
KLICKITAT COUNTY PROFILE
JANUARY 1998

Labor Market and Economic Analysis Branch
Employment Security Department

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RCW 50.38.050.

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TABLE OF CONTENTS

<p>INTRODUCTION 1</p> <p>GEOGRAPHY 2</p> <p>ECONOMIC HISTORY 3</p> <p>POPULATION 5</p> <p style="padding-left: 20px;">Trends</p> <p style="padding-left: 20px;">Components of Population Change</p> <p style="padding-left: 20px;">Populated Areas</p> <p style="padding-left: 20px;">Population by Age Groups</p> <p style="padding-left: 20px;">Population by Race and Hispanic Origin</p> <p>CIVILIAN LABOR FORCE 8</p> <p style="padding-left: 20px;">Trends</p> <p style="padding-left: 20px;">Demographics</p> <p>UNEMPLOYMENT 10</p> <p style="padding-left: 20px;">Trend</p> <p style="padding-left: 20px;">Demographics</p> <p style="padding-left: 20px;">Industrial Typology</p> <p style="padding-left: 20px;">Unemployment Insurance Claims</p> <p>INDUSTRIES, EMPLOYMENT, AND WAGES 14</p> <p style="padding-left: 20px;">Trend</p> <p style="padding-left: 20px;">Location Quotients</p> <p style="padding-left: 20px;">Annual Average Wage</p> <p style="padding-left: 20px;">Agriculture</p> <p style="padding-left: 20px;">Construction</p>	<p>Manufacturing</p> <p>Transportation, Communications, & Utilities (TCU)</p> <p>Trade</p> <p>Finance, Insurance, and Real Estate</p> <p>Services</p> <p>Government</p> <p>Tourism</p> <p>Industry Employment Projections</p> <p>OCCUPATIONAL PROFILE 24</p> <p>PERSONAL INCOME..... 26</p> <p style="padding-left: 20px;">Total Personal Income</p> <p style="padding-left: 20px;">Farm Income</p> <p style="padding-left: 20px;">Components of Personal Income</p> <p style="padding-left: 20px;">Earned Income</p> <p style="padding-left: 20px;">Transfer Payments</p> <p style="padding-left: 20px;">Dividends, Interest, and Rent</p> <p>JOB TRAINING AND ECONOMIC DEVELOPMENT 31</p> <p style="padding-left: 20px;">Job Training</p> <p style="padding-left: 20px;">Economic Development</p> <p>SUMMARY 33</p> <p>APPENDIX - Klickitat County Selected Economic Data A-1</p>
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INTRODUCTION

This report profiles the labor and economic characteristics of Klickitat 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 the earlier *Klickitat County Profile* of May 1994, the purpose of this report is to provide a comprehensive labor market and economic analysis of Klickitat County.

Characteristics profiled include the following:

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

Much of the information in this report is regularly updated on the LMEA Internet homepage. The homepage contains current and historical labor market information which can be accessed by area or by type of information. The site address is:

<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.

GEOGRAPHY

Klickitat County is situated east of the Cascade Range at the farthest extension of what is generally recognized as south central Washington State. The region is bounded by Yakima County to the north, Skamania County to the west, Benton County to the east and the Columbia River (and state of Oregon) to the south. Constituting a geographic area of 1,880 square miles, it ranks 16th in size among Washington's 39 counties. The county represents almost 3 percent of the state's total land mass.

The most southerly of the counties which form a plateau extending out of the Cascade Range and descending toward the Columbia River, its terrain is characterized by sparsely vegetated hills in the north county (i.e., the

Simcoe Mountains and Horse Heaven Hills) which descend into the rich and fertile valleys in the south county. These valleys are fed by the myriad of rivers and streams which carry water down from the Cascades. Most notable of these tributaries are the White Salmon and Klickitat rivers in the western half of the county, as well as Rock and Alder creeks in the eastern half. These waterways flow into the Columbia River, which also flows along the county's southern border.

Elevations in the county range from as little as 50 feet above sea level in places along the Columbia River to almost 6,000 feet above sea level at Indian Rock north of Goldendale.

ECONOMIC HISTORY

The county derives its name from the Klickitat Indians who were intermediaries in trade between coastal Indians such as Chinooks and the Yakima and Toppenish Indians in eastern Washington as well as local traders themselves. The term Klickitat has been interpreted as meaning either “robber-thief” or “beyond,” though the latter is more generally accepted.

The county was organized by an act of the Washington Territorial Legislature and signed into law by Territorial Governor Fayette McMullen in December of 1859. It had been partitioned from what was previously Skamania County.

In the centuries leading up to the advent of white settlement, thousands of Native American Indians roamed the hilly plains of Klickitat and the banks of the Columbia River, particularly during the fishing season. In their capacity as intermediaries in trade between tribes in eastern and western Washington, the Klickitat Indians were among the first regional inhabitants to engage in commerce. Indian artifacts from as far away as Alaska, Canada, and even the Great Lakes region have been discovered along the river banks. It is believed that numerous tribes migrated to the Columbia annually to participate in the salmon hunt, as well as to engage in social and cultural exchange. Some of the most historic Indian fishing grounds—the Long Narrows, Wishram, and Celilo Falls—are found along Klickitat’s stretch of the Columbia.

Meriwether Lewis and William Clark led the first recorded white expedition into Klickitat County. The explorers camped at present-day Wishram in October of 1805. There, they traded with the Indians and replenished supplies before resuming their task of charting the region around the Columbia River as it flowed to the Pacific Ocean. For the next 50 years, the only whites in Klickitat were adventurers and fur trappers and traders. White settlement did not commence until the late 1850s. However, once begun, it grew rapidly. Many towns in central Klickitat were platted during this period, prompting the territorial legislature to establish the area as a county in 1859.

Many of Klickitat’s first settlers brought along small herds of cattle—thus establishing one of the region’s first industries. The settlers were drawn to Klickitat’s central valley, an area particularly well suited to cattle

raising. For example, there were open ranges and meadows of grass and clover hay west of the Klickitat River. By the 1870s, large herds of Durham and Shorthorn cattle grazed in the area. Those who settled east of the river managed to raise some cattle on cereal grain straw and that which could be benefited by stubble-field grazing. Still, the eastern sections of Klickitat County eventually were used to graze mostly sheep.

Before the turn of the century, severe winter storms and subsequent feed shortages devastated the county’s livestock industry. From this event rose the practice of planting and stockpiling both hay and grain for winter use, forcing many cattle ranchers to assume farming responsibilities. It further cleared the way for newcomers to cultivate crops. By the early 1900s, most farmers were producing wheat, and the cattle industry dwindled primarily into small herds raised for dairy products and some beef. The era of wide open cattle ranges was over. In its place was a more evenly distributed network of farms and ranches.

During World War I, the demand for beef led to an increase in the number of cattle in Klickitat County. Their number peaked at 13,000 head by 1920—substantially more than the 3,000 head recorded 10 years earlier. At that time, and extending into the 1930s, the process of substituting alfalfa hay for wheat was implemented to replenish nutrient-depleted soil that had been exhausted by more than a quarter-century of extensive wheat production. In addition to the benefits of soil recovery, the move stimulated the cattle industry. It also had long-term benefits when the demand for beef increased again during World War II. By that time, the county’s cattle industry had introduced new breeds such as the Hereford and Black Angus.

At the close of World War II, an agricultural pattern emerged in the county’s central valley—a pattern that perseveres to this day. The pattern is based on the rotation of soft winter wheat and alfalfa hay crops with cattle as the balancing factor (note: agricultural patterns vary in the county’s western and eastern extremes where soil composition and climates differ). Although the agricultural makeup has not changed, the volume of wheat produced has. This is primarily due to the development of new high-yield varieties of winter wheat by scientists at Washington State University in the 1950s. Technological

advances in the areas of tilling, harvesting and irrigation also led to increased wheat production.

Two additional Klickitat industries with roots that go back as far as the first settlers are logging and lumber. This comes as no surprise. After all, there was an abundance of harvestable timber in areas just to the north and west of the Klickitat Valley. At first, loggers fell pines for homesteaders who, in turn, used them for log cabins and fuel. By 1860, the first sawmill was established in the valley as a means of producing lumber necessary to build early communities such as Goldendale as well as to satisfy the needs of newcomers who wished to live in houses rather than cabins.

By the 1880s, the county's lumber (and logging) industries were well established. However, as cold winters proved water-powered mills to be unreliable several months each year, the industry began converting to steam-powered mills. The process was fairly complete by the 1890s. In fact, new portable steam-powered mills operable at the logging site were developed to overcome the increasingly difficult task of hauling large, heavy logs from the forest to riverfront mills (note: some logging operations located near rivers were able to float logs downstream to mill sites). In 1892, there were nine lumber mills and five shingle mills operating in Klickitat County.

Through the turn of the century, the number of standing and portable mills increased. In fact, by 1903, there were 23 lumber mills plus seven mills that produced shingles, rail ties, and planed wood. Meanwhile, logging and lumber operations became increasingly more specialized, with only a few remaining as combined operations. By 1920, it was common practice for trucks to haul processed lumber from portable mills at the logging site. It was not until the 1930s that technological advances in truck and tire designs made it practical to transport unprocessed logs to full-scale mills in the valley. One of the last major events during that era was the introduction of portable, gas-powered chain saws just after World War II. Until that time, loggers continued to fall trees by hand. By the 1950s, though, chain saws were an industry standard.

During the 1950s, both The Dalles Dam and the John Day Dam were constructed on the Klickitat-Oregon section of the Columbia River. The dams were built to increase power for the growing population and to enhance navigation on the river. The dams also created some environmental problems; traditional salmon runs were altered and historic Indian villages and fishing sites such as those around Celilo Falls were submerged by backwater.

POPULATION

Trends

The population in Klickitat County has alternated between periods of relatively strong growth and stagnation since 1970 (see *Figure 1*). The Office of Financial Management estimated the 1997 population at 19,000, up 57 percent from the 12,138 of 1970. The state's population, by way of comparison, grew 64 percent during the same period. *Figure 2* indexes the population to 1970=100 and compares the county's growth rate to the state. The last actual head count, the 1990 Census, showed the Klickitat population to be 16,616.

The changes in the population of the county pretty well mirror the economic conditions of the county over

the 1970-97 period. An initial period of flatness (1970-74) was followed by a long period of growth until 1981 when the national "double-dip" recessions had a strong negative effect upon the county. Strong national and state-wide growth following those two recessions did not reach Klickitat County, or much of eastern and/or rural Washington for that matter. After actual declines in population (1986-87), the number of residents started growing again, and that growth has not abated through 1997. This same overall pattern applies to the labor force and to nonagricultural employment.

Figure 1
Population Trend
Klickitat County, 1970-1997
Source: Office of Financial Management

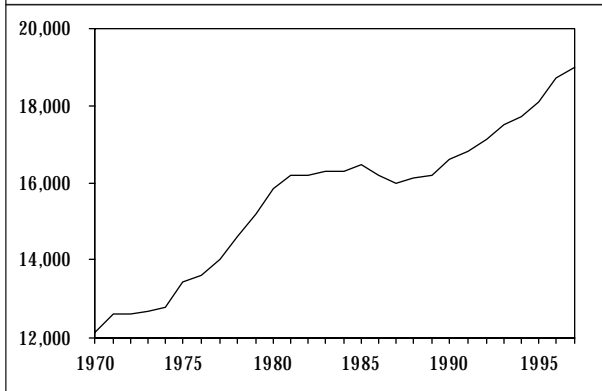
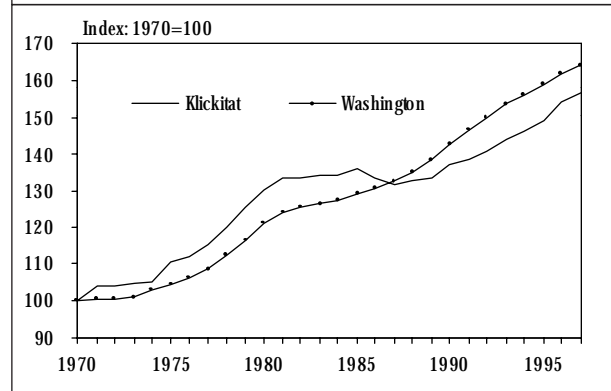


Figure 2
Population Trend
Klickitat County & Washington, 1970-1997
Source: Office of Financial Management



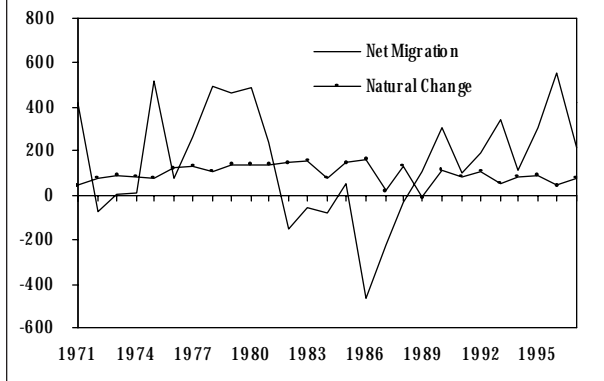
Components of Population Change

There are two components of population change: births and deaths, or the natural change, and in- or out-migration. For the most part, it is the migratory element that provides the greatest impetus for population change. Natural changes usually occur only as a result of major sociological upheavals. The Great Depression, for example, produced the lowest birth rates the country has

ever seen. Sharp migratory changes can and do happen from the course of one year to another.

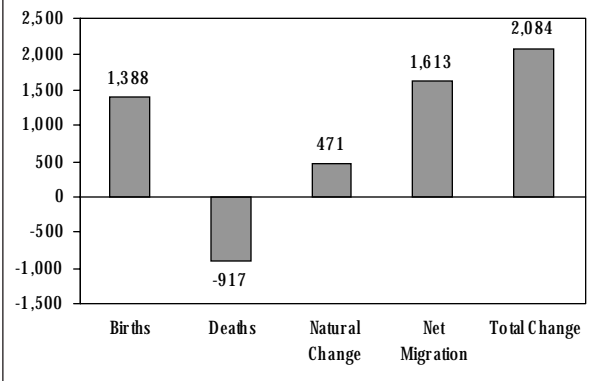
Figure 3 on the next page shows net migration and the natural change from 1971-97. The bulk of in-migration for Klickitat County came since 1989. Most of the 1980s were characterized by declines or decreases in net migration. The line showing the natural change shows

Figure 3
Population Change
Klickitat County, 1971-1997
Source: Office of Financial Management



only minor fluctuations. *Figure 4*, shows the specifics for the 1990-96 period. Births outnumbered deaths by

Figure 4
Components of Population Change
Klickitat County, 1990-1996
Source: Office of Financial Management



471; however, net migration produced an increase of 1,613 in the population. Migrants accounted for 77 percent of the county's population increase.

Populated Areas

Of Klickitat County's 19,000 residents in 1997, roughly two-thirds lived in unincorporated areas and one-third in incorporated areas. There are three municipalities in the county: Goldendale (1997 pop. 3,520), which serves as the county seat; White Salmon (pop. 1,990); and

Bingen (pop. 691). The three cities have each had about the same growth rate over the period shown. The unincorporated areas have grown much more than the incorporated ones.

Figure 5
Population of Cities, Towns, and County
April 1, 1990 to April 1, 1997
Source: Office of Financial Management

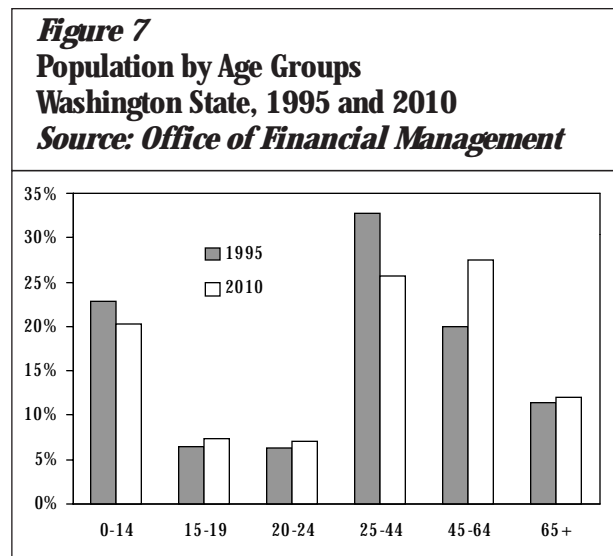
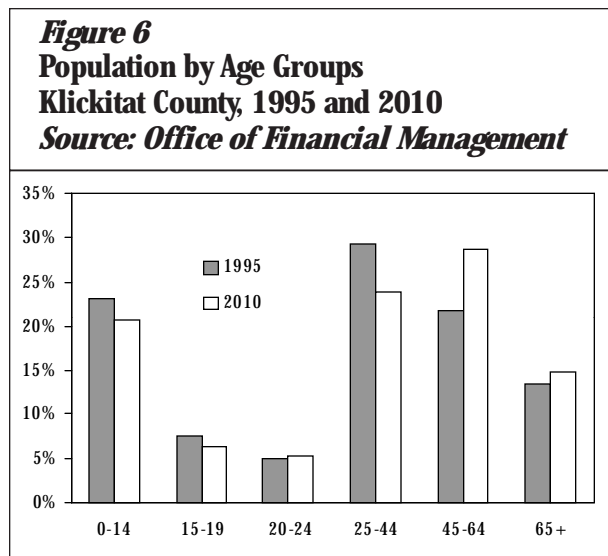
	1990	1991	1992	1993	1994	1995	1996	1997	% Change 1990-97
Klickitat County	16,616	16,800	17,100	17,500	17,700	18,100	18,700	19,000	14.3%
Unincorporated	10,786	10,935	11,173	11,565	11,700	12,000	12,550	12,799	18.7%
Incorporated	5,830	5,865	5,927	5,935	6,000	6,100	6,150	6,201	6.4%
Bingen	645	650	650	650	660	665	670	691	7.1%
Goldendale	3,324	3,345	3,365	3,375	3,425	3,460	3,490	3,520	5.9%
White Salmon	1,861	1,870	1,912	1,910	1,915	1,975	1,990	1,990	6.9%

Population by Age Groups

Disaggregated by age groups, the county's population shows many similarities to the state's; the predominant trend for both the county and the state is an aging population. Data from the 1990 Census show that median ages (the age at which half the population is younger and half is older) have increased since the 1980 Census. Klickitat County's increased from 30.4 to 34.4 years while Washington State's went up from 29.8 to 33.1.

This aging is expected to continue and can be observed by looking at *Figure 6* which estimates the percentage of the population that falls into various age

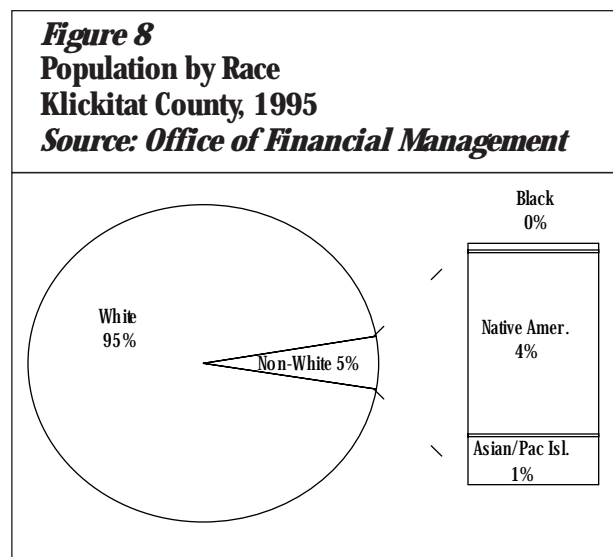
groups for 1995 and projects the groupings' size in 2010. The biggest changes should occur in the 25-to-44 year-old group which will fall from 29 to 24 percent of the total and the 45-to-64 year-old group which will grow from 22 to 29 percent of the total. These changes reflect the aging of the baby-boomers, those born from 1946 to 1964, who will be starting to reach retirement age in about ten years. To further illustrate the aging of the population, in 1995, those under 50 accounted for 72 percent of the total: in 2010, they will account for only 63 percent.



Population by Race and Hispanic Origin

Klickitat County has much less variation in its racial makeup than does the state or the nation. Estimates for 1995 by the Office of Financial Management show that the county's non-white population only constituted 5 percent of the total. *Figure 8* shows the share size of the various races. The percentages shown on the chart equate to 17,138 whites, 735 Native Americans, 191 Asian and Pacific Islanders, and 35 blacks. Those of Hispanic origin, who can be of any race, made up 7 percent of the population, totaling 1,351.

Although whites are by far the largest racial group in Klickitat County, growth rates from 1990 to 1995 show strong increases in the non-white population and quite moderate growth in the white population. Non-whites in Klickitat County increased their numbers by 26 percent while the white population grew by 8 percent.



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 looking for work. This excludes those serving in the armed forces. In 1993,

Klickitat County's labor force was estimated at 8,780. Like the general population, expansions and contractions of the labor force are seen as indicators of an area's economic health.

Trends

Between 1970 and 1996, Klickitat County's labor force grew 70 percent (see Figure 9). The largest part of that growth took place between the national recessions of the early 1970s and the early 1980s. From 1976 to 1981 the labor force increased by 2,230; for the entire 1970-97 period, the growth was 3,610. To put it differently, 62 percent of the labor force's growth since 1970 occurred during that 5-year span.

The 1980s were a time of slow or no growth in the labor force, but since the 1990-91 national recession, increases have been quite strong, with the number going from 7,730 in 1991 to 8,780 in 1996. While the growth of the last five years has not equaled that of the late 1970s, it has averaged close to 3 percent annually since 1991.

Figure 9
Civilian Labor Force
Klickitat County, 1970-1996
Source: Employment Security Department

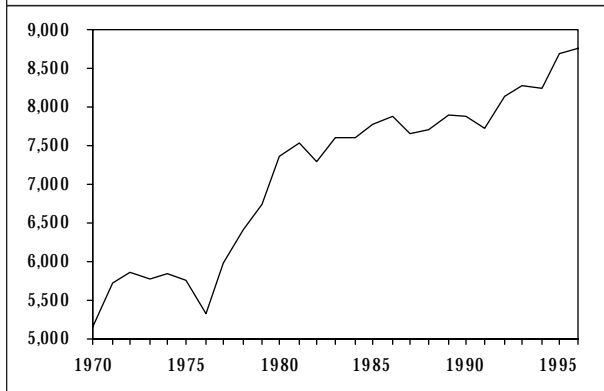
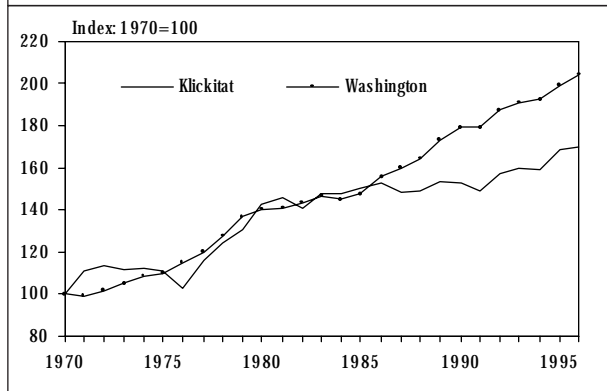


Figure 10
Civilian Labor Force
Klickitat County & Washington, 1970-1996
Source: Employment Security Department



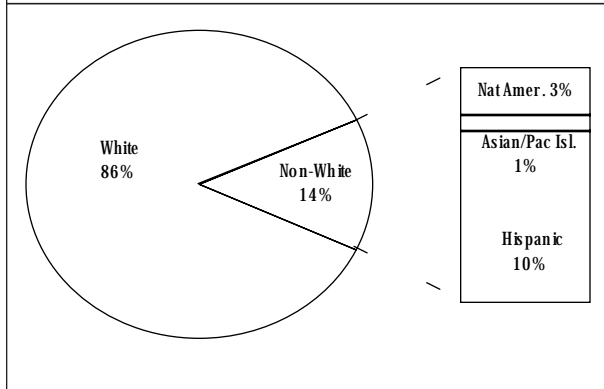
Demographics

According to Employment Security Department figures for Klickitat County, the civilian labor force has about the same racial diversity as the general population (see Figure 11 on the next page). In these figures for 1995, compiled by Employment Security Department analysts, those of Hispanic origin are disaggregated from the racial groups. That is, the number of whites is actually the number of non-Hispanic whites: those whites of Hispanic

origin are included only in the Hispanic origin group. Even so, non-Hispanic whites constitute 86 percent of the total (7,520). Non-Hispanic Native Americans made up 3 percent (240), and non-Hispanic Asians and Pacific Islanders accounted for 1 percent (80). Those of Hispanic origin numbered 870, or 10 percent of the total.

Men in the labor force outnumbered women 5,330 to 3,380 in 1995 (61 vs. 39 percent). And, unlike much

Figure 11
Labor Force by Race & Hispanic Origin
Klickitat County, 1995
Source: Employment Security Department



of the rest of the state, these figures haven't changed much over time. Women accounted for 38 percent of the labor force in 1980 and 40 percent in 1990 (U.S. Census figures). Statewide in 1995, women had a 45 percent share.

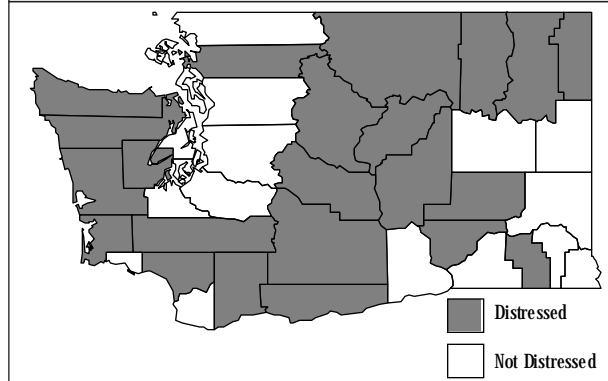
UNEMPLOYMENT

As mentioned earlier, the civilian labor force consists of those who are working and those who are not working but are actively 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. The unemployed do not include retirees, persons in institutions, or those who have come to be known as “discouraged workers,” i.e., persons who would like to work but who are not actively searching for a job. None of these groups of people are included in the unemployment figures because they are not looking for work.

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

Figure 12 shows the counties in Washington that are considered to be *distressed*, that is, they have unemployment rates 20 percent higher than the statewide average

Figure 12
Distressed Counties
Washington State, 1996
Source: Employment Security Department



for three consecutive years. Klickitat County is included among the distressed counties, making it eligible for some preference in bidding for government contracts.

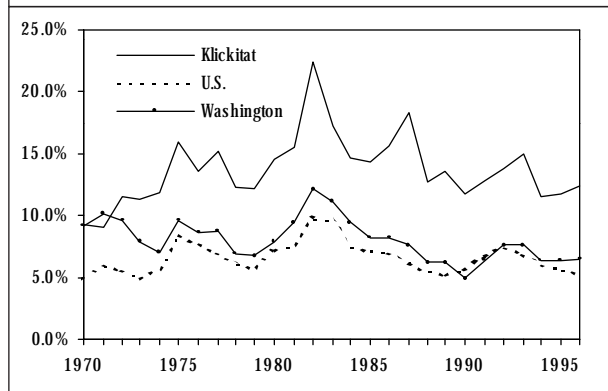
Trend

In 1970, the unemployment rate in Klickitat County was fractionally higher than in Washington State. In 1971, it was a full percentage point lower. Those two years were the last time there was any comparability between the two. Since then, a large gap has developed between the two with Klickitat County having a disturbingly high rate of unemployment (see Figure 13).

Between 1970 and 1974, unemployment in Klickitat County rose from 9 percent to nearly 12 percent. Following a national economic recession lasting from November 1973 through March 1975, the unemployment rate soared. By 1975, unemployment in Klickitat County was 16 percent. Through the end of the decade, however, the jobless rate gradually receded to 12.2 percent.

Statewide, the unemployment rate fell between 1970 and 1974 from 9.2 percent to 7.1 percent. In the wake of the recession, it climbed to 9.6 percent. However, the contrasts are most pronounced when comparing state and local jobless rates with the lower national rates. During the 1970s, national unemployment rates gener-

Figure 13
Unemployment Rates
Klickitat Co., Washington, & U.S., 1970-1996
Source: Employment Security Department



ally stayed between 5 and 8 percent. Only at the height of the 1975 recession did nationwide unemployment climb as high as 8.5 percent.

The early 1980s brought two national economic recessions—one lasting from January 1980 through July of that year and the other from July 1981 through November 1982. In their path, jobless rates soared. Klickitat County's unemployment rate climbed from 12.2 percent in 1979 to 22.4 percent in 1982—a record high. From 1982 through 1990, the unemployment rate for the nation and the state steadily subsided, reflecting the economic expansion of the 1980s. However, the rate in Klickitat County remained stubbornly high: restructuring of local industries (i.e., timber) was taking its toll.

The expansion of the 1980s peaked in 1990, and the recession of 1990-91 boosted unemployment rates in the county, the state, and the nation. This tandem rise in rates, though, ended in 1993 when Washington's rate flattened and the nation's rate declined, but Klickitat's rate rose again. The jump to 15.0 percent in 1993 is the highest since 18.4 percent in 1987. After falling from that high to 11.5 percent the next year, it has been creeping back up to 11.7 percent in 1995 and 12.4 percent in 1996.

Demographics

Preliminary estimates made by Employment Security Department analysts in 1995 put the overall unemployment rate at 11.6 percent (7,700 employed and 1,010 unemployed). The unemployment rate for males (13.5 percent) was significantly higher than females (8.6 percent). Non-Hispanic whites had a rate of 10.6 percent;

Non-Hispanic Native Americans, a huge 50.0 percent (120 employed and 120 unemployed); Non-Hispanic Asian/Pacific Islanders had 80 employed and fewer than 10 unemployed, so a rate could not be estimated; and those of Hispanic origin posted a 10.3 percent rate (780 employed and 90 unemployed).

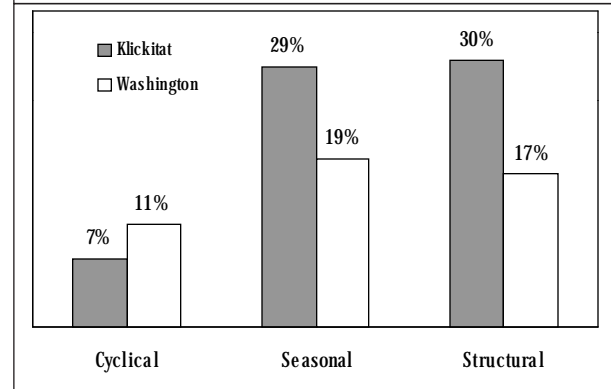
Industrial Typology

A number of specific industries within Washington State have been defined as being seasonal, cyclical, or structurally mature. These designations relate to the level of variation in employment or to a decrease in employment over specific time periods. Because all three categories are reflective of employment instability or change, the degree to which a county's economic base depends upon these industries reveals a tendency toward or away from unemployment.

The number of workers employed in these type industries in Klickitat County has been tabulated (*Figure 14*). In 1996, 29 percent of all employment was concentrated in seasonal industries, 30 percent in structurally mature industries, and only 7 percent in cyclical industries. In comparison, the statewide typology was as follows: 19 percent seasonal, 17 percent structurally mature, and 11 percent cyclical.

Note: 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.

Figure 14
Industrial Typology
Klickitat County & Washington, 1996
Source: Employment Security Department



Industries with *seasonal* employment patterns are characterized by large employment increases and decreases in particular months of the year. These variations occur during the same months each year and are caused by factors that repeat each year. Poor weather conditions, holiday seasons, and weather related activities such as harvesting are examples of such factors.

Industries with *cyclical* employment patterns are characterized by sharp increases and decreases in employment during periods of general economic growth and contraction. The employment patterns are generally related to upswings and downturns in overall economic activity. Industries such as ship building and aerospace and automobile manufacturing are examples.

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.

Klickitat County has a larger percentage of workers in seasonal industries than does the state, a smaller percentage in cyclical industries, and a larger percentage

in structurally maturing industries. Given these concentrations of employment, there should be a high level of fluctuation in employment and unemployment during the course of a year based on seasonality. But the lower concentration in cyclical industries should shield the labor market, to a degree, from severe business cycle fluctuations (expansions and contractions). The higher concentration in structurally mature industries, however, has a negative influence on long-term basic employment.

Because Washington's economy is distributed amongst cyclical, seasonal, and structurally maturing industries—but not overly concentrated in any of the three—the state typically experiences unemployment rates more representative of those nationwide, and less volatile than those in areas such as Klickitat County.

Unemployment Insurance Claims

When deriving unemployment figures, one of the key factors in the computation is the number of people who file claims for unemployment insurance benefits. The accompanying table (*Figure 15*) lists, by occupation rather than industry, the number of people who filed claims between July 1, 1995 and June 30, 1996, in Klickitat County and Washington State.

Sorting the professions, rather loosely, into blue-collar and white-collar groupings, and comparing the county to the state, a strong difference between the respective employment bases is readily discerned. White-collar subsumes professional and related, clerical, sales, and services professions; blue-collar subsumes the rest. The miscellaneous category is excluded.

Figure 15
Unemployment Insurance Claimants
Klickitat County & Washington State; July 1, 1995 - June 30, 1996
Source: Employment Security Department

	Klickitat		Washington State	
	Claimants	Percentage	Claimants	Percentage
Packaging and material handling	242	13.9%	29,282	7.9%
Agriculture, forestry and fishing	241	13.9%	26,930	7.3%
Structural work	214	12.3%	64,054	17.3%
Service	182	10.5%	38,960	10.5%
Professional/technical/managerial	179	10.3%	62,531	16.9%
Machine trades	174	10.0%	23,242	6.3%
Motor freight and transportation	140	8.1%	17,141	4.6%
Clerical	102	5.9%	42,905	11.6%
Processing	96	5.5%	16,779	4.5%
Miscellaneous, NEC	90	5.2%	17,659	4.8%
Benchwork	53	3.0%	12,155	3.3%
Sales	26	1.5%	19,037	5.1%
Total	1,739	100.0%	370,675	100.0%
White-Collar*	489	29.7%	163,433	46.3%
Blue-Collar*	1,160	70.3%	189,583	53.7%

**Miscellaneous/NEC occupations excluded*

Klickitat County had 30 percent of its claims originate from white-collar occupations whereas the state as a whole had 46 percent. This leaves 70 percent of the county's claims stemming from blue-collar jobs as opposed to 54 percent statewide. The biggest number of

UI claims in the county came from agricultural and packaging/material handling professions whereas the largest numbers statewide came from structural (mainly construction) and professional occupations.

INDUSTRIES, EMPLOYMENT, AND WAGES

Data in this section are derived from two different Bureau of Labor Statistics programs which are conducted in Washington State by the Employment Security Department. The first, called CES (Current Employment Statistics), generates monthly nonagricultural employment figures; the second, the quarterly Employment and Wages

program (ES-202), includes data on both nonagricultural and agricultural employment covered under the state unemployment insurance program. All wage data and agricultural employment data in this section stem from the Employment and Wages program; other employment information comes from the CES program.

Trend

The two charts, *Figures 16 and 17*, portray Klickitat County nonfarm employment from 1970 to 1996. The first one shows the number of jobs while the second one indexes the numbers to 1970=100 and compares Klickitat County with Washington as a whole. County employment grew from 3,360 in 1970 to 5,350 in 1996, a 59 percent increase. Over the same period, the state's employment increased by 123 percent, about twice the county's gains. As the second chart shows, job growth in the county fairly closely paralleled that of the state through 1981, then fell behind significantly and stayed behind.

The "double-dip" national recessions of the early 1980s caused a decrease in jobs statewide and in Klickitat County. However, the effect upon the county was greater than upon the state, and when the state recovered in 1984, the county's jobs started falling again. It was not until 1989 that the county recovered completely, i.e., exceeded its previous employment peak of 1981. Employment plateaued from 1990 to 1993, made good increases in 1994 and 1995, and then a small increase in 1996. In general, though, job growth in the county since the early 1980s has significantly lagged the state.

Figure 16
Nonagricultural Wage & Salary Employment
Klickitat County, 1970-1996
Source: Employment Security Department

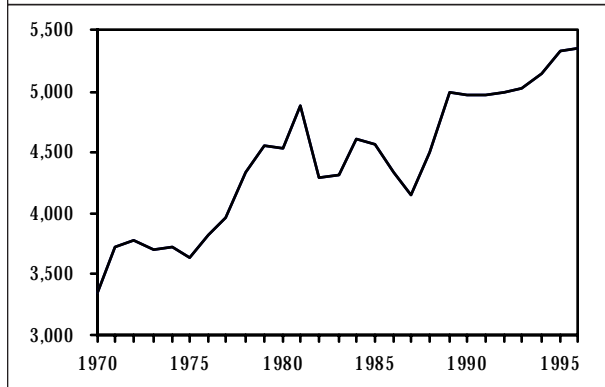
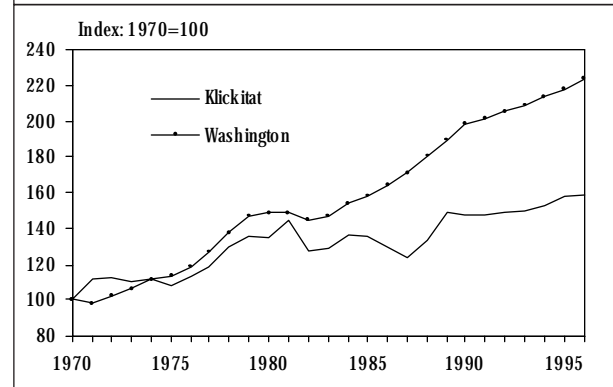


Figure 17
Nonagricultural Wage & Salary Employment
Klickitat County & Washington, 1970-1996
Source: Employment Security Department



Location Quotients

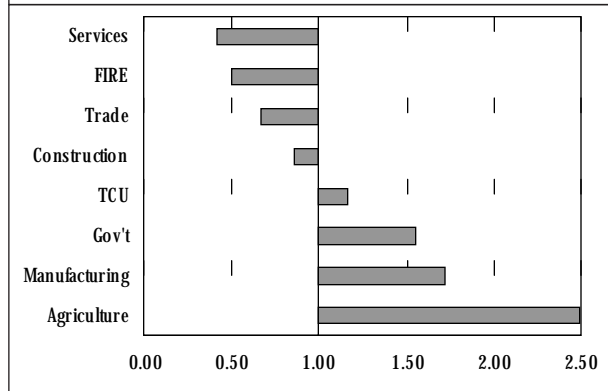
One way to determine how an area's economy is shaped is to compare it to another area. The following section shows how employment patterns in Klickitat County both differ from and coincide with Washington. When comparing the county's shares of employment by industry to Washington State's shares, it is apparent that some county employment is distributed differently than statewide employment. The *location quotient* compares the share of total employment a particular industry has in the county with the share that same industry has statewide.

The quotient is determined by dividing the employment share of a particular industry or sector at the state level into the share of county employment of the same industry or sector. A quotient of 1.0 denotes an industry in which the county is typical to the state as a whole; a value above 1.0 shows an industry with a higher concentration of employment; and a value below 1.0 marks a county industry with a lesser concentration of employment than in the same industry statewide.

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 18 shows the location quotients of the major industry sectors in Klickitat County based on covered em-

Figure 18
Location Quotients
Klickitat County, 1996
Source: Employment Security Department



ployment. An equal number of industries have quotients below and above 1.0. Residents probably have to leave the county to obtain the goods or services whose industry quotients are well below 1.0. However, there is considerable exportation of manufacturing and agricultural products. The large value for government is probably skewed; the services provided (e.g., schools) are considered essential and must be provided regardless of the county's small population base. Economies of scale, which occur in more densely populated counties, are not realized. (The quotients within government are: federal, 1.34; state, 0.69; and local, 1.98.)

Annual Average Wage

The annual average wage is derived by dividing the total wages paid in an area by the annual average employment in that area. Employment not covered by the unemployment insurance program is 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 1996 dollars.*)

From 1970 to 1996, the county's average wage, in real terms, decreased from \$26,642 to \$25,378. In the interim, significant changes occurred: it reached a peak of \$32,308 in 1981 and hit a low of \$22,146 in 1994. There was a relatively small increase in 1995 and a very large one in 1996: however, the change in 1996

may have been a one-time occurrence relating to large bonus payments within the aluminum industry (the aluminum plant's payroll change was large enough to account for most of the change in the county's overall average wage).

Figure 19 on the next page contains the average wages for the major industry sectors and some specific industries in Klickitat County and compares them with statewide averages. The county's average, at \$25,378 in 1996, was 88 percent of Washington's wage. Except for manufacturing, all sectors (and most industries) in the county have a lower average wage than the statewide counterparts. The manufacturing sector,

Figure 19
Annual Average Covered Wages, 1996
Klickitat County and Washington State
Source: Employment Security Department

	Klickitat	Washington		Klickitat	Washington
<i>Total</i>	\$25,378	\$28,884	Food Stores	\$10,562	\$18,118
<i>Agriculture</i>	\$12,713	\$14,510	Auto Dealers & Svc Stations	\$17,959	\$26,113
Agricultural Prod - Crops	\$12,149	\$11,381	Eating & Drinking Establish	\$7,247	\$9,991
Agricultural Prod - Livestock	\$14,726	\$18,451	<i>Services</i>	\$14,742	\$28,074
<i>Construction</i>	\$24,666	\$30,970	Hotels & Other Lodging	\$8,411	\$15,187
General Building Contractors	\$18,917	\$29,435	Personal Services	\$8,999	\$14,887
Heavy Construct Contractors	\$36,554	\$38,591	Business Services	\$17,094	\$41,857
Special Trade Contractors	\$20,826	\$29,266	Auto Repair, Svcs, & Garages	\$17,561	\$21,924
<i>Manufacturing</i>	\$41,764	\$39,091	Amusemnt & Recreation Svcs	\$8,646	\$17,403
Food Processing	\$17,371	\$28,399	Health Services	\$20,725	\$28,198
Lumber & Wood Products	\$25,746	\$32,796	Legal Services	\$17,602	\$37,336
Stone, Clay, Glass, Concrete	\$15,318	\$32,186	Social Services	\$13,262	\$14,915
<i>TCU</i>	\$30,035	\$35,880	Membership Organizations	\$6,580	\$19,181
Trucking & Warehousing	\$27,105	\$27,320	Engnr, Acctng, Rsch, Mgmt	\$22,263	\$41,063
<i>Trade</i>	\$12,854	\$20,643	Private Households	\$8,973	\$8,835
<i>Wholesale</i>	\$16,191	\$34,884	<i>Government</i>	\$26,175	\$31,957
<i>Retail</i>	\$10,993	\$16,081	Federal	\$32,646	\$39,649
General Merchandise Stores	\$11,078	\$18,103	State	\$29,679	\$32,277
			Local	\$24,434	\$29,696

whose average is greater than statewide manufacturing, is boosted by high wages in the aluminum industry

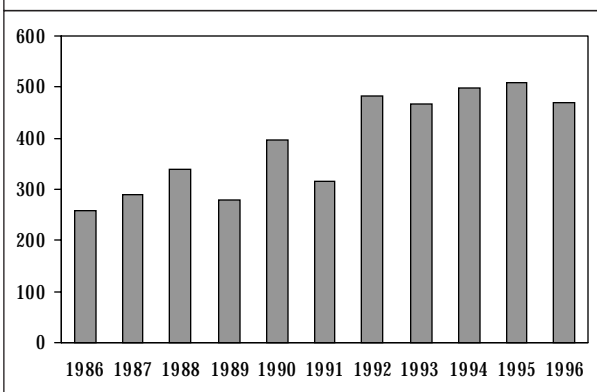
(whose employment and wages are suppressed here because of confidentiality requirements).

Agriculture

Agriculture is a strong industry in Klickitat County. A big hay and livestock producer, the county also grows large quantities of field crops (wheat, barley, oats, corn, potatoes, etc.) and tree fruits (apples, pears, cherries, and grapes). Based on 1996 employment levels, agriculture represented about 9 percent of Klickitat's covered employment base. This equates to 534 workers on average, most of who are working in either fruit orchards or field crops.

Klickitat's farm employment has been quite stable over the last decade (*Figure 20*). The apparent increase from 1991-92 was due not so much to an increase in employment but, rather, a reflection of changes in unemployment insurance regulations which brought all farm workers under coverage—and enumeration—that year. Since 1992, yearly fluctuations in employment have been minor, increasing or decreasing by no more than 30 to 40 workers.

Figure 20
Crop Production Employment
Klickitat County, 1986-1996
Source: Employment Security Department



In 1996 dollars, the average wage paid in the agriculture, forestry, and fishing sector was \$12,713, about 88 percent of the statewide sector average. Within the crop production industry itself, the average was \$12,149, higher than the same industry statewide.

The averages, however, can be misleading; the wage is determined by totaling all the wages paid by employers for the year and dividing it by the average employment for the year. Because no differentiation is made between part-time and full-time employment, the wages

can appear to be understated if there are significant numbers of part-time workers, as there are in agriculture.

Even so, the 1996 sector average wage in Klickitat County was considerably lower than the \$14,510 posted for the same industry statewide. Part of the explanation for this rests with the types of agriculture present. There is, for example, very little Klickitat employment in live-stock production or agricultural services, both of which normally have higher average wages. Statewide, there is proportionally much more employment in these areas.

Construction

Note: Mining employment is included with construction in this data series; however, because mining employment numbers are so small, this discussion will only refer to construction.

After a long period of stagnation, construction employment in the county has been increasing since 1989 (see Figure 21). The most recent data (1996) showed Klickitat County having 280 workers in the construction industry.

Klickitat's construction sector showed significant employment swings over the last two decades. From levels of 450 in 1970 and 630 in 1971, employment plummeted to 180 in 1973—a loss of more than 70 percent.

At that time, expansions of The Dalles Dam and John Day Dam—originally constructed in the 1950s and 1960s—were being completed. Ten years later, construction and mining employment soared from 180 in 1980 to 520 in 1981—nearly three fold—when the Martin Marietta aluminum plant was constructed in Goldendale. The employment level remained at about 100 through 1989, after which it started its increase.

The average wage in 1996 for construction was \$24,666 in Klickitat County—slightly less than the county's overall average of \$25,378. And this wage was considerably less than the statewide construction wage of \$30,970, which is driven by the higher pay rates of the metropolitan Puget Sound area.

Figure 21
Construction & Mining Employment
Klickitat County, 1970-1996
Source: Employment Security Department

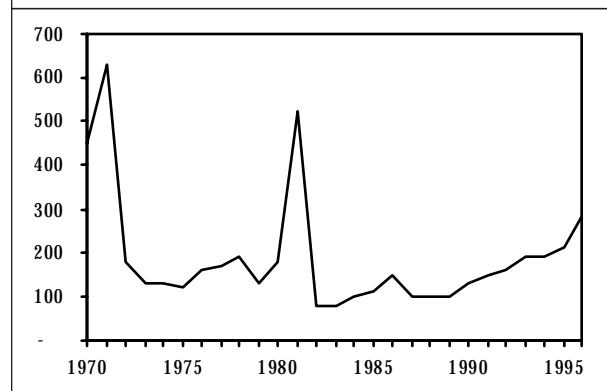
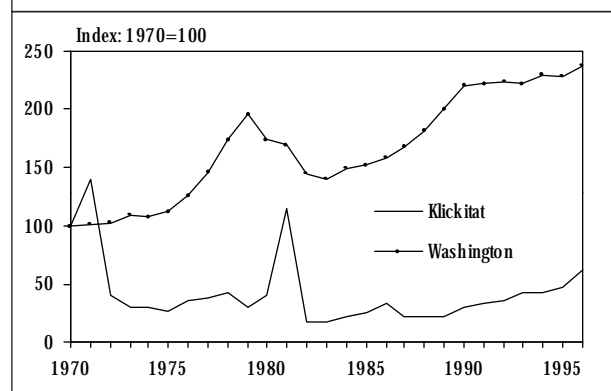


Figure 22
Construction & Mining Employment
Klickitat County & Washington, 1970-1996
Source: Employment Security Department



Manufacturing

Compared to Washington State, Klickitat County has a large concentration of its employment in manufacturing. The state had only 14 percent of its nonagricultural employment in manufacturing in 1996 compared to Klickitat County's 24 percent (1,290 workers). *Figures 23 and 24* show the number of jobs in the manufacturing sector since 1970 and the growth rate of the sector compared to statewide manufacturing (employment is indexed to 1970=100). Growth in the county outpaced that of the state for most of the period shown except in 1987 and throughout the 1990s. The sharp downward spike in 1987 was caused by layoffs in the aluminum industry, and the gradual decreases of the 1990s stem from the timber industry.

The size of the manufacturing sector can be attributed to two industries; lumber and wood products—the timber industry—and aluminum production. These two resource-based industries account for the great bulk of manufacturing employment in the county, about 85 percent.

Employment in the timber industry is fairly evenly grouped into three sectors: logging, sawmills, and veneer and plywood mills. Timber employment, over the last decade, had its peak in 1988 with 959 workers. After falling in both 1990 and 1991, it stayed at the 1991 level for three years (about 680 jobs). Declines have occurred every year since, although the 1996 drop was minor. The 1996 employment was 509. In the most recent years, the largest job losses have been at sawmills. Overall, these decreases in the timber industry have been severe (a 47 percent decline since 1988), and are be-

hind the overall manufacturing decline of the 1990s. *Figure 25* shows covered timber employment for the last ten years.

Average wages in Klickitat County's lumber and wood products industry (\$25,746 in 1996) are higher than the county's overall average wage, though lower than the statewide average for the same industry (\$32,796).

Specific data about the aluminum industry are suppressed for reasons of confidentiality; however, the local industry is a major player in the county's economy. It employs a substantial number of workers and injects a very large payroll into the area.

Figure 24
Manufacturing Employment
Klickitat County & Washington, 1970-1996
Source: Employment Security Department

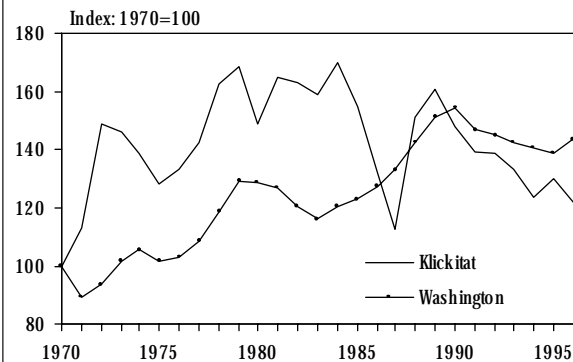


Figure 23
Manufacturing Employment
Klickitat County, 1970-1996
Source: Employment Security Department

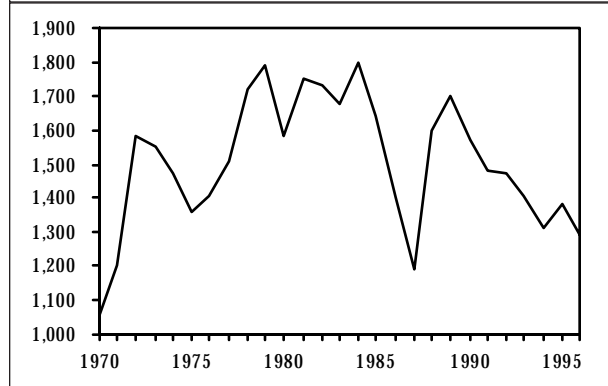
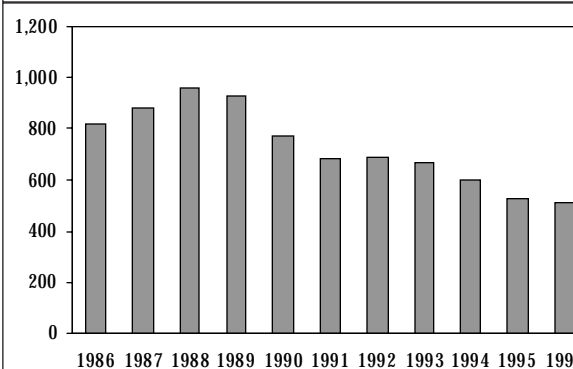


Figure 25
Lumber & Wood Products Employment
Klickitat County, 1986-1996
Source: Employment Security Department



The average wage in 1996 for all manufacturing in the county was \$41,764, significantly higher than the county's overall average and even higher than the state-

wide manufacturing average (\$39,091), which is driven by high tech and aerospace firms in the Puget Sound area.

Transportation, Communications, & Utilities (TCU)

In Klickitat County, the TCU sector includes trucking and warehousing, communications, and electric/gas/sanitary services. Employment growth has varied widely (see Figures 26 and 27). From a low of 170 in 1982 to a high of 340 reached in 1993, the fluctuations in employment have resulted in an annualized growth rate of only slightly over 1 percent.

In terms of employment, the sector is dominated by electric/gas/sanitary services, which accounts for over

half of sector employment. Trucking and warehousing made up about one-third of the total and most of the remainder was in communications.

The average TCU wage in 1996 was \$30,035, compared to the sector's statewide average of \$35,880. In Klickitat County, electric/gas/sanitary services had the highest wage at \$33,831, followed by trucking and warehousing at \$27,105 and communications with \$24,905.

Figure 26
Transportation, Commun. & Util. Employ.
Klickitat County, 1970-1996
Source: Employment Security Department

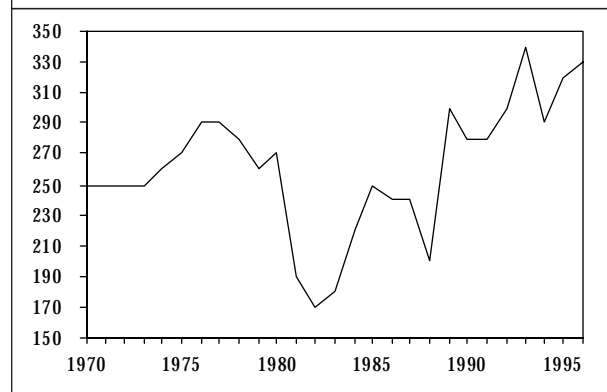
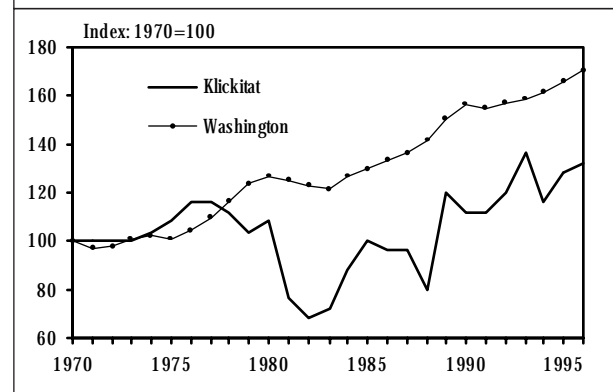


Figure 27
Transportation, Comm. & Util. Employ.
Klickitat County & Washington, 1970-1996
Source: Employment Security Department



Trade

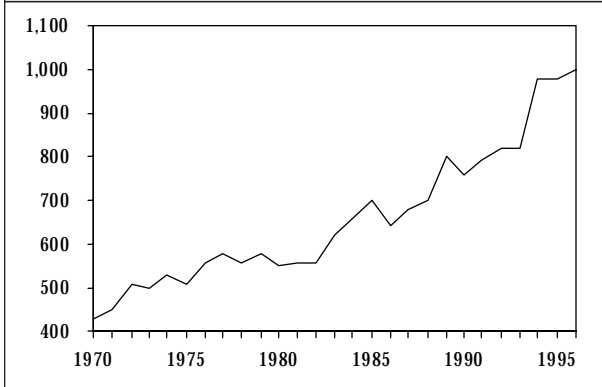
As the location quotient for trade showed, there is a disparity between the level of employment in the trade sector in Klickitat County compared to the statewide average. This is driven by retail trade, whose quotient is 0.76—the quotient for wholesale trade is 1.18 (statewide, retail trade employment constitutes 19 percent of all employment while in Klickitat County the figure is 12 percent).

Over the course of the last quarter-century, employment in trade has expanded fairly consistently, with most of the growth coming after the “double-dip” national recessions of the early 1980s (see Figure 28 on the next

page). From 1970 through 1982, 130 new jobs were created; from 1982 to 1996, 440 jobs were added. The cumulative growth rate (Figure 29 on the next page) shows that, after 1977, job creation in the county lagged the state by large margins until 1993, when the gap narrowed appreciably. In 1996, sector employment stood at 1,000.

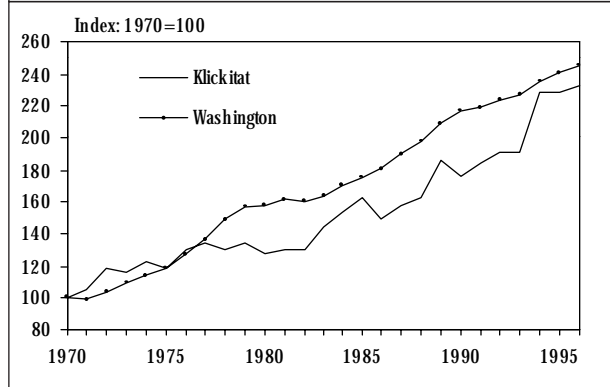
The largest employers in the industry in 1996 were wholesale trade (nondurable goods), food stores, and eating and drinking places. Combined, these three sectors accounted for 73 percent of total trade employment in Klickitat County.

Figure 28
Trade Employment
Klickitat County, 1970-1996
Source: Employment Security Department



Trade industries, in comparison to other sectors, have relatively low average wages; the lowest in the county aside from agriculture. As with agriculture, the low wage is driven by significant amounts of part-time employment as well as by traditionally low pay in some industries. In

Figure 29
Trade Employment
Klickitat County & Washington, 1970-1996
Source: Employment Security Department



1996, average yearly wages in wholesale and retail trade were \$12,854. Of the three major employers, wholesale trade paid the highest wage, \$16,191. Food store employment averaged \$10,562; eating and drinking places averaged \$7,247. All the wages were also lower than their statewide counterparts.

Finance, Insurance, and Real Estate

While employment in finance, insurance, and real estate (FIRE) has not amounted to a significant portion of the county's total employment, it has, nevertheless, grown about 75 percent over the last 25 years (*Figures 30 and 31*). Strong growth occurred throughout most of the 1970s until 1980, but that was followed by decline and stagnation until 1990. Sector employment was about 140 in 1996, with jobs distributed relatively equally between finance, insurance, and real estate.

The average wage in the FIRE sector falls below the overall average for the county as well as the average for FIRE employment statewide. Within the sector, the highest wage level was found in depository institutions while the lowest was in real estate, where there were high levels of part-time work.

Figure 30
Finance, Insurance, Real Estate Employment
Klickitat County, 1970-1996
Source: Employment Security Department

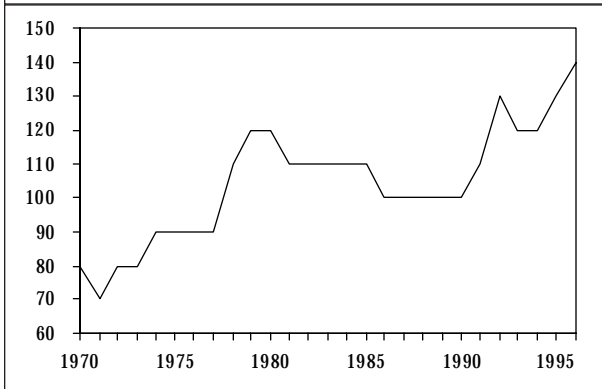
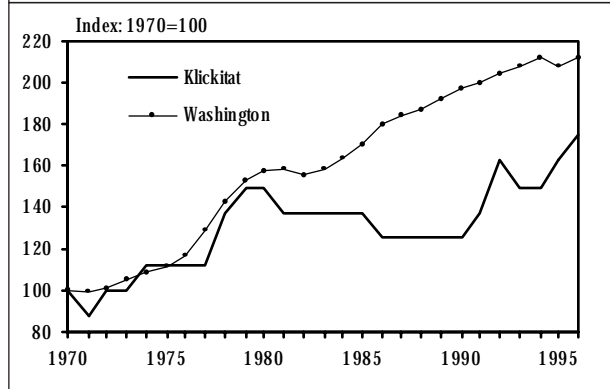


Figure 31
Finance, Insurance, Real Estate Employment
Klickitat County & Washington, 1970-1996
Source: Employment Security Department



Services

The services sector encompasses widely differing industries, as diverse as health care, auto repair, hotels, or legal services. The chief ones in Klickitat County, by 1996 covered employment numbers, are health care (174) and social services (100).

Employment in services increased from 220 in 1970 to 650 in 1996: this 195 percent gain was by far the largest increase of any sector in the economy. Other than several relatively minor downturns during periods of national recession, the pattern has been one of relatively

strong growth. *Figures 32 and 33* show the employment patterns since 1970.

The average services wage (\$14,742) in 1996 was only 53 percent of the statewide wage for services. However, the level fluctuated fairly widely among the different industries: engineering, accounting, and research services was the highest at \$22,263; membership organizations was the lowest at \$6,580. Health services, the industry with the most employment, paid a \$20,725 annual average wage.

Figure 32
Services Employment
Klickitat County, 1970-1996
Source: Employment Security Department

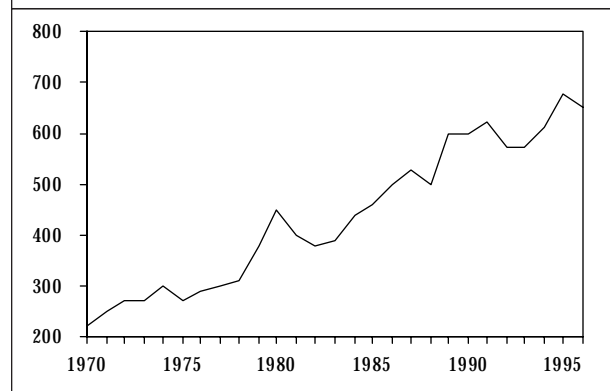
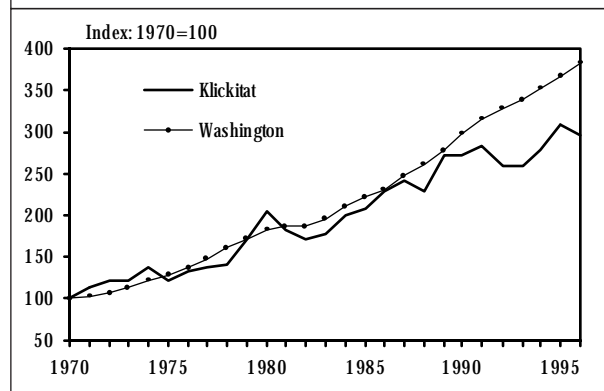


Figure 33
Services Employment
Klickitat County & Washington, 1970-1996
Source: Employment Security Department



Government

The largest employer in Klickitat County is government. Its payroll, 1,660 in 1996, constituted 31 percent of all nonagricultural employment. Its numbers have increased 91 percent since 1970. (At that time, there were 870 government workers, or 26 percent of the total, so both the numbers and share size have increased over the last two decades.)

Employment grew steadily and fairly gradually from 1970 through 1977, when it dramatically shot up. After peaking in 1980, the numbers declined in 1981, 1982, and 1983. A period of only slight growth and stagnation ensued until 1988 when the rate of increase again quickened; growth has been moderate to strong since then.

Of government employment in the county in 1996, the great bulk, about 75 percent, was local government (the majority of which is related to K-12 education). This contrasts sharply with statewide public employment where local government only accounted

for 58 percent of the total. In Klickitat County, the federal government accounted for 14 percent and state government made up the rest, about 11 percent. Throughout the state, federal government averaged 16 percent of public employment while state government garnered a 25 percent share.

Government wages do much to bolster the annual average wage in the county. Although less than, for example, manufacturing wages, their average is higher than the countywide average, employment is relatively stable, and there are large numbers of government workers on payroll. Overall, the government average wage in the county was \$26,175 in 1996. Federal government paid a \$32,646 average, state government came in at \$29,679, and local government paid \$24,434. The high federal wages stemmed from engineers associated with the dams on the Columbia River.

Figure 34
Government Employment
Klickitat County, 1970-1996
Source: Employment Security Department

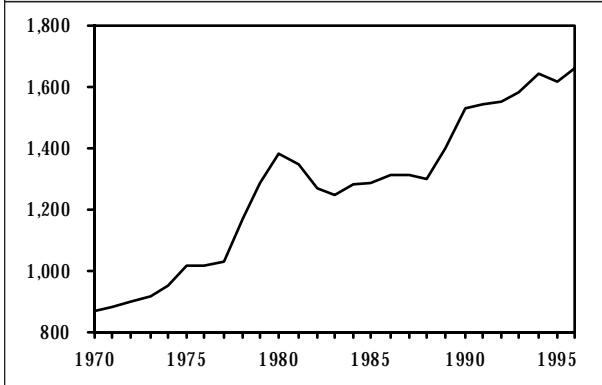
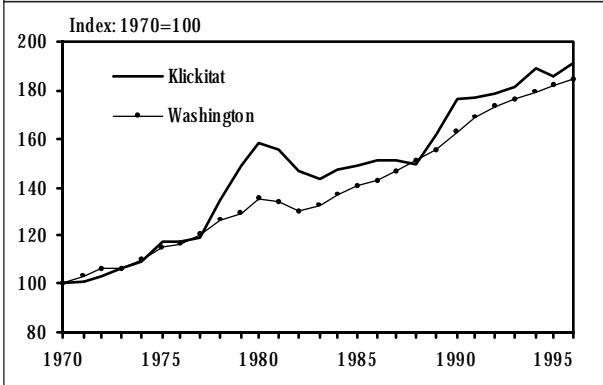


Figure 35
Government Employment
Klickitat County & Washington, 1970-1996
Source: Employment Security Department



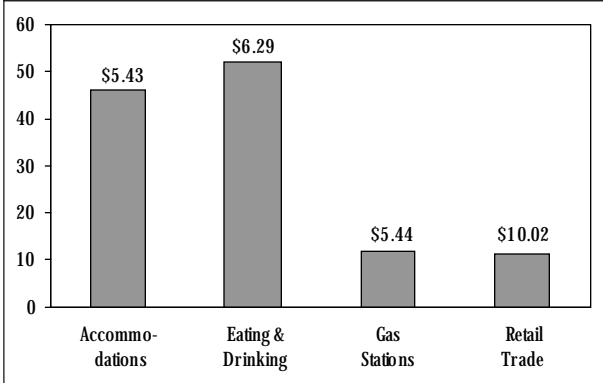
Tourism

Tourism is not considered an industry, per se, by the federal Office of Management and Budget in its delineation of industrial categories and subcategories. Nevertheless, because tourist activity can have a significant impact on an area, it is worth looking into. Klickitat County has many attractions to draw tourists, particularly the Columbia River Gorge, which was designated a National Scenic Area in 1986.

Dean Runyan Associates surveyed businesses and prepared a report for the Washington State Department of Community, Trade, and Economic Development on the travel industry in Washington (Travel Industry Employment in Washington State, 1996). Applying the study's methodology to Klickitat County provides numbers relating to employment and wages generated by tourism, or the travel industry as it is called by the report. By selecting those industries that cater to tourists and determining the proportion of their business that stems from travelers (via survey), the amount of travel-related employment can be calculated. Industries include restaurants, food stores, gas stations, travel agents, etc.

Employment in the travel-related, or tourism, industry has increased of late, and has increased faster than employment in the county as a whole. From 1993 to 1996, it expanded from 121 to 139, a 14 percent gain; simultaneously, total covered employment throughout the county grew by only 9 percent. The total payroll for the travel (or tourism) industry was estimated at \$1.75 million in 1996.

Figure 36
Tourism Employment & Avg. Hourly Wage
Klickitat County, 1996
Source: Employment Security Department



The statewide tourism industry accounted for 3.9 percent of all statewide employment compared to Klickitat's 2.4 percent. To reach the same level of employment tourism enjoys statewide, county employment would have to expand significantly. Given the attractions of Klickitat County and the Columbia River, the relatively sparse population of the county compared to the state, and the lesser share of tourism-related employment, the indications are that this area of enterprise remains relatively undeveloped.

The advantages of tourism-related employment, though, are not unmixed. Looking at Figure 36, which shows employment and wages in the larger tourism industries in the county, one can see that the hourly wages

in these industries are relatively low. Wages have been adjusted to a 40-hour work week and, where appropriate, tip income has been included. Although wages are

not high, the travel-tourism industry does provide broad-based employment.

Industry Employment Projections

Figure 37 shows 1996 estimates and 2001 projections for employment in Klickitat County and the state. The projections are made by Employment Security Department analysts based on historical patterns, current economic events in the area, and macro economic factors.

As the table shows, employment is expected to increase at a lesser rate than statewide. The primary reason is manufacturing, which is projected to show an

actual decline in employment. However, county manufacturing is dominated by the aluminum and timber industries, both of which are very volatile and difficult to accurately predict. The services and trade sectors will show the strongest growth, and their rates of increase are very similar to statewide trends. Government and construction are also projected to have good, though lesser, growth.

Figure 37
Industry Projections
Klickitat County and Washington, 1996 and 2001
Source: Employment Security Department

	Klickitat County				Washington		
	1996	2001	% Change	# Change	Ann Avg	% Change	Ann Avg
Total Nonfarm Employment	5,520	5,960	8.0%	440	1.5%	13.2%	2.5%
Manufacturing	1,370	1,330	-2.9%	-40	-0.6%	7.3%	1.4%
Construction & Mining	210	230	9.5%	20	1.8%	8.2%	1.6%
Transportation & Utilities	450	470	4.4%	20	0.9%	8.2%	1.6%
Wholesale & Retail Trade	1,020	1,140	11.8%	120	2.2%	12.9%	2.5%
Finance, Ins. & Real Estate	130	140	7.7%	10	1.5%	9.1%	1.8%
Services	680	830	22.1%	150	4.1%	21.9%	4.0%
Government	1,660	1,820	9.6%	160	1.9%	9.5%	1.8%

OCCUPATIONAL PROFILE

Looking at the work force in terms of occupational divisions rather than industrial divisions gives a different perspective on how county employment differs from state employment. *Figure 38* shows employment in the major occupational divisions as well as the share of each grouping for the county and the state.

Of significance here are the smaller shares in the county of “white-collar” type occupations and the much large shares of “blue-collar” occupations. Some 48 percent of the county’s workers are classified as blue-collar whereas the share at the state level is only 28 percent. Over the next ten years, however, the percentage of blue-collar jobs will decrease. Nevertheless, Klickitat County will retain a significantly smaller share of white-collar workers than will be found statewide.

Figure 39 on the next page is based on Occupational Employment Surveys (OES) conducted by the Employment Security Department in 1995. The results are an aggregate of all rural eastern Washington counties, so may not specifically reflect occupations and wages in Klickitat County alone. But even with those caveats, the occupations and wages shown here give a fairly good idea of what the various jobs are in the area, and what levels of pay are afforded. Wages are categorized by hourly or monthly rates, and show the minimum and maximum rates reported as well as the average (mean) rates.

Figure 38
Industry Projections
Klickitat and Clark Counties and Washington, 1995 and 2005
Source: Employment Security Department

	Klickitat & Clark Counties					Washington		
	1995		2005		% Chg	Jobs	1995	2005
Total	7,150	100%	8,137	100%	14%	987	100%	100%
Managerial & Administrative	591	8%	694	9%	17%	103	7%	7%
Professional, Paraprof., & Tech	1,110	16%	1,333	16%	20%	223	22%	23%
Marketing & Sales	411	6%	528	6%	28%	117	11%	11%
Clerical & Admin. Support	720	10%	811	10%	13%	91	16%	15%
Services	918	13%	1,118	14%	22%	200	16%	17%
Ag, Forestry, Fishing & Related	1,041	15%	968	12%	-7%	-73	4%	4%
Prec. Production, Craft, & Repair	815	11%	970	12%	19%	155	12%	11%
Oper., Fabricators, & Laborers	1,544	22%	1,715	21%	11%	171	12%	12%
White-Collar	3,750	52%	4,484	55%	20%	734	72%	74%
Blue-Collar	3,400	48%	3,653	45%	7%	253	28%	26%

Figure 39
Occupational Wages, Eastern Rural Washington, 1995
 (*M/H denotes monthly/hourly pay rate)
 Source: Employment Security Department

TITLE	*	MEAN	MIN	MAX	TITLE	*	MEAN	MIN	MAX
Accountant	M	\$2,885	\$1,390	\$4,500	Loan Officer	M	\$2,929	\$2,021	\$3,671
Accounting Clerk I	M	\$1,453	\$869	\$2,765	Log Handling Equipment Operator	H	\$14.80	\$10.92	\$21.88
Accounting Clerk II	M	\$1,849	\$1,217	\$2,974	Machine Operator, Metal Fabrication	H	\$9.29	\$9.00	\$15.42
Accounting Clerk III	M	\$1,955	\$1,286	\$3,280	Machinist	H	\$14.22	\$8.00	\$18.80
Administrative Assistant	M	\$2,245	\$956	\$4,519	Maid, Hotel/Motel	H	\$6.15	\$4.90	\$8.50
Administrative Clerk	M	\$1,781	\$1,043	\$3,481	Maintenance Mechanic	H	\$15.71	\$6.00	\$22.62
Assembler, Mechanical	H	\$14.06	\$8.08	\$15.00	Maintenance Repairer, General Utility	H	\$10.81	\$5.00	\$26.20
Assembler, Other II	H	\$11.39	\$6.50	\$12.49	Manager, Branch/Local Firm	M	\$3,351	\$1,304	\$6,717
Auditing Clerk	M	\$1,568	\$999	\$3,386	Manager, Hotel/Motel	M	\$1,818	\$956	\$4,592
Auto Detailer	H	\$6.76	\$4.90	\$10.00	Manager, Merchandise	M	\$2,299	\$1,476	\$3,215
Automobile Accessories Installer	H	\$9.28	\$5.50	\$11.65	Manager, Office (Administrative)	M	\$2,637	\$1,086	\$6,000
Baker	H	\$7.83	\$5.50	\$11.95	Manager, Plant (Manufacturing)	M	\$3,963	\$2,259	\$5,459
Baker, Apprentice	H	\$6.21	\$6.00	\$6.75	Manager, Restaurant	M	\$1,660	\$956	\$2,800
Bartender	H	\$6.10	\$4.90	\$9.00	Manager, Retail Store	M	\$2,671	\$1,298	\$3,999
Body Repairer/Painter, Auto	H	\$10.45	\$5.00	\$13.00	Manager, Service Auto	M	\$2,918	\$1,477	\$6,000
Bookkeeper, Full Charge	M	\$1,625	\$912	\$3,042	Mechanic, Motor Vehicle	H	\$12.05	\$5.50	\$17.56
Bucker/Faller	H	\$21.58	\$14.29	\$26.00	Medical Technician	M	\$1,714	\$1,390	\$2,650
Butcher/Meat Cutter	H	\$11.37	\$6.75	\$15.75	Medical Technologist	M	\$2,438	\$1,712	\$2,955
Buyer/Purchasing Agent	M	\$2,715	\$1,295	\$4,488	Medical/Dental Records Clerk/Transcrib.	M	\$1,469	\$869	\$2,572
Carpenter, Construction	H	\$12.29	\$6.00	\$18.00	Millwright, Machinery Erector	H	\$14.49	\$6.50	\$19.48
Carpenter, Maintenance	H	\$11.02	\$6.00	\$18.91	Nurse Aide/Orderly	H	\$6.68	\$5.10	\$10.00
Cashier	H	\$6.56	\$4.90	\$21.43	Nurse, Licensed Practical (LPN)	H	\$11.02	\$6.15	\$18.75
Chef	M	\$1,404	\$1,043	\$3,075	Nurse, Registered (RN)	M	\$2,588	\$2,086	\$3,933
Choke Setter	H	\$12.99	\$10.13	\$15.00	Order Clerk	M	\$1,747	\$1,173	\$2,850
Clean Up Worker	H	\$7.80	\$4.90	\$16.30	Order Filler	H	\$6.67	\$5.35	\$8.20
Collector	H	\$8.62	\$8.00	\$9.07	Packer, Fruit	H	\$6.94	\$4.90	\$8.81
Computer Operator	H	\$12.08	\$8.00	\$20.74	Painter, Maintenance	H	\$12.24	\$8.43	\$19.37
Computer Programmer	M	\$2,294	\$1,477	\$4,554	Payroll Clerk	M	\$1,851	\$1,163	\$3,333
Computer Programmer, Senior	M	\$4,058	\$2,173	\$4,920	Personnel Clerk	M	\$2,075	\$1,368	\$3,384
Cook, Dinner	H	\$6.82	\$5.00	\$10.61	Pharmacist Assistant	H	\$8.91	\$8.50	\$10.50
Cook, Short Order	H	\$6.50	\$5.00	\$11.32	Pharmacist, Registered	M	\$3,902	\$3,215	\$5,214
Customer Service Clerk	H	\$8.79	\$5.00	\$15.34	Plumber/Pipefitter	H	\$14.38	\$7.00	\$22.05
Dairy Farm Worker	H	\$10.01	\$7.00	\$15.25	Programmer/Analyst	M	\$3,332	\$2,047	\$3,716
Data Entry Operator I	M	\$1,310	\$869	\$1,900	Purchasing Clerk	M	\$2,181	\$1,043	\$3,500
Data Entry Operator II	M	\$1,992	\$1,370	\$2,499	Receptionist	M	\$1,399	\$985	\$2,320
Data Entry Operator III	M	\$2,494	\$1,390	\$3,226	Sales Clerk	H	\$6.19	\$4.90	\$11.51
Day Care Worker	H	\$7.91	\$4.90	\$11.62	Sales Representative (with commission)	M	\$2,567	\$994	\$6,740
Deli Worker/Pantry Goods Maker	H	\$5.94	\$5.00	\$11.38	Sales, Telemarketing	H	\$25.65	\$14.38	\$35.48
Delivery Driver/Route Worker	H	\$7.29	\$4.90	\$13.81	Salesperson, Auto Parts	H	\$8.75	\$5.00	\$15.54
Dental Assistant	H	\$9.65	\$7.58	\$12.34	Salesperson, Parts, Other	H	\$10.17	\$9.00	\$12.50
Desk Clerk, Hotel/Motel	H	\$6.76	\$5.25	\$8.00	Salesperson, Specialty	H	\$10.84	\$5.75	\$18.92
Dining Room Attendant	H	\$5.30	\$4.90	\$7.25	Secretary I	M	\$1,618	\$956	\$2,395
Dispatcher, Motor Transportation	H	\$13.23	\$9.50	\$18.93	Secretary II	M	\$1,754	\$1,217	\$2,475
Drafter, Designer	M	\$3,264	\$2,298	\$4,345	Secretary III	M	\$2,027	\$1,304	\$2,666
Electrician, Construction	H	\$19.38	\$15.10	\$20.81	Secretary, Executive	M	\$2,084	\$1,100	\$4,114
Electrician, Maintenance	H	\$16.94	\$9.35	\$22.62	Secretary, Legal	M	\$1,891	\$999	\$2,996
Electronics Technician (II & III)	M	\$2,155	\$1,860	\$2,744	Service Representative	H	\$13.78	\$8.50	\$25.89
Engineer	M	\$3,031	\$1,446	\$4,813	Service Station Attendant	H	\$7.44	\$7.00	\$7.91
Engineer, Mechanical	M	\$2,974	\$2,129	\$4,514	Service Station Cashier	H	\$6.06	\$6.00	\$6.90
Engineering Technician (I, II, & III)	M	\$2,058	\$1,455	\$2,221	Service Writer, Automotive	H	\$9.85	\$5.00	\$11.51
Engineering Technician IV	M	\$2,200	\$1,801	\$2,576	Shipper/Receiver	H	\$7.23	\$4.90	\$20.46
Espresso Maker	H	\$5.31	\$5.00	\$5.85	Social Worker (except Med. & Psych.)	M	\$1,578	\$1,217	\$3,043
Estimator	M	\$2,673	\$1,217	\$4,541	Social Worker (Medical & Psychiatric)	M	\$1,936	\$1,156	\$3,563
Fast Food Worker	H	\$5.60	\$4.90	\$9.50	Sorter/Grader, Agricultural Produce	H	\$6.49	\$5.95	\$8.06
Field Contractor	H	\$19.88	\$15.16	\$30.77	Stock Clerk	H	\$6.45	\$4.90	\$14.03
File Clerk	M	\$1,257	\$869	\$1,589	Supervisor, Assembly	M	\$3,259	\$1,700	\$5,376
Food Service Worker	H	\$7.11	\$5.15	\$10.59	Supervisor, Clerical	M	\$2,219	\$1,460	\$2,657
Forklift Operator	H	\$8.33	\$5.25	\$19.37	Supervisor, Food Service	M	\$1,861	\$1,107	\$2,824
Gardener/Groundskeeper	H	\$8.17	\$5.00	\$19.37	Supervisor, Maintenance	M	\$2,720	\$1,199	\$4,500
General Office Clerk I	M	\$1,337	\$869	\$1,954	Supervisor, Orchard	M	\$1,404	\$869	\$3,400
General Office Clerk II	M	\$1,587	\$982	\$2,770	Supervisor, Other First Line	M	\$2,869	\$1,130	\$5,424
General Office Clerk III	M	\$1,920	\$1,145	\$3,599	Supervisor, Warehouse	M	\$2,416	\$1,304	\$5,200
General Office Worker, 1 Person Office	M	\$1,573	\$1,043	\$2,463	Switchboard Operator	M	\$1,816	\$852	\$2,374
Grocery Checker	H	\$6.48	\$5.32	\$12.25	Switchboard Operator/Receptionist	M	\$1,641	\$1,100	\$2,951
Guard/Gatekeeper, Unarmed	H	\$7.97	\$7.27	\$10.65	Systems Analyst	M	\$4,004	\$2,372	\$4,425
Heating & Air Conditioner Mechanic	H	\$11.35	\$8.00	\$19.17	Teacher Aide	H	\$8.51	\$6.56	\$12.05
Heavy Equipment Operator	H	\$13.84	\$9.00	\$27.12	Teller, General	H	\$8.25	\$6.25	\$10.28
Home Health Aide	H	\$5.42	\$5.00	\$7.43	Teller, New Accounts	H	\$8.98	\$7.90	\$11.00
Host/Hostess, Restaurant	H	\$5.57	\$4.90	\$7.50	Therapist, Physical	M	\$4,538	\$3,476	\$5,848
Housekeeper, Hospital/Nursing Home	H	\$6.68	\$5.45	\$13.55	Trades Helper	H	\$10.37	\$4.90	\$14.15
Inspector, Quality Control	H	\$11.00	\$7.00	\$19.18	Truckdriver, Heavy/Tractor Trailer	H	\$11.16	\$6.30	\$20.00
Janitor, Porter, Cleaner	H	\$7.99	\$4.90	\$14.47	Truckdriver, Light	H	\$9.38	\$6.00	\$13.51
Kitchen Helper	H	\$5.94	\$4.90	\$10.45	Truckdriver, Log	H	\$13.43	\$9.79	\$20.00
Laborer, Construction	H	\$11.52	\$6.00	\$20.63	Waiter/Waitress (without tips)	H	\$5.02	\$4.90	\$5.75
Laborer, Material Handling	H	\$7.84	\$6.00	\$13.93	Warehouse Worker	H	\$9.06	\$4.90	\$17.94
Laundry Worker	H	\$6.29	\$5.00	\$10.86	Welder	H	\$11.44	\$9.00	\$18.00
Lawyer	M	\$3,273	\$3,000	\$3,632	Word Processing Operator (I, II, III)	M	\$1,811	\$1,564	\$2,225
Loan Application Clerk	M	\$1,891	\$1,542	\$2,975	Worker, Camery	H	\$6.15	\$5.30	\$12.20

PERSONAL INCOME

This section deals with income rather than wages, which were discussed earlier and which are only one aspect of

income. Data in this section are derived from the U.S. Department of Commerce, Bureau of Economic Analysis.

Total Personal Income

Personal income is generally seen as a primary indicator of a region's economic vitality. Conceptually personal income captures all types of income. Wages, salaries, government transfer payments, retirement income, farm income, self-employed income, proprietors' income, interest, dividends, and rent are all included in this measure. Because business and corporate incomes are not included, it is considered only personal income.

In Klickitat County, personal income grew by 101 percent between 1970 and 1995 (see Figure 40), rising from \$157 million to \$314 million in constant 1995 dollars. At the same time, personal income for Washington as a whole grew by 147 percent. Most of the real growth occurred during three periods: from 1970 to 1973, from 1977 to 1981, and from 1987 through the present (with a slight dip during the 1990-91 recession). The average growth rate in the county, on an annualized basis, was 2.8 percent from 1970 to 1995. Statewide, the rate was 3.7 percent, almost a full percentage point higher.

Dividing the total personal income of an area by the population yields personal per capita income. Per capita income is a useful measurement; it gives a common denominator between income (growth or decline) and

population (growth or decline) so that comparisons can be made between different areas with unlike populations and income sizes.

Figure 41 shows per capita income for Klickitat County, Washington State, and the U.S. in constant 1995 dollars. Between 1970 and 1995, this income increased from \$12,859 to \$17,164, or 33 percent, in Klickitat County. For the state and the nation, it increased by about 55 percent. The difference between the county and the state and nation was almost nil in 1973; since then, however, the state and nation have almost continually increased while Klickitat has remained almost static.

Contrasting a rural county like Klickitat to the state, whose economy as a whole is driven by the high tech and aerospace industries of the Puget Sound area, is somewhat misleading. When compared to its neighboring counties, the differences seem more reasonable. In 1995, Klickitat's \$17,164 was slightly less than Skamania County's \$18,036 and Yakima County's \$18,427. Benton County, with much of its economy associated with Hanford, had an income of \$22,072. The 1995 per capita income for Klickitat County ranked thirty-second among Washington's 39 counties.

Figure 40
Personal Income
Klickitat County & Washington, 1970-1995
Source: Bureau of Economic Analysis

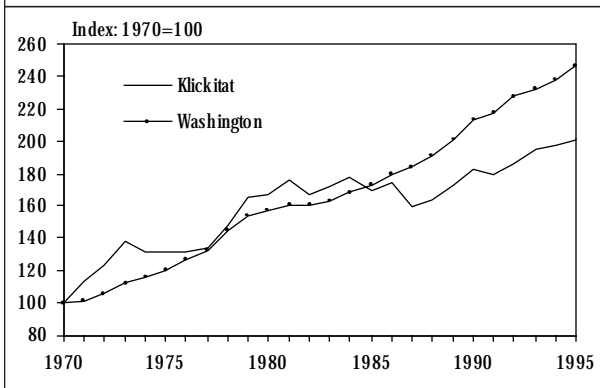
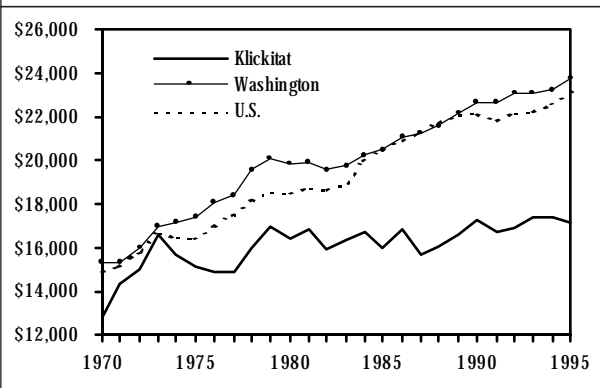


Figure 41
Per Capita Income
Klickitat, Washington, & U.S., 1970-1995
Source: Bureau of Economic Analysis

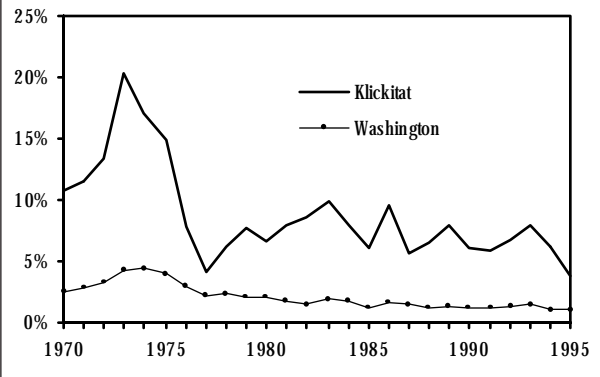


Farm Income

Farming is an important facet of life in Klickitat County, and farm income is a significant feature in the economy. One of the ways in which the Bureau of Economic Analysis disaggregates personal income is into the two categories of farm and nonfarm income.

In 1970, the county's farm income totaled \$16.8 million, or 11 percent of all personal income (see Figure 42). The next few years were very good ones for farming: 1973 saw farm income reach \$43.7 million—a full 20 percent of personal income. However, over the years since then, it has fluctuated between 6 and 10 percent of the total. In 1995, it fell to 4 percent (\$11.8 million), the smallest share size since 1977. Statewide farm income, though, amounted to only 1 percent of personal income.

Figure 42
Farm Income as a % of Personal Income
Klickitat County & Washington, 1970-1995
Source: Bureau of Economic Analysis



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 of earnings, transfer payments, and investment income. Earnings include wages, salaries, and proprietors' income (less contributions for social security plus an adjustment for residence); transfer payments include income maintenance, unemployment insurance, and retirement payments; investment income consists of interest, dividends, and rent. Figure 43 indexes these components to 1970=100 and shows how they have changed

over time. Figure 44 shows the share that each contributes to total personal income. Earnings have been, and undoubtedly will continue to be, the major source of personal income.

However, as a percentage of personal income, earned income decreased from 74 percent in 1970 to 56 percent in 1995. The biggest gainer in this redistribution of income sources was transfer payments. They increased from 13 percent to 24 percent of the total. Investment income's share grew from 12 percent to 20 percent. Looking at it a little differently, the dollar amount of

Figure 43
Changes in Personal Income Components
Klickitat County, 1970-1995
Source: Bureau of Economic Analysis

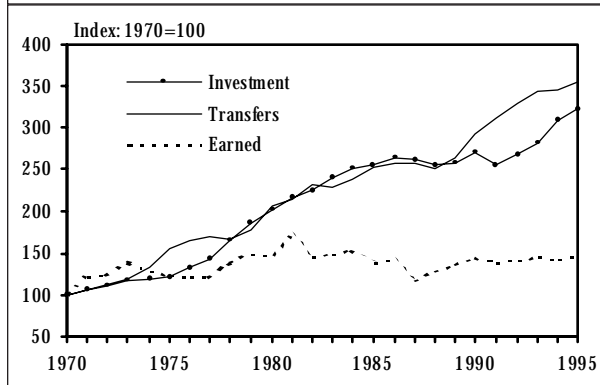
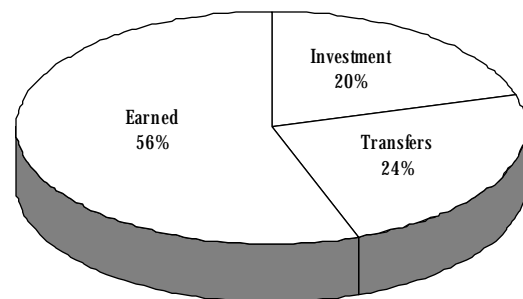


Figure 44
Components of Personal Income
Klickitat County, 1995
Source: Bureau of Economic Analysis



earned income increased 45 percent over the period while transfer payments grew 255 percent and investment income grew by 222 percent.

A significant shift has occurred, and perhaps is still occurring, in the sources of income in Klickitat County.

More and more income is being derived from sources that are not earnings. The same shift is occurring statewide, but not to the same extent.

Earned Income

The largest portion of personal income is earned income. Although its percentage of the total has diminished over the last two decades, it, nevertheless, retains the lion's share of all income. This component of personal income is an important reflection of an area's economy because it shows how much income people derive directly from their jobs.

Earnings include wages and salaries, proprietors' income, and what is called "other labor income." ("Other labor income" subsumes an assortment of incomes but primarily consists of employer payments into employee pension and health care plans.)

Wages and salaries grew from \$99 million (1970) to \$143 million (1995), an increase of 44 percent. During the same time, all earnings combined grew by 45 per-

cent. The difference is accounted for by the tremendous growth in other labor income, which, by steady, strong advances, increased from \$3.6 million in 1970 to \$18.9 million in 1995, a 433 percent expansion. (This is a partial explanation for the decrease in the annual average wage discussed earlier; employees' compensation is being buttressed by a greater level of benefits.) Proprietors' income, after increasing and decreasing its share of earned income at various times throughout the two decades, wound up in 1995 with only 13 percent of all earned income; considerably less than its 20 percent share in 1970. Most proprietors' income is associated with farming in Klickitat County, and the income stream varies in conjunction with the harvest levels and crop prices. (*Figures 45 and 46* show the growth and relative size of the components.)

Figure 45
Changes in Earned Income Components
Klickitat County, 1970-1995
Source: Bureau of Economic Analysis

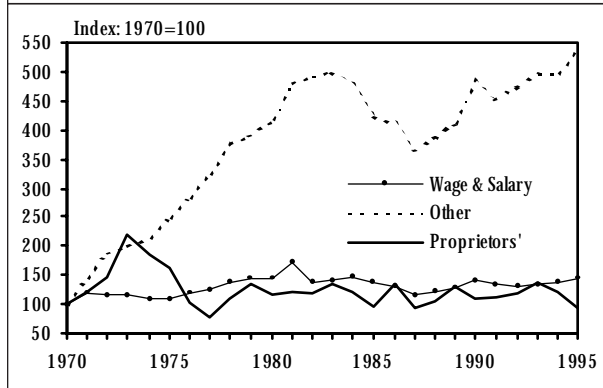
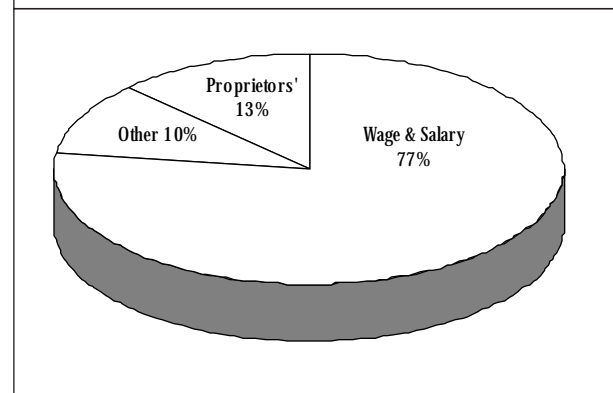


Figure 46
Components of Earned Income
Klickitat County, 1995
Source: Bureau of Economic Analysis



Transfer Payments

The next source of personal income, second in size after earnings, is transfer payments. A transfer payment is generally seen as a payment by the government to someone from whom no direct service is rendered.

Transfer payments are split into three categories: retirement and related; income maintenance; and unemployment insurance. Overall, transfer payments increased about 255 percent from 1970 to 1995 in Klickitat County,

expanding from almost \$23 million to about \$80 million. And, as mentioned earlier, its share of all personal income has also greatly expanded, from 13 percent in 1970 to 24 percent in 1995. Except for several brief periods of flatness, growth has been constant throughout the two decades. *Figure 47* shows the categories of transfer payments indexed to 1970=100 and *Figure 48* shows the 1995 share size of each component.

By far the largest component of transfer payments is retirement related. This includes social security payments, federal civilian and military retirement pay, and state and local government retirement pay. Medicare, a very large entitlement, is also included in this category. Retirement and related payments increased by 269 percent from 1970-95, giving this component an 81 percent share of all transfer payments in 1995.

Income maintenance, which includes Aid to Families with Dependent Children (AFDC), general assistance,

food stamps, and other transfers generally thought of as welfare, comprised 12 percent of all transfer payments in 1995, more than its 10 percent share in 1970. The dollar value of income maintenance grew by 296 percent between 1970 and 1995. After growing dramatically from 1988 to 1993, its size has fallen some in the last two years.

The third component, unemployment insurance, increased by 118 percent over the period, garnering about 7 percent of all transfer payments in 1995. Over the period, there have been large changes in this type of income; increasing, of course, during periods of high unemployment and then contracting as the economy improved. Unlike the other types of transfer payments, its 1995 level of \$5.3 million is significantly less than it has been at other times during the last two decades. It was almost \$8 million in 1982.

Figure 47
Changes in Transfer Payment Components
Klickitat County, 1970-1995
Source: Bureau of Economic Analysis

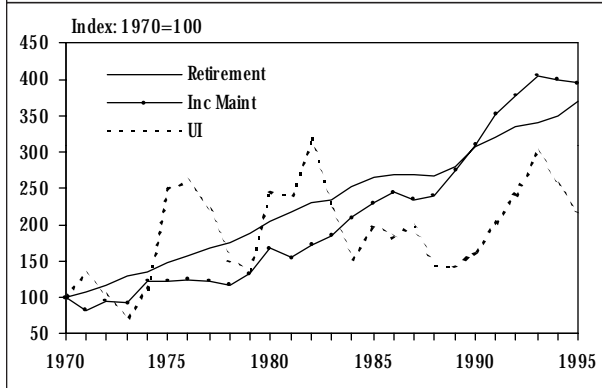
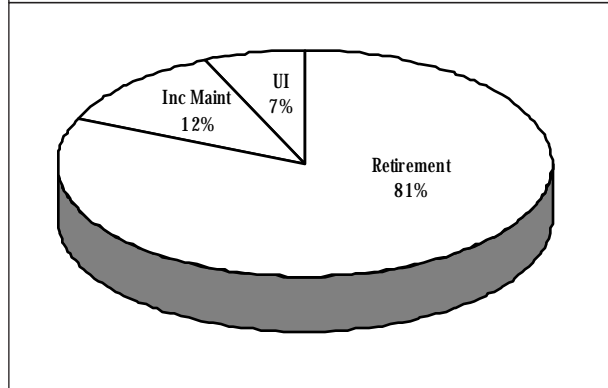


Figure 48
Components of Transfer Payments
Klickitat County, 1995
Source: Bureau of Economic Analysis

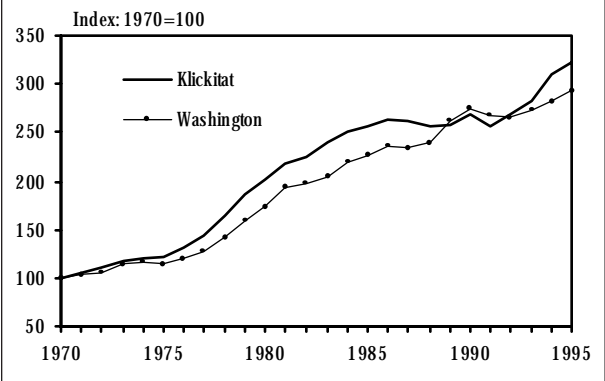


Dividends, Interest, and Rent

These types of income (collectively called investment income) are the prime examples of making money with money. Money which has been used to purchase stocks, bonds, or which resides in bank accounts, or has been loaned, or which was used to purchase rental properties, can return a profit. No service or work is performed, yet income is derived from the invested money. There are, naturally, risks.

Investment income grew almost 222 percent from 1970 to 1995, increasing from \$21 million to \$68 million. As *Figure 49* on the next page shows, there has been a strong surge in this type of income since the end of the last national recession (1991). In fact, the growth rate is once again greater than that of investment income throughout the state as a whole.

Figure 49
Investment Income
Klickitat County & Washington, 1970-1995
Source: Bureau of Economic Analysis



JOB TRAINING AND ECONOMIC DEVELOPMENT

Job Training

The *Job Training Partnership Act (JTPA)* of 1982 established programs to prepare youth and unskilled adults for entry into the labor force. Of note is the emphasis placed on economically disadvantaged individuals and others who face serious barriers to employment. It is upon this legislation that the Employment Security Department and other providers base their job service programs.

Private Industry Council. Washington is divided into areas that provide services related to employment. These regions, called Service Delivery Areas, are often administered by Private Industry Councils. For Klickitat County, the administrator for job services is the Tri-Valley Consortium. Comprised of government and business leaders, this private industry council has jurisdiction over Service Delivery Area IX, which includes Klickitat, Yakima, and Kittitas counties. The Tri-Valley Consortium contracts-out job training services, for Klickitat County, to the Columbia Gorge Job Service Center.

Job Service Center. Operated by the Employment Security Department, the Columbia Gorge Job Service Center (JSC) provides job services to residents of Klickitat (and Skamania) County. The main office of the JSC is located in White Salmon and there is a satellite office in Goldendale (there is also one in Stevenson in Skamania County). The JSC is a full-service office; that is, it provides the full range of services offered by any JSC in the state.

WorkFirst. Washington's Welfare to Work Program. WorkFirst is a work-based program that makes immediate employment the primary strategy for helping needy families. The purpose is to move families on welfare into employment as quickly as possible through up-front job search, work experience activities, and short-term education and training. WorkFirst is delivered through a partnership between the Employment Security Department, Department of Social and Health Services, State Board of Community and Technical College, and the Department of Community Trade and Economic Development.

The *Worker Profiling/Re-employment Services Program* targets recent unemployment insurance applicants for job placement services to speed their return to work. This shortens the duration of unemployment for the individual and saves costs to the unemployment insurance trust fund. Further, workers are profiled to identify those who will have the most trouble finding re-employment and additional services are provided to them.

Unemployment Insurance provides temporary financial assistance to eligible unemployed individuals who are able, available, and actively seeking work, or who are in approved training programs.

The *Economic Dislocation and Worker Adjustment Assistance Act (EDWAAA)* is a program designed to assist clients laid-off because of either plant closures or plant restructuring and technology improvements. Through this program, clients—in addition to receiving regular unemployment insurance benefits—work with counselors to assess their jobs skills and interests and draw up an individual training strategy. The strategy might include retraining at the community college with tuition and fees paid by the state. The program also provides clients with job search workshops to enhance skills such as resume writing, application processing, and interviewing.

The *Trade Adjustment Act (TAA)* is another JSC administered program. This one is designed to assist those who have been displaced because of the impact of foreign imports on their industries. While the amount of benefits and compensation periods vary, the program offers services only after the U.S. Department of Labor certifies that the individual has indeed been dislocated as a result of such impacts on his or her industry.

The JSC runs the *Migrant Seasonal Farm Workers Program*, which provides assistance to agricultural workers. Two Veterans Programs are also operated out of the JSC. Staffed and developed by veterans, one is the *Local Veterans Employment Representative (LVER)* program;

the other is the *Disabled Veterans Outreach Program (DVOP)*. The gist of the programs is to provide counseling, career search skills, and job placement assistance.

Both the White Salmon and the Goldendale offices provide an alternative high school for at-risk students. Basic education is offered at the JSC by both Clark Community College and the Yakima Valley Community College District.

Educational Facilities. Although there are no post high school educational institutions in Klickitat County, residents are within range of Central Washington University in Ellensburg as well as four-year institutions in Portland, Oregon. Similarly, there are vocational and community college sites in Clark and Yakima counties as well as in Portland, Oregon.

Economic Development

Economic Development Authority. Established in 1995, the Klickitat County Public Economic Development Authority (EDA) is a public corporation acting to stimulate economic development through the use of available resources. The fifteen-person EDA board, which includes the County Commissioners, has representatives from the county's businesses and local governments. Working with the county's Resource Development Department and making use of the action plans developed by most of the county's incorporated and unincorporated communities, the EDA board has established infrastructure development, business retention, business recruitment, and community enhancement as its main priorities.

With the largest landholdings available for industrial development in the Columbia Gorge, totaling well over 1,000 acres, Klickitat County is well positioned to support industrial expansion occurring in the region.

Chambers of Commerce. Chambers of Commerce are generally comprised of business owners and other interested individuals who work together to further the business interests of their communities. Klickitat County has two municipally oriented economic development organizations—the Mt. Adams Chamber of Commerce (White Salmon) and the Goldendale Chamber of Commerce.

Infrastructure. The infrastructure of an area is integral to its economic development; the following is a synopsis of the county's transportation resources.

Major roads and highways in Klickitat County are concentrated, in the south, along the Columbia River border with Oregon. State Route 14 runs east and west through the county on the Washington side of the Columbia River. Interstate Route 84, fairly accessible from Klickitat, runs parallel to State Route 14 on the Oregon side of the Columbia River. Through the middle of the

county lies US Route 97, which, from Goldendale, runs north to Yakima City or south into Oregon. Additionally, State Routes 141 and 142 both run north and south through the western half of Klickitat County.

Three bridges connect Klickitat County with communities on the other side of the Columbia River in Oregon (Hood River, The Dalles, and Biggs). These three bridges are very important economically; they "leak" retail trade to Oregon and allow workers to take jobs in Oregon, but should eventually help to develop the Dallesport area as a major industrial job site, attracting employees from Oregon.

There are two major airports in Klickitat County—The Dallesport Airport (5,000-foot asphalt runway) and Goldendale Municipal Airport (3,580-foot asphalt runway). Neither is served by major air carriers, only private and chartered aircraft. The Portland International Airport, a full-service airport that accommodates all major air carriers, is easily accessible to residents of Klickitat County.

The Port of Klickitat operates a barge and recreational boat docking facility. The dock has a 40-ton capacity crane. The ports of Vancouver and Portland, one hour away, provide full marine deep-draft terminal services.

Burlington Northern represents the only private railroad operating in Klickitat County. It has one active spur. Publicly owned Amtrak operates in the county with one active spur.

Extensive intermodal capacity, covering barge, trucking, and rail, exists in Klickitat County. Several dedicated unit trains to the RABANCO landfill site at Roosevelt in eastern Klickitat County provide considerable backhaul capacity. Comparable opportunities exist in the Dallesport area, ninety minutes from the Portland-Vancouver Metropolitan area on Interstate 84.

SUMMARY

Klickitat County's economy has long been associated with traditional, resource-based industries. These include farming, logging and timber operations, and more recently, aluminum production. While these industries have been, and are, the backbone of the county's prosperity, they are strongly associated with its higher than average unemployment rate. Farming employment is beset by seasonality, as is logging and timber production; aluminum employment is dependent upon cheap electricity and a volatile market that can render production unprofitable overnight.

This industrial base is quite a bit different than that of Washington State as a whole. Manufacturing is much stronger in the county, trade and services are much weaker, and government employment is markedly higher. Of the county's nonagricultural workers in 1996, about 24 percent were in manufacturing compared to the state's 14 percent; trade and services, taken together, made up 31 percent of the county's workers, whereas statewide, they accounted for 51 percent of the workers; and, countywide, government workers constituted 31 percent of the total, but statewide, only 19 percent.

Agricultural employment in Klickitat County also differs from the statewide levels, with agriculture occupying a larger proportion of the county's economy than the state's. There were 534 farm workers in 1996 on average, equaling 9 percent of covered employment. Statewide, 3 percent of covered employment was agricultural.

Even though the stability of high government employment offsets much of the seasonality found in the other main industries, the unemployment rate in Klickitat County, over the last quarter-century, has been significantly higher than Washington's rate (it has been, on average, almost 6 percentage points higher). The rate for 1996 was 12.4 percent for the county versus 6.5 percent for the state.

Although high unemployment often affects migration, population growth has not been insignificant. From 1970 to 1997, the number of Klickitat County residents in-

creased 57 percent. Though this is less than Washington's overall 64 percent, it still represents fairly good growth. Additionally, the size of the labor force expanded by 70 percent during the same time period.

In recent years, migration has been a strong factor in the population growth. But from 1980-90, the county actually had a migratory net loss. While the natural population increase (births less deaths) was 1,085, net migration resulted in a minus 291—that many more people left the county than came to the county. From 1990-96, though, there has been strong in-migration. The natural increase during these three years was estimated at 471 while the migratory net was pegged at a positive 1,613.

In real dollars, the average wage in the county declined from \$32,308 in 1981 to \$22,146 in 1994, a tremendous decrease. The bulk of the decrease occurred in the 1980s, and was followed by stagnation during the early 1990s. There was an uptick in 1995 and a strong uptick in 1996, but the 1996 gain was caused by large bonuses in the aluminum industry, and probably won't recur. However, there is an overall upward trend statewide and it is likely that the county will follow suit. The 1996 average covered wage in the county was \$25,378.

Per capita income, essentially, did not change during the 1980s and 1990s. Weak earnings (specifically, wages and salaries) are the culprit behind the stagnation. The other inputs into per capita income, transfer payments and investment income, have increased greatly, but not enough to offset the weak earnings performance.

Klickitat County's economy has a number of advantages and disadvantages. High unemployment is the greatest concern, but, even so, it is considerably lower than it has been in the recent past. Manufacturing employment is declining, primarily because of the timber industry. But there is ample room for development in the services and trade industries, and a nascent tourist industry could provide a boost to the economy. Finally, the stable and large government presence adds solidity to the employment base.