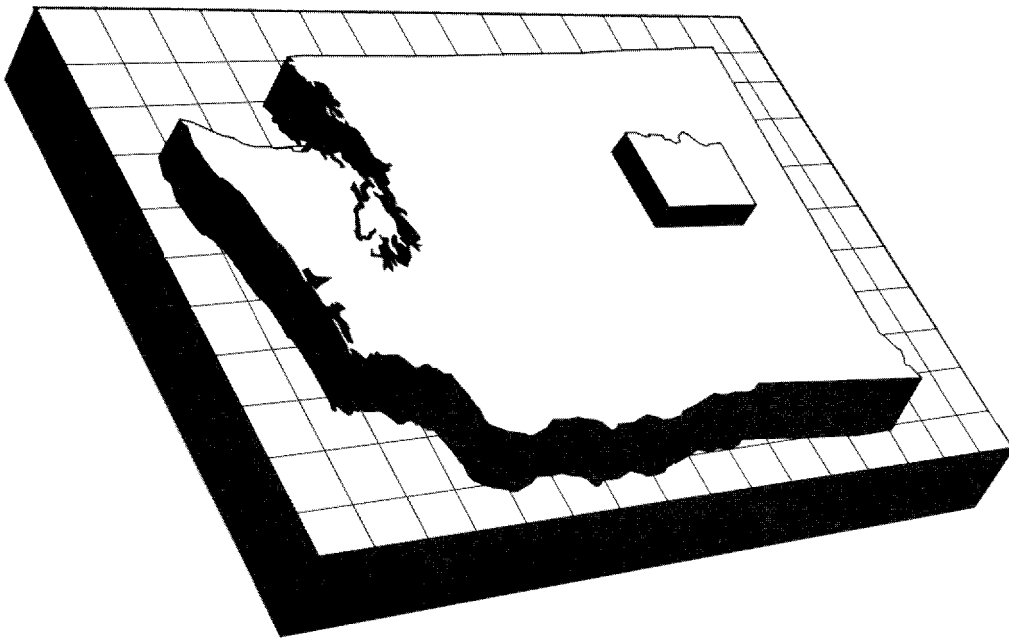

LINCOLN COUNTY PROFILE



July 1999
Labor Market and
Economic Analysis Branch
Gary Bodeutsch, *Director*

LINCOLN COUNTY PROFILE
JULY 1999

Labor Market and Economic Analysis Branch
Employment Security Department

This report has been prepared in accordance with
RCW 50.38.050.

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TABLE OF CONTENTS

INTRODUCTION	1	Manufacturing	
GEOGRAPHY	2	Transportation, Communication, and Utilities (TCU)	
ECONOMIC HISTORY	3	Trade	
POPULATION	4	Finance, Insurance, and Real Estate (FIRE)	
Trends		Services	
Towns and Cities		Government	
Age Groups		Industry Projections	
Demographics		OCCUPATIONAL PROFILE	21
CIVILIAN LABOR FORCE	7	PERSONAL INCOME.....	24
Demographics		Total Personal Income	
UNEMPLOYMENT	9	Components of Personal Income	
Trend		Earned Income	
Unemployment Insurance Claims		Transfer Payments	
INDUSTRIES, EMPLOYMENT, AND WAGES	11	Dividends, Interest, and Rent	
Employment Trend		JOB TRAINING AND ECONOMIC DEVELOPMENT	28
Location Quotients		Job Training	
Goods and Services		Economic Development	
Annual Average Wage		SUMMARY	30
Agriculture			
Construction			

INTRODUCTION

This report profiles the labor and economic characteristics of Lincoln 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 Lincoln County Profile of April 1995, the purpose of this report is to provide a comprehensive

labor market and economic analysis of Lincoln 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 that 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

Comprising a total landmass of 2,310 square miles, Lincoln County ranks 7th in size among Washington counties. The county is located in the heart of eastern Washington in what is known as Big Bend Country. It is bounded to the east by Spokane County, to the west by Grant County, to the south by Adams County (as well as a small part of Whitman County at its southeast corner), and to the north by Ferry and Stevens counties (and a small part of Okanogan County at its northwest corner).

Like its neighbors in east central Washington, Lincoln County's topography is generally one of flat land and rolling hills. The terrain does, however, become more mountainous (reaching an elevation of 3,568 feet above sea level) in the north county where it runs up against the foothills of the Kettle River Range.

Interestingly enough, Lincoln County's northern border with Ferry and Stevens counties is forged by a navigable waterway. Flowing from east to west, the Spokane River runs roughly half the length of the border before emptying into Franklin Roosevelt Lake, a reservoir of the Columbia River formed by Grand Coulee Dam (located in the extreme northwest corner of Lincoln County). The lake extends over the second half of the border.

Central and southwest Lincoln County boast a chain of 15 or so modestly sized lakes (some of which are now dry). The chain includes lakes with such names as Hurley, Wagner, Phillips, Meadow, Wills, Wall, Twin, Coffeepot, Deer, Browns, Neyes, Pacific, Walter, Tule, and Sylvan. Two major tributaries, Lake Creek and Crab Creek, connect the majority of these lakes. Most of the large Sprague Lake is in Lincoln County (the southeastern part) and the remainder is in Adams County.

ECONOMIC HISTORY

Lincoln County, named in memory of the nation's 16th president, was organized by the territorial legislature in November 1883 after partitioning what was then Spokane County. Territorial Governor W.A. Newell (who was appointed by President Hayes) signed the bill establishing Lincoln County. Lincoln County was, itself, carved in half four years later when the legislature created Douglas County. Originally located at the town of Sprague, the county seat was moved to Davenport in 1896.

Native Americans were the first to inhabit the region. The two largest tribes were the Colville and Spokane. These two tribes generally foraged for duck eggs, roots, and berries around the region's lakes and wetlands before moving on to traditional fishing grounds further south around the Snake and Palouse rivers. Both tribes moved freely across the region before being restricted to reservations north of Lincoln County in Stevens, Ferry, and Okanogan counties under the provisions of the Medicine Creek Treaty of 1855.

A handful of white explorers and missionaries passed through the region in the early 1800s. They were soon followed by numerous fur traders, American, British, and French Canadians who navigated the Spokane and Columbia rivers (the county's northern border) to move between Fort Okanogan and Spokane House. Despite the volume of human traffic across the region, none chose to settle.

By the 1850s, whites were once again making their way through the region. The discovery of gold around Colville (in the northeast part of the state) created an eastward rush across the region by prospectors from Puget Sound and the Willamette Valley. And once again, none chose to settle.

White settlement of Lincoln County eventually began in the late 1860s. Most of the settlers were former government freighters and gold prospectors many of whom had passed through the region during their earlier travels. Most came as cattlemen. They were drawn to the region by the excellent bunch grass that grew in the bottomlands. Though they were scattered throughout the county, a majority of the ranches were around Sprague and Davenport. There were also a small number of sheep ranches. Early on, ranching was the only industry to speak of in the Big Bend Country.

Cattle ranching in the Lincoln County region flourished through the 1870s. These gains were wiped out,

however, by the severe winter of 1880-81. The killer snow and cold began in November of 1880 and continued on through March of 1881. The region's entire cattle industry was wiped out. The industry rose once again, only to be decimated a decade later in the winter of 1889-90. It is estimated that 90 percent of the cattle perished. The days of the open range in Big Bend Country were over.

The weather did not treat the farmers well, either. Although a fledgling grain industry (mostly wheat) had begun to prosper, the severe winter of 1889-90 wiped out the county's biggest crop yet. Nevertheless, while the weather effectively wiped out the cattle industry, it provided a boost to the crop industry. It appears that cattle ranchers suffered heavily because they did not stock enough winter-feed. This led farmers and ranchers to cultivate bunchgrass, and later wheat. They soon realized that wheat and other field crops were more profitable than cattle and converted their land. In this manner, wheat farming emerged as the county's dominant industry.

In the early 1880s, the Northern Pacific Railroad Company began construction of a spur through Lincoln County. Completed in 1884, the line ran from Ainsworth through Sprague to Sandpoint, Idaho. In fact, the company even sited its division headquarters in Sprague. A second Northern Pacific spur, this one from Cheney through Davenport to Coulee City, was laid in 1887. The railroad served two very important tasks. First, it brought settlers into the region from the east. Second, it transported locally bred cattle to stockyards in Chicago and points beyond. After the cattle industry faded, the railroads simply shifted over to transporting grain.

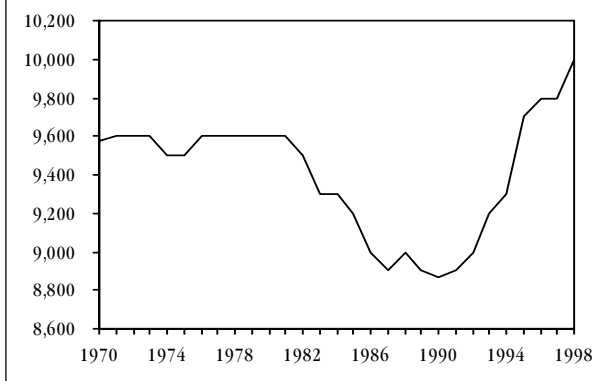
By the turn of the century, crop production was more or less established as the dominant economic activity in Lincoln County. Since then, agricultural productivity has been increased many-fold due to gains in science and technology. Wheat strains became heartier, as did those of other crops. Farms became less labor intensive as farm equipment became more efficient. Moreover, large state- and federally-financed irrigation projects directed needed water to the rather arid region.

Today, Lincoln County is among the top wheat producing regions in Washington. This agriculturally based economy has also given rise to a significant wholesale trade industry and agricultural services industry. Casino employment has also become very important.

POPULATION

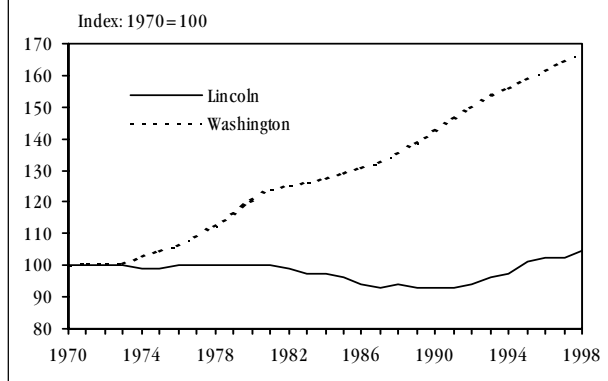
The Office of Financial Management has estimated the 1998 population of Lincoln County at 10,000, ranking it 34th among the state's 39 counties. The last actual head count was the 1990 Census, which gave a population of 8,864. *Figure 1* shows the population from 1970-1998 and *Figure 2* indexes the numbers to 1970=100 and compares growth in the county with the state.

Figure 1
Population Trend
Lincoln County, 1970-1998
Source: Office of Financial Management



As a rule, population changes are seen as an important indicator of economic activity. A growing population symbolizes economic health while a waning one signifies economic decline. People tend to move to where the jobs are and to leave areas where jobs are declining.

Figure 2
Population Trend
Lincoln County & Washington, 1970-1998
Source: Office of Financial Management



Trends

Lincoln County's population was essentially unchanged from 1970 through 1981. Net migration hovered at near zero for most of those years, job growth was minimal, and unemployment was low. A type of status quo was the prevailing tone and it worked well until two national recessions, referred to as the "double-dip" recessions, started Lincoln County's population spiraling downward. The lagging effects of the recessions of 1980 and 1981-82 caused the county's population to drop almost 8 percent (a loss of over 700 residents), ending up at 8,864 in the Census year of 1990. During the decade of the 1980s, most of eastern Washington, including Lincoln County, struggled to recover from the

recessions. (The western half of the state began a strong and lasting recovery in 1984.)

However, 1990 was the low point. Since then the population has grown strongly, surpassing its previous highpoint in 1995. Factors behind this growth include increased job opportunities within the county, and a desire to live in more rural areas. Commuting patterns show that more and more people are willing to travel goodly distances to their jobs in exchange for a more tranquil home life. Most Lincoln County commuters travel across U.S. Highway 2 from the northeastern towns of the county straight to Spokane. Since 1990, Lincoln County's population has grown 13 percent.

Towns and Cities

In 1998, most of Lincoln County (57 percent) lived in incorporated areas. More growth occurred in the unincorporated areas, though, since 1990. The unincorporated sectors grew 16 percent from 1990-98 while the incorporated areas grew 11 percent. *Figure 3* shows

all municipalities in Lincoln County and their population changes. Only Almira, one of the smaller municipalities, lost population while Davenport, the largest, tacked on 270 residents.

Figure 3
Population of Cities, Towns, & County
April 1, 1990 to April 1, 1998
Source: Office of Financial Management

	1990	1991	1992	1993	1994	1995	1996	1997	1998	% Chg 1990-98
Lincoln	8,864	8,900	9,000	9,200	9,300	9,700	9,800	9,800	10,000	13%
Unincorporated	3,669	3,703	3,740	3,822	3,894	4,078	4,118	4,127	4,255	16%
Incorporated	5,195	5,197	5,260	5,378	5,406	5,622	5,682	5,673	5,745	11%
Almira	310	305	305	316	315	320	322	311	306	-1%
Creston	230	240	245	255	255	252	260	275	262	14%
Davenport	1,502	1,495	1,505	1,540	1,550	1,739	1,755	1,764	1,772	18%
Harrington	449	474	481	494	492	484	493	495	479	7%
Odessa	943	928	919	956	957	966	980	985	975	3%
Reardan	488	485	510	497	497	505	495	495	601	23%
Sprague	410	410	425	445	465	471	482	453	455	11%
Wilbur	863	860	870	875	875	885	895	895	895	4%

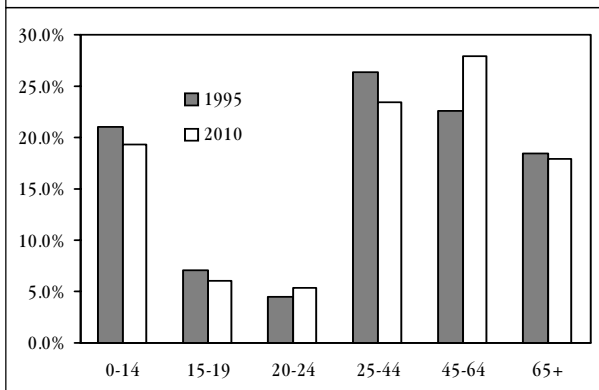
Age Groups

The distribution of the population among various age groups as well as the changes in this distribution over time shows aspects of the population not revealed by the overall numbers. *Figure 4* categorizes the population of Lincoln County by age group share size for 1995 and 2010. These age groups are significant if we make the following assumptions:

- 0-14 - Infants or adolescents a decade or two removed from the labor force
- 15-19 - Prospective new entrants into the labor force, except college students
- 20-24 - New entrants into the labor force
- 25-44 - Younger adult workers
- 45-64 - Older adult workers
- 65+ - Retirees

The biggest change will be the increased size of the 45-64 year-old cohort, which enlarges its share from 23 to 28 percent of the total. This is a function of the aging of the large baby-boom generation (those born from 1946 to 1964). Share loss can mainly be found in the

Figure 4
Population by Age Groups
Lincoln County, 1995 and 2010
Source: Office of Financial Management



25-44 year-old group, the children of the boomers. Other than that, the population groups will essentially remain the same in the county. These changes are relatively mi-

nor, compared to some areas, and should not have significant influence on the labor force of the future.

As in most areas, the general population of Lincoln County is getting older. The median age (the age at which half the population is younger and half is older) was 40.4 in 1998, up from 35.4 in 1980. Washington as a whole increased from 29.8 to 35.2 years.

Demographics

The gender makeup of Lincoln County is almost a 50-50 split. Of the 10,000 population, there were 5,048 males and 4,952 females in 1998.

In terms of race, Lincoln County is predominantly white and has far fewer members of minority races than most counties in Washington. About 98 percent of the population is white with the other races combined add-

ing up to the rest (*see Figure 5*). Statewide, whites account for 89 percent of the population, so there is a considerable difference. Though their numbers are small, the minority races and Hispanics in the county are growing at a much faster rate than whites (34 percent versus 12 percent since 1990).

Figure 5
Population by Race and Hispanic Origin
Lincoln County, 1990 and 1998
Source: Office of Financial Management

	1990 Census		1998 Estimates		90-98 % Change
Total	8,864	100.0%	10,000	100.0%	13%
White	8,680	97.9%	9,754	97.5%	12%
Black	16	0.2%	31	0.3%	94%
Indian/Aleut	135	1.5%	153	1.5%	13%
Asian/Pacific Islanders	33	0.4%	62	0.6%	88%
Hispanic Origin*	83	0.9%	112	1.1%	35%

* Those of Hispanic origin can be of any race

CIVILIAN LABOR FORCE

The resident civilian labor force is defined as all persons 16 years of age and older within a specified geographic area who are either working or actively seeking work. This excludes those serving in the armed forces. Like the general population, the labor force can be seen as a key economic indicator. Since gross domestic product and gross state product are not gathered at the county level, labor force changes, as well as other measures serve as substitutes. In 1998, the labor force in Lincoln County was estimated at 5,000.

Figure 6 displays the trend of the county's labor force from 1970 to 1998. In all, the labor force grew by 22 percent during the period (statewide growth was 115 percent). In 1970, Lincoln County had a labor force of 4,090. Over the next three years, it expanded 3.7 percent, reaching 4,240 in 1973. A national recession, lasting from the end of 1973 through 1975, contributed to the decline of the labor force prior to 1978. From a low of 3,970 in 1977, it experienced a moderate recovery that brought the numbers up to 4,350 in 1980. With the beginning of a new decade, two national recessions took place. These recessions eroded all labor gains posted by Lincoln County in the 1970s.

A large shift in Lincoln County's labor force took place over the 1982-83 period. From a level of 4,000 in 1982, the local labor force jumped to 4,780 in 1983. This was the result of a record state wheat harvest and a weak Midwest wheat harvest. Over the following two years Lincoln's labor force returned to a more normal level: 4,290 in 1985. It showed signs of more growth in 1986 by increasing 2.8 percent, but this was erased over the next five years, ending up at 4,100 in 1991. In the current economic expansion, the labor force increased 22 percent between 1991 and 1998, largely as a result of employment increases in the services sector. (Statewide growth during this period was 20 percent.) Figure 7 shows the labor force numbers indexed to 1970=100 for the county and the state since 1970.

Figure 6
Civilian Labor Force
Lincoln County, 1970-1998
Source: Employment Security Department

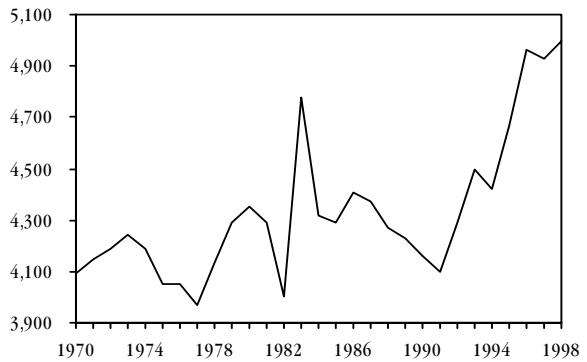
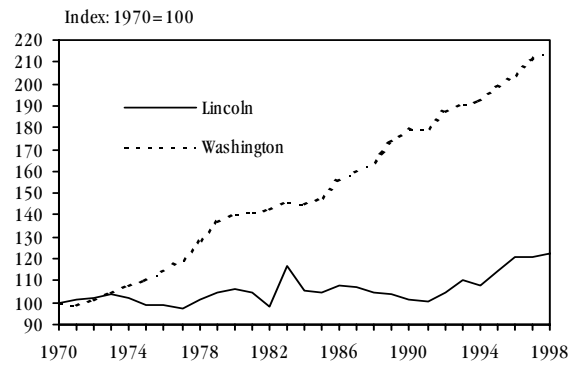


Figure 7
Civilian Labor Force
Lincoln County & Washington, 1970-1998
Source: Employment Security Department



Demographics

Like the general population, the labor force in Lincoln County is almost exclusively white (see Figure 8 on the next page). According to 1997 estimates by Employment Security Department analysts, over 97 percent of Lincoln County's labor force was white. The

next largest racial group was Native Americans at 1.6 percent. There were no blacks and only about 10 Asian/Pacific Islanders. Hispanics made up about 1 percent of the work force.

Figure 8
Resident Labor Force by Minority Status
Lincoln County and Washington State, 1997 Annual Average
Source: Employment Security Department

	Lincoln		Washington	
Total	5,020	100.0%	2,988,200	100.0%
White	4,880	97.4%	2,536,400	84.9%
Black	0	0.0%	83,100	2.8%
Native American	80	1.6%	43,200	1.4%
Asian & Pacific Islander	10	0.2%	161,900	5.4%
Hispanic	50	1.0%	163,600	5.5%
Female Percent of Total		40.2%		45.7%

*All races exclude those of Hispanic origin, as Hispanic is indicated as a separate group.
 Race estimates are based on 1990 Census and 1997 population data from the Office of Financial Management.
 Detail may not add to indicated totals because of rounding.*

About 60 percent of the work force was male and 40 percent female. Statewide, males also have a larger portion of the work force, 54 percent.

Comparisons of the 1980 and 1990 Censuses show that the county is part of a nationwide trend of increased female participation in the work force (see Figure 9). Even though males still outnumber females, there was significant change during the past decade. In Lincoln County, the number of males that worked declined by 11

percent while the number of working females increased by 16 percent. The type of employment was also changing. Women took full-time jobs at a higher rate than did men. The number of women working full time in Lincoln County increased by 29 percent while the number of men working full time decreased by 19 percent. It will be interesting to see if this trend continues with the 2000 Census.

Figure 9
Full-Time and Part-Time Workers by Sex
Lincoln County, 1979 and 1989
Source: Bureau of the Census

	1979		1989		Percent Change
	Number	Share	Number	Share	
Worked	4,702	100%	4,673	100%	-1%
Male	2,913	62%	2,594	56%	-11%
Female	1,789	38%	2,079	44%	16%
Full-Time	2,330	50%	2,132	46%	-8%
Male	1,831	39%	1,490	32%	-19%
Female	499	11%	642	14%	29%
Part-Time	2,372	50%	2,541	54%	7%
Male	1,082	23%	1,104	24%	2%
Female	1,290	27%	1,437	31%	11%

UNEMPLOYMENT

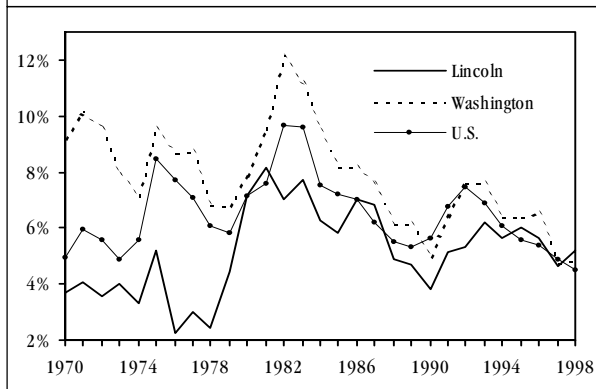
Trend

The civilian labor force consists of those who are working and those without a job who are looking for work. The unemployment rate is the percentage of the total labor force who are not working but who are actively looking for work. The unemployed do not include retirees, persons in institutions (including students), 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. Unemployment consists of more than simply filing claims for unemployment benefits; nationally, the number of claimants is only about one-third of the total number of unemployed.

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

Figure 10 shows the unemployment rate for Lincoln County, Washington State, and the United States since 1970. As is apparent, unemployment in Lincoln County is consistently lower than the statewide average but, nevertheless, tracks with the statewide pattern. Up until the late 1970s, it was significantly less than Washington's. In 1976 it was at 2.2 percent (its lowest point) while the statewide rate was at 8.6 percent. From 1970 until 1978, the Lincoln County unemployment rate, on average, was a full 5 percentage points lower than the state's: from 1979 through 1998, though, the average difference was less than 2 percentage points. The most recent year (1998) had the county's rate at 5.2 percent, higher than the state (4.8 percent) for the first time since at least

Figure 10
Unemployment Rates
Lincoln, Washington, U.S., 1970-1998
Source: Employment Security Department



1970. This, of course, does not mean the county's unemployment situation is worsening, only that statewide unemployment has improved significantly over its historical norm.

The lesser unemployment in Lincoln County (and in neighboring counties) can be attributed specifically to the type of agriculture that is the basis of its economy. Wheat is the premier crop in the county and wheat farming employs more workers than any other single industry in the county except government. However, it is a capital-intensive, not a labor-intensive, industry. Other regions that are concentrated in, for example, apple orchards, require very large numbers of workers for short periods of employment during harvest time and generally have very high unemployment rates. This is not the case in Lincoln County. While there is seasonal variation in unemployment, it is moderate compared to other agricultural areas.

Unemployment Insurance Claims

Figure 11 on the next page is a listing of unemployment insurance claims categorized by occupational group in both Lincoln County and Washington State. The largest group in both was structural work (primarily, construction occupations) which accounted for 26 percent of all claims in the county and 19 percent statewide. Of the larger

groupings, service occupations were next in size followed by professional and technical work and then agricultural jobs. UI claims in Lincoln County deriving from service and agricultural occupations were significantly higher than claims from those groups statewide.

Figure 11
Unemployment Insurance Claimants
Lincoln County and Washington State, July 1, 1997 - June 30, 1998
Source: Employment Security Department

	Lincoln		Washington	
	Claimants	Percentage	Claimants	Percentage
Structural work	98	25.9%	57,245	18.7%
Service	57	15.0%	33,975	11.1%
Professional, technical, and managerial	47	12.4%	51,013	16.7%
Agriculture, forestry, and fishing	42	11.1%	25,823	8.5%
Clerical	39	10.3%	34,107	11.2%
Machine trades	26	6.9%	16,577	5.4%
Motor freight and transportation	20	5.3%	15,951	5.2%
Packaging and materials handling	19	5.0%	28,132	9.2%
Sales	14	3.7%	16,497	5.4%
Processing	10	2.6%	15,327	5.0%
Benchwork	6	1.6%	8,475	2.8%
Miscellaneous, NEC	1	0.3%	2,246	0.7%
Total	379	100.0%	305,368	100.0%
White-Collar*	157	41.5%	135,592	44.7%
Blue-Collar*	221	58.5%	167,530	55.3%

**Miscellaneous/NEC occupations excluded*

Classing these groupings, rather loosely, into white-collar and blue-collar jobs, there is only an insignificant difference in the percentage of claims between the county and the state. White-collar jobs accounted for 42 percent of the claims in the county and 45 percent through-

out the state with blue-collar at 58 percent and 55 percent, respectively. (White-collar includes the groupings of professional/technical, clerical, sales, and service occupations; blue-collar subsumes the rest.)

INDUSTRIES, EMPLOYMENT, AND WAGES

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

gram (ES-202), includes data on both agricultural and nonagricultural 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.

Employment Trend

Nonfarm employment in Lincoln County has grown steadily, if not remarkably, since the early 1980s (*see Figure 12*). Strong growth occurred during the mid-1970s but employment fell off and then struggled along fitfully until steady growth began in about 1984. A strong spurt began after the 1990-91 recession and continued through 1996, when total nonagricultural employment was estimated at 2,860. After a slight decline in 1997, growth resumed in 1998 and reached 2,890. Overall, employment grew a moderate 63 percent from 1971

through 1998. (This growth must be considered moderate; during the same period, statewide employment grew 133 percent.) Broadly, the causes for the different growth rates are the substantial economic differences between the state and the county. Washington's economy, as a whole, is driven by high-tech and aerospace industries clustered around Puget Sound. Lincoln County's economy is driven by capital-intensive (rather than labor-intensive) agriculture.

Figure 12
Nonagricultural Wage & Salary Employment
Lincoln County, 1971-1998
Source: Employment Security Department

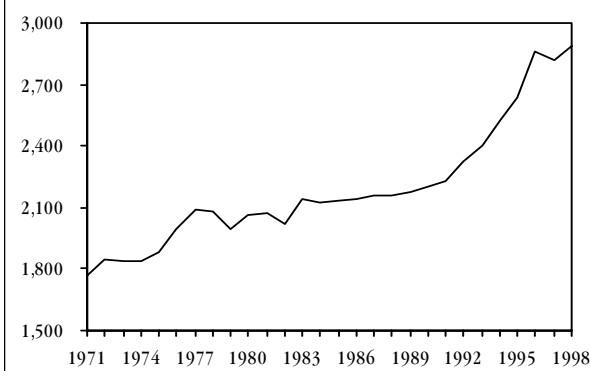
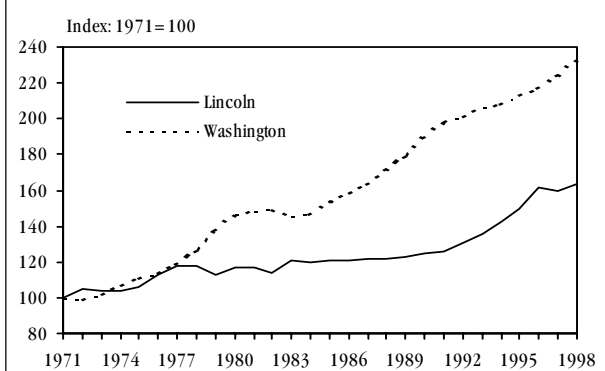


Figure 13
Nonagricultural Wage & Salary Employment
Lincoln County and Washington, 1971-1998
Source: Employment Security Department



Location Quotients

One way to determine how an area's economy is shaped is to compare it to another area. The following section shows fairly specifically, by industry sector, how Lincoln County's employment patterns both differ from

and coincide with Washington State's. When comparing an industry's share of all employment at the county level to the same industry's share at the statewide level, it becomes apparent that some county employment is dis-

tributed differently than statewide employment. The *location quotient* compares the share of total employment in a particular industry division in the county with the share it represents in Washington State.

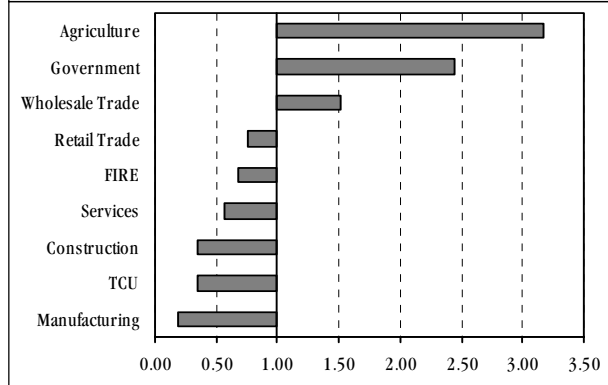
The quotient is determined by dividing the statewide industry employment share into the county industry share. A quotient of 1.0 denotes an industry in which the county is typical to the state as a whole; a value above 1.0 shows an industry with a higher concentration of employment; and a value below 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 14 shows the location quotients of the major industry sectors in Lincoln County. None of the industry sectors are on a par to the state as a whole, although retail trade is fairly close with a quotient of 0.75. The sectors which are exporters are agriculture, wholesale trade (primarily agricultural products), and government. The quotient for government, 2.44, is not a true indication of exportation. Areas with relatively low population

Figure 14
Location Quotients
Lincoln County, 1997

Source: Employment Security Department



densities must still provide the same essential government services (K-12 education, for example) as more populous areas, but without the economies of scale realized in those areas. The high quotient for agriculture and wholesale trade, of course, accurately portrays exports of farm products, i.e., wheat, outside the county.

All other industry sectors have quotients less than 1.0 and construction, manufacturing, and TCU are significantly less. Area residents either do not consume or use these goods and services at the same level as occurs statewide or must bring them in from outside the county.

Goods and Services

There has been considerable concern in recent years of the U.S. becoming a services-producing economy rather than a goods-producing economy. In Washington State, the trend is moving in that direction. In Lincoln County, the trend is also moving that way. The percentage *and* number of jobs that are considered to be goods-producing (the manufacturing and construction/mining industries) have, in general, decreased since 1970 while the number and share size of services-producing jobs have increased. In more recent years, the decline of goods-producing jobs has ceased and there have even been some increases. However, the share of those jobs remains significantly less than it was earlier.

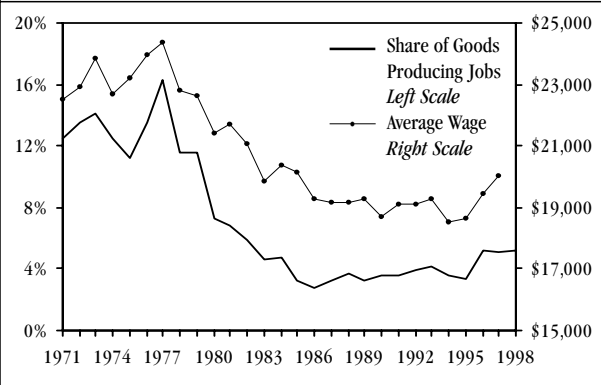
(This analysis is based on nonfarm employment which skews the picture somewhat, for agricultural jobs are

considered to be goods-producing. However, nonfarm employment does constitute 89 percent of the county's total employment.)

In 1971 (the earliest year CES data are available), goods-producing jobs numbered 220 and had a 12 percent share of all nonfarm employment. The figures peaked in 1977 when goods-producing jobs reached 340 and a share size of 16 percent. There has since been a relatively steady decline in the number of jobs as well as share size (until recently). In 1995, the share size was only 3 percent. The most recent year, 1998, saw 150 goods-producing jobs accounting for 5 percent of non-agricultural employment. Services-producing jobs, on the other hand, have steadily grown. Overall since 1971, the number of services-producing jobs grew 77 percent; the number of goods-producing jobs declined 32 percent.

In and of itself, this is not necessarily a harmful change; the services industries include many well paying jobs; doctors, lawyers, business consultants, etc., are all part of that grouping. Also, the growth in services is linked to a strong agricultural sector. However, there still remains a strong link, on average, between goods-producing jobs and higher levels of pay. *Figure 15* shows the changes in the county's average annual wage and the changes in the percent of goods-producing jobs. There is a strong relationship between the two.

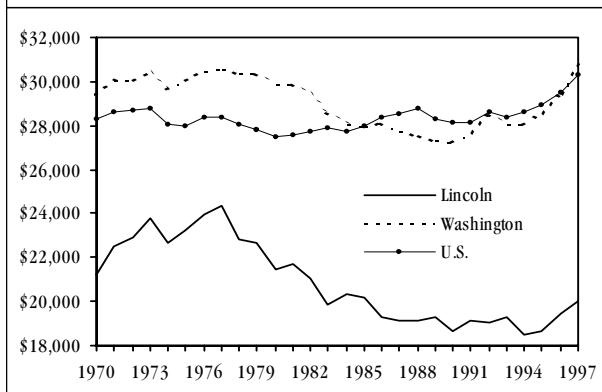
Figure 15
Goods Producing Jobs and Average Wage
Lincoln County, 1971-1998
Source: Employment Security Department



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. Jobs not covered by the unemployment insurance program are excluded; however, approximately 90 percent of all employment in the state is covered under the program. (Note: all amounts here have been inflation adjusted to 1997 dollars.) The average wage does not include any benefits (e.g., insurance or retirement plans) other than actual wages.

Figure 16
Annual Average Wage
Lincoln, Washington, & U.S., 1970-1997
Source: Employment Security Department



Looking at *Figure 16*, the most striking element is the continuous, large difference between Lincoln County's average wage and that of the state and nation. On average, the difference between the county and the state has been about \$8,000 since 1970; however, it has been increasing of late. There were gains in 1995, 1996, and 1997. In 1997, the wage was \$20,039, up about \$1,500 from 1994, but still almost \$11,000 less than the statewide average. As the chart shows, the average wage, in real dollars, was in decline from 1977 through 1994 when it bottomed out at \$18,513. While this decline also occurred statewide, it was not as precipitous.

Figure 17 on the next page shows the average wage for all the industry sectors and for some particular industries in Lincoln County and for the same sectors and industries statewide. The overall average wage in Lincoln County is only 65 percent of the statewide figure. With few exceptions (agriculture being one), the wage in all sectors and industries is significantly less than for the same ones statewide.

The population density of King, Snohomish, and other Puget Sound counties heavily influences the statewide average wage. The base of their economies is quite different than that of Lincoln County, hence the disparity in the average wage. The high-tech and aerospace industries of Puget Sound are well-paid and employ a large number of workers and Lincoln County lacks that industrial base.

Figure 17
Annual Average Covered Wage
Lincoln County and Washington State, 1997
Source: Employment Security Department

	Lincoln	State	% Diff		Lincoln	State	% Diff
Total	\$20,039	\$30,755	65%	Miscellaneous Retail	\$10,354	\$16,870	61%
Agriculture, Forestry & Fishing	\$16,753	\$15,369	109%	Finance, Insur & Real Estate	\$19,571	\$37,481	52%
Agricultural Production Crops	\$15,826	\$12,329	128%	Depository Institutions	\$22,791	\$32,858	69%
Agricultural Services	\$22,730	\$16,935	134%	Insur Agents, Brokers, & Service	\$12,897	\$37,889	34%
Construction	\$19,320	\$32,600	59%	Services	\$21,140	\$29,235	72%
Special Trade Contractors	\$17,995	\$31,268	58%	Auto Repair, Services, & Parking	\$16,218	\$23,032	70%
Manufacturing	\$14,844	\$40,724	36%	Miscellaneous Repair Services	\$13,076	\$27,087	48%
Printing & Publishing	\$7,849	\$30,378	26%	Health Services	\$30,106	\$29,235	103%
Transportation & Public Util	\$35,000	\$38,602	91%	Legal Services	\$31,117	\$39,593	79%
Trade	\$16,685	\$21,677	77%	Social Services	\$15,283	\$15,413	99%
Wholesale Trade	\$26,864	\$36,653	73%	Membership Organizations	\$7,230	\$19,821	36%
Wholesale Trade Durable Goods	\$26,719	\$39,654	67%	Private Households	\$8,438	\$8,318	101%
Wholesale Trade Nondurable	\$26,901	\$32,838	82%	Government	\$22,111	\$32,826	67%
Retail Trade	\$10,026	\$16,821	60%	Federal	\$29,945	\$41,936	71%
Food Stores	\$11,842	\$19,529	61%	State	\$30,926	\$32,973	94%
Auto Dealers & Service Stations	\$14,554	\$26,986	54%	Local	\$20,960	\$30,341	69%
Eating & Drinking Places	\$6,394	\$10,326	62%				

Some industries not shown to avoid disclosure of data for individual employers

Agriculture

Farming is the impetus behind Lincoln County's economy. A vast amount of agriculture produce, particularly grains, is harvested and sold, bringing a strong level of income into the county. In 1997, 10 percent of all personal income originated on the farm; and that share is low, historically speaking. Over the last quarter-century, farm income has averaged 25 percent of all income and has been as high as 45 percent.

The major crop, of course, is wheat. After Whitman County, Lincoln produces more wheat than any other county in Washington, and this holds true for both spring and winter wheat. In 1996, the county harvested over 25 million bushels of wheat. It is the second largest producer of barley in the state, producing over 5 million bushels. Oats and potatoes are also major crops. Lin-

coln has the third largest beef cow inventory in the state with over 20,000 head.

In 1997, the sector employed 340 workers, about 11 percent of all workers in the county. Within agriculture, the largest grouping of workers, over half, was concentrated in wheat farming; the next largest grouping was 14 percent of the total and that was in other grain crops, mainly barley.

The overall average wage for the agricultural sector in the county was greater than the average statewide: in fact, agriculture is the only sector in the county that surpassed statewide averages. Agriculture employers paid an annual average wage of \$16,753 while the statewide figure was \$15,369. More specifically, workers in crop production averaged \$15,826, quite a bit higher than the statewide average of \$12,329.

Figure 18
Crops and Livestock Inventory
Lincoln County, 1996

Crops	Acres Harvested	Average Yield	Total Production	Rank in State
Wheat, All (bu)	404,900	63.3	25,628,000	2
Wheat, Winter (bu)	348,400	66.6	23,187,000	2
Wheat, Spring (bu)	56,500	43.2	2,441,000	3
Barley (bu)	87,200	62.3	5,431,000	2
Oats for Grain (bu)	500	60	30,000	8
Potatoes (cwt)	5,000	500	2,500,000	6
Hay, All (tons)	21,900	3.4	74,500	11
Hay, Alfalfa (tons)	14,500	3.8	55,000	11
Hay, Other (tons)	7,400	2.6	19,500	14
Other Grass Seeds (cwt)	1,900	5.8	11,000	1

Source: Washington Agricultural Statistics Service

Livestock Inventory	Number of Head	Rank in State
All Cattle (January 1, 1997)	30,500	13
Beef Cows (January 1, 1997)	20,500	3
Hogs & Pigs (December 1, 1996)	900	8
Horses & Ponies (1992)	808	20

Source: Washington Agricultural Statistics Service, except for Horses & Ponies, which came from the 1992 Census of Agriculture

Construction

Lincoln County's construction sector is relatively small, constituting about 2 percent of the county's non-farm employment (compared to a statewide share of about 6 percent). Even so, it has grown considerably over the last decade. In 1989, there were only 20 construction workers in the county; in 1998, the number was up to 70. With so few in the sector, it is difficult to determine any kind of meaningful trend; however, employment was higher in the early- to mid-1970s than it was throughout the 1980s, and it has been picking up again in the last decade.

Within construction, the greatest amount of employment is in special trades. This grouping consists of carpenters, painters, electricians, plumbers, etc. They amounted to about two-thirds of all construction employment. (The other major construction categories are heavy construction and general building; there were only a handful of workers in each.)

The average wage in construction was \$19,320, considerably less than the statewide average of \$32,600 for construction but almost on a par with the county's overall average wage of \$20,039.

Manufacturing

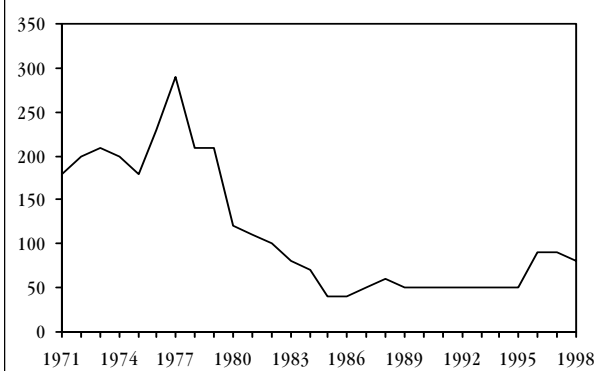
Manufacturing represented roughly 10 percent of Lincoln County's total nonagricultural employment during most of the 1970s (peaking at 14 percent in 1977). However, its share steadily declined in the 1980s to between 2 and 3 percent; a point of relative insignificance. Its share decline was not only because of growth of other sectors; the absolute number of manufacturing jobs also

declined. In 1998, manufacturing employment amounted to 80 jobs, slightly less than 3 percent of the total.

Local manufacturing employment hovered around 200 through most of the 1970s. The periods of exception were 1976-77 when manufacturing rose to 230 and then 290 due to gains in food processing, lumber and wood products, and machinery manufacturing. The gains

deteriorated rapidly at the turn of the decade, however, as local manufacturing fell more than 80 percent between 1980 and 1985 (from 210 to 40). The losses were spurred first by a lumber mill closure and then by the subsequent closure of several other manufacturing operations. Local manufacturing employment has ranged from 40 to 90 since. *Figure 19* shows employment numbers in manufacturing since 1971 and *Figure 20* indexes employment to 1971=100 and compares the county and the state.

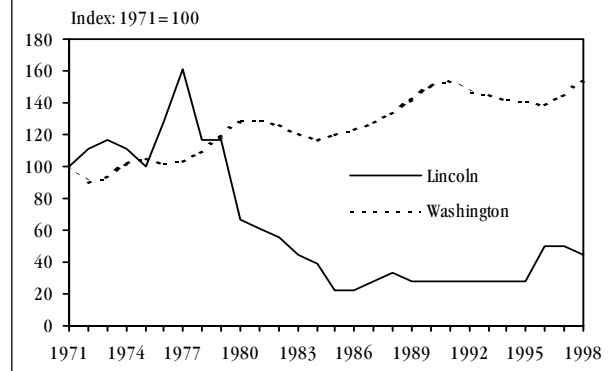
Figure 19
Manufacturing Employment
Lincoln County, 1971-1998
Source: Employment Security Department



Based on employment, the primary manufacturing entities in the county are canvas products, logging, and printing and publishing (i.e., the newspaper). A handful of other workers are scattered through a number of other small manufacturing concerns.

Unlike some other areas, manufacturing jobs in Lincoln County have relatively low wages. The overall annual average wage for the sector was \$14,844 in 1997, about \$5,000 less than the county's overall average wage. Manufacturing wages statewide averaged over \$30,000.

Figure 20
Manufacturing Employment
Lincoln County and Washington, 1971-1998
Source: Employment Security Department



Transportation, Communication, and Utilities (TCU)

The transportation, communication, and utilities sector normally consists of trucking and warehousing (and other forms of transportation), communications, and electric/gas/sewage utilities. In Lincoln County, the largest amount of employment is concentrated in electrical and other utility services. There is a smattering in trucking and warehousing.

The TCU sector has seen its share of the county's non-agricultural employment slowly erode from over 5 percent in the 1970s to 1 percent in 1998. Local TCU employment stood at about 100 through the 1970s and 1980s. Since 1989, though, it has been steadily declining and employed only about 40 workers in 1998.

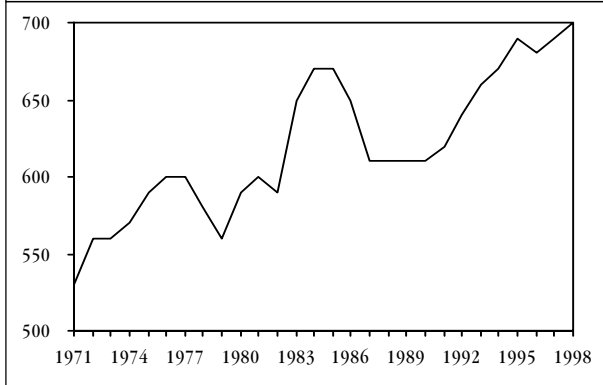
The average wage in the sector is quite high by county standards, even quite high by statewide standards. For 1997 it was \$35,000.

Trade

When wholesale and retail trade are taken together, the sector is the county's largest except for government. *Figure 21* shows employment since 1971. In the first half of the 1970s, trade jobs represented 30 to 31 percent of local nonagricultural employment. As the economy heated up and then fostered recessions in the

early 1980s, trade's employment share fell to 28 to 29 percent. The sector regained this lost share in the mid-1980s, but experienced subsequent erosion in its share due to sector losses and government gains. Since 1990, trade has had good employment increases each year, but because it was in conjunction with overall

Figure 21
Trade Employment
Lincoln County, 1971-1998
Source: Employment Security Department



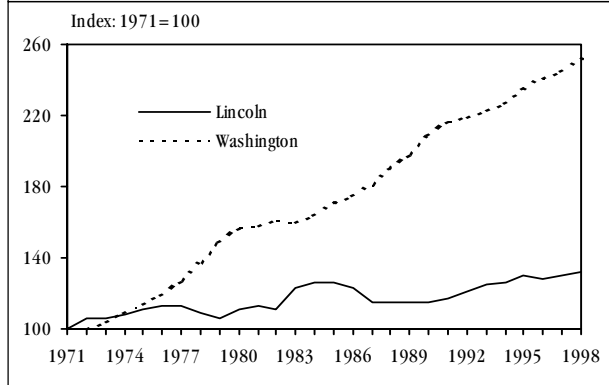
growth, its share size has slipped incrementally each year. Its share of all nonfarm jobs was 24 percent in 1998, on par with the state as a whole.

Since 1971, trade saw an increase of 170 jobs, a 32 percent increase. Statewide, trade employment increased over 150 percent. Although trade employment has been growing in Lincoln County, it certainly has not kept pace with the overall state growth.

Another large difference between the county and the state is the distribution of employment within trade. In Lincoln County in 1997, 40 percent of trade employment was in wholesale trade; in Washington as a whole, only 24 percent of the total was wholesale trade. This is because of the high volume of agricultural wholesale trade, i.e., the buying and selling of crops and farm supplies, in an area with a relatively small population and labor force. While wholesale trade employment constitutes 40 percent of all trade employment, its payroll constitutes over two-thirds (64 percent) of the entire trade payroll. The average wage in 1997 for all of trade was \$16,685: for the wholesale sector, it was \$26,864; for retail, \$10,026.

One of the larger industries in Lincoln County is non-durable wholesale goods. It employed over 200 work-

Figure 22
Trade Employment
Lincoln County and Washington, 1971-1998
Source: Employment Security Department



ers and paid an average wage of \$26,901 in 1997. The two largest components of the industry are crop sales, of course, and farm supplies, i.e., fertilizers, seed, etc.

Retail trade is often characterized by less than full-time employment; one reason for the traditional lower average wage in the sector. (No distinction is made between part-time or full-time employment when jobs are counted and average wages are computed; a large amount of part-time employment will always deflate the average wage.) Eating and drinking places normally have very high amounts of part-time employment, resulting in a high job count and a low wage. This is the case in Lincoln County where employment totaled 155 workers in 1997. The number of part-time jobs isn't shown in the statistics but it is undoubtedly a large percentage, for the average wage in 1997 was only \$6,394.

Food stores is another retail industry in Lincoln County with significant employment. Food stores include groceries, delis, ice cream parlors, convenience stores, etc. Employment stood at 117 in 1997 with an annual average wage of about \$11,842. Auto dealers, service stations, and miscellaneous retail activities made up the rest of the sector.

Finance, Insurance, and Real Estate (FIRE)

The FIRE sector is comprised of banks, credit unions, insurance agents and brokers, and real estate agents and brokers. Its 1998 employment (110) constituted about 4 percent of the county's total workers and its average wage of \$19,571 was just about on a par with the countywide average wage. Statewide, the

sector share was a bit above 5 percent while its average wage was \$37,481.

The number of jobs in the sector has remained fairly steady for about 15 years, ranging from 90 to 110. Prior to that, there had been expansion in the late 1970s and

early 1980s, bringing employment up from its previous levels of about 60 or 70.

The largest industry in this sector in Lincoln County is depository institutions, which includes banks, credit unions, savings and loans, and other similar facilities.

Banks are the major employers. There are also a handful of insurance agents/brokers and a few apartment managers. The average wage for the sector was \$19,571 in 1997 with weak wages in some industries buttressed by relatively good pay in banks (\$22,791).

Services

Services encompass a wide variety of industries ranging from health care to legal services to auto repair services to hotels and motels. In terms of nonfarm employment, it is the third largest sector in the county and its growth over the last three decades has been the greatest in the county.

This sector represented from 6 to 11 percent of all county nonagricultural employment between 1971 and 1980. Its share was between 7 and 8 percent during the first half of the 1970s. It proceeded to rise as high as 9 percent in 1977 due to business generated by a local irrigation project. A cooling economy and emerging recessions pushed its share to below 6 percent by 1980. Recovering slowly through the 1980s, it rose to 11.3 percent by 1985. Its share subsided over the next several years due to job losses in its own sector, coupled with gains in the government sector. Services started regaining share in 1993, but received its biggest boost in 1994 when the Spokane Tribe's Twin Rivers Casino opened.

The sector had close to 300 percent growth in employment between 1971 and 1998, going from 140 to

540 (see Figure 23). This was, by far, the fastest growing sector in the county. Figure 24 shows employment indexed to 1971=100 and compares the county with the state. The sharp increase in the 1990s has brought the county's growth rate up to par with statewide growth. Employment fluctuated around the 140 mark through the mid-1970s before soaring to 190 in 1977. It quickly returned to previous levels for the remainder of the decade. After the recessions of the early 1980s, local service employment broke the 200 mark, climbing to 240 in 1985 and 1986. After falling to around 170 in 1989 and 1990, it has grown to 540 in 1998, the highest it has ever been.

Typically, industries in the Lincoln County services sector are small, diverse, and employ only a small number of workers. The exception is the Twin Rivers Casino, which is the largest private employer in the county. Although numbers are suppressed because of confidentiality requirements, the casino injects a large payroll into the area and employs a sizeable number of workers.

Figure 23
Services Employment
Lincoln County, 1971-1998
Source: Employment Security Department

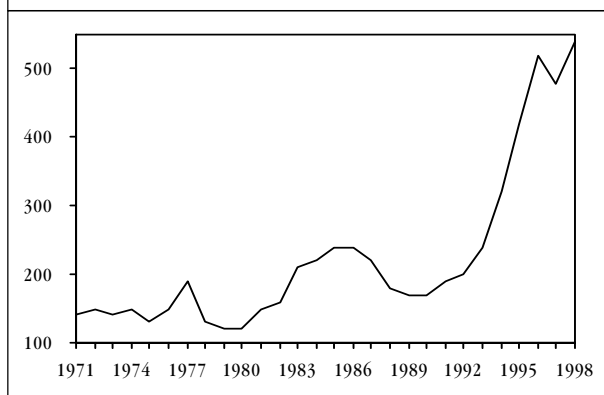
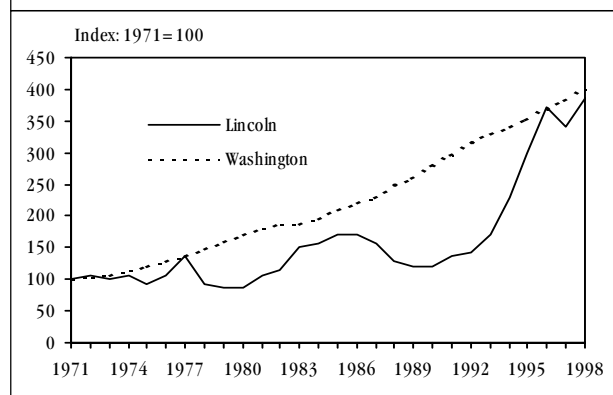


Figure 24
Services Employment
Lincoln County and Washington, 1971-1998
Source: Employment Security Department



Government

The public sector is by far the largest employer in Lincoln County. Almost half (47 percent) of the county's nonfarm workers are employed either by federal, state, or local government. Not only is government the largest sector in the county, it has added more jobs (640) than any other sector since 1971. Public employment increased 90 percent, going from 710 to 1,350 in 1998 (see *Figure 25*). Only during the period 1980-84, the time of the national "double-dip" recessions, did the sector have a decrease lasting more than a year. Since then, growth has been virtually constant. *Figure 26* shows growth rates for the county and state since 1971 (employment indexed to 1971=100). Growth has been almost identical.

Even when farm employment is taken into account, government workers constitute 42 percent of the county's employment. And the government payroll is

substantial. Private employers had a payroll of \$32 million in 1997 while the public payroll was \$28 million. In 1997, the annual average wage for government workers was \$22,111 while workers in private industry averaged \$18,528.

Federal and state government employment, each with fewer than 80 employees, is minuscule compared to local government. Most federal jobs are associated with either the postal service or the Grand Coulee Dam National Recreation Area. Most state government employees are involved with the administration of transportation policies and regulations.

Local government constitutes 88 percent of public employment. The largest areas of employment are K-12 education (474 workers, faculty and staff), health care, including Odessa Memorial Hospital (294), and general executive and legislative governmental functions (198).

Figure 25
Government Employment
Lincoln County, 1971-1998
Source: Employment Security Department

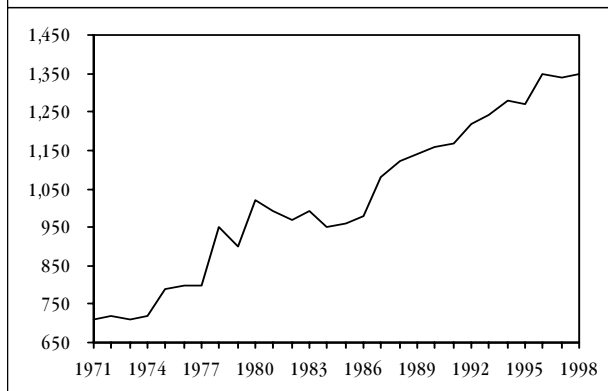
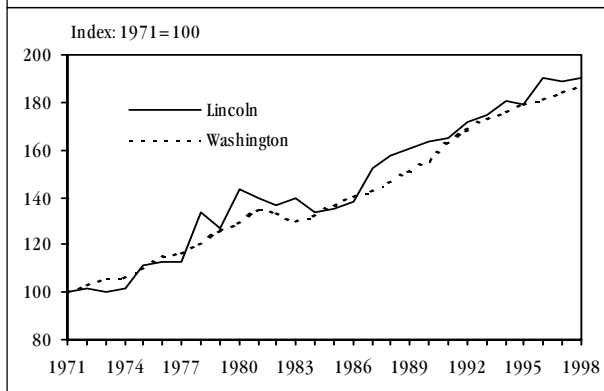


Figure 26
Government Employment
Lincoln County and Washington, 1971-1998
Source: Employment Security Department



Industry Projections

Figure 27 shows Employment Security Department projections for employment by industry for the period 1998-2003. In terms of percentage increases over the period, the biggest gainers will be services and manufacturing. In the case of manufacturing, however, the 11.1 percent increase only amounts to 10 jobs. The most actual job gains will be in government (90) followed by services (60) and trade (50). The overall job gain for the county should be about 210.

Figure 27
Industry Projections
Lincoln County, 1998 and 2003
Source: Employment Security Department

	1998	2003	% Chg	# Chg
Total Nonfarm Employment	2,920	3,130	7.2%	210
Manufacturing	90	100	11.1%	10
Construction & Mining	70	70	0.0%	0
Transportation & Utilities	60	60	0.0%	0
Wholesale & Retail Trade	700	750	7.1%	50
Finance, Ins. & Real Estate	110	110	0.0%	0
Services	530	590	11.3%	60
Government	1,360	1,450	6.6%	90

OCCUPATIONAL PROFILE

A different but informative way to view an area's work force is in terms of occupational divisions rather than industrial divisions. *Figure 28* shows employment and projections in the major occupational divisions for Lincoln and Whitman counties. Whitman county (and the university), unfortunately, has a much larger employment base than Lincoln and strongly influences the numbers shown here. However, the overall trends should be fairly accurate for occupations in Lincoln County.

Figure 29 on the next page is a listing of occupations in the same two counties. It groups the jobs by major occupational category and shows the mean wage, usually hourly, for the job. The ranking indicates the amount of employment per occupation in the two-county area, with 1 being the highest and 197 the lowest. While many of the occupations may not exist in Lincoln County, the wage scales of those that do should be accurate. (The influence of the university in Whitman County is manifest in that graduate student teaching is the number one occupation in terms of employment in the region.)

Figure 28
Occupational Employment and Projections
Lincoln and Whitman Counties, 1996 and 2006
Source: Employment Security Department

	1996	2006	% Chg	Jobs
Total	22,676	25,796	13.8%	3,120
Managerial & Administrative	1,726	1,948	12.9%	222
Professional, Paraprof., & Technical	8,660	10,198	17.8%	1,538
Marketing & Sales	1,433	1,687	17.7%	254
Clerical & Administrative Support	3,027	3,321	9.7%	294
Services	3,365	3,960	17.7%	595
Ag., Forestry, Fishing & Related	1,109	939	-15.3%	-170
Prec. Production, Craft, & Repair	1,796	1,956	8.9%	160
Operators, Fabricators, & Laborers	1,560	1,787	14.6%	227
White-Collar	18,211	21,114	15.9%	2,903
Blue-Collar	4,465	4,682	4.9%	217

Figure 29
Occupational Wages
Lincoln and Whitman Counties, 1997
Source: Employment Security Department

Occupation	Wage*	Rank**	Occupation	Wage*	Rank**
Managerial & Administrative Occupations:			Art, Drama & Music Teacher, Postsec	\$42,680.00	67
Financial Manager	\$22.82	58	Engineering Teacher, Postsecondary	\$51,440.00	34
Purchasing Manager	\$18.46	129	Math Science Teacher, Postsec	\$37,480.00	130
Marketing, Advertising, Publ Rel Mgr	\$20.87	150	Computer Science Teacher, Postsec	\$47,400.00	79
Administrative Service Manager	\$20.06	49	All Other Postsecondary Teacher	\$31,810.00	9
Engineering, Math, Natrl Science Mgr	\$32.77	119	Teacher, Elementary	\$35,240.00	14
Postmaster, Mail Superintendent	\$20.98	139	Teacher, Secondary School	\$34,600.00	13
Education Administrator	\$27.92	17	Teacher, Special Education	\$36,660.00	121
Medicine & Health Service Manager	\$26.24	152	Teacher, Vocational Education	\$15.89	142
Construction Manager	\$23.60	120	Instructor, Nonvocational Education	\$13.71	48
Communication, Transport, Util Mgr	\$20.96	75	Instructor & Coach, Sport	\$12.95	50
Food Service & Lodging Manager	\$10.85	39	Farm & Home Management Advisor	\$16.31	82
Public Admin, Chief Exec & Legislatr	\$10.62	128	Librarian, Professional	\$18.66	40
General Manager & Top Executive	\$23.52	8	Technical Assistant, Library	\$11.42	135
All Other Manager & Administrator	\$21.79	19	Vocational & Educational, Counselor	\$18.90	61
Professional, Paraprof & Technical Occupations:			Instructional Coordinator	\$22.49	42
Loan Officer & Counselor	\$18.19	146	Teacher Aide, Paraprofessional	\$9.43	46
Accountant & Auditor	\$18.02	43	Physician & Surgeon	\$53.62	174
All Other Financial Specialist	\$15.83	66	Physical Therapist	\$25.62	197
Purchasing Agent & Buyer, Farm	\$16.29	165	Registered Nurse	\$20.06	32
Purch Agent, exc Whlsl, Retail, Farm	\$17.82	157	Licensed Practical Nurse	\$12.56	101
Personnel, Train/Labor Relation Spec	\$18.10	195	Pharmacist	\$30.43	125
Comply Officer & Inspec, exc Const	\$15.90	172	Medical & Clinic Laboratory Technol	\$18.54	175
All Other Management Support Wrkr	\$17.03	27	Radiologic Technologist	\$16.96	147
Electrical & Electronic Engineer	\$24.94	183	All Other Health Prof, Paraprof, Tech	\$15.57	29
Mechanical Engineer	\$26.25	158	Writer & Editor	\$15.25	123
Surveying & Mapping Technician	\$13.73	166	Public Relatns Spec, Publicity Writer	\$16.32	116
All Other Engineering & Related Tech	\$17.12	23	All Othr Professional, Paraprof, Tech	\$17.00	2
All Other Physical Scientist	\$25.13	153	Sales & Related Occupations:		
Agricultural & Food Scientist	\$22.04	184	First Line Supervisor, Sales & Related	\$13.82	41
Biological Scientist	\$20.64	102	Insurance Sales Worker	\$18.06	131
All Other Life Scientist	\$21.91	196	Travel Agent	\$9.25	140
Biologic, Agri, Food Tech, exc Hlth	\$12.11	106	Sales Rep, Science & Rel, exc Retail	\$22.29	126
All Other Physicl & Life Science Tech	\$15.00	5	Sales Rep, exc Retail, Sci, Related	\$16.34	80
Computer System Analyst, EDP	\$21.04	38	Salesperson, Retail	\$8.46	12
Computer Support Specialist	\$16.54	96	Salesperson, Parts	\$10.85	90
Computer Programmer	\$20.29	159	Counter & Rental Clerk	\$7.25	73
All Other Social Scientist	\$17.90	74	Stock Clerk, Sales Floor	\$8.09	72
Social Work, Medical & Psychiatric	\$14.34	134	Cashier	\$7.51	7
Social Work, exc Med & Psychiatric	\$15.37	87	Telmrkr, Door-To-Door Sales & Rel	\$9.56	185
Residential Counselor	\$9.73	103	All Other Sales & Related Occupation	\$11.77	124
Clergy	\$15.09	173	Clerical & Administrative Support Occupations:		
Lawyer	\$31.25	100	First Line Supervisor, Clerical	\$14.22	26
Graduate Assistant, Teaching	\$12,670.00	1	Bank Teller	\$8.70	51
Life Science Teacher, Postsecondary	\$42,950.00	25	New Account Clerk	\$10.49	167
Chemistry Teacher, Postsecondary	\$44,440.00	53	Insurance Policy Processing Clerk	\$11.45	191
Physics Teacher, Postsecondry	\$40,520.00	115	Municipal Clerk	\$13.26	176
All Other Phys Science Tchr, Postsec	\$37,130.00	55	Reservation & Transport Ticket Agent	\$8.09	107
Social Science Teacher, Postsec	\$17.73	18	Library Assist & Bookmobile Driver	\$9.71	114
Health Specialties Teacher, Postsec	\$54,970.00	24	Teacher Aide & Educational Asst, Clk	\$8.25	98
English & Foreign Lang Tchr, Postsec	\$12.93	62	Legal Secretary	\$11.45	143

Figure 29 (continued)
Occupational Wages
Lincoln and Whitman Counties, 1997
Source: Employment Security Department

Occupation	Wage*	Rank**	Occupation	Wage*	Rank**
Medical Secretary	\$9.88	192	Animal Caretaker, except Farm	\$8.14	193
Secretary, except Legal & Medical	\$11.12	3	Farm Equipment Operator	\$7.50	28
Stenographer	\$11.89	148	Laborer, Landscaping & Grndskpng	\$9.50	57
Receptionist, Information Clerk	\$8.88	71	Farmworkers, Food/Fiber Crops	\$6.19	10
Typist, including Word Processing	\$9.85	88	Farmworkers, Farm/Ranch Animals	\$8.15	52
Bookkeeping, Account & Audit Clk	\$10.60	11	All Other Agricultural, Forestry, Fish	\$11.59	31
Billing, Cost & Rate Clerk	\$10.65	104	Produc, Construc, Op, Maint, & Material Handl Occup:		
General Office Clerk	\$9.57	4	1st Line Supervisor, Mech & Repair	\$19.86	78
Computer Oper, exc Peripheral Eq	\$10.49	136	1st Line Supervisor, Constr & Extract	\$21.04	111
Mail Clerk, except Mail Machine	\$7.60	186	1st Line Supervisor, Transportation	\$22.18	141
Postal Mail Carrier	\$15.95	69	1st Line Supervisor, Mgr, All Other	\$18.92	138
Meter Reader, Utilities	\$16.08	154	Machinery Maintenance Worker	\$18.13	108
Stock Clerk, Stockroom or Warehous	\$10.00	64	Maintenance Repairer, General Utility	\$13.52	15
Order Filler, Sales	\$10.33	168	Automotive Mechanic	\$13.73	60
Traffic, Shipping & Receiving Clerk	\$11.61	83	Automotive Body, Related Repairer	\$12.53	161
All Other Clerical & Admin Support	\$10.21	59	Bus & Truck Mech & Diesel Special	\$15.44	127
Service Occupations:			Farm Equipment Mechanic	\$11.81	30
Fire Fighting & Prevention Supervisor	\$25.08	149	Heat, A/C, Refriger Mech & Install	\$14.30	117
Police & Detective Supervisor	\$21.91	155	All Other Mech, Installer & Repairer	\$16.50	84
All Other Service Supervisor	\$12.31	36	Carpenter	\$17.53	47
Fire Fighter	\$12.52	92	Electrician	\$19.39	95
Police Patrol Officer	\$18.25	81	Concrete & Terrazzo Finisher	\$14.35	189
Sheriff & Deputy Sheriff	\$18.52	160	Painter & Paperhng, Constr & Maint	\$15.79	91
Guard & Watch Guard	\$8.81	144	Plumber, Pipefitter, Steamfitter	\$19.33	118
All Other Protective Service	\$12.16	105	Carpet Installer	\$12.15	179
Bartender	\$7.08	56	Paving, Surfacing, Tamping Equ Opr	\$17.61	97
Waiter & Waitress	\$5.68	16	Highway Maintenance Worker	\$13.63	45
Dining Rm, Cafeter & Bartender Help	\$6.53	151	All Other Const & Extract, exc Help	\$14.39	145
Counter Attend, Lunchroom, Cafeter	\$6.61	122	Sewing Machine Oper, Nongarment	\$9.24	164
Baker, Bread & Pastry	\$9.34	163	Laund/Drycln Mach Op/Tnd, excPres	\$7.35	170
Cook, Restaurant	\$7.88	37	All Other Machine Setter/Set-Up Op	\$11.41	109
Cook, Institution or Cafeteria	\$9.23	63	Electric, Electronic Eq Assemblr Prec	\$12.51	180
Cook, Fast Food	\$6.20	76	Welder & Cutter	\$15.59	156
Food Preparation Worker	\$6.97	22	Water, Liqu Waste Treat Plnt, Sys Op	\$16.29	162
Combined Food Prep & Service	\$6.27	20	All Other Plant & System Operator	\$14.54	85
All Other Food Service Worker	\$7.09	187	Truck Driver, Heavy/Tractor-Trailer	\$14.33	21
Dental Assistant	\$12.14	132	Truck Driver, Light, incl Deliv & Rel	\$10.32	44
Medical Assistant	\$10.06	188	Bus Driver, except School	\$11.33	89
Nursing Aide, Orderly & Attendant	\$7.46	35	Bus Driver, School	\$11.94	33
Home Health Aide	\$7.31	93	Driver/Sales Worker	\$10.83	133
Physical, Correct Therapy Asst, Aide	\$9.04	177	Service Station Attendant	\$7.14	113
Maid & Housekeeping Cleaner	\$7.08	70	All Other Transport Related Worker	\$14.06	112
Janitor & Cleaner, except Maid	\$8.85	6	Industrial Truck & Tractor Operator	\$11.06	171
All Other Cleaning & Building Service	\$8.19	110	Conveyor Operator & Tender	\$13.91	65
Hairdresser & Cosmetologist	\$7.83	77	All Other Material-Moving Equip Op	\$13.67	181
Amusement & Recreation Attendant	\$7.40	68	Helper, Mechanic & Repairer	\$9.67	190
Personal Home Care Aide	\$7.70	169	Helper, Carpenter & Related Worker	\$10.80	194
Child Care Worker	\$7.49	54	All Oth Frght, Stock, Mat Move/Hand	\$8.65	94
All Other Service Worker	\$7.70	137	Hand Packer & Packager	\$7.37	99
Agricultural, Forestry, Fishing, & Related Occupations:			Vehicle Washer & Equipment Cleaner	\$8.14	182
First Line Superv, Agr, Forest, Fish	\$23.65	178	All Oth Help, Labor, Matl Move/Hand	\$10.44	86

*Wages are either hourly or annual.

**Ranking is by amount of employment per occupation, from highest (1) to lowest (197)

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. All income data have been adjusted to 1997 dollars.

Total Personal Income

Personal income is generally seen as a key 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 personal income.

In 1997, total personal income in Lincoln County was \$227 million. This was an 11 percent increase, overall, since 1970 (see Figure 30). The total was significantly higher through 1975, when it fell abruptly, abetted by the severe national recession of 1973-75. After rising somewhat for a few years, it peaked in 1983 at \$310 million with the bumper farm crop that year. It essentially declined through 1994 but rose again in 1995 and 1996. The most recent year showed a small drop.

A significant reason behind the lackluster performance of personal income is the decline in farm income. One way of analyzing personal income is to divide it into farm and nonfarm income (see Figure 32). By comparing the line of farm income with nonfarm income, it is obvious that the severe ups and downs in personal in-

come are a result of the deviations in farm income. Overall, farm income decreased 70 percent from 1970-97, and that is a decrease in real dollars. Nonfarm income over the same period has shown a relatively constant, even though moderate, increase. While farm income fell 70 percent, nonfarm income grew by 61 percent, going

Figure 31
Personal Income
Lincoln County & Washington, 1970-1997
Source: Bureau of Economic Analysis

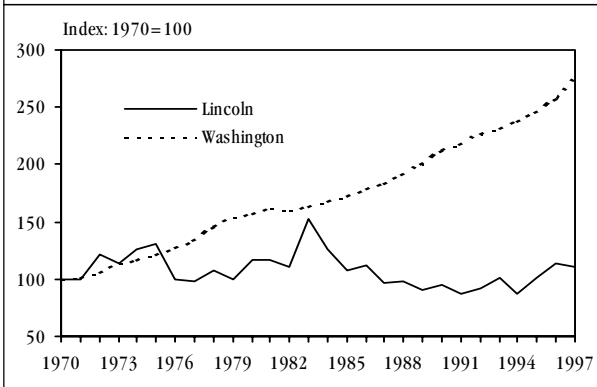


Figure 30
Personal Income
Lincoln County, 1970-1997
Source: Bureau of Economic Analysis

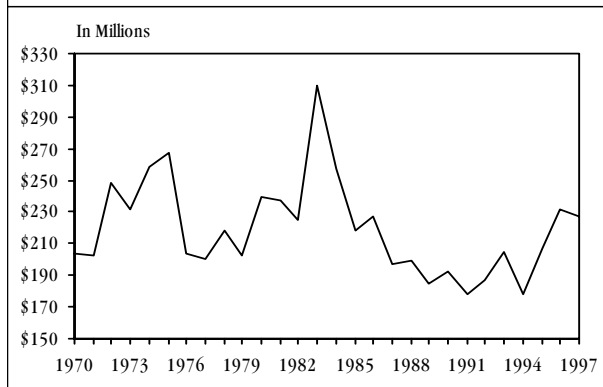


Figure 32
Farm and Nonfarm Income
Lincoln County, 1970-1997
Source: Bureau of Economic Analysis

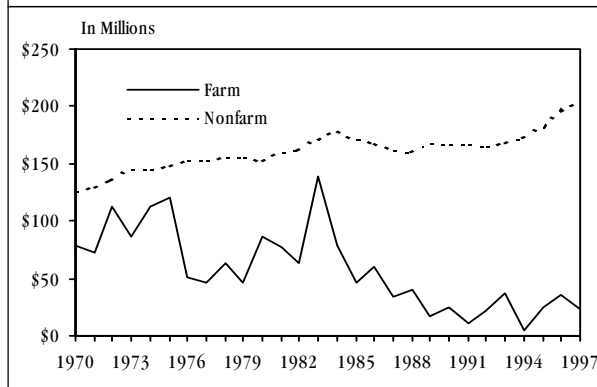
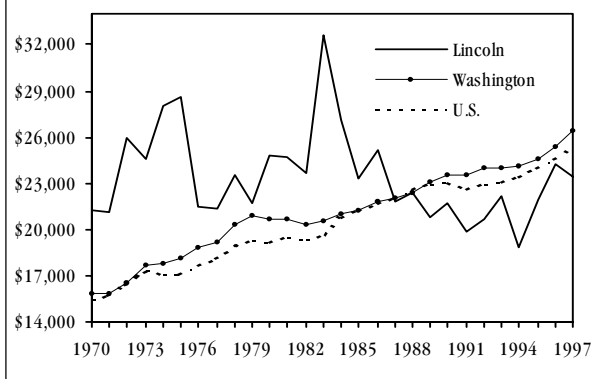


Figure 33
Per Capita Income
Lincoln, Washington, & U.S., 1970-1997
Source: Bureau of Economic Analysis



from \$126 million to \$203 million. In 1970, farm income accounted for 38 percent of total personal income; in 1997, only 10 percent.

Measuring the total amount of income in an area is only a sensible concept if there is some idea of the number of people in an area. Personal per capita income captures that. By dividing total personal income by the population, one arrives at a figure that can be used as a common denominator between different time periods or different areas.

Until 1987, Lincoln County's per capita income was consistently greater than the state's and the nation's. Declines in farm income and consistent gains by the state

and nation coincided that year and the county's income has been lower ever since. Even so, in 1997, the county's per capita income of \$23,411 ranked sixth in the state and was 89 percent of the statewide average (\$26,451). That Lincoln County could rank sixth and still be below the state average seems a trifle odd, but it only illustrates the degree to which income is concentrated in number one ranked King County, and how much it influences the overall average: only two counties, King and San Juan, were above the statewide average.

While per capita income can give an idea of the collective income of an area, it does not reveal how the money is distributed. Median income does, at least to a degree. The median household income is that income level where half of all households have a higher income and half have a lower income.

Lincoln County's median household income in 1998 was estimated at \$30,427 and ranked thirtieth in the state. (The statewide median income was \$44,134.) The county's high-ranking per capita income, when seen in conjunction with the low-ranking median income, indicates that the income is not evenly distributed. A large portion of income is concentrated in relatively few hands. More specifically, in the hands of farmers. The agricultural sector, with 11 percent of the county's workers, accrued 22 percent of all earnings in 1997, the largest share of any sector except government, which had almost half of all employment. And, 1997 was not an especially good year for farm income.

Components of Personal Income

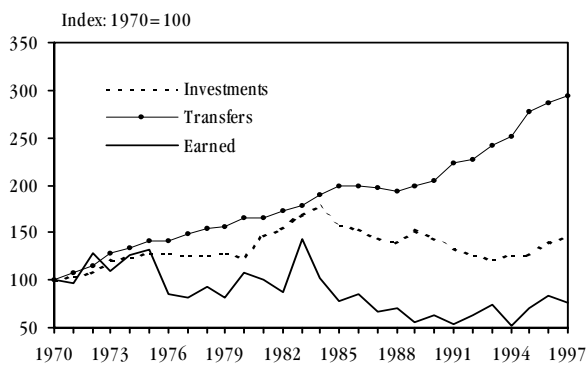
As mentioned earlier, personal income encompasses many different types of income. All the various types, however, can be subsumed under the three broad categories of earnings, transfer payments, and investment income. Earnings include wages, salaries, and proprietors' income; transfer payments include income maintenance, unemployment insurance, and retirement payments; investment income consists of interest, dividends, and rent.

The portions of personal income were distributed as follows in 1997: earned income, 47 percent (\$106 million); investment income, 31 percent (\$69 million); and transfer payments, 22 percent (\$50 million). Changes

in these share sizes over time have been remarkable. In 1970, earnings constituted 68 percent of income. The growth of investment income and (especially) transfer payments, coupled with declines in earnings since then, has dramatically changed the sources of income in the county. Larger and larger amounts of income are being derived away from the job.

Figure 34 on the next page shows the components of personal income (indexed to 1970=100) and compares the growth rates of the three. Transfer payments have easily been the fastest growing (194 percent increase since 1970) and are followed by investment income with a 40 percent gain. Earnings actually decreased by 24 percent.

Figure 34
Changes in Personal Income Components
Lincoln County, 1970-1997
Source: Bureau of Economic Analysis



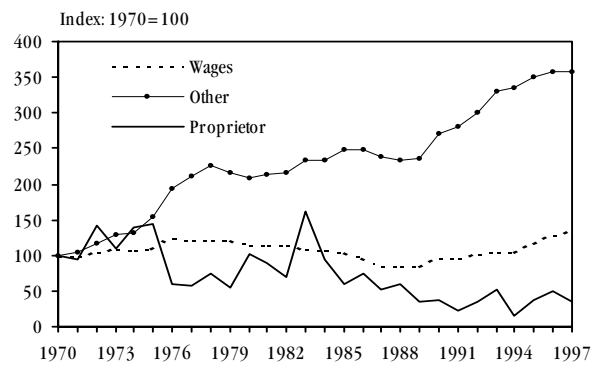
Earned Income

The largest portion of personal income is earned income. Although its percentage of the total has diminished considerably 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.

Earned income includes 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.

Since 1970, earned income has declined about one-fourth, going from \$138 million to \$106 million. The biggest loss was in proprietors' income, which fell by almost two-thirds, i.e., \$55 million. The greatest portion of proprietors' income is from farms; in 1997, farm proprietors accounted for 61 percent of proprietors' income. Wage and salary earnings increased over the period, but only by 34 percent. They had decreased steadily from 1978 to 1987, but have shown good growth

Figure 35
Changes in Earned Income Components
Lincoln County, 1970-1997
Source: Bureau of Economic Analysis



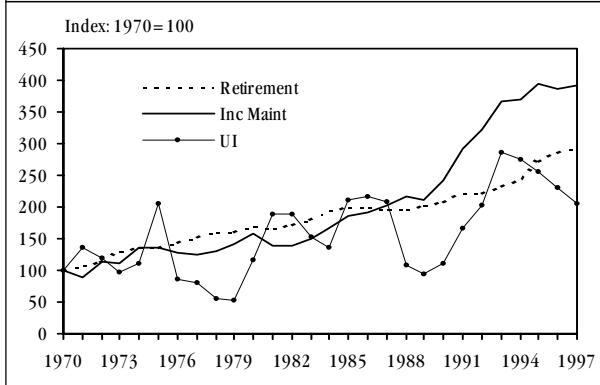
since. In 1987 wage and salary income totaled \$43 million and has grown to \$68 million in 1997, an increase of 57 percent. Other labor income had a remarkable increase, 257 percent, but its share of overall earnings remains quite small, about 6 percent.

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 the smallest in size of the components of personal income (22 percent of the total), but have grown tremendously over the last two decades. In 1970, they amounted to \$17 million.

Over the next twenty-seven years, transfer payments increased by 194 percent. By 1997, they were \$50 million. *Figure 36* indexes the components of transfer payments to 1970=100 and displays their growth rates since 1970.

Figure 36
Changes in Transfer Payments Components
Lincoln County, 1970-1997
Source: Bureau of Economic Analysis



The largest portion of transfer payments is made up of retirement and related payments. These include social security payments, federal government civilian and military retirement pay, and state and local government

retirement pay. This portion also includes Medicare payments, a very fast growing item. Retirement and related payments increased by almost 194 percent over the period shown, giving this component a 91 percent share of all transfer payments in 1997 (\$46 million).

Income maintenance includes Aid to Families with Dependent Children, general assistance, food stamps, and other transfers generally thought of as welfare. Income maintenance grew from 1970's \$739,000 to 1997's \$2.9 million, a 292 percent increase. The increase was the greatest among all types of income. However, the current share size is only 6 percent of all transfer payments. Statewide, the portion is 9 percent.

Unemployment insurance payments form the final component of transfer payments. These payments, naturally, fluctuate directly with the unemployment rate. After reaching an all-time high in 1993, the level of payments has been dropping since (along with the unemployment rate). In 1997, UI payments amounted to \$1.5 million, or 3 percent of all transfers.

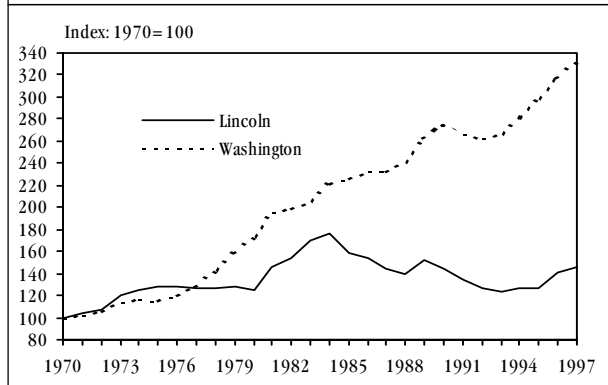
Dividends, Interest, and Rent

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.

In Lincoln County, investment income has not increased nearly as much since 1970 as it has throughout the state (46 percent versus 232 percent): however, its share of personal income is significantly greater than it is throughout the state (31 percent versus 17 percent in 1997). *Figure 37* shows investment income growth for Lincoln County and the state, indexed to 1970=100.

The large amount of investment income in Lincoln County, compared to the state, is attributed to a couple of factors. (1) The percentage of people 65-and-older is considerably higher in the county than throughout the state (19 percent versus 11 percent) and the elderly receive a higher percentage of investment income than the

Figure 37
Investment Income
Lincoln County & Washington, 1970-1997
Source: Bureau of Economic Analysis



population at large. And (2) much of the farm land in Lincoln County is leased by farmers rather than owned outright. This then becomes rental income for those who own the land.

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 special 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 Lincoln County the administrator for job services is the *Eastern Washington Partnership Private Industry Council (PIC)*. The PIC has jurisdiction over JTPA grants via the state Employment Security Department. These grants are used to train and place local unskilled or unemployed workers. The PIC has jurisdiction over JTPA Service Delivery Area X, which includes Lincoln as well as Ferry, Pend Oreille, Garfield, Stevens, Columbia, Whitman, Asotin, and Walla Walla counties. Administrative responsibilities (e.g., record-keeping, data collection, program planning, employer contact, etc.) and executive oversight are handled by the council.

Job Service Center. Operated by the Employment Security Department, the *Spokane Job Service Center (JSC)* provides job services to residents of Lincoln, Spokane, and Whitman counties. The JSC is a full-service office; that is, it provides the full range of services offered by any JSC in the state. In addition to providing Unemployment Insurance, job placement, and job training, the JSC administers several other programs.

WorkFirst is administered in cooperation with the Department of Social and Health Services. It seeks to make those on public assistance self-sufficient through employment. Services include job planning and counseling, case management, childcare assistance, educational and vocational training, and job placement.

The *Worker Profiling 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.

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.

Other programs operated by the Spokane County JSC include the *Refugee Program*, the *Local Veterans Employment Representative (LVER)* program, and the *Disabled Veterans Outreach Program (DVOP)*. The basis of these veterans programs is to provide counseling, career search skills, and job placement assistance. Additionally, a Veterans Affairs representative is available close by.

On the other hand, the *Colville JSC* manages the *Economic Dislocation and Worker Adjustment Assistance Act (EDWAAA)* for Lincoln County. This program is designed to assist clients laid-off because of either plant closures or plant restructuring and technology improvements. Through this program, clients work with counselors to assess job skills and interests. They then draw up an individual training strategy, which may include retraining at the community college with tuition and fees paid by the state. Job search workshops are provided to enhance skills such as resume writing, application processing, and interviewing.

Educational Facilities. While there are no institutions of higher education in Lincoln County, a wide variety can be found in neighboring Spokane, Whitman, and Grant counties. Regional four-year public and private institutions include the following (including their distance from Davenport):

- Gonzaga University, Spokane (35 miles)
- Whitworth College, Spokane (35 miles)
- Eastern Washington University, Cheney (45 miles)
- Washington State University, Pullman (105 miles)
- Central Washington University, Ellensburg (148 miles)
- Whitman College, Walla Walla (167 miles)
- Walla Walla College, College Place (170 miles)

Regional two-year community colleges and their distances from Davenport are:

- Spokane Community College, Spokane (35 miles)
- Spokane Falls Community College, Spokane (35 miles)
- Big Bend Community College, Moses Lake (85 miles)
- Walla Walla Community College, Walla Walla (167 miles)

Economic Development

The major economic development organization based in the county is *Team Lincoln County*, the associate development organization. The team is made up of the county's Coalition of Mayors, the County Commissioners, local area Chambers of Commerce (Davenport, Wilbur, Harrington, and Odessa), and the Odessa Economic Development Council. The main mission of Team Lincoln County is to provide assistance to Lincoln County to further economic growth and stability by attracting and developing new businesses.

Another provider of economic development information and assistance in Lincoln County is the *Big Bend Economic Development Council (BBEDC)*. The BBEDC is a nonprofit corporation with membership made up of representatives from local governments and private businesses. Located in Moses Lake, the EDC is one of the major providers of economic development services in Lincoln County as well as Adams and Grant counties. This promotion of economic development is achieved through many different means. Some of its activities and projects include:

- Assist business development in Big Bend area.
- Lead agency, Northwest Council of Governments and Associates.
- Grant writing and professional planning assistance for members.
- Development of an economic information clearinghouse for members.
- Currently developing a comprehensive park and recreation plan for Davenport
- Currently developing a flood hazard management plan for Lincoln County

Lincoln County also has development organizations that specialize in their own local economies. Chambers of Commerce are generally comprised of business owners and other interested individuals who work together to further the business interests of their local communities. Lincoln County has Chambers of Commerce located in Davenport, Odessa, Harrington, and Wilbur.

In addition to its Chamber of Commerce, Odessa has an Economic Development Council that takes an active role in the advancement of the town's economy.

Infrastructure. An area's infrastructure is an integral part of economic development. The following are primary infrastructural elements currently in place in Lincoln County.

Roads and Highways. The major thoroughfare through Lincoln County is U.S. Highway 2 which extends east and west in the north of the county. State Highway 28 runs from the southwest to the northeast corner of the county connecting Odessa with Davenport. For the most part, State Highways 21, 23, 25, 174, and 231 extend north and south through the county. Interstate 90 runs briefly through the southeast county. All of these routes are in turn connected by smaller provincial roads.

Air Transportation. There are three airports in Lincoln County. Wilbur Municipal has the longest runway at 3,500 feet, followed by Davenport at 3,200 feet and Odessa at 3,100 feet. All are used primarily for local general and charter aviation and are not served by major commercial carriers. Major commercial air passenger service is available at Spokane International Airport, 33 miles east of Davenport. Spokane International, with concrete runways of up to 9,000 feet, is served by the following commercial airlines: United, Delta, Southwest, Alaska, Northwest, and Horizon. From the eastern part of the county, the Grant County International Airport in Moses Lake, serviced by Horizon Air, may be more convenient.

Port and Rail Service. There are no ship or barge facilities in Lincoln County. As for rail service, the Burlington Northern Railroad operates several mainlines that cross the county, connecting the major cities, as well as an active spur, the Coulee Branch Line.

SUMMARY

Since the 19th century when ranching was supplanted by agriculture as the area's dominant economic activity, farming has been the backbone of Lincoln County's economy. Even today, after substantial growth in the services and trade sectors, the source of the county's wealth remains the farm.

The county is a major producer of wheat and barley and other field crops. Because this type agriculture is capital- rather than labor-intensive, the county does not have the problem faced by other areas of a large number of farm workers, many of them migrant, who have substantial periods of unemployment throughout the year. Unemployment in Lincoln County compares well to the state and to the nation. In 1998, the county's unemployment rate was 5.2 percent of the labor force; Washington's rate was 4.8 percent while the national rate was 4.5 percent.

The labor force, after declining from the mid-1980s through 1991, has grown substantially since. Nonagricultural employment has been on a sharp upswing since 1991. And the county's population has also shown strong recent growth.

This decade, the major gains in employment have come from the services and government sectors; both have created enough new jobs to overcome declines or stagnation in other industry sectors. Of the 690 new jobs created since 1990, 81 percent came from those two sectors. Transportation, communication, and utilities was the only sector showing a decline over the period. The other sectors had minor gains.

While agriculture is the force behind the economy, the biggest provider of jobs in Lincoln County is government. Public employees constitute slightly less than half of all nonfarm employment. The bulk of government is at the local level, and the bulk of that is involved with K-12 education. Growth in public employment has not been spectacular but it has been steady, and it provides a measure of stability to the county's work force and economy.

Income in the county has an unusual twist. Per capita income (\$23,411 in 1997) is quite high, ranked sixth among Washington's 39 counties, indicating that the county as a whole has a high level of income. But the median household income (\$32,366) is only middling, ranked twenty-second among the counties, and the average wage (\$20,039) is ranked quite low: thirty-third in the state. These figures indicate that income/wages are relatively concentrated. Much of that concentration is in the agricultural community. Of earnings, the largest component of income, almost a fourth of the total went to farmers and farm workers.

Farming is, and will remain, the dominant wealth producing activity in the county. Even so, the trade and services sectors are providing considerable employment and diversification in the economy and should continue to grow. Government will remain a major provider of jobs. Lincoln County will never be an economic star in the sense of a Puget Sound county but it will always have a leading role in the agricultural world.