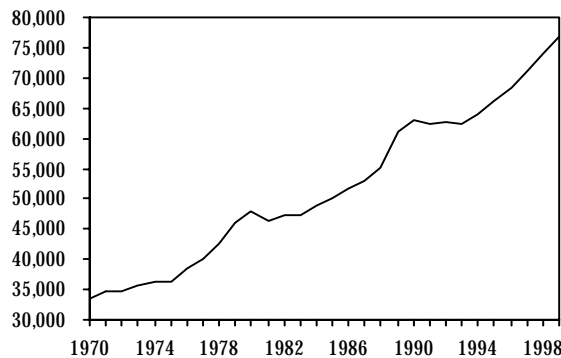
# Transportation and Public Utilities (TPU)

This division includes employment in all types of transportation, warehousing, communications (television, cable TV, radio, telephone service, etc.), and utilities (electric, gas, and sanitary services). TPU accounts for 7.6 percent of all King County employment compared to 6.1 percent statewide. In fact, while 43 percent of all Washington jobs are located in King County the percentage of TPU jobs based in King County is 57 percent, the highest of any division.

The larger share size is attributed primarily to activities at the Port of Seattle, including Sea-Tac Airport. There is extensive trucking and warehousing activity at the Port as well as service of sea-going ships with a large level of freight cargo passing through the terminal. Further, the county is home to the television media that serves most of western Washington. The division had a relatively high average wage in 1999 of \$45,736, most likely driving the state average, which was only 5 percent less.

The communications industry, which includes cable, broadcast TV, radio, and telephone service, is now the second largest industry with about 26 percent of the division employment and offers the highest average salary within the division of \$68,047. Workers in trucking and warehousing were the third largest group accounting for 17 percent of total division employment, significantly less than the 24 percent statewide.

**Figure 27**  
**TPU Employment**  
**King County, 1970-1999**  
**Source: Employment Security Department**



As shown in *Figure 27*, employment in TPU increased from 33,400 workers in 1970 to 76,900 workers in 1999, with an average annual growth rate of 3 percent. The average growth rates for the state and the nation were 2.3 and 1.4 percent, respectively. Since 1997 the annual growth rate has hovered around 4.0 percent. Overall, from 1970 to 1999, TPU employment increased 130 percent in the county, 93 percent statewide, and only 50 percent nationwide.

# Wholesale and Retail Trade

Trade, with 27 percent of all nonfarm employment (273,500 jobs), is the second largest employing division in the King County economy, (only slightly less than the statewide share of 28 percent) and has the lowest average divisional wage of \$30,823. Trade is comprised of two components, wholesale and retail. Thirty percent of King County's trade division employment is in wholesale trade whereas in the rest of the state the figure is only 24 percent. While the retail sector caters primarily to the county's resident population, the wholesale sector is a distributor for the entire state as well as the Pacific Northwest.

The average wage for wholesale trade is significantly higher than for retail trade, \$46,500 verses \$26,904. Within wholesale trade durable goods constitute a higher percentage for the county (62 percent) than the state (57 percent). This is also favorable for the county as

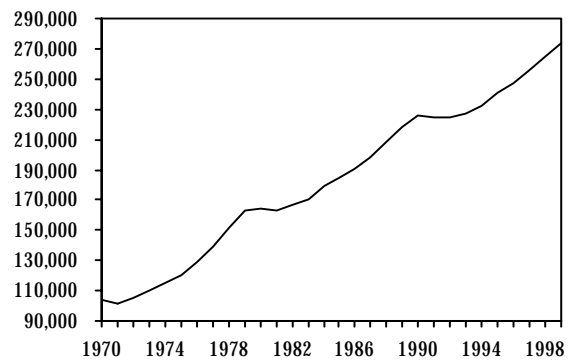
durable goods provide a higher average salary than non-durable goods, \$50,065 verses \$42,934.

Retail trade provided 19 percent of total employment for the county and 21 percent for the state. The average wage for retail (\$26,904) is the lowest divisional wage. It should be noted, though, that the trade division, like agriculture, has a high level of part-time work which strongly affects the average wage. (All jobs are treated equally in the average wage calculations, so that one entailing 20 hours work a week is counted the same as one entailing 40 hours a week.)

Eating and drinking establishments employ the largest share of workers in the trade division (27 percent) with the lowest average county salary of \$15,257. The next largest group (18 percent) are in durable goods with the highest average trade salary of \$50,065. Next is nondurable goods (11 percent) and miscellaneous retail (10 percent).

Figure 28 shows the employment trend for the trade division in King County from 1970 to 1999. The number of trade jobs increased 162 percent from 104,200 in 1970 to 273,500 in 1999, with an average annual growth rate of 3.4 percent. The average rate of growth for the state was also 3.4 percent and overall growth for the state was 164 percent. Most recently the growth rate for trade employment in King County declined from 3.6 percent in 1997 to 3.3 percent in 1999.

**Figure 28**  
**Trade Employment**  
**King County, 1970-1999**  
*Source: Employment Security Department*



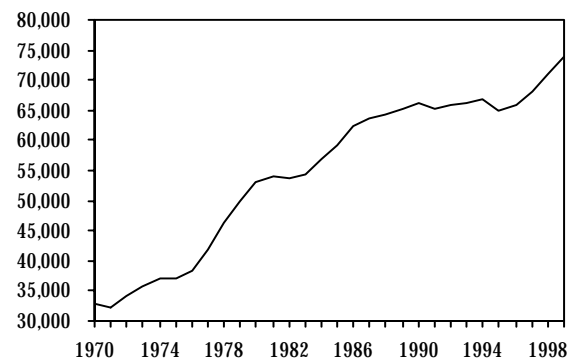
## Finance, Insurance, and Real Estate

As a regional financial and insurance hub, and as the site of the most expensive real estate in the state, King County's employment in this division is proportionally and absolutely larger than throughout the rest of Washington. In 1999, the county had 72,030 workers in the Finance, Insurance, and Real Estate (FIRE) division, 54 percent of all statewide employees in the FIRE division. The state's banking and insurance industries are primarily headquartered in Seattle as are most security and commodity brokers and holding companies and investment firms.

The overall FIRE wage was \$58,867 in 1999. The largest industry was real estate with 25 percent of the division employment and the lowest average wage (\$32,996), undoubtedly because of large amounts of part-time work. The second largest industry, depository financial institutions, had 24 percent of the division's covered employment with an average wage of \$44,627. Insurance carriers were the next largest industry, with 23 percent of division employment and an average wage of \$48,127.

Employment in the division was strong up until the late 1980s (see Figure 29). At that time, the banking industry went through a spate of mergers and acquisitions with an accompanying reduction in employment.

**Figure 29**  
**FIRE Employment**  
**King County, 1970-1999**  
*Source: Employment Security Department*



Insurance carriers also contracted some during this time. From 1970 to 1999, the FIRE division increased by 136 percent, averaging 2.9 percent growth per year. Growth in King County has consistently outpaced the national average (2.6 percent) but is just barely behind the state average of 3.0 percent. The average growth rate between 1996 and 1999 was 3.3 percent, with a gain of 8,000 new jobs.

# Services

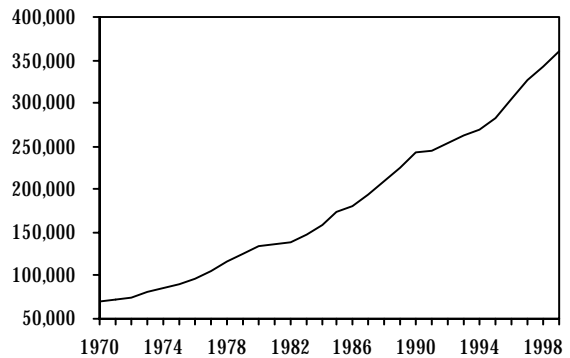
Many are concerned that the nation is becoming a *services* rather than a *goods* producing economy, resulting in lower wage jobs. While the evidence does point to a preponderance of services jobs, they are not necessarily the minimum wage, benefit-less jobs that some proclaim, at least in King County. Some of the highest paid workers in the county are in the services division, as well as some of the lowest paid workers. However, the bulk of job growth in King County's services division in recent years has been in the higher paid jobs, and the division's average wage has been increasing rapidly.

Services has become the largest employing division in the county. With 353,225 jobs in 1999, it held a 31 percent share of all nonfarm jobs (up from 16 percent in 1970). This share is comparable to the national level (30 percent) and somewhat more than the statewide share (28 percent). Furthermore, it has been the fastest growing division in the county, expanding 409 percent in the last 29 years (see *Figure 30*). Forty-seven percent of all new jobs in King County from 1994 to 1999 were in the services division (91,100 jobs). Almost 57 percent of those new jobs were within the business services industry.

The largest employing industry within the services division is business services with 33 percent of service workers (117,779) and the highest average salary in the county (\$115,602). Seventy-one percent of all Washington State business service workers are employed in King County. The two largest groups within business services are help supply services (27 percent or 32,000 workers) and prepackaged software (22 percent or 25,500 workers). Help supply service employees are employed by the supply agency and work on a temporary or contract basis. These workers earn an average of \$26,218 but many positions are on a part-time basis. On the other hand, workers involved in prepackaged software earned an average annual salary of \$400,000 in 1999, in large part due to the value of exercised stock options.

Employment in business services increased 114 percent from 1990 to 1999. During the same time, employment in prepackaged software increased 308 percent. On the other hand, help supply employment gained 98

**Figure 30**  
**Services Employment**  
**King County, 1970-1999**  
**Source: Employment Security Department**



percent while the services division as a whole increased 49 percent, both of which are still high levels of growth. (By comparison, total nonagriculture employment increased 22 percent for the same period.) The growth of the software industry in the area has been led by Microsoft. It has also attracted attention and "high-tech" industries to the region, along with significant numbers of high-paying jobs.

Not only is King County a regional hub for manufacturing, transportation, and finance, it is also a regional medical center. Its numerous hospitals, care facilities, physician's offices, etc., employ 69,441 workers. In addition, the University of Washington contains a major medical school. Although industry growth has flattened in recent years, it remains the second largest employer in the services division (20 percent) and pays an average wage of \$35,358. Interestingly, health services is one of the few industries where the share of people employed is higher for the state (26 percent) than for the county.

Engineering and management services is the third largest industry in the services division (11 percent). With over 38,000 employees earning an average wage of \$49,878, it is a substantial industry. Engineering is the largest employer and there are also good numbers of workers in architecture, accounting, bookkeeping, as well as numerous researchers.

# Government

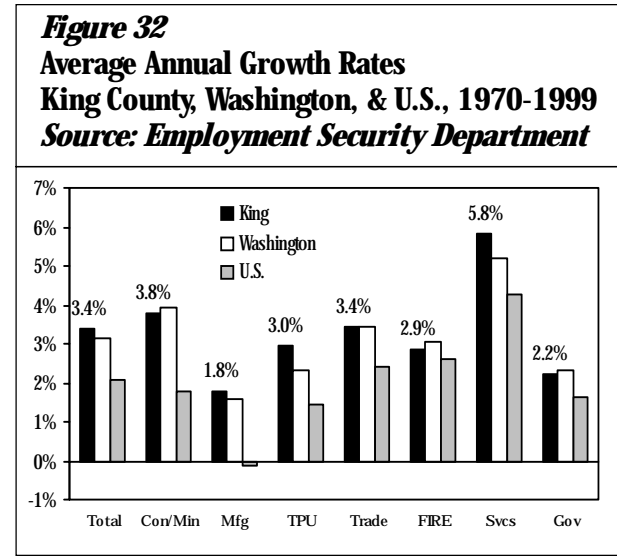
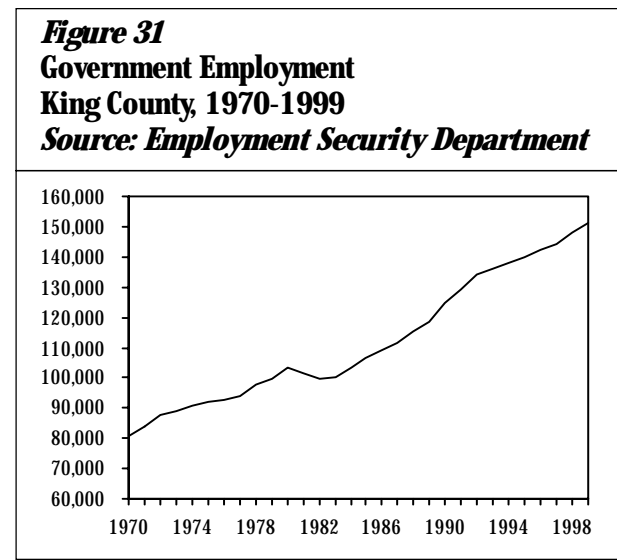
The share of public employment in King County (13 percent of nonfarm jobs) is considerably less than it is in the rest of the state (17 percent). All three levels of government—federal, state, and local—have smaller shares than their counterparts statewide. The primary reason for the smaller size of public employment in the county is the economies of scale that can be realized in a densely populated area such as King County. The provision of government services in many cases is mandatory. A sparsely populated area, for example, may have to erect a relatively large number of schools to ensure a relatively small number of children, who are geographically scattered, receive an education. This is certainly not the case in King County.

The government division, although relatively small compared to other areas, adds a stabilizing influence on the area's economy. Employment growth has been moderate but consistent over the last 25 years (see Figure 31). Besides manufacturing, the government division had the lowest level of growth (85 percent) from 1970 to 1999, with an average annual growth rate of 2.2 percent. It was also the only division in King County to have less overall growth than for the state, which had a 93 percent increase.

Government employment totaled 142,626 in 1999 with an average wage of \$39,869.

The federal government, with some 21,291 employees, has a minimal presence in the area, with the bulk of its employment given over to the postal service (7,284). The other large federal activity in the county is the VA medical center (3,000). Together, these constitute almost half of federal government employment.

State government provides about 41,000 jobs in the county. Its employment is mainly driven by employment at the university and community colleges (about 28,000). More than two-thirds of state government employment is in college level education. There are roughly 80,000 employees at the local government level. The primary employers are the various K-12 school districts. About



33,500 workers (faculty and staff) are employed by the schools, comprising 42 percent of local government jobs.

Figure 32 provides a summary of the average annual growth rates, from 1970 to 1999, for all divisions in King County, Washington State, and the U.S. Note that the services division has the highest average growth rate and King County has the highest rate of all areas (5.8 percent).

# Industry Projections

Nonfarm employment projections for the 1998-2003 period, for King County and Washington, are shown in *Figure 33*. 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. It should be noted that the Washington data include King County, which highly influences the Washington figures.

The county is expected to show slightly less growth in its employment base than the state, 9.1 percent compared to 9.3 percent, which translates into 102,500 more jobs for the county. The greatest growth for the

county is expected in services at 19.2 percent (65,600 jobs), which is 64 percent of all projected new jobs. This is somewhat greater than the expected growth for the state (16.8 percent). Trade will have the next highest growth (8.7 percent) followed by construction and mining (8.5 percent).

Only services and TPU are expected to have greater growth in King County than statewide. Although a decline is expected in manufacturing for both the county and the state, the decline expected in King County is three times that projected for the state, -6.2 percent (10,000 jobs) versus -2.3 percent. In fact, as only 8,700 jobs are lost for the state, all of these jobs are apparently in King County. If King County data are taken out of the Washington calculation then there is a projected 0.6 percent growth in manufacturing statewide.

**Figure 33**  
**Industry Projections**  
**King County and Washington State, 1998-2003**  
*Source: Employment Security Department*

	King			# Jobs	Washington		
	1998	2003	% Chg		1998	2003	% Chg
Total Nonfarm Employment	1,121,600	1,224,100	9.1%	102,500	2,595,000	2,837,600	9.3%
Services	342,300	407,900	19.2%	65,600	710,000	829,400	16.8%
Wholesale & Retail Trade	266,300	289,500	8.7%	23,200	624,000	681,800	9.3%
Government	148,000	159,300	7.6%	11,300	464,100	508,600	9.6%
Construction & Mining	57,800	62,700	8.5%	4,900	147,000	162,100	10.3%
Transportation & Public Utilities	74,200	78,600	5.9%	4,400	136,100	142,700	4.8%
Finance, Ins., & Real Estate	71,600	74,700	4.3%	3,100	135,000	142,900	5.9%
Manufacturing	161,400	151,400	-6.2%	-10,000	378,800	370,100	-2.3%



# 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 34 shows King County 1998 employment estimates and 2008 projected employment for the major occupational divisions, as well as more specific categories within several of the larger divisions. The data are

based on Occupational Employment Surveys (OES) conducted in the area by the Employment Security Department in 1998. Between 1998 and 2008 the expected average growth among all of the occupations is 19.5 percent (241,329 jobs).

The greatest rate of growth is expected in professional/paraprofessional occupations (30.6 percent) and managerial/administrative occupations (23.2 percent). Within the very large category of professional occupations the greatest expansion is projected for computer, math, and operational research positions (76.9 percent or 20,154 jobs). Although the percentage increase is somewhat less (44 percent), the projected number of jobs for 2008 is even greater for engineers (24,866). The professional

**Figure 34**  
**Occupational Projections**  
**King County, 1998 and 2008**  
*Source: Employment Security Department*

	1998	2008	% Chg	Jobs
<b>Total</b>	<b>1,235,246</b>	<b>1,476,575</b>	<b>19.5%</b>	<b>241,329</b>
<b>Managerial and Administrative</b>	<b>107,094</b>	<b>131,976</b>	<b>23.2%</b>	<b>24,882</b>
<b>Professional and Paraprofessional</b>	<b>309,141</b>	<b>403,676</b>	<b>30.6%</b>	<b>94,535</b>
Engineers	55,984	80,850	44.4%	24,866
Computer, Math, Oper. Res. etc	26,218	46,372	76.9%	20,154
Educators, Librarians, & Related	56,286	69,581	23.6%	13,295
Writers, Artists, Athletes, Entertainers, etc	38,013	48,784	28.3%	10,771
Health Related Occupations	48,273	57,586	19.3%	9,313
Management Support	52,283	59,340	13.5%	7,057
Social Scientists/Planners	13,133	17,148	30.6%	4,015
Natural Scientists & Related	7,726	10,424	34.9%	2,698
Law and Related Occupations	11,225	13,591	21.1%	2,366
<b>Marketing and Sales</b>	<b>151,506</b>	<b>179,136</b>	<b>18.2%</b>	<b>27,630</b>
<b>Clerical and Admin. Support</b>	<b>220,473</b>	<b>240,588</b>	<b>9.1%</b>	<b>20,115</b>
<b>Services</b>	<b>169,904</b>	<b>207,200</b>	<b>22.0%</b>	<b>37,296</b>
Food and Beverage	73,014	89,687	22.8%	16,673
Cleaning, Bldg. Service, & Personal Service	47,712	56,345	18.1%	8,633
Health Service and Related	21,803	27,876	27.9%	6,073
Protective Services	15,219	19,644	29.1%	4,425
Cleaners/Servants, Private	12,156	13,648	12.3%	1,492
<b>Ag., Forestry, Fishing and Related</b>	<b>12,066</b>	<b>13,410</b>	<b>11.1%</b>	<b>1,344</b>
<b>Prec. Production, Craft, and Repair</b>	<b>122,241</b>	<b>134,409</b>	<b>10.0%</b>	<b>12,168</b>
Prod. Constr. Operation and Main.	104,555	116,000	10.9%	11,445
Precision Production	17,686	18,409	4.1%	723
<b>Operators, Fabricators, and Laborers</b>	<b>142,821</b>	<b>166,180</b>	<b>16.4%</b>	<b>23,359</b>
White-Collar	958,118	1,162,576	21.3%	204,458
Blue-Collar	277,128	313,999	13.3%	36,871

occupational category will retain its position as the largest occupational category in King County, and within that group engineers will also continue as the largest group. The least growth is expected in clerical and administrative support positions (9.1 percent), but as it is a large category the 9 percent growth will add over 20,000 jobs to King County.

Figure 35 compares the share of each occupational category and its projected growth for both King County and the remainder of Washington (not including King County). The categories are in descending order based on their share of total employment projected for 2008. For both King County and the state professional occupations are the largest category, 27.3 and 22.1 percent, respectively. The same category is also expected to have the greatest growth in King County (30.6 percent) and the second greatest growth for the state (22.4 percent), just behind services.

The biggest difference between King County and the state is for the agriculture occupational category, which is projected to provide only 0.9 percent share of all jobs in the county in 2008 compared to 5.2 percent for the state.

Occupations in King County are significantly more "white-collar" than for the state as a whole. Blue-collar jobs include agriculture, precision production, and operators and are projected to account for only 21.3 percent of all jobs in King County compared to 29 percent for the state, both of which decline from 1998. The county and the state show similar growth for both blue- and white-collar jobs, although greater overall growth is expected for King County (19.5 percent) than for the rest of the state (16.5 percent). In general, this reflects the nature of the industries in the county, which tend to be high-tech, and that so many large firms are headquartered in the county with large professional staffs. The make-up of occupations also requires a more highly educated labor force, and King County, with 30 percent

**Figure 35**  
**Occupational Projections**  
**King County and Washington State, 1998 and 2008**  
*Source: Employment Security Department*

	1998		King County		% Chg	Jobs
		% Share	2008	% Share		
Total	1,235,246	100.0%	1,476,575	100.0%	19.5%	241,329
Professional and Paraprofessional	309,141	25.0%	403,676	27.3%	30.6%	94,535
Clerical & Admin. Support	220,473	17.8%	240,588	16.3%	9.1%	20,115
Services	169,904	13.8%	207,200	14.0%	22.0%	37,296
Marketing & Sales	151,506	12.3%	179,136	12.1%	18.2%	27,630
Operators, Fabricators, & Laborers	142,821	11.6%	166,180	11.3%	16.4%	23,359
Prec. Production, Craft & Repair	122,241	9.9%	134,409	9.1%	10.0%	12,168
Managerial and Administrative	107,094	8.7%	131,976	8.9%	23.2%	24,882
Ag., Forestry, Fishing & Related	12,066	1.0%	13,410	0.9%	11.1%	1,344
White-Collar	958,118	77.6%	1,162,576	78.7%	21.3%	204,458
Blue-Collar	277,128	22.4%	313,999	21.3%	13.3%	36,871
<b>Washington (excluding King County)</b>						
	1998	% Share	2008	% Share	% Chg	Jobs
Total	1,807,704	100.0%	2,106,615	100.0%	16.5%	298,911
Professional, Paraprof., & Tech.	380,848	21.1%	466,118	22.1%	22.4%	85,270
Services	299,281	16.6%	367,617	17.5%	22.8%	68,336
Clerical & Admin. Support	254,274	14.1%	279,059	13.2%	9.7%	24,785
Operators, Fabricators, & Laborers	228,367	12.6%	261,409	12.4%	14.5%	33,042
Prec. Production, Craft & Repair	213,957	11.8%	240,013	11.4%	12.2%	26,056
Marketing & Sales	194,344	10.8%	227,058	10.8%	16.8%	32,714
Managerial and Administrative	129,593	7.2%	156,480	7.4%	20.7%	26,887
Ag., Forestry, Fishing & Related	107,040	5.9%	108,861	5.2%	1.7%	1,821
White-Collar	1,258,340	69.6%	1,496,332	71.0%	18.9%	237,992
Blue-Collar	549,364	30.4%	610,283	29.0%	11.1%	60,919

of the state's population, has almost half of the bachelor and graduate degrees.

Figure 36 is also based on occupational surveys conducted in King County by the Employment Security Department in 1998. The list of occupations and wages presents the 195 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 salesperson is ranked number 1, which means there are more persons employed in sales than any other occupation.

**Figure 36**  
**Occupational Wages**  
**King County, 1998**  
*Source: Employment Security Department*

Occupational Title	Wage*	Rank	Occupational Title	Wage*	Rank
<b>Managerial and Administrative Occupations</b>					
General Manager & Top Executive	\$32.24	3	Loan Officer & Counselor	\$21.69	123
All Other Manager & Administrator	\$26.77	4	Social Work, Medical & Psychiatric	\$16.82	124
Financial Manager	\$28.59	33	Cost Estimator	\$23.25	126
Marketing, Advertising, Public Rel Mgr	\$28.44	37	Architect, except Landscape & Marine	\$22.05	128
Property & Real Estate Manager	\$15.42	54	Wholesale, Retail Buyer, except Farm	\$15.73	130
Food Service & Lodging Manager	\$13.26	64	Aeronautical & Astronautical Engineer	\$30.26	132
Engineering, Math, Natrl Science Mgr	\$34.17	81	Technical Writer	\$26.51	134
Administrative Service Manager	\$25.83	90	Teacher, Vocational Education	\$19.42	138
Construction Manager	\$25.74	107	Producer, Director, Actor, Entertainer	\$36,220	149
Education Administrator	\$27.17	120	Computer Support Specialist	\$18.25	153
Purchasing Manager	\$24.61	131	Teacher, Special Education	\$41,210	156
Personnel, Train & Labor Relation Mgr	\$26.25	135	Dental Hygienist	\$30.82	167
Communication, Transport, Utilities Mgr	\$26.03	154	Health Specialties Teacher, Postsec	\$52,820	173
Industrial Production Manager	\$28.34	172	Public Relations Spec, Publicity Writer	\$18.69	174
Medicine & Health Service Manager	\$25.00	180	All Other Teacher, Instructor	\$30,940	176
<b>Professional, Paraprofessional, and Technical Occupations</b>					
Registered Nurse	\$24.42	10	Employment Interviewer, Private, Public	\$16.98	181
Accountant & Auditor	\$21.72	18	Photographer	\$11.69	182
Computer Engineer	\$29.48	19	Residential Counselor	\$11.51	183
All Other Management Support Worker	\$19.42	21	Paralegal	\$16.68	184
All Other Professional, Paraprof, Tech	\$21.07	22	Medical & Clinic Laboratory Technologist	\$20.52	186
Computer System Analyst, EDP	\$26.02	27	Pharmacist	\$29.95	187
Teacher, Elementary	\$40,550	29	All Other Postsecondary Teacher	\$44,190	189
Teacher, Secondary School	\$40,860	34	Medical & Clinical Laboratory Technician	\$14.39	190
Lawyer	\$38.74	36	All Other Physical & Life Science Tech	\$16.24	191
Computer Programmer	\$25.00	38	Recreation Worker	\$10.81	192
Electrical & Electronic Engineer	\$28.69	49	Dentist	\$52.07	193
All Other Health Prof, Paraprof, Tech	\$17.95	52	Comply Officer & Inspector , exc Const	\$22.47	195
Life Science Teacher, Postsecondary	\$54,740	53	<b>Sales and Related Occupations</b>		
Designer, except Interior Design	\$17.96	58	Salesperson, Retail	\$10.65	1
Electrical & Electronic Technician	\$18.32	59	First Line Supervisor, Sales & Related	\$18.72	7
Drafter	\$16.60	60	Cashier	\$9.24	8
All Other Engineer	\$28.44	61	Sales Rep, exc Retail, Sci, Related	\$20.96	13
Physician & Surgeon	\$42.25	65	Sales Rep, Science & Related, exc Retail	\$24.24	31
All Other Computer Scientist	\$23.96	68	Telemarketer, Door-To-Door Sales & Rel	\$9.46	47
Artist & Related	\$19.43	72	All Other Sales & Related Occupation	\$15.36	51
Civil Engineer, including Traffic	\$26.62	75	Counter & Rental Clerk	\$8.22	69
Personnel, Train & Labor Relation Spec	\$19.73	76	Sales Agent, Business Services	\$18.78	70
Teacher Aide, Paraprofessional	\$10.48	80	Insurance Sales Worker	\$19.93	79
Mechanical Engineer	\$26.23	82	Stock Clerk, Sales Floor	\$9.31	85
All Other Financial Specialist	\$21.17	83	Salesperson, Parts	\$12.67	105
Instructor, Nonvocational Education	\$15.23	89	Securities, Financial Services, Sales	\$31.28	111
Graduate Assistant, Teaching	\$21,180	92	Travel Agent	\$11.22	121
Social Work, exc Medical & Psychiatric	\$16.20	97	Sales Agent, Real Estate	\$13.89	152
Purchase Agent, exc Whlsl, Retail, Farm	\$19.87	98	<b>Clerical and Administrative Support Occupations</b>		
Licensed Practical Nurse	\$14.94	99	General Office Clerk	\$11.69	2
Writer & Editor	\$21.37	108	Bookkeeping, Accounting & Auditing Clerk	\$13.19	5
All Other Engineering & Related Tech	\$19.15	112	Secretary, except Legal & Medical	\$13.42	6
Management Analyst	\$28.73	113	Receptionist, Information Clerk	\$10.13	12
Instructor & Coach, Sport	\$14.41	117	First Line Supervisor, Clerical	\$17.50	17
			Traffic, Shipping & Receiving Clerk	\$12.78	24
			All Other Clerical & Admin Support	\$12.38	30

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 "professional, paraprofessional, and technical occupations" is registered nurse.

**Figure 36 (Continued)**

**Occupational Wages**

**King County, 1998**

**Source: Employment Security Department**

Occupational Title	Wage*	Rank	Occupational Title	Wage*	Rank
Stock Clerk, Stockroom or Warehouse	\$11.32	44	Amusement & Recreation Attendant	\$7.35	168
Typist, including Word Processing	\$12.90	50	Medical Assistant	\$11.54	169
Reservation & Transport Ticket Agent	\$12.55	66	Cook, Short Order	\$9.19	188
Data Entry Keyer, except Composing	\$10.62	67	<b>Ag, Forestry, Fishing, &amp; Related Occ</b>		
Order Filler, Sales	\$11.12	84	Laborer, Landscaping & Grndskeeping	\$10.97	73
Billing, Cost & Rate Clerk	\$12.99	88	<b>Prod, Constr, Oper, Maint/Mater Hndlng</b>		
Bank Teller	\$9.80	93	Carpenter	\$19.13	14
Order Clerk, Materials, Service	\$12.80	94	All Other Help, Labor, Matl Move/Hand	\$11.90	16
Production, Planning, Expediting Clerk	\$16.29	96	Truck Driver, Light, incl Delivery & Rel	\$11.15	20
Teacher Aide & Educational Asst, Clerk	\$9.40	102	Hand Packer & Packager	\$7.97	23
Adjustment Clerk	\$13.43	104	Truck Driver, Heavy or Tractor-Trailer	\$16.69	25
File Clerk	\$9.34	127	Maintenance Repairer, General Utility	\$13.76	26
Legal Secretary	\$17.39	137	Assembl, Fabricate, ex Mach, Elec, Prec	\$11.08	32
Postal Mail Carrier	\$16.19	140	All Other Frght, Stock, Mat Move/Hand	\$10.76	40
Insurance Policy Processing Clerk	\$13.14	141	Automotive Mechanic	\$14.86	43
Insurance Adjuster, Investigator	\$20.92	143	Electrician	\$21.44	45
Customer Service Represent, Utilities	\$15.42	145	Painter & Paperhanger, Constr & Maint	\$16.05	56
Computer Operator, exc Peripheral Eq	\$14.59	146	All Other Hand Worker	\$11.61	62
Bill & Account Collector	\$11.83	150	First Line Supervisor, Production	\$18.71	63
Loan & Credit Clerk	\$14.35	151	Driver/Sales Worker	\$12.76	78
Switchboard Operator	\$10.22	159	First Line Supervisor, Constr & Extract	\$24.07	86
Dispatcher, exc Police, Fire/Ambulance	\$16.21	166	Machinist	\$14.35	91
All Other Material Record, Sched, Distr	\$14.53	170	Bus Driver, except School	\$14.31	95
Mail Clerk, except Mail Machine	\$9.62	178	All Other Precision Worker	\$12.29	100
Messenger	\$8.96	194	Plumber, Pipefitter, Steamfitter	\$23.24	101
<b>Service Occupations</b>			Aircraft Structure & Related Assembler	\$17.83	103
Combined Food Preparation & Service	\$6.55	9	All Other Mechanic, Installer & Repairer	\$17.00	109
Waiter & Waitress	\$6.38	11	Inspector, Tester, Grader, Precision	\$14.44	110
Janitor & Cleaner, except Maid	\$9.54	15	Industrial Truck & Tractor Operator	\$14.78	114
Food Preparation Worker	\$7.86	28	Bus Driver, School	\$12.46	118
Nursing Aide, Orderly & Attendant	\$9.61	35	Vehicle Washer & Equipment Cleaner	\$8.97	119
Child Care Worker	\$7.73	39	First Line Supervisor, Mech & Repair	\$22.16	125
Guard & Watch Guard	\$9.71	41	Aircraft Mechanic	\$18.34	133
All Other Service Supervisor	\$14.20	42	All Other Const & Extract, exc Helper	\$21.65	136
Hairdresser & Cosmetologist	\$9.54	46	Production Inspector, Grade, Sort,Test	\$14.40	139
Cook, Restaurant	\$9.44	48	Heat, A/C, Refrigeration Mech & Install	\$18.45	144
Home Health Aide	\$8.33	55	Bus & Truck Mech & Diesel Specialist	\$19.44	147
Maid & Housekeeping Cleaner	\$8.14	57	Welder & Cutter	\$15.85	148
Counter Attend., Lunchroom, Cafeteria	\$7.19	71	Electric, Electronic Eq Assembler, Prec	\$11.25	155
Flight Attendant	\$53,380	74	Automotive Body, Related Repairer	\$16.60	157
All Other Service Worker	\$10.02	77	All Other Transportation Related Worker	\$15.49	158
Bartender	\$7.64	87	Sheet Metal Worker	\$18.07	160
Cook, Fast Food	\$6.53	106	Aircraft Pilot & Flight Engineer	\$80,700	161
All Other Food Service Worker	\$9.04	115	Packaging & Filling Machine Op/Tend	\$11.35	162
Dental Assistant	\$13.85	116	All Other Machinery Mechanic	\$20.02	171
Dining Rm, Cafeteria & Bartender Help	\$6.06	122	Sewing Machine Operator, Garment	\$7.99	175
Police Patrol Officer	\$22.76	129	Phone & Cable TV Line Install/Repair	\$18.19	177
All Other Health Service Worker	\$13.58	142	Cannery Worker	\$8.23	179
Host & Hostess, Restaurant, Lounge	\$7.00	163	Drywall Installer	\$22.51	185
Fire Fighter	\$23.12	164			
Cook, Institution or Cafeteria	\$10.01	165			

\*Wages are either hourly or annual.

\*\*Ranking is by amount of employment per occupation, from highest (1) to lowest (195).

Note: The "all other" classification denotes a collection of occupations which are, individually, too many to be listed.

# PERSONAL 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, Bureau

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

## Total 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.

Figure 37 displays both real and nominal (not adjusted for inflation) total personal income in King County since 1970. From 1970 to 1998, total personal income in King County increased from \$21.6 billion to over \$67.7 billion. This 214 percent increase equates to an average 4.1 percent annual growth rate, only slightly more than the state's 4.0 percent annual growth. Surprisingly, if King County income is subtracted from the total state income the state average growth rate decreases only slightly to 3.9 percent. In 1998, 41 percent of state personal income was based in King County, with only 29 percent of the population.

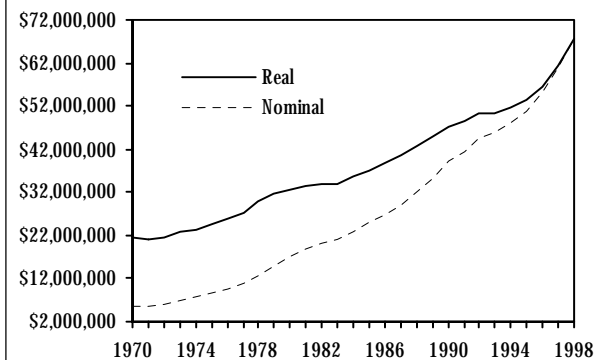
Figure 38 shows the annual growth rates for personal income for King County, the remainder of the state, and the nation from 1970 to 1998. King County tended to have

lower growth than the remainder of the state during the early 70s, and then somewhat greater growth during the 1980s. Other than these two recessionary periods, which affected eastern and western Washington differently, the growth rates for the state and King County have been fairly close. But since 1996, King County income growth has been dramatically outpacing the rest of the state. The King County personal income annual growth rate has increased steadily from 2.5 percent in 1994 to 10.4 in 1998, while the growth rate for the remainder of the state increased from 4.7 percent in 1996 to 5.6 percent in 1997, before declining to 4.8 percent in 1998.

King County ranks first among all 39 counties for total personal income.

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. 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 37**  
**Total Personal Income, Real and Nominal**  
**King County, 1970-1998**  
*Source: Bureau of Economic Analysis*



**Figure 38**  
**Personal Income Annual Growth Rates**  
**King County, Washington, & U.S., 1970-1998**  
*Source: Bureau of Economic Analysis*

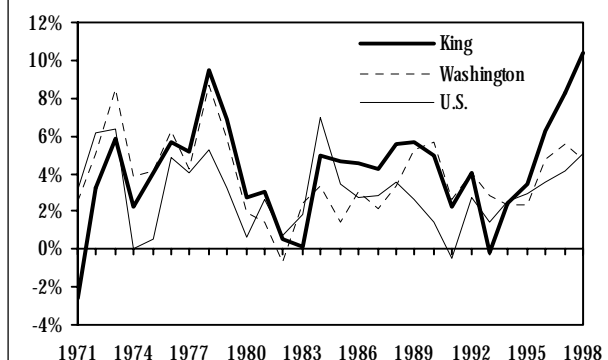
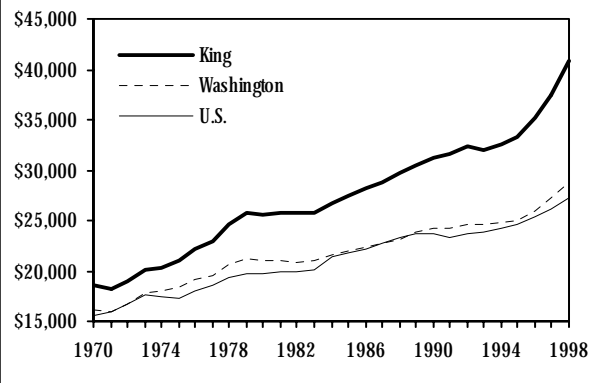


Figure 39 compares the adjusted per capita personal income for the county, the state, and the nation from 1970 to 1998. Unlike the average wage discussed earlier, per capita income has been growing steadily. Although its level flattened somewhat after the 1970s, the trend remained an upward one. In 1998, per capita income in King County was \$40,905 (the highest in the state); for Washington it was \$28,719. If King County is taken out of the state average it drops to \$21,693. Again, this is due in part to the wealth effect of exercising stock options by software employees.

Not only has per capita income always been greater in King County, the difference has consistently increased over time, from \$2,568 in 1970 to \$12,186 in 1998. The peculiar aspect of this is that the county's share of the state's total personal income has not changed significantly over time, remaining between 36 and 41 percent. Because the population has not grown as quickly in King County as it has throughout the rest of the state, the county's share of income is divided between proportionally fewer numbers of people, so the per capita rate goes higher.

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 house-

**Figure 39**  
**Per Capita Income**  
**King County, Washington, & U.S., 1970-1998**  
**Source: Bureau of Economic Analysis**



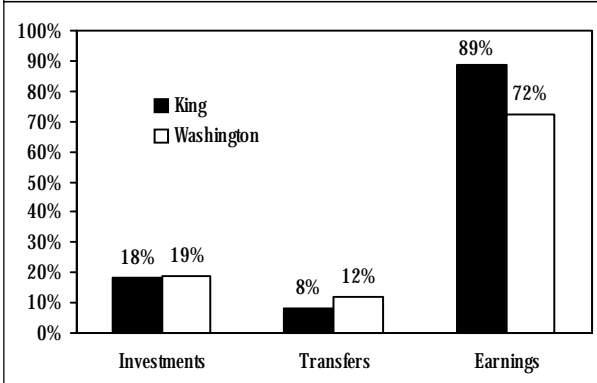
hold income does that. It indicates the point in income where half of all households have a higher income and half have a lower income. The median income in King County in 1998 was \$57,095, the highest in the state; the state average was \$48,289. Snohomish County was the only other county to have a median income higher than the state average. The high rate of per capita income and of median is an indication that income is relatively evenly distributed in the county and not merely concentrated in a few hands.

## 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: earnings, transfer payments, and 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.

Figure 40 compares the personal income components for King County and Washington in 1998. There are two major differences between the county and the state; transfer payments account for only 8 percent of personal income in King County compared to 12 percent for the state. Secondly, King County has a much larger percentage of earned income than for the state, 89 percent versus 72 percent. It should be noted that if the personal income shares are summed up the total is greater than 100 percent, 115 percent for King County and 103 percent for the state. This is because while total personal income, transfer payments, and invest-

**Figure 40**  
**Personal Income Components**  
**King County and Washington, 1998**  
**Source: Bureau of Economic Analysis**

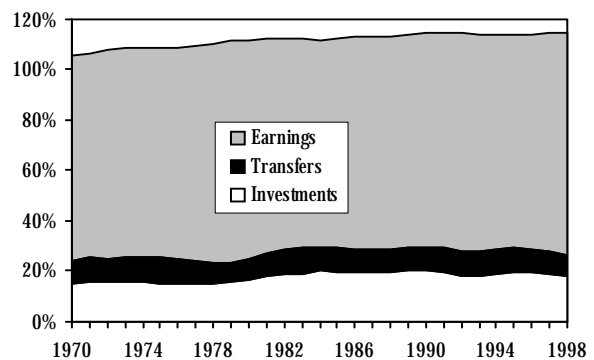


ment income are based on residence, earned income includes income which is earned outside of the county or state. (*This issue is discussed in greater detail under earned income.*)

Figure 41 shows how the shares of personal income components for King County have changed over time, from 1970 to 1998. Earnings as a share of personal income has increased from 82 to 89 percent, while the statewide earnings as a share of personal income declined from 78 to 72 percent. Investment has increased from 15 to 18 percent (virtually the same statewide), and transfer payments have decreased from 9 to 8 percent of total personal income.

Since 1970, transfer payments and investment income increased by 185 and 273 percent, respectively, while earned income increased by 241 percent. Statewide, transfer payments and investment income increased 355 and 395 percent, respectively and earned income increased 276 percent.

**Figure 41**  
**Personal Income Component Trends**  
**King County, 1970-1998**  
*Source: Bureau of Economic Analysis*



## Earned Income

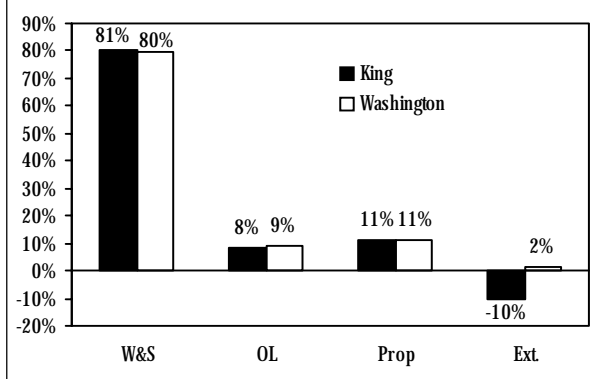
Earnings constitute the lion's share of personal income, and its share of personal income has increased significantly over the last three decades. There are three types of earnings: wages and salaries, proprietors' income, and "other labor" income. Other labor income includes a number of types but is 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.

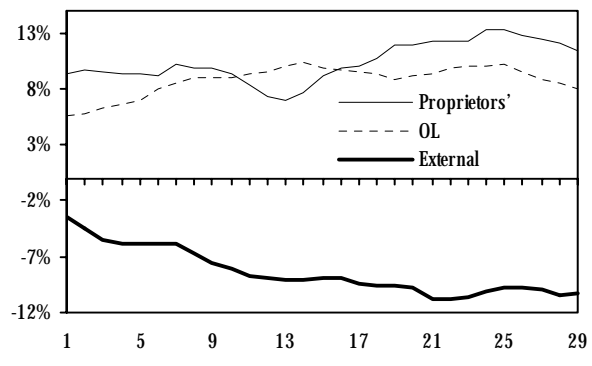
Figure 42 compares the share of each earned income component for King County and Washington in 1998. The biggest difference between the state and the county is for external income, which is -10 percent for King County. This means that in 1998, 10 percent of the income earned in King County is earned by nonresidents. In contrast, 2 percent of state income earned by state residents is earned outside of the state, primarily by Clark County residents who work in Oregon.

Figure 43 shows how the smaller earned income components have changed over time. The external income

**Figure 42**  
**Earned Income Components**  
**King County and Washington, 1998**  
*Source: Bureau of Economic Analysis*



**Figure 43**  
**Earned Income Component Trends**  
**King County, 1970-1998**  
*Source: Bureau of Economic Analysis*



component increased significantly, from -3 percent in 1970 to -10 percent in 1998 (\$6.2 billion). This phenomena is due to the increasing gap between the slow growing King County civilian labor force and the fast growing number of jobs based in King County. In 1978 the CLF was 103 percent of the total number of nonagriculture jobs in King County. That decreased to 90 percent in 1998. Of all earned income components external income had the greatest growth—922 percent between 1970 and 1998.

In comparison, other labor income has grown 388 percent and fluctuated between 6 and 10 percent of earned income. The big increase in other labor income stems from the tax advantages accruing to employers (and employees) on indirect sorts of compensation. Wages and salaries decreased from 85 to 81 percent of the total, but increased by 224 percent since 1970. Proprietors' income increased by a healthy 315 percent and fluctuated between 8 and 13 percent of total earnings, from 1970 to 1998. Proprietors' income is the aggregate of all the self-employed workers in the county, including farmers. "External income" pretty much offsets the perceived decline in wages and salary as a component of earned income.

**Figure 44**  
**Dollars Earned in King Co. by Nonresidents and Difference Between Jobs and Employed County Residents, 1970-1999**  
*Source: Bureau of Economic Analysis*

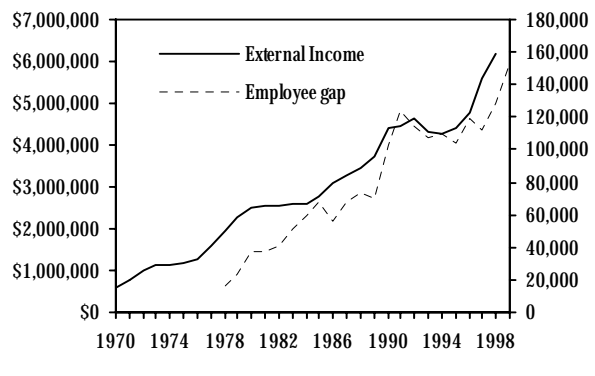


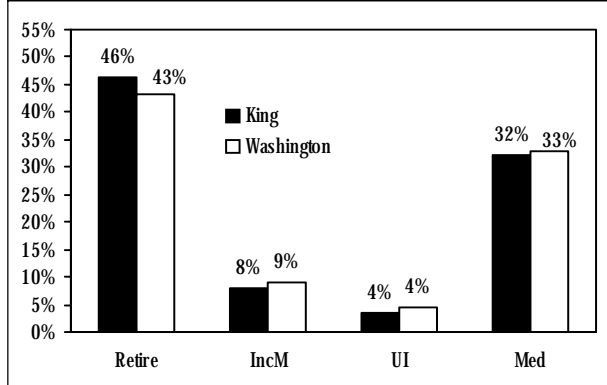
Figure 44 shows the dollars earned within King County by nonresidents and how that correlates with the increasing difference between the number of employed county residents and the number of jobs located in King County, which increased from 15,800 in 1978 to 153,400 in 1999. In other words, approximately 13 percent of all jobs in King County were held by nonresidents.

## Transfer Payments

The second component of personal income is transfer payments, which has shown the least growth over the last thirty years (185 percent compared to 255 percent for the state). A transfer payment is a payment, usually from the government, to someone from whom no service is required. Figure 45 shows the transfer payment components for King County and Washington 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.

Interestingly, even though King County has a lower percentage of transfer payments, the component shares are very similar to the state. By far, retirement and medical are the largest transfer components for both the state and the county. In King County retirement and medical account for 46 and 32 percent, respectively. The biggest difference between King County and the state is for the share of transfer payments in retirement, 46 percent compared to 43 percent for the state. Income maintenance, medical, and UI shares are virtually the same for the state.

**Figure 45**  
**Components of Transfer Payments King County and Washington, 1998**  
*Source: Bureau of Economic Analysis*

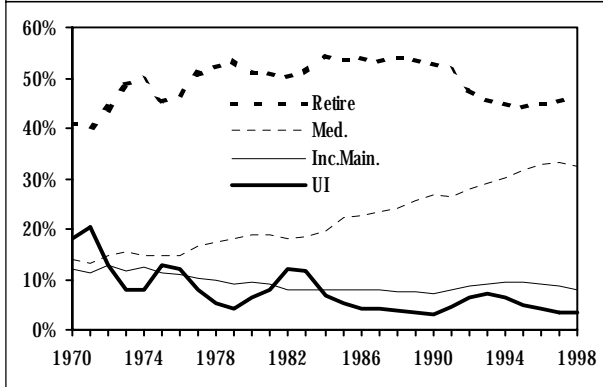


nance, medical, and UI shares are virtually the same for the state.

Figure 46 shows the components of transfer payments from 1970 to 1998 for King County. Medical increased steadily from 14 percent of transfer payments in 1970 to 32 percent in 1998, with an overall increase of 552 per-



**Figure 46**  
**Trend in Transfer Payment Components**  
**King County, 1970-1998**  
*Source: Bureau of Economic Analysis*



cent. Although medical has increased the most of all transfer components it is still less than that for the state, which increased by 700 percent.

Unemployment insurance decreased from 18 to 4 percent of the total, with great fluctuation in between;

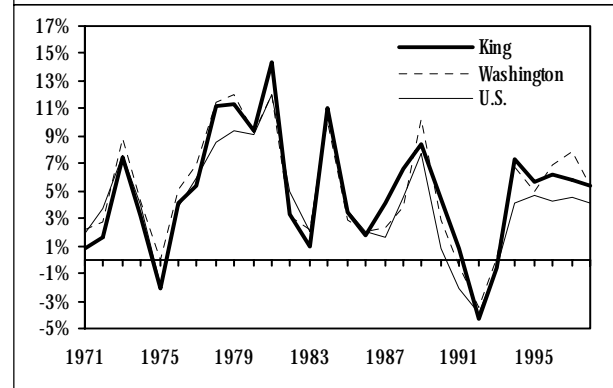
income maintenance decreased from 12 to 8 percent; and retirement increased from 41 percent in 1970 to 54 percent in 1984 and then gradually decreased again to 46 percent in 1998. Income maintenance are those payments generally thought of as welfare. Some of the various programs are AFDC, food stamps, and general assistance. 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.

Overall, from 1970 to 1998, medical transfer payments increased by 552 percent. This was followed by retirement which grew 224 percent, income maintenance which increased 87 percent, and unemployment insurance which decreased by 44 percent. All transfer components had lower overall growth than for the state as a whole, for which income maintenance increased by 149 percent, retirement by 258 percent, unemployment insurance by 16 percent, and medical by 700 percent. Retirement, which includes government (federal, state, and local), military retirement plans, and social security still holds the largest share of transfer payments.

## Investment Income

Investment income stems from dividends, interest, and rent. In King County investment income has grown the most of all personal income components, 273 percent since 1970, totaling \$12.2 billion in 1998. The annualized average growth was 4.9 percent, compared to 4.2 percent nationwide. As mentioned earlier, it represents 18 percent of personal income. Its growth paralleled that of the nation through most of the last three decades, but following the 1990-91 recession, and especially since 1994 the King County investment growth rate has been noticeably greater than that of the nation (see Figure 47).

**Figure 47**  
**Investment Annual Growth Rates**  
**King, Washington, & U.S., 1970-1998**  
*Source: Bureau of Economic Analysis*



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# Economic Development

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**Economic Development Council of Seattle & King County (EDC).** Founded in 1971, the EDC is a private, nonprofit coalition of government, business, education, community, and environmental interests. Its mission is to retain and create family-wage jobs in King County.

The EDC's coalition of interests, together with the EDC staff, accomplishes its mission through a flexible business development system that markets Seattle/King County as a premier location for business development and family-wage jobs. The EDC actively coordinates its job retention and creation efforts with local organizations, including chambers of commerce. By building broad coalitions, key leaders are brought together to:

- Provide marketing information and services in support of business retention and development
- Promote public policies that directly benefit economic development
- Encourage development of a productive work force

The EDC is a one-stop clearinghouse of business assistance, information, and referrals and is on hand to help any business, prospective or established, in King County. For more specific information on the EDC and its offerings to the King County business community, contact:

The EDC of Seattle & King County  
2510 Columbia Seafirst Center  
701 Fifth Avenue  
Seattle, WA 98104  
(206) 389-8659

The EDC also has a homepage on the Internet: <http://www.edc-sea.org>

**Chambers of Commerce** are organizations comprised of business owners and other interested individuals who work to promote the business interests of their respective communities. King County, not surprisingly, has at least 36 Chambers, and possibly more. They are (in alphabetical order) Auburn Area, Ballard, Beacon Hill, Bellevue, Capitol Hill, Central Area, Chinatown, Crown Hill, Des Moines, Enumclaw area, Federal Way, Greenwood, Greater Highline, Greater Issaquah, Kent Area, Greater Kirkland, Lake City, Magnolia, Greater Maple Valley, Mercer Island, Northgate, Northshore (Bothell, Kenmore, Mill Creek, and the Northshore region), Rainier, Greater Redmond, Greater Renton, Roosevelt, Seattle, Shoreline, South King County, Greater University, Vashon, Wallingford, Wedgwood, West Seattle, White Center, and Woodinville.

There is also the Seattle/King County Convention and Visitors Bureau in downtown Seattle and the East King County Convention and Visitors Bureau in Bellevue.

**Infrastructure.** An area's infrastructure is an integral part of its economic development efforts. The following is a partial list of some of King County's infrastructure.

*Roads and Highways.* As befits the center of residential and industrial activity in western Washington, King County is covered by an extensive network of municipal, county, state, and federal roads and highways. Though this network is most comprehensive in the western part of the county, it extends fully into the county's eastern reaches.

The county's transportation network is anchored by three major highways—U.S. Interstates 5, 90, and 405. I-5 extends north and south through the county along Puget Sound, providing access to metropolitan areas in both directions. This might mean Tacoma, Olympia, Vancouver, Portland, San Francisco, and Los Angeles to the south, or Everett, Bellingham, and Vancouver, B.C. to the north. I-90 principally provides access between Seattle and communities on the east side of Lake Washington (Bellevue, Mercer Island, etc.). In fact, Seattle is the western terminus of I-90, which extends east through the Cascades and eastern Washington on a path across the continental United States. I-405 parallels I-5 east of Lake Washington, connecting cities such as Bellevue, Redmond, and Renton. Access to the U.S. interstates is provided by an extensive network of state routes and highways.

*Ferries.* Washington State Ferries has four passenger routes in King County. Three of the routes operate out of Piers 50 and 52 in downtown Seattle, destined for Winslow on Bainbridge Island, Bremerton in Kitsap County, or Vashon Island. Another route runs between Fauntleroy Cove in southwest Seattle and Vashon Island and Southworth (in Kitsap County).

*Ports.* The Port of Seattle is the only public port in King County. It has 72 full service berths and can handle all types of cargo. It was established in 1911 by a vote of the people of King County following passage of the Port District Act in the state legislature earlier that year. Since being organized, the Port has expanded, some of the biggest boosts coming during the first and second world wars as well as during Korea when port facilities were placed under military direction for shipbuilding and troop embarkation and debarkation.

The Port of Seattle is one of the largest container ports in the world and is served by 26 regularly-scheduled steamship lines. In 1992, for the sixth straight year, Seattle's harbor handled more than one million containers, one of only six ports in U.S. history to reach that mark. The Port is highly diversified, capable of handling bulk, breakbulk, and neobulk cargoes.

Geographically closer to Asia than any other major U.S. port, Seattle offers significant time and cost savings to shippers. Seattle has a 260 mile, 15-hour advantage over the San Francisco Bay area and a 563 mile, 30-hour advantage over Los Angeles/Long Beach. More than 90 percent of the Port's foreign waterborne trade by value is with Asian countries.

Two major transcontinental railroads and more than 100 trucking companies link the Port to market hubs throughout North America. The Port's on-dock rail yard at Terminal 18, together with nearby railroad-operated intermodal yards, facilitates the rapid distribution of cargo to virtually any inland destination.

The Port of Seattle has more than 1.5 million square feet of warehouse and storage space capable of handling both cleared and bonded cargo, and hundreds of acres for outdoor storage and handling. In addition, private warehouse operators in the area offer at least another 20 million square feet of storage capacity. The Port has a 1,400-acre Foreign Trade Zone capability that encompasses all of the Port's marine operations and all of Sea-Tac's air cargo areas.

As the first U.S. port to computerize cargo movement systems, the Port has long been recognized as an innovator in the development of advanced information systems. Its Electronic Data Interchange (EDI) capabilities improve customer's effectiveness, speed, and accuracy, and enable businesses to integrate the Port's warehousing and transportation services directly into their organization. One such EDI program is LINX, a community cargo release system jointly developed with the Port of Tacoma for shippers throughout Puget Sound.

Fisherman's Terminal is the base of the North Pacific fishing fleet, providing moorage and complete support services to more than 700 commercial fishing vessels. In 1990, the Port established a "friendship-port relationship" to exchange fishing industry information and encourage trading opportunities with the ports of Shioyama, Ishinomaki, and Kesennuma in Miyagi Prefecture, a center of the Japanese commercial fishing industry.

Shilshole Bay Marina, also owned and operated by the Port, offers moorage for 1,500 boats up to 40 meters (or 130 feet) in length. Complete service facilities are also available. Contact:

Port of Seattle, Marine Division  
Stephen A. Sewell, *Managing Director*  
P.O. Box 1209  
Seattle, WA 98111, USA  
Telephone: (206) 728-3265  
Fax: (206) 728-3280  
Telex: 703433 PORT SEA UD

*Rail.* King County is a very active center of railroad activity: Burlington Northern Railroad (222 spurs), Union Pacific Railroad (152 spurs), Southern Pacific Transportation Company (6 spurs), and the Chicago & Northwest Transportation Company (6 spurs). King County's passenger rail service needs are served by Amtrak.

*Air Transportation.* King County has five airports and airfields. By far the largest is Seattle-Tacoma (Sea-Tac) International Airport; the others include King County International Airport (Boeing Field), Auburn Airport, Renton Field, and Crest Airpark.

Sea-Tac International is owned and operated by the Port of Seattle. It is not tax subsidized, operating instead on funds generated by airlines, concessionaires, and users of the airport. Officially opened in 1947 with service provided by two commercial airlines, Sea-Tac has steadily expanded and upgraded its facilities through the years. Located just 13 miles from the central harbor, the airport offers scheduled and charter services by 44 airlines, including 11 international passenger carriers and 14 all-cargo airlines. In 1992, nearly 18 million air travelers passed through Sea-Tac, and its facilities handled about 284,000 metric tons of air cargo. As the closest U.S. West Coast gateway to both Asia and Europe, Sea-Tac is equidistant between Tokyo and London, with about nine hours of flying time to either city. Sea-Tac ranks 11th as the U.S. international gateway for Asian and European traffic. Contact:

Port of Seattle, Aviation Division  
Gina Marie Lindsey, *Managing Director*  
P.O. Box 68727  
Seattle, WA 98168, USA  
Telephone: (206) 248-6862  
Fax: (206) 248-6855  
Telex: 703433 PORT SEA UD