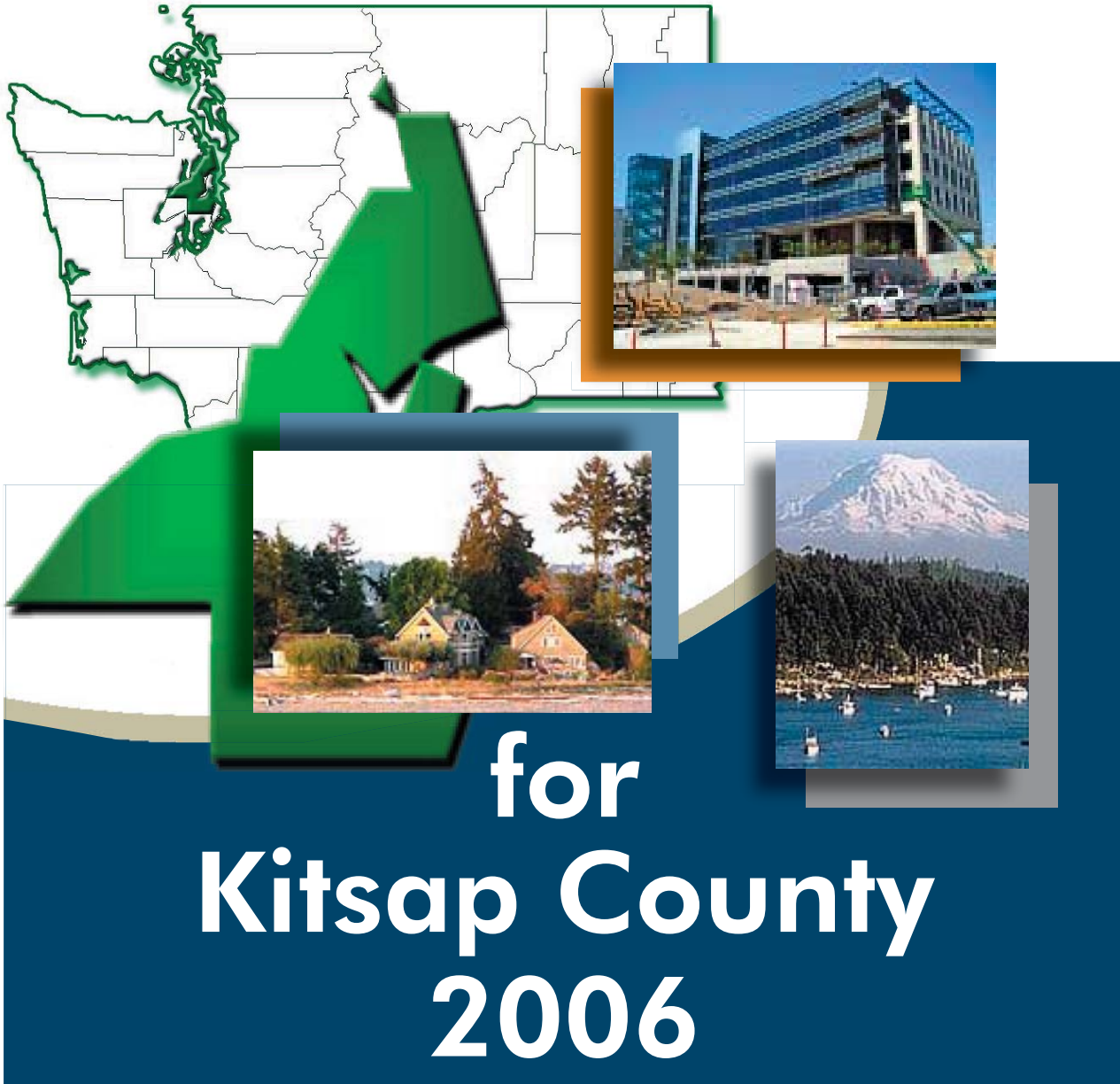


# Washington State

## Employment Security Department

### Labor Market Information



# for Kitsap County 2006



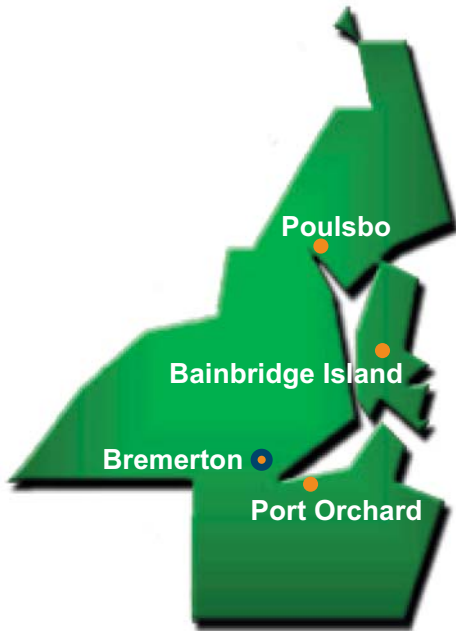
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# KITSAP COUNTY ECONOMIC OVERVIEW

[Full Report in Booklet form](#)



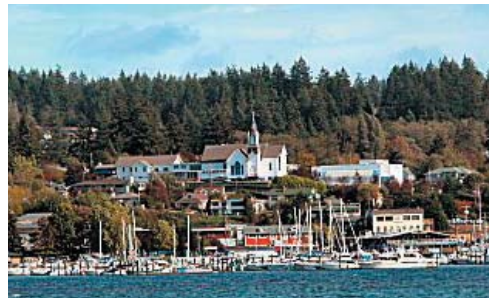
Bremerton, commonly known as the home of the Puget Sound Naval Shipyard, has now gained quite a reputation. To borrow a quote from Money Magazine, Bremerton is considered as “one of the top 5 up-and-coming hot cities” in the country. It is also ranked by Farmers Insurance as one of the top 25 most secure cities, besides being considered as the 3rd best place to relocate among mid-size cities. One would say that this is quite a reputation to keep up. The numbers, however, tell the story.

In terms of its unemployment rate, only twice did the county unemployment rate exceed the state rate. The first time was in 1995 when the rate was at 6.4 percent vis-à-vis the state rate of 6.3 percent. Then came 1997 when this time around, it exceeded the state rate by two-tenths of a percent, a 5.1percent vs. 4.9 percent.

Employment growth in the county since 1990 has always been on an uptrend, except in 1998 when it registered a -0.4 percent brought about by the declines in Professional and Business Services and the Government sector. Again, despite the loss of jobs in the Manufacturing sector, economic activity in Kitsap County gained strength and continues to do so.

## Outlook

- The emphasis given to the revitalization of downtown Bremerton will continue to play the pivotal role towards commercial development in the area, and provide the much-needed boost to local tourism in the region;
- Employment in Retail Trade, Professional and Business Services, as well as Leisure and Hospitality will continue to increase in number and play an important role in the labor force;
- Health Care Services will be in demand and will grow at a decent pace. The strong presence of health care facilities such as the Harrison Memorial Hospital and the Naval Hospital contribute to this scenario;
- The year 2006 should see continued growth, especially in the construction sector, despite the economic slowdown and the high energy prices.
- The strong presence of the Navy will continue to provide steady employment in the area, and have a direct impact on the growth in the region.



## EMPLOYMENT BY INDUSTRY

Kitsap County had 84,500 jobs for 2005. Job growth in the region grew at a 1.8 percent pace from 1990 to 2005, higher compared to the state (1.7 percent) and the nation (1.3 percent). The year 2002 marks the year when the annual growth in employment in the region was at 3.7 percent, the highest it has ever been since 1991.

### Industry detail

**Construction** employment showed a total of 5,000 workers in 2005. Based on data presented, the sector has gained strong ground since 1990 when it posted 3,300 jobs. From 1990 to 2005, construction in Kitsap County grew at an annual average rate of 2.9 percent. Specifics show that in 1998, the annual growth rate climbed to 5.9 percent. The great performance continued at that level until 2000 and 2001, when the yearly average jumped to the 7.0 percent mark for both years.

Despite the drop of 100 jobs in this sector between 2002 and 2003 resulting in a growth rate of minus 2.2 percent, it did not deter growth in the county. With 2003 being the year when a lot of active military deployed overseas, this year also marked the year when development efforts became visible in the area. To name a few:

- The groundbreaking of the Conference Center as well as the hotel and the parking garage, and the Norm Dicks Government Center, both contributed towards commercial development in the downtown area;
- The development in the North Kitsap/Poulsbo area known as the Olhava Master Plan. This 215-acre mixed-use project combines commercial, residential areas and the construction of the 20-acre Olympic College branch;
- The fiber optic cable expansion by AT&T and Qwest by supplying high bandwidth connections to businesses and residences;

Other development projects also come into view:

- The expansion of the Bremerton Marina – an integral part to the Port’s mission to help develop tourism in the area;
- The Olympic View Industrial Park that will help attract new industries into the county;
- The South Kitsap Industrial Area (SKIA) – all 3,400 acres is designated as the county’s “Regional Industrial Center” geared towards providing 9,000 jobs to the area within the next 20 years;
- The Harborside Condominiums and The 400 which are the most recent construction on the Bremerton waterfront - both integral to the overall commercial development of the downtown area.
- In the residential construction arena, the single-family housing permits also provided a boost to the sector. Residential construction peaked in 1990 with 1,914 permits issued and has stayed at an even keel despite slight declines in 1997 and 1998.

**Trade, Transportation, Warehousing and Utilities** accounted for 13,800 jobs in the county. From 1990, this sector showed a 4,400-job increase. Various components of this sector also indicated increases over time.

**Retail Trade** steadily grew from 1991 to 2005, from 7,500 jobs to 11,400 jobs, reflecting a 52 percent increase over time.

**Professional and Business Services**, as well as **Leisure and Hospitality** account for 8,100 and 7,900 jobs of the total county employment for 2005. Both sectors experienced slight blips in terms of its annual growth between 2000 and 2001 brought about by the recession. However, both sectors immediately bounced back in 2002 and continued to do so until 2005.

As a percentage of total employment, **Government** jobs accounted for a hefty 33 percent share with the strong naval presence making up for the 17 percent share of Federal Government employment. The move of the USS Abraham Lincoln to the area in August this year for its six months refurbishment

will see an effect on the employment numbers due to the increased activity in job contracts with the Navy. Over time other ships are also scheduled to come into Bremerton for maintenance, such as the USS Carl Vinson, which is scheduled for 2009.

Between 2004 and 2009, total **nonfarm** employment will expand at 1.9 percent annually, with the following sectors providing the economic boost:

- On the Good Producing side: Construction will still be strong, with employment growth marked at 2.0 percent;
- On the Services Providing side: Wholesale Trade will realize a growth rate of 2.9 percent, while Retail Trade, Transportation, Warehousing, and Utilities will each grow at 1.9 percent, respectively;
- Professional and Business Services will realize the highest annualized growth rate of 5.3 percent;
- Other areas to note are:
  - Education and Health Services (2.2 percent)
  - Leisure and Hospitality (2.0 percent)
  - Other Services (2.6 percent)

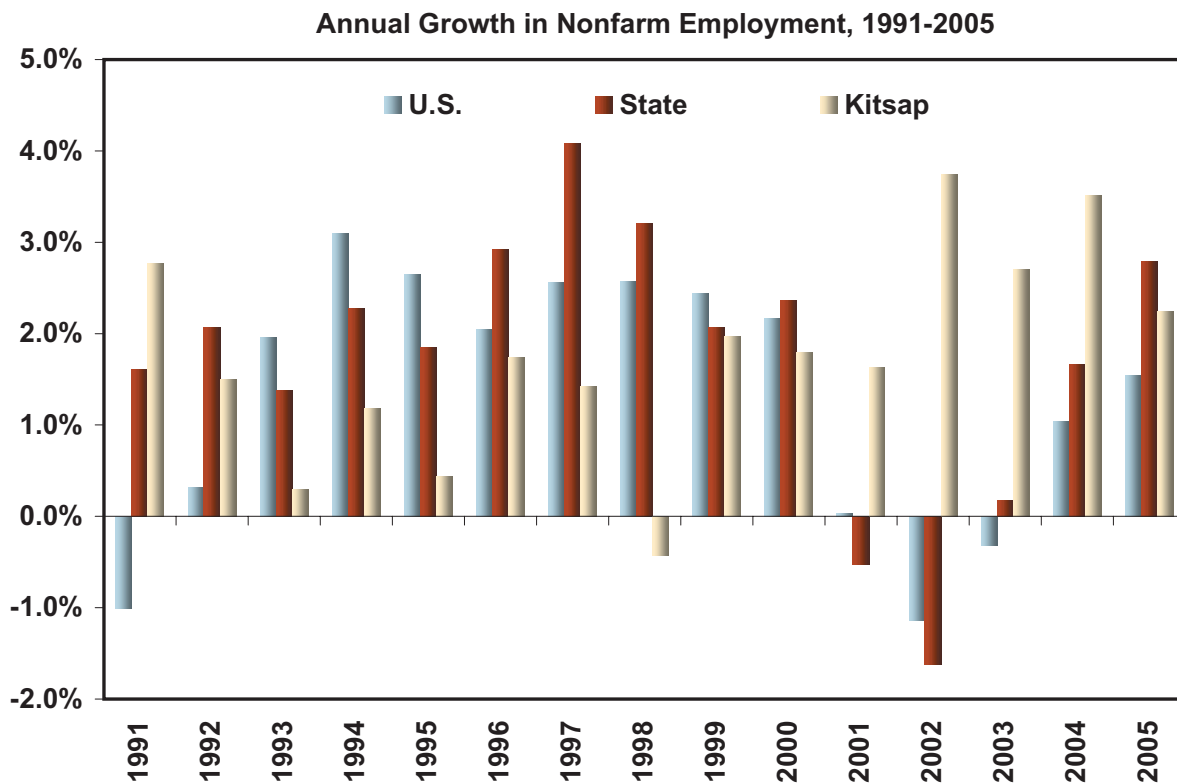
The concentration of growth in government activity will be in the Government Health Care and Social Assistance programs, with an annualized growth rate of 3.1 percent.

Estimated employment for 2014, indicates that there will be 95,600 individuals that will work in Kitsap County. Of the total, about 38,000 will be working in the Service Providing sectors.

Besides the government sector that indicates a projected employment of 30,500 in 2014 (0.9 percent), the other sectors that rank high are:

- Education and Health Services at 12,900 (1.8 percent)
- Retail Trade at 12,300 (0.5 percent)
- Professional and Business Services at 11,000 (2.5 percent)

On the Goods Producing side, construction employment will be 5,700, reflecting an annual growth rate of 1.5 percent.



## POPULATION, LABOR FORCE, AND EMPLOYMENT

- For 2006, Kitsap County estimated population is 243,400, a 28 percent increase from 189,731 in 1990;
- Of the current population, about 169,090 county residents live in unincorporated areas, with the remaining 74,300 in cities;
- The city of Bremerton's 35,910 residents hold the biggest share of the county population, followed by Bainbridge Island (22,600), Port Orchard (8,310), and Poulsbo (7,490).

The MSA (Metropolitan Statistical Area) outpaced the state in population growth between 1990 and 1995. However, this trend ended in 1996, when the state and the MSA matched at 1.6 percent. By 1997, the tide turned in favor of the state. Not until 2004 did the MSA again match the state growth – both at 1.1 percent, but in 2005, and so far in 2006, the county again lags behind the state in population growth percentages.

### Population and Age Groups

Kitsap County population shows quite a number of young people (below 15 years of age) and a substantial number of residents between the ages of 35-54, i.e., family populations. About 30 percent of the county's population is between the ages of 40-59.

### Race and Ethnicity

Kitsap County is comprised of a diverse group of people – more so than the state or the nation. Based on the 2000 Census, 82 percent lists itself as white, 4.3 percent as Asian, and 4.1 percent of Hispanic origin.

	Total	Total Single Race	White Non-Hispanic	African American	American Indian
U.S.	281,421,906	246,183,425	194,514,140	33,707,230	2,091,206
State	5,894,121	5,276,686	4,652,490	184,631	85,396
Kitsap County	231,969	213,088	190,751	6,495	3,462

	Asian American	Pacific Islander	Other	Multiracial	Hispanic
U.S.	10,067,813	342,743	447,552	5,012,741	35,305,818
State	319,401	22,779	11,989	175,926	441,509
Kitsap County	10,034	1,699	647	9,272	9,609

### Educational Attainment

Kitsap County residents fare better than average when it comes to education. In percentages, county residents outrank statewide and national numbers in high school diplomas, those with some college, Associate's and Bachelor's Degrees. The only area where Kitsap County residents rank lower in educational numbers are for those *without* high school diplomas – 4 percent lower than the state average and 11 percent lower than the national average.

### Labor Force and Unemployment

Kitsap County's unemployment rate – from 1990 to 2005 – averaged 5.6 percent, four-tenths of a percent lower than the state rate of 6.0 percent, and a slight one-tenth of a percent higher than the nation's 5.5 percent. The total labor force number for 2005 was estimated at 125,300. Of this total, there were 118,900 employed residents and 6,400 jobseekers.

Between 1990 and 1994, the county unemployment rate has been below the statewide rate. From 1995 to 1997, there was a role reversal; the county rate inched slightly higher than the state rate. In 1998 and 1999, the county rate again dropped slightly, only to meet at 5.0 percent in 2000. From 2000 to 2004, Kitsap County's rate stayed below the statewide rate, until 2005, when the state and county posted 5.1 percent.

# INDUSTRY EMPLOYMENT BY AGE AND SEX

Local Employment Dynamics (LED) is a voluntary partnership between state labor market information agencies and the US Census Bureau to develop new information about local market conditions at low cost, with no added respondent burden, and with the same confidentiality protections afforded census and survey data.

- Census 2000 Affirmative Action data (see Table 2 on [www.workforceexplore.com](http://www.workforceexplore.com)) indicated that 47 percent of Kitsap County employed residents were female;
- When it comes to industry comparison, by gender, there is a distinct difference between industries. Based on the employment by age and sex table, third quarter 2005, male-dominated industries would include the following:
  - Construction (87 percent)
  - Mining, specifically the sand and gravel industries (82 percent)
  - Transportation and Warehousing (72 percent)
  - Utilities (71 percent)
  - Manufacturing (69 percent)
  - Wholesale Trade (66 percent)

Female-dominated industries are as follows:

- Health Care and Social Assistance (80 percent)
- Finance and Insurance (78 percent)
- Management of companies and enterprises (78 percent)
- Educational Services (73 percent)
- Information (53 percent)
- Retail Trade (52 percent)

## WAGES AND INCOME

- In 2005, Kitsap County averaged about 82,245 jobs covered by unemployment insurance, with a total payroll of nearly \$3.0 billion;
- The average annual wage for the county was \$36,458, slightly below the state average of \$40,704;
- When ranked among the counties, Kitsap County ranks 5th in annual average wage for 2005;
- Average annual wage has been increasing by 7.0 percent from 2000-2005;
- In 2005, Management of Companies and Enterprises annual wages of \$64,992 was the highest among all sectors, followed by: Utilities (\$63,775), Government (\$51,116), Professional and Technical Services (\$47,020), Finance and Insurance (\$43,767), and Wholesale Trade (\$40,133).
- The lowest ranking sectors are: Arts, Entertainment and Recreation (\$16,808), Other Services, except Public Administration (\$18,223), and Accommodation and Food Services (\$13,275).

## Hourly Wages

- In 2004, the median hourly wage for Kitsap County was \$15.55, a 6 percent increase from 2000;
- Compared to the other counties, Kitsap County's median wage ranks 13th;
- The statewide median hourly wage was \$17.52 in 2004;
- The lowest-paid ten percent of jobs for the county paid \$7.49 in 2004, while the highest-paid ten percent of jobs paid \$48.08;
- Historically, the median hourly wage has been steadily increasing since 1990 (\$12.91), and increased by 20 percent to \$15.55. However, for 1996 and 1997, the median hourly wage stayed the same at \$13.76.
- Between 1990 and 2004, the lowest-paid ten percent of jobs had a minimal change of \$1.23 from \$6.26 in 1990 to \$7.49 in 2004;
- The highest-paid ten percent of jobs, however, showed a change of \$9.92, from \$38.16 in 1990 to \$48.08 in 2004.

Between 1990 and 2004, wages earned by the lowest-paid ten percent of jobs increased by 19 percent, the highest-paid ten percent of jobs increased by 25 percent.

## Per Capita Income

In 2004, per capita income in the county measured \$33,865, slightly less compared to the state's per capita income of \$35,041, and slightly higher than the nation's \$33,050.

The 2004 average dollar amount has three components to it, broken down as follows:

- Earnings (71 percent)
- Investments (17 percent)
- Transfer payments (13 percent)

When we take into account inflation-adjusted per capita income, Kitsap County's \$33,012 comes in slightly less than the nation's \$33,050.

Per Capita Income

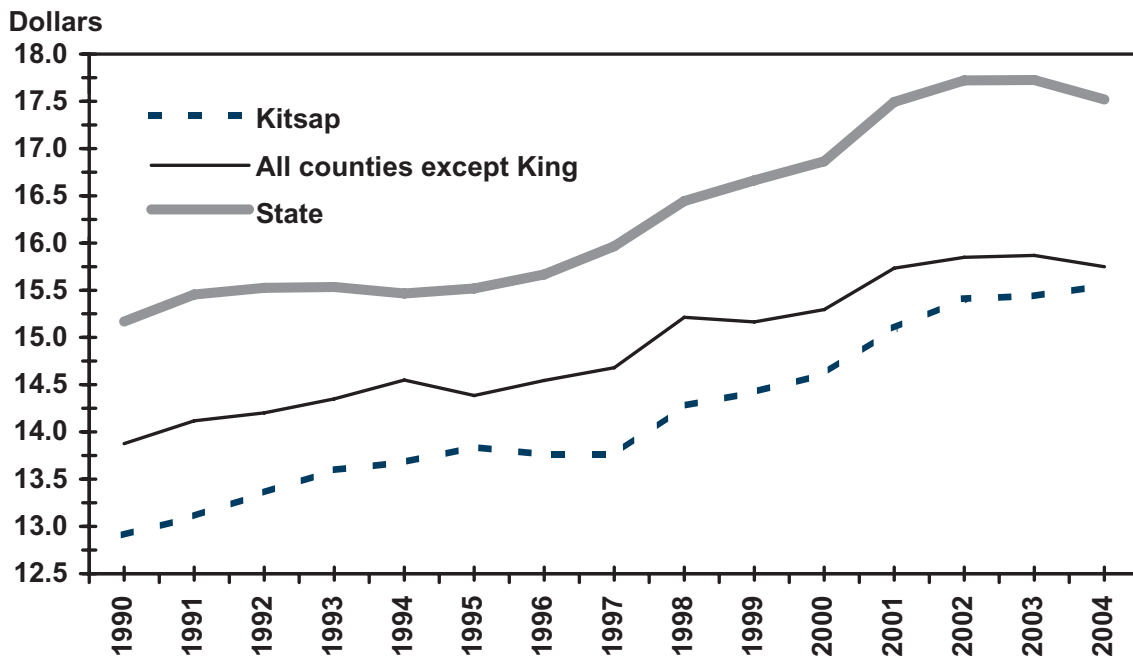
	2000	2001	2002	2003	2004
<b>U.S.</b>	\$29,845	\$30,574	\$30,810	\$31,484	\$33,050
<b>Washington State</b>	\$31,779	\$32,291	\$32,549	\$32,882	\$35,041
<b>Kitsap County</b>	\$29,493	\$30,549	\$31,336	\$32,215	\$33,865

## Household and Family Income

Kitsap County's median household income in 1999 was \$46,840, giving it an overall ranking of 6th among all counties. It is also interesting to note that the county's household income far exceeds both the state (\$45,776) and the nation (\$41,994).

Based on Census 2000 Table on Poverty Status in 1999, by age and ethnicity, 8.8 percent, or about 20,000 of Kitsap County's population, are below the poverty level.

Median Hourly Wages (Adjusted for Inflation)



# County Resource List

**Bremerton Chamber of Commerce**  
 301 Pacific Avenue  
 Bremerton, WA 98337  
[www.Bremertonchamber.org](http://www.Bremertonchamber.org)

**Silverdale Chamber of Commerce**  
 3100 Bucklin Rd, Suite 219  
 Silverdale, WA 98383  
 Phone (360) 692-6800  
[www.silverdalechamber.com](http://www.silverdalechamber.com)

**Kitsap Community Resources**  
 1211 Bay Street  
 Port Orchard, WA 98366  
 Phone (360) 473-2159  
[www.krc.org](http://www.krc.org)

**Worksource Kitsap**  
 1300 Sylvan Way  
 Bremerton, WA 98310  
 Phone (360) 377-3810  
<http://work.wa.gov/>

**Kitsap Regional Economic  
 Development Council**  
 4312 Kitsap Way, Suite 103  
 Bremerton, WA 98312  
 Phone (360) 377-9499  
 Toll Free (877) 465-4872  
 Fax (360) 479-4653  
[www.kitsapedc.org](http://www.kitsapedc.org)



**Olympic College**  
 1600 Chester Avenue  
 Bremerton, WA 98337  
 Phone (360) 792-6050  
[www.oc.ctc.edu](http://www.oc.ctc.edu)

For more information about Kitsap County,  
 contact Tess Camilon, Regional Labor Economist,  
 Lacey, Washington, (360) 438-3152 or E-mail  
[MCamilon@esd.wa.gov](mailto:MCamilon@esd.wa.gov)

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AREA POPULATION	2000	2001	2002	2003	2004	2005
<b>U.S.</b>	<b>282,015,000</b>	<b>284,959,000</b>	<b>287,812,000</b>	<b>290,656,000</b>	<b>293,540,000</b>	<b>296,383,000</b>
<b>Washington State</b>	<b>5,894,143</b>	<b>5,974,910</b>	<b>6,041,710</b>	<b>6,098,300</b>	<b>6,167,800</b>	<b>6,256,400</b>
Metropolitan Divisions	3,043,888	3,090,310	3,127,310	3,150,500	3,177,100	3,220,000
Metro Areas	2,078,876	2,106,800	2,132,300	2,161,500	2,196,900	2,231,700
Micropolitan Areas	524,916	529,854	533,600	537,800	543,900	551,700
Rural Counties	246,463	247,946	248,500	248,500	249,900	253,000
Kitsap County	231,969	233,400	234,700	237,000	239,500	240,400
Unincorporated	159,896	160,625	161,345	162,000	164,960	167,920
Incorporated	72,073	72,775	73,355	75,000	74,540	72,480
Bainbridge Island	20,308	20,740	20,920	21,350	21,760	22,200
Bremerton	37,259	37,260	37,530	38,730	37,520	34,580
Port Orchard	7,693	7,810	7,900	7,910	8,060	8,250
Poulsbo	6,813	6,965	7,005	7,010	7,200	7,450



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