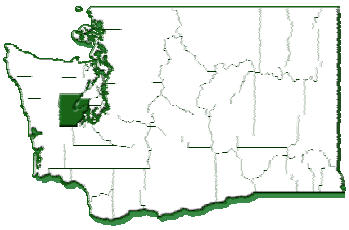

COUNTY PROFILE

MASON

March 2002
Labor Market and
Economic Analysis Branch
Greg Weeks, *Director*

Washington State
Employment Security

MASON COUNTY PROFILE
MARCH 2002

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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- *On-line database (WILMA) at www.Wilma.org*
- *Labor Market Information Center (LMIC) at* ***1-800-215-1617***

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INTRODUCTION

This report profiles the labor market and economic characteristics of Mason 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 Mason County Profile of September 1997, the purpose of this report is to provide a comprehensive labor market and economic analysis of Mason County. Characteristics profiled include the following:

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

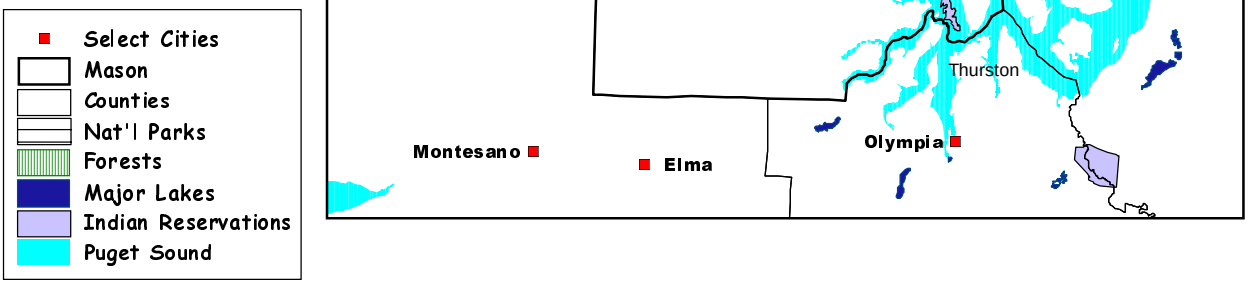
GEOGRAPHY

Comprising a total land mass of 961 square miles, Mason County ranks 29th in size among Washington counties. The county is located in western Washington at the southwest end of Puget Sound. It is bordered to the north by Jefferson County, to the west and southwest by Grays Harbor County, and to the southeast by Thurston County. The county's eastern boundary—shared with Kitsap, Pierce, and Thurston counties—is primarily delineated by the rugged contours of Hood Canal and Case Inlet.

Like neighboring Thurston County, Mason's topography was heavily influenced by prehistoric glacial activity. After the ice retreated, the more mountainous areas in the county's interior evolved into dense forest land. This is particularly true in the north county, much of which is incorporated in the Olympic National Forest and Olympic National Park (elevations in this part of the county reach 6,000 feet above sea level). The lower elevations (where they are not forested) consist of fertile, but gravelly, loam. Past glacial activity accounts for nearly 100 lakes that dot the county. The larger of these bodies are Lake Cushman, Mason Lake, Lake Limerick, Isabella Lake, Timberlakes, and Spencer Lake.

Hood Canal and Puget Sound account for most of Mason County's 90 square miles of water. Two-thirds of Hood Canal runs through Mason County. Two-to-three miles wide in certain places, Hood Canal enters the county from the north and, in the course of its 30-plus mile stretch, turns northeasterly at the Great Bend to form a lopsided "V." Case Inlet forms the lower half of Mason's eastern boundary. Lying in county waters are two big islands—Harstine and Squaxin—and three smaller ones: Hope, Reach, and Stretch. Of the innumerable inlets that break up the county's shore, two deserve mention: Hammersley Inlet (Shelton's access to Puget Sound) and Little Skookum Inlet (Kamilche's access to Puget Sound).

The longest and most powerful river in Mason County is the Skokomish. Formed high in the Olympic Mountains, the Skokomish flows southeasterly through Mason County before emptying at the Great Bend of the Hood Canal. One fork of the Skokomish feeds Lake Cushman and the hydroelectric power plant at Potlatch (built by the City of Tacoma). Other notable rivers in Mason County are the Satsop and Hamma Hamma. Originating in the south county, the Satsop flows southwesterly to Grays Harbor and the Pacific Ocean. The Hamma Hamma runs east near the county's northern border before flowing into Hood Canal.



ECONOMIC HISTORY

The following was excerpted from *History of Mason County* by Dr. Harry W. Deegan.

Early white exploration of what would become Mason County was led by Lieutenant Charles Wilkes and his expeditionary party. From 1838 to 1841, they explored and mapped Puget Sound for the U.S. Government.

Upon reaching the Mason County region, the expedition encountered Indian inhabitants; namely the Skokomish (or Twana) and Squaxin, the principal tribes of the region. The former were mostly concentrated in what is now the central county along the Skokomish River; the latter mainly along the inlet waters of Puget Sound in the southeast county. Interestingly enough, for a decade after its formation, Mason County took the name of one of the region's smaller tribes, the Sa-heh-wamish or Sawamish (as they were more commonly referred to), who inhabited the area around Budd Inlet extending west to the Pacific.

Because of their watery surroundings, the tribes depended upon canoes as a means of travel and trade with tribes further north along Puget Sound or on the Olympic Peninsula. Their canoes were fashioned from the cedar trees which blanketed the shore. So, too, were their longhouses which provided protection against the winter cold. Salmon was the primary food, supplemented by roots and berries.

The Medicine Creek Treaty, signed by President Franklin Pierce on April 10, 1855, had numerous tribes of the Washington Territory—including the Skokomish, Squaxin, and Sawamish—cede land to the federal government in return for monetary compensation and tribal reservations. Though there were others, this treaty is noted for having facilitated the relatively peaceful white settlement of Washington Territory.

When Washington Territory was formed in 1853, Thurston (which included present-day Mason County) was its second largest county. Unfortunately, the county's large size made communication and travel between its seat in Olympia and a large settlement to the northwest in Shelton very difficult. As a result, David Shelton—a delegate to the Territorial Legislature—submitted a bill to partition Thurston and create Sawamish County. The bill passed the Legislature and was signed by Governor Isaac I. Stevens in March of 1854. In 1864, the county was renamed Mason to honor Charles Mason, the first secretary to Governor Stevens and the Washington Territorial Legislature, and the acting governor during Stevens' absence.

The original seat of Mason County government was the town of Oakland (now extinct but then roughly two miles north of present-day Shelton). However, in 1888, Shelton, referred to as Sheltonville prior to 1888, was selected as the new county seat—allegedly because Oakland residents would not allow a saloon in town. Within the decade, Shelton became the local commercial center, particularly for timber interests.

Without question, logging was the foundation upon which Mason County's economic structure was built. Moderate temperatures and abundant rainfall provided a perfect growing climate for ancient stands of Douglas fir, cedar, spruce, and hemlock. The virgin stands were considered ripe for the woodman's axe. It was these forests that drew pioneer settlers to the county.

The first logging was done in the southeastern part of the county near Kamilche. Early on, trees were felled by hand and dragged from the forest by ox teams. The labor-intensive practices, coupled with dense stands of timber, made early efforts to log the county's interior virtually impossible. Fortunately, the timber extended down to the shores of Puget Sound. Naturally, that timber was the first to be harvested.

Solomon Simpson, a major figure in Mason County history, arrived in 1887 to supervise construction of the Puget Sound and Grays Harbor Railroad. However, in 1895 he left to organize Simpson Logging Company. Simpson is credited with modernizing timber-harvesting methods. He replaced ox teams with hitches of eight to ten horses and introduced greased skids to speed up the clearing. These practices, however, proved costly in terms of the horses' high mortality rate. That, in turn, prompted him to speed along production of the revolutionary steam donkey.

Companies sprang up as logging became more cost-efficient and profitable around the turn of the century. Simpson Logging (which continues to play a major role in the local economy) was the county's first major logging concern. In fact, by 1905 it was the largest in the state with a payroll of more than 500 men. Before the turn of the century, others would follow: Mason County Logging, Western Washington Logging, Union River Logging, and Phoenix Logging were examples.

As logging commenced, lumber mills followed. Skookum Mill was the first. The mill was built in 1854 at the head of Hammersley Inlet near present-day Shelton. Other mills soon began operating in the areas around Shelton and Allyn, a town at the head of Case Inlet Bay near the land bridge connecting Mason and Kitsap counties. The water-powered mills were erected along the banks of rivers and creeks. When areas were logged out, the mills either moved or went out of business.

Miles and miles of rail laid by the region's logging and lumber concerns added to local prosperity. The county's first railroad was constructed in 1883 by the Union River Logging Company. It extended 10 miles along Hood Canal and was operated for 10 to 15 years. The Phoenix Logging Company operated a small line on Hood Canal near Potlatch. In 1884, construction began on the Simpson Logging Company's Peninsula Railroad (an extension of the Satsop Railroad). Most nostalgic, however, was the Puget Sound and Grays Harbor Railroad, more commonly referred to as the Blakely Road. Begun by the Port Blakely Mill Company in 1886, the line stretched from the mouth of Little Skookum Inlet to Kamilche. It later extended to Elma, Montesano, and Aberdeen. As the shortest route from Tacoma and Seattle to Grays Harbor, it carried many passengers.

The clear-cutting practices of early logging companies opened a considerable amount of county land to farming, dairying, and ranching. Cattle (Holstein, Jersey, Hereford, and Durham) and sheep were introduced into the lush Skokomish River and Shelton valleys. By the turn of the century, many of these operations were quite prosperous because of the ready market provided by logging camps. Farming tended to be limited to the production of hay (mostly for local ranches), berries, and potatoes.

Oysters proved to be a valuable local commodity. In fact, they proved so popular that local oyster beds were all but depleted by 1887—less than a decade after the county's first shipment left Oyster Bay. This led to the creation of the Puget Sound Oyster Association. Under the organization's leadership, Oyster Bay was reseeded. Soon after, two major oyster companies moved into the county: Skookum Oyster Company and Olympia Oyster & Investment Company. By 1902, four-hundred acres of Mason County waters were under cultivation, producing more than 25,000 sacks of oysters each year. At that time in American history, oysters were considered standard fare, a part of most meals, and were quite inexpensive.

The pattern of economic development in Mason County held constant through the postwar period. Since then, things have changed. Of the county's traditional industries—logging and lumber, farming and dairying, and oyster cultivation—only logging and lumber maintains prominence in the local economy. However, this industry has been under pressure from increasing environmental regulations and external competition. More and more jobs in logging and timber have been replaced by service-oriented jobs.

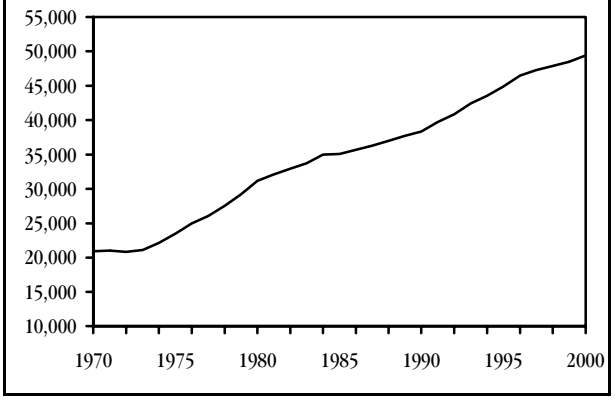
POPULATION

Population Trends

The population in Mason County grew at a relatively fast pace of 2.8 percent annually from 1970 through 2000. During that time, the number of residents climbed from 20,918 to 49,405, which amounted to a 136.2 percent increase (*see Figure 1*). That growth rate was more than double the statewide increase of 61.6 percent and a whole percentage point higher than the Washington average annual growth rate of 1.8 percent. In 2001, Mason ranked as 15 out of 39 Washington counties in terms of population density. The county averaged about 52 persons per square mile, compared to 90 persons for the state.

While *Figure 1* gives the impression of a fairly steady increase in population, *Figure 2* which depicts both Mason and Washington growth rates over time, shows growth rates to be subject to wide fluctuations. Between 1973 and 1984 Mason County population expanded rapidly, averaging 4.3 percent compared to 2 percent for the state. From 1984 to 1992 Washington population growth fell to 1.9 percent while Mason County slowed even further to 1.7 percent. While growth between 1992-2000 was faster than the state (2.1 compared to 1.5 percent), it remained below the average of the past 30 years. Generally growth patterns in Mason matched those of the state but as would be expected with a smaller population, they were exaggerated.

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



Population change has two components; the natural change (births and deaths) and the migratory change (in-migration and out-migration). The natural change component is normally only affected by large socioeconomic changes (the Great Depression, with the lowest birth rate of the century, and after World War II, the Baby Boom with the highest birth rate of the century). It is the migratory component of population change that responds quickly to normal economic fluctuations. In

Figure 2
Population Growth Rate
Mason County and Washington, 1970-2000
Source: Office of Financial Management

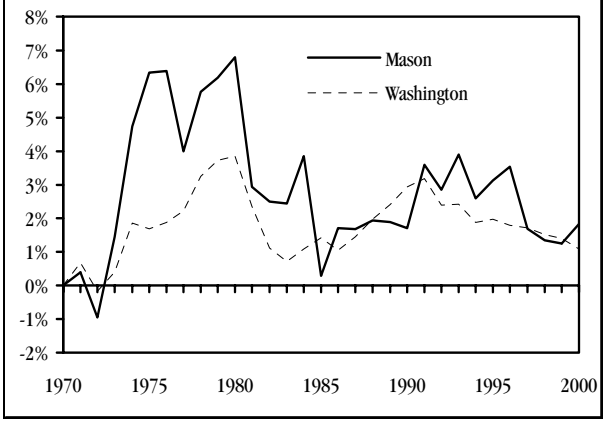
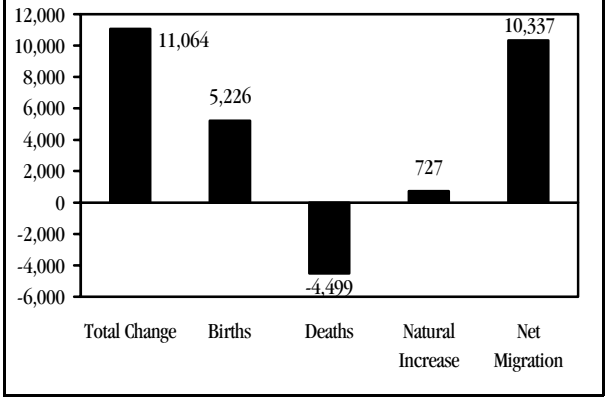


Figure 3
Components of Population Change
Mason County, 1990-2000
Source: Office of Financial Management



light of the commuting pattern data, the economic fluctuations of neighboring Kitsap and Thurston counties also impact migratory fluctuations.

The primary cause of Mason County's population surge has been in-migration, as shown in *Figure 3*. From 1999 to 2000, looking only at births and deaths, Mason County's population had a gain of 727 persons. This pales in comparison to the 10,337 gain from net migration and only contributed 7 percent to the total population growth. Except for the early 1970s and post 1980s recession, in-migration has exceeded out-migration, prompting strong growth. While some of this in-migration has supplied Mason County employers, a larger portion has been commuters moving in to live in Mason County and work elsewhere.

Towns and Cities

Mason County had an estimated 49,600 residents in 2001. Seventeen percent (8,470) lived in Shelton, the county's only municipality and its seat of county government. The balance of the populace resided in and around the county's twelve unincorporated townships, most of which are along either the Hood Canal or South Puget Sound inlets in west Mason County. Allyn, Belfair, Eldon, Dayton, Dewato, Grapeview, Hoodsport, Lake Cushman, Lilliwaup, Potlatch, Kamilche, Matlock, Staircase, and Union are among the unincorporated townships in the area. These townships were responsible for much of the growth in population in the 1990s. In fact, from 1990 to 2001, Shelton grew by just 17 percent, while the balance of Mason County grew by 32.3 percent. *Figure 4* exhibits the population numbers for incorporated and unincorporated Mason County from 1990 to 2001.

Mason County is also home to the Skokomish and Squaxin Island Indian tribes. Most of the Skokomish live on or near the tribe's reservation which is located on the southern end of Hood Canal's Annas Bay at the mouth of the Skokomish River. Home to 614 tribal members (1990 Census), the reservation is administered and managed by a seven-member Tribal Council. The smaller Squaxin Island Reservation is located in the southeast county on an uninhabited island of the same name. The center of activity for the 157 members of the Squaxin Island Tribe is on reservation land near Kamilche.

Figure 4
Population of Cities and Towns
Mason County, 1990-2001
Source: Office of Financial Management

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	% Chg 90-01
Mason	38,341	39,900	41,200	42,900	44,300	45,300	46,700	47,900	48,300	48,600	49,600	49,600	29.4%
Unincorporated	31,100	32,590	33,870	35,504	36,860	37,745	38,995	40,130	40,510	40,790	40,963	41,130	32.3%
Incorporated	7,241	7,310	7,330	7,396	7,440	7,555	7,705	7,770	7,790	7,810	8,442	8,470	17.0%
Shelton	7,241	7,310	7,330	7,396	7,440	7,555	7,705	7,770	7,790	7,810	8,442	8,470	17.0%

Population by Age Groups

The Office of Financial Management has released projections of population change by age groups. Changes in each group's share of the general population have significance if we make the following assumptions about group characteristics:

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

Though not drastically different there are some things that stand out when comparing age groups for Mason County and the state. As *Figure 5* illustrates, Washington has a higher percentage of persons 0-14 (22.1 ver-

sus 20.7 percent) and in the prime working years of 24-44 (30 versus 27.9 percent) than Mason County. The retired population (65 and over) in Mason County makes up 15.2 percent of the entire population compared to 11.3 percent for Washington. Generally speaking, Mason County residents are older than the average Washington resident. This demographic difference has economic significance on labor force participation rates as well as sources of income.

Figure 6 is based on projections made by the Office of Financial Management and depicts changes in age groups in Mason County. The two youngest age groups are expected to remain a small proportion of the population while the oldest group is expected to increase rapidly as 2020 approaches. Between 1995 and 2020 those over age 65 in Mason County will rise by a projected 75 percent. During that period the age group between 45 and 64 is the only one expected to rise faster (81.4 percent) while the slowest growth is projected for the prime working years of 24 to 44 (34.8 percent). The 24-44 age group is expected to have the lowest increase over the 25 years, but most of the stagnation is projected between 1995 and 2005. As seen in *Figure 6*, this age group rises relatively fast between 2005 and 2020.

If accurate, these projections should bring age groups in Mason in line with the rest of the state. For Washington as a whole the "retired" age group of 65 and over is expected to catch up with Mason County by increasing at a 95 percent rate. At the same time the group of prime working years (24-44) has been forecasted to climb only by 12.5 percent, about one third that of Mason. In summary the Mason County population will age but not as fast as the whole state population.

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

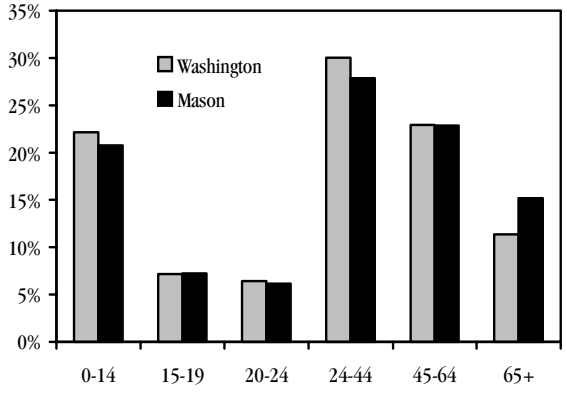
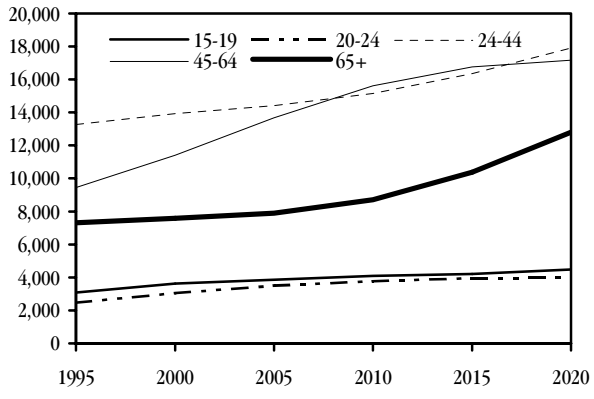


Figure 6
Population by Age Groups
Mason County, 1995-2020
Source: Office of Financial Management



Demographics

Race and Ethnicity. Mason County is predominantly white but is becoming less so. *Figure 7* gives a count of the 1990 and 2000 populations by race and Hispanic origin. In 1990, 94 percent of Mason County residents were white, as compared to 90.6 percent for the state as a whole. Native Americans, due to the Skokomish and Squaxin Island tribes, accounted for 3.8 percent in 2000 but dropped to 3.7 percent of the population in 2000. This was simply a drop in percentage terms because at the same time the Native American population rose by almost 27 percent and remained above the state percentage of 2.7. Other races were low in numbers and shares with Asian and Pacific Islanders and African Americans accounting for just 1.0 and 1.2 percent of the population. For Washington, these groups account for 7.4 and 4.0 percent of the population, respectively.

Growth in recent years is another matter. From 1990 to 2000, the 21.3 percent growth of the white population in Mason County is considerably below the 176 percent nonwhite growth rate. The state also saw a similar phenomenon with 13.4 percent growth for whites and 95.7 percent growth for other races. In Mason County, the count of Asian and Pacific Islanders rose by 3.2 percent, and the number of African Americans rose by 70.6 percent.

From an ethnic rather than a racial perspective, people of Hispanic origin constitute a rising segment of Mason County's population. Their numbers rose from 883 to 2,361 over the 1990-2000 period. In fact the growth of the hispanic population in Washington and especially in Mason were unmatched by growth of any racial group. This growth was more noteworthy in Mason County, where hispanic residents increased by an impressive 167 percent. The statewide Hispanic population rose by 105.8 percent during the past 30 years.

Gender. In 2000 the Mason County male population comprised a 51.2 percent majority compared to 48.8 percent for females. This small majority of males is expected to diminish to 50.4 by 2020. This is compared to females making up 50.2 percent of the state's population while 49.8 percent is male. Currently the female population of Mason County is 24,389 and the male population is 25,596. By the year 2020 it has been estimated that in the state the population will be evenly divided between men and women.

Figure 7
Population Estimates by Race and Hispanic Origin
Mason County and Washington State, 1990 and 2000
Source: Office of Financial Management

	1990 Census		2000 Census		1990-2000 % Change
Mason					
Total	38,341	100.0%	50,048	100.0%	30.5%
White	36,044	94.0%	43,705	87.3%	21.3%
Black	344	0.9%	587	1.2%	70.6%
Indian/Aleut	1,450	3.8%	1,840	3.7%	26.9%
Asian/Pacific Islanders	503	1.3%	519	1.0%	3.2%
*Other Race	-	-	1,036	2.1%	
Hispanic	883	2.3%	2,361	4.7%	167.4%
Washington					
Total	4,866,692	100.0%	5,894,121	100.0%	21.1%
White	4,411,407	90.6%	5,003,180	84.9%	13.4%
Black	152,572	3.1%	238,398	4.0%	56.3%
Indian/Aleut	87,259	1.8%	158,940	2.7%	82.1%
Asian/Pacific Islanders	215,454	4.4%	438,502	7.4%	103.5%
*Other Race	-	-	287,400	4.9%	-
Hispanic	214,570	4.4%	441,509	7.5%	105.8%

**Not indicated in the 1990 Census*

CIVILIAN LABOR FORCE

The resident civilian labor force is defined as all persons 16 years of age and older in a specified geographic area who are either working or actively seeking work. This excludes those serving in the armed forces. Like the general population, the labor force can be seen as a key economic indicator. Patterns of growth and decline in the county's labor force are largely driven by economic cycles as well as activity in the local industry sectors. 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 proxies of economic performance.

Trend

Between 1970 and 2000, Mason County's labor force grew 136 percent, from a level of 8,260 in 1970 to 19,660 in 2000 (*see Figure 8*). Due to strong gains in the 1990s, the growth outpaced that of Washington's labor force, which expanded by 115 percent. In comparison, the nation's labor force increased by 68 percent. During this period, Mason County's labor force averaged 2.8 percent annual growth, compared to 2.5 percent for Washington and 1.8 percent for the nation.

The onset of the 1970s saw the county's labor force decline by 5.6 in the wake of a national economic recession that spanned most of 1970. The labor force recovered quickly and by 1974 it had risen to a level of 8,750. Another recession, this one covering all of 1974, caused the local labor force to shrink 1.3 percent over the 1974-75 period to 8,640. Both of these recession-induced declines can be seen in *Figure 9*, which compares growth rates between Mason and Washington. Though movements in the county mirror that of the state, the peaks tend to be higher and troughs lower.

The latter half of the 1970s brought expansion, at annual rates of 4.5 to 6 percent. Startling numbers emerge between 1979 and 1983. In 1979, the Mason County civilian labor force expanded by an incredible 13.1 percent, only to have zero or negative growth for the next 3 years. Finally in 1983, the labor force exploded again, this time increasing by 12 percent.

The magnitude of these labor force changes can only be understood in light of what was happening at the time in neighboring Grays Harbor County. In 1977 and 1978, work was begun on 2 nuclear plants in Satsop. At one point the project employed 5,000 construction workers, drawing labor from Grays Harbor and surrounding counties. Construction on one plant was halted in 1981 and on the second in 1983. It would appear that the growth of the Mason County labor force in 1979 was in response to the new opportunities at Satsop. In 1983, when the second plant shut down, Grays Harbor's civilian labor force fell by a phenomenal 13.8 percent. Given that this occurred at the same time that Mason's

Figure 8
Civilian Labor Force
Mason County, 1970-2000
Source: Employment Security Department

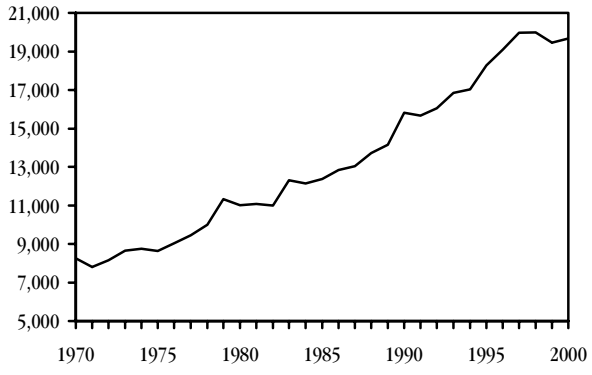
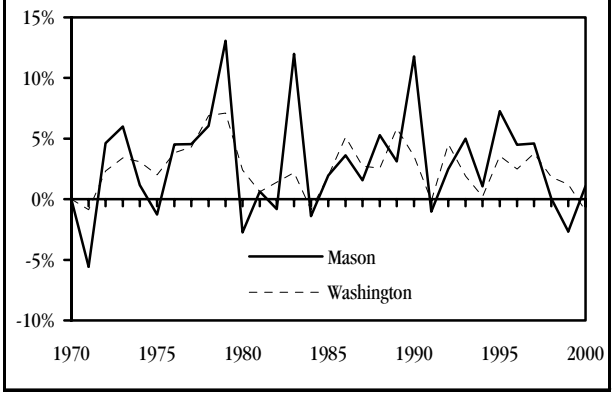


Figure 9
Civilian Labor Force Annual Growth Rates
Mason County and Washington, 1970-2000
Source: Employment Security Department



labor force grew by 12 percent, it is apparent that there was a movement of workers from one county to the other.

After the recessions of the early-1980s, growth in the county's labor force was quite steady through 1989, paralleling growth in the state's labor force. From 1985 through 1990, labor force growth in the county averaged 2.7 percent annually, compared to 3.2 percent in Washington and only 1.4 percent for the United States.

In 1990, Mason County saw a one year jump of 11.8 percent in the labor force driven by a surge in road and residential construction. This growth was promptly halted in the midst of the national recession of 1990-91. The county labor force contracted by 1.0 percent in 1991. From 1992 to 1996, Mason County outstripped the state with an average growth rate of 4.4 percent versus the state rate of 2.7 percent. However, since 1997 Mason County has suffered a net loss of 1.6 percent of its labor force. Washington's labor force expanded by 2.1 percent during the same period.

Demographics

Demographic data on the civilian labor force are prepared in a fashion that combines race and ethnicity so that minority characteristics can be counted. Unlike Census data on the general population, those of Hispanic origin are not counted in their racial groups. The latest available demographic data are displayed in *Figure 10.*

In 1997, the Mason County labor force was overwhelmingly white (92.6 percent) and predominantly male (56.3 percent). Native Americans accounted for 3.4 percent of the labor force, while Asian/Pacific Islanders accounted for 1.4 percent and blacks for 0.3 percent of the labor force. Those of Hispanic origin accounted for 2.4 percent of the labor force.

Of the whites, 56.2 percent were male and 43.8 percent were female; of Native Americans, 53.0 percent were male and 47.0 percent were female; of Asian/Pacific Islanders, 51.9 percent were male and 48.1 percent were female; and of blacks, 80.0 percent were male and 20.0 percent were female. Those of Hispanic origin were 62.5 percent male and 37.5 percent female.

Figure 10
Resident Labor Force, Employment and Unemployment, by Sex and Minority Status
Mason County Annual Average, 1997
Source: Employment Security Department

Sex and Minority Status	Number in Labor Force	Percent of Whole	Number Employed	Percent of Whole	Number of Unemployed	Percent of Whole	Unemp. Rate
Total	19,680	100.0%	18,350	100.0%	1,330	100.0%	6.8%
White	18,220	92.6%	17,040	92.9%	1,180	88.7%	6.5%
Black	50	0.3%	50	0.3%	-	0.0%	0.0%
Native American	660	3.4%	550	3.0%	110	8.3%	16.7%
Asian & Pacific Islander	270	1.4%	260	1.4%	10	0.8%	3.7%
Hispanic	480	2.4%	450	2.5%	30	2.3%	6.3%
Female Total	8,610	43.8%	8,010	43.7%	600	45.1%	7.0%
White	7,980	40.5%	7,450	40.6%	530	39.8%	6.6%
Black	10	0.1%	10	0.1%	-	0.0%	0.0%
Native American	310	1.6%	260	1.4%	50	3.8%	16.1%
Asian & Pacific Islander	130	0.7%	120	0.7%	10	0.8%	7.7%
Hispanic	180	0.9%	170	0.9%	10	0.8%	5.6%
Male Total	11,070	56.3%	10,340	56.3%	730	54.9%	6.6%
White	10,240	52.0%	9,590	52.3%	650	48.9%	6.3%
Black	40	0.2%	40	0.2%	-	0.0%	0.0%
Native American	350	1.8%	290	1.6%	60	4.5%	17.1%
Asian & Pacific Islander	140	0.7%	140	0.8%	-	0.0%	0.0%
Hispanic	300	1.5%	280	1.5%	20	1.5%	6.7%
Female Percent of Total	44%	0.0%	44%	---	45%	---	---

UNEMPLOYMENT

The civilian labor force consists of both those who are working and those without a job who are looking for work. The unemployment rate is a measure of those able to work and seeking work as a percentage of the entire labor force. The unemployed do not include retirees, persons in institutions (including students), or those who are known as "discouraged workers." Discouraged workers are persons who would like to work but have given up actively searching for a job because they have become discouraged by the prospects of finding work. None of these groups of people are included in the unemployment figures because they are not looking for work. Military personnel are not considered to be part of the labor force.

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

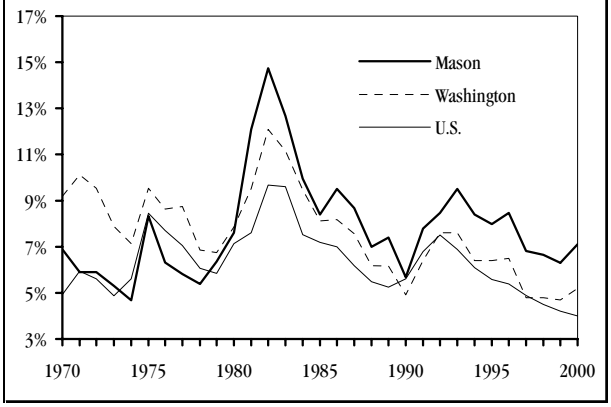
Trend

Figure 11 depicts how unemployment rates for Mason, Washington, and the United States have changed since 1970. The overall trend that stands out is that prior to 1980, Mason County unemployment rates were consistently lower than the state and often below that of the nation. However, every year after 1980 structural forces (long-run decline of the timber industry) pushed Mason County unemployment rates above those of the state and the nation.

From 6.9 percent in 1970, the county's jobless rate gradually subsided to 4.7 percent by 1974 as its economy recovered from an economic recession at the turn of the decade. However, The OPEC induced Oil Embargo led to a recession which pushed the local jobless rate to 8.3 percent by 1975. Again, the county's unemployment rate subsided, this time to 5.4 percent by 1978, a low point to which it has not returned. It rose to 7.5 percent by 1980; by 1981 it rose higher still to 12.1 percent; and by 1982, at the peak of the recession, it edged up even higher to 14.7 percent. The rates are a reflection of the fact that the two recessions of the early-1980s extracted a high toll on the lumber and wood products industry.

After the recessions of the early-1980s, unemployment rates in Mason County, for the most part, consistently receded, dropping all the way to 5.7 percent in 1990. Once again, though, a national recession appeared. The market for lumber and wood products dwindled and 1991s rate of 7.8 percent was followed by a rising rate of up to 9.5 percent by 1993. The regional unemployment rate fell steadily from a high of 9.5 percent in 1993 to a low of 6.3 in 1999. The rate in 2000 was 7.1 percent and in 2001 the unbenchmarked average unemployment rate was 7.4 percent.

Figure 11
Unemployment Rates
Mason, Washington, & U.S., 1970-2000
Source: Employment Security Department



Industrial Typology

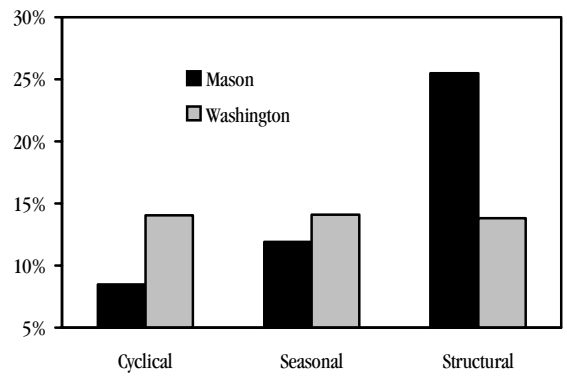
A number of specific industries within Washington State have been defined as being seasonal, structurally mature, or cyclical. These designations relate to the level of variation in employment or to a decrease in employment over specific time periods. Because all three categories are reflective of employment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

The percentages of workers employed in these types of industries in Mason County and the state are illustrated in *Figure 12*. In Mason County for 2000, 8.5 percent of all nongovernmental employment was concentrated in cyclical industries, 12 percent in seasonal industries, and 25.5 percent in structurally mature industries. At the state level there was more cyclical industries (14 percent), a little more seasonal (14 percent) but less structural employment than in Mason.

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. A seasonal industry is one in which the maximum variation between the highest and lowest monthly employment is about 19 percent or more of the industry's annual average employment.

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. Loss of sales for products from structurally mature industries is due to either increasing competition or falling demand. Unemployed workers coming out of these industries present special problems for an economy because there is typically a mismatch between their skills and those demanded by the market. Such structural unemployment is due to the changing nature of an economy. Industries such as timber and heavy manufacturing are current examples of structurally mature industries. The structurally mature designation is determined by comparing two consecutive years of annual average employment against the two consecutive years that occurred seven years earlier.

Figure 12
Industrial Typology
Mason County and Washington, 2000
Source: Employment Security Department



Industries with cyclical employment patterns are characterized by strong reaction to changes in the business cycle. The business cycle refers to alternating periods of economic growth and decline. The falling and rising of aggregate demand for their products has a very strong effect on employment within cyclical industries. Industries such as ship building and aerospace and automobile manufacturing are examples. A cyclical industry is one in which the total employment variation over a seven-year period is very high when compared to a straight-line trend projection for the same period.

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.

As *Figure 12* depicts, Mason County has a high concentration of structurally mature industries and a low concentration of cyclical industries when compared to the state. Almost 26 percent of Mason County industries are characterized by long-term decline. Much of this can be attributed to local timber and logging which has suffered loss of markets to outside competition. From this one can infer that the region would be less susceptible to economic fluctuations but would be more likely to suffer long run loss of jobs.

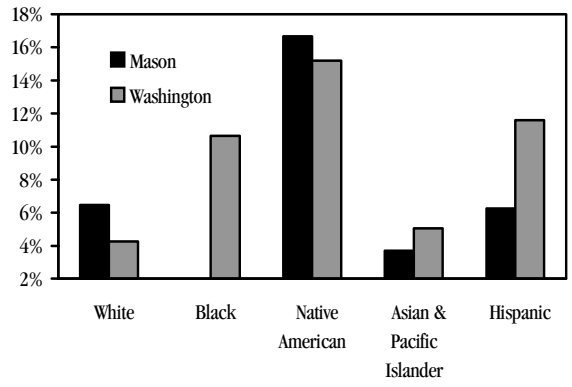
Demographics

Figure 13 shows differences between unemployment rates for the various groups in both the county and the state. When categorized by race and ethnicity there are some significant differences. Unemployment statistics by race and sex are extrapolated from the 1990 Census and updated by Employment Security Department analysts, factoring in population changes and other variables. The most recent update for Mason was in 1997, when the unemployment rate in the county was 6.8. *Figure 10*, shows the breakdown of employment and unemployment along racial and ethnic lines for the county.

In 1997, joblessness among Whites, by far the largest racial group in the county, was 6.5 percent. This was a little higher than the statewide rate of 4.3 percent for Whites that year. The second largest race, Native Americans, had a much higher 16.7 percent jobless level, which was also above that of the state. Other racial groups fared better in Mason than in the state: Asians and Pacific Islanders had a 3.7 percent rate, Hispanics a 6.3 percent and the entire African American labor force was employed in 1997. All of these groups had higher unemployment rates in Washington.

The unemployment rate for females (7.0 percent) was slightly above the rate for males (6.6 percent), a pattern repeated on the state level (men: 4.8 percent, women: 5.0 percent). For Native Americans, men had a 17.1 percent unemployment rate, compared to a female rate of 16.1 percent. Native Americans and Hispanics were the only groups to encounter higher unemployment for men than women in Mason County.

Figure 13
Unemployment by Race and Hispanic Origin
Mason and Washington, 1997 Annual Average
Source: Employment Security Department



Unemployment Insurance Claims

Figure 14 shows unemployment insurance claims (UI), categorized by broad occupational groupings, for Mason County and Washington State for the period July 1, 2000 - June 30, 2001. This figure gives an indication of which occupational areas have relatively stable employment and which have unstable employment. Looking at the percentage of claims by occupation, it is readily apparent that the region has a somewhat different occupational/unemployment profile than does the state as a whole. In Mason, machine trades and packaging and materials handling jobs all showed a proportionally greater number of unemployment claims than their statewide counterparts. Mason had a lower percentage of claims in professional, clerical, and agriculture, forestry, and fishing jobs than did the state. Claims from motor freight, service, benchwork, and structural occupations were, in percentage terms, marginally larger than at the state level.

Structural occupations, which include most construction activities, had far and away the largest number of claims in Mason County with 779. The nature of the work normally involves projects of relatively short duration; when the work is completed many of the workers will file unemployment claims while waiting for the next project. For the state, structural claims were marginally outpaced by professional, technical, and managerial occupations claims.

A very rough division of the occupations into blue- and white-collar groupings shows that the county has more claims, proportionally, emanating from blue-collar activities (59.6 percent as opposed to 52.8 percent for the state).

Figure 14
Unemployment Insurance Claims
Mason County and Washington State, July 1, 2000 - June 30, 2001
Source: Employment Security Department

	Mason		Washington	
	Claimants	Percentage	Claimants	Percentage
Total, All Occupations	**3,698**	**100.0%**	**396,088**	**100.0%**
Professional, Technical, and Managerial Occupations	541	14.6%	82,581	20.8%
Clerical Occupations	357	9.7%	45,618	11.5%
Sales Occupations	163	4.4%	20,598	5.2%
Service Occupations	432	11.7%	38,074	9.6%
Agriculture, Forestry, and Fishing Occupations	171	4.6%	27,209	6.9%
Processing Occupations	72	1.9%	19,128	4.8%
Machine Trade Occupations	331	9.0%	23,387	5.9%
Benchwork Occupations	178	4.8%	13,121	3.3%
Structural Work Occupations	779	21.1%	77,515	19.6%
Motor Freight and Transportation Occupations	209	5.7%	18,453	4.7%
Packing and Materials Handling Occupations	453	12.2%	27,243	6.9%
Miscellaneous Occupations (NEC)	12	0.3%	3,161	0.8%
White-Collar*	1,493	40.4%	186,871	47.2%
Blue-Collar*	2,205	59.6%	209,217	52.8%

**Miscellaneous/NEC occupations excluded*

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 Covered Employment and Wages program (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.

Trend

Over the last 30 years, nonfarm employment in Mason County has grown by 140 percent. The number of jobs went from 5,070 in 1970 to 12,170 in 2000, averaging 2.9 percent annual growth. As *Figures 15* and *16* show, the impressive annual growth rate masks turbulent periods for nonagricultural employment. *Figure 15* illustrates the changing numbers in Mason County nonagricultural employment while *Figure 16* compares Mason and Washington growth rates. Growth rates for Mason have generally moved in the same direction as Washington, but the changes have been more volatile.

Due to a jump in employment in the early 1970s, employment growth in Mason County was higher than for the state as a whole throughout the 1970s. Although the rates of growth were generally similar, the early gains in Mason County set it on a path of growth above the state's. The 1974-75 recession did cause a one-year decline in growth, but this gave way to strong growth soon afterwards. After the 1980s recessions, Mason County fell behind the state in terms of employment growth. In particular, the dual recessions of the early-1980s caused a severe decline in the total number of jobs. In 1983, there were fewer jobs than in 1978, rendering the five-year period a dead weight on annual average growth rates.

From 1983 through 1990, growth did moderately well at a 3.3 percent annual average, but lagged behind the state average of 3.5 percent. In 1986 Mason County managed only 0.8 percent growth in nonagricultural employment, while the state grew at a steady 3.5 percent. During the 1990-91 national recession employment growth was positive but under two percent in 1991 and 1992. Since then, Mason County has experienced mediocre, but faster than state growth, averaging 2.7 versus 2.3 percent per year.

Figure 15
Nonagricultural Wage & Salary Employment
Mason County, 1970-2000
Source: Employment Security Department

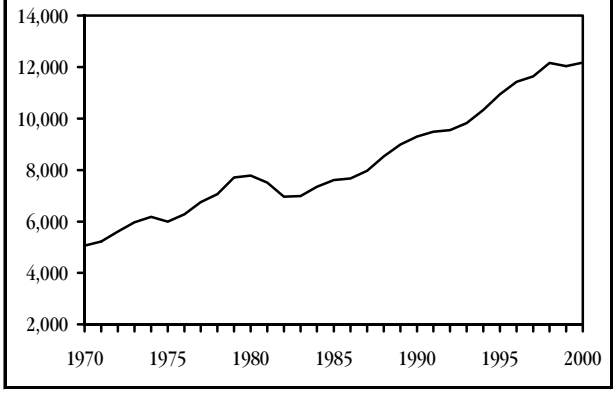
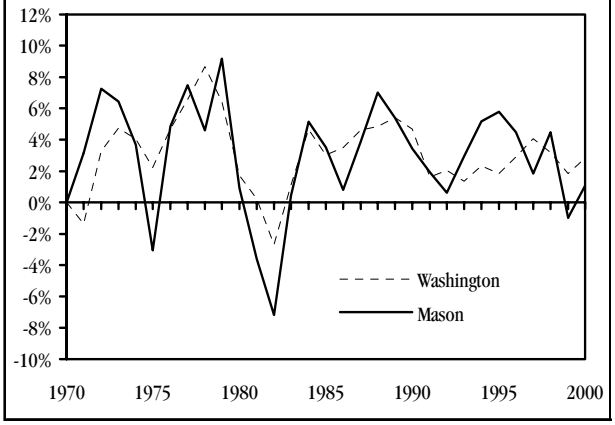


Figure 16
Nonagricultural Employment Growth Rate
Mason County and Washington, 1970-2000
Source: Employment Security Department



Annual Average Covered Wage

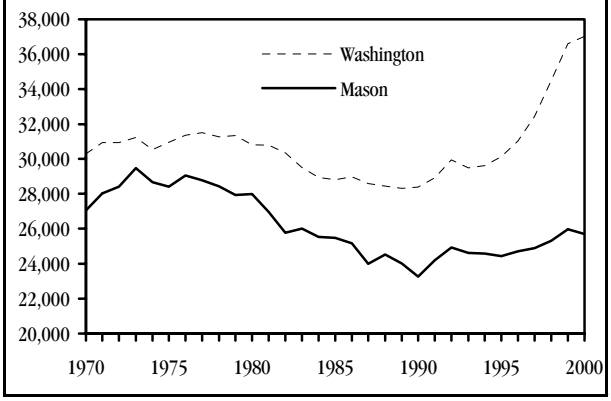
Annual average covered wages are based on the total of wages and salaries paid to employees covered by the unemployment insurance program, divided by the annual average number of employees. Currently covered employment constitutes over 85 percent of the state's workers. The annual average wages do not include any income other than wages and salaries (i.e., interest, dividends, rental incomes, etc., are not included). Further, employment is not adjusted to account for part time, so average wages for industries with substantial amounts of part-time work may be understated.

Figure 17 shows real average covered wage for Mason County and Washington State. Real wages are adjusted to take out the affect of rising prices. This allows us to accurately compare changes in wages over time without the distortion of changing prices. In *Figure 17* the numbers have been adjusted to 2000 dollars using the Implicit Price Deflator for Personal Consumption Expenditures. It should also be noted that in the mid-1980s, the state of Washington allowed corporate officers to be exempted from unemployment insurance coverage. Because the majority of the highly paid workers dropped out of the database, data prior to the event cannot be accurately compared to data after it.

While real wages for the average Washingtonian have risen by 23 percent in the past 30 years, Mason residents have suffered a 4.5 percent real decline. Average annual wages reached a high-water mark in Mason County in 1973, when residents earned $29,326. By 1987 average wages bottomed out at $23,262. This represents a decline of almost 19 percent. In comparison, the state saw a 10 percent decline between its 1977 high of $31,356 to its recent low point (1989) of $28,172. For the most part, the trend in the county and state have been similar as the share of manufacturing jobs—a traditionally high wage sector—gives way to lower paying jobs in trades and service industries. For the state as a whole, however, the service industry benefits significantly from the high wage high-tech industries. These industries are less prevalent in Mason County's services sector.

Annual average covered wages based on total wages and salaries for 2000 were used to compare earnings in comparable Mason County and Washington State industries at the two-digit level of the Standard Industrial Classification (SIC) code (*see Figure 18*). The SIC code is a federal system used to define industries in accordance with the composition and structure of the economy. Each additional SIC digit more specifically defines a given industry. The major divisions (first digit) are; Agriculture, Forestry, and Fishing, Mining, Construction, Manufacturing, Transportation, Communications, Electric, Gas, and Sanitary Services (TCU), Wholesale Trade, Retail Trade, Finance, Insurance, and Real Estate (FIRE), Services, and Government. The estimates should be used for general comparisons only; confidentiality-suppressed data, part-time workers, and executive salaries can exaggerate wage disparities between comparable industries. Moreover, the wages have not been adjusted for cost-of-living variations between regions.

Figure 17
Real Average Covered Wage
Mason County and Washington, 1970-2000
Source: Employment Security Department



Mason County's average wage of $25,690 in 2000 was 21 percent less than the statewide average wage of $37,063. The lowest average wages, by major industry divisions, were found in retail trade ($15,174), agriculture and forestry ($16,362), and services ($18,804). Service wages in Mason County earned less than half (46 percent) of their statewide counterparts and as a growing sector has played a large part in driving the divergence between county and state pay. The highest paying divisions were in manufacturing and government which averaged $32,035 and $35,480 respectively. Manufacturing has been a declining sector and wages are about 32 percent less than the state but government pay is only marginally (11.8 percent) below the state average.

Figure 18
Annual Covered Wages and Employment
Mason County and Washington State, 2000
Source: Employment Security Department

SIC	Description	Mason County Employment	Mason County Avg Wage	Washington Employment	Washington Avg Wage
	TOTAL	**12,088**	**$25,683**	**2,703,237**	**$37,070**
	Agriculture, Forestry, and Fishing	**274**	**$16,362**	**91,424**	**$18,036**
1	Agricultural Production - Crops	41	$13,299	54,818	$14,528
2	Agricutural Production - Livestock	22	$26,410	5,785	$21,087
7	Agricultural Services	38	$18,475	26,187	$20,017
8	Forestry	104	$13,017	2,354	$29,575
9	Fishing, Hunting, and Trapping	69	$18,857	2,432	$56,722
	Mining	**20**	**$25,003**	**3,477**	**$46,706**
10	Metal Mining	20	$25,003	330	$72,058
12	Coal Mining	-	-	528	$64,692
13	Oil and Gas Extraction	-	-	30	$42,995
14	Nonmetalic Minerals, except Fuels	-	-	2,590	$39,884
	Construction	**575**	**$27,140**	**149,401**	**$37,509**
15	General Building Contractors	143	$21,711	40,105	$36,664
16	Heavy Construction, except Building	18	$21,203	17,853	$45,414
17	Special Trade Contractors	414	$29,274	91,383	$36,285
	Manufacturing	**2,039**	**$35,480**	**345,734**	**$46,988**
20	Food and Kindred Products	261	$30,013	40,957	$31,916
22	Textile Mill Products	-	-	-	-
23	Apparel and Other Textile Products	*	*	1,058	$34,679
24	Lumber and Wood Products	1,411	$38,124	6,431	$23,125
25	Furniture and Fixtures	*	*	32,197	$37,950
26	Paper and Allied Products	*	*	4,715	$29,302
27	Printing and Publishing	*	*	15,531	$52,135
28	Chemicals and Allied Products	-	-	23,652	$35,174
29	Petroleum and Coal Products	-	-	6,066	$115,756
30	Rubber and Miscellaneous Plastic Products	5	$24,864	2,195	$68,331
31	Leather and Leather Products	-	-	9,941	$31,864
32	Stone, Clay, and Glass Products	24	$30,093	332	$22,158
33	Primary Metal Industries	*	*	8,941	$36,476
34	Fabricated Metal Products	*	*	10,939	$46,624
35	Industrial Machinery and Computer	15	$22,459	14,505	$33,703
36	Electronic Equipment, except Computer	*	*	24,550	$53,578
37	Transportation Equipment	188	$36,595	19,870	$43,186
38	Instruments and Related Products	*	*	101,030	$58,884
39	Miscellaneous Manufacturing Industries	*	*	14,488	$57,588
	Other Industries	135	$19,661	8,506	$38,665
	Transportation, Communications, Electric, Gas, & Sanitary Services	**270**	**$27,270**	**139,585**	**$47,392**
41	Local and Interurban Passenger Transit	*	*	-	-
42	Trucking and Warehousing	122	$27,191	6,787	$20,697
44	Water Transportation	*	*	32,417	$32,006
45	Transportation By Air	*	*	8,732	$58,033
46	Pipelines, except Natural Gas	-	-	27,261	$40,422
47	Transportation Services	*	*	107	$61,731
48	Communication	53	$37,638	12,214	$38,074
49	Electric, Gas and Sanitary Services	21	$9,603	35,857	$68,641

Figure 18 (Continued)
Annual Covered Wages and Employment
Mason County and Washington State, 2000
Source: Employment Security Department

		Mason County		Washington	
SIC	**Description**	**Employment**	**Avg Wage**	**Employment**	**Avg Wage**
	Wholesale Trade	**379**	**$25,355**	**148,958**	**$43,365**
50	Wholesale Trade - Durable Goods	101	$30,479	85,868	$48,301
51	Wholesale Trade - Nondurable Goods	278	$23,493	64,378	$37,334
	Retail Trade	**2,204**	**$15,174**	**481,544**	**$20,844**
52	Building Materials and Garden Supplies	216	$20,559	21,839	$26,117
53	General Merchandise Stores	*	*	51,392	$23,110
54	Food Stores	387	$19,340	69,792	$21,254
55	Automotive Dealers and Service Stations	240	$21,262	48,856	$31,838
56	Apparel and Accessory Stores	*	*	25,586	$22,773
57	Furniture and Homefurnishings Stores	*	*	22,189	$29,754
58	Eating and Drinking Places	889	$9,912	178,116	$13,557
59	Miscellaneous Retail	149	$12,081	66,038	$24,941
	Other Industries	323	$17,965	-	-
	Finance, Insurance, and Real Estate	**447**	**$23,172**	**133,638**	**$44,360**
60	Depository Institutions	235	$26,439	38,769	$38,614
61	Nondepository Institutions	*	*	10,020	$52,715
62	Security and Commodity Brokers	0	$0	8,964	$102,679
63	Insurance Carriers	*	*	26,537	$47,635
64	Insurance Agents, Brokers, and Service	33	$17,093	13,240	$42,465
65	Real Estate	136	$17,897	33,476	$28,344
67	Holding and Other Investment Offices	*	*	**2,963**	**$77,775**
	Other Industries	43	$26,669	-	-
	Services	**2,389**	**$18,804**	**745,488**	**$40,991**
70	Hotels and Other Lodging Places	57	$8,734	28,678	$16,921
72	Personal Services	78	$13,728	22,285	$18,202
73	Business Services	95	$16,918	182,202	$79,193
75	Auto Repair, Services, and Parking	110	$20,097	26,415	$25,915
76	Miscellaneous Repair Services	39	$18,989	7,473	$30,336
78	Motion Pictures	*	*	9,588	$14,358
79	Amusement and Recreation Services	*	*	43,807	$21,653
80	Health Services	433	$25,833	186,901	$33,219
81	Legal Services	*	*	18,152	$47,946
82	Educational Services	47	$27,008	24,156	$30,002
83	Social Services	342	$16,348	62,756	$17,902
84	Museums, Botanical, Zoological Gardens	*	*	1,884	$24,674
86	Membership Organizations	292	$21,785	25,868	$22,924
87	Engineering and Management Services	56	$22,601	67,829	$48,909
88	Private Households	215	$7,758	37,064	$9,239
89	Services, NEC	-	-	$2,087	$44,625
	Other Industries	625	$18,327	-	-
	Government	**3,491**	**$32,035**	**457,530**	**$36,293**
	Federal	143	$31,084	69,907	$44,721
	State	1,011	$36,255	119,056	$36,842
	Local	2,337	$30,267	269,577	$33,874

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

Location Quotients

One way to understand the industrial makeup of an area is to contrast it with another area. The following section shows fairly specifically, by industry sector, how the Mason County employment patterns both differ from and coincide with Washington State. The idea of the location quotient is to compare a given industry's share of total local employment versus its share statewide. The quotient is derived by dividing the statewide industry employment share into the local industry share. In short, the location quotient is a quick intuitive measure of concentration.

A quotient of 1.0 denotes an industry in which the local area 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 local industry with a lesser concentration of employment than in the same industry statewide. For example if a given industry makes up 20 percent of the total industry locally but only 10 percent statewide then its location quotient would be 2.0 and would indicate an above average local presence.

A quotient above 1.0 suggests that the goods 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. The concept of labeling as "importing" or "exporting" has limits and the reader may be more comfortable thinking of the quotient as an indicator of relative industry concentration.

Figure 19
Location Quotients
Mason County, 2000
Source: Employment Security Department

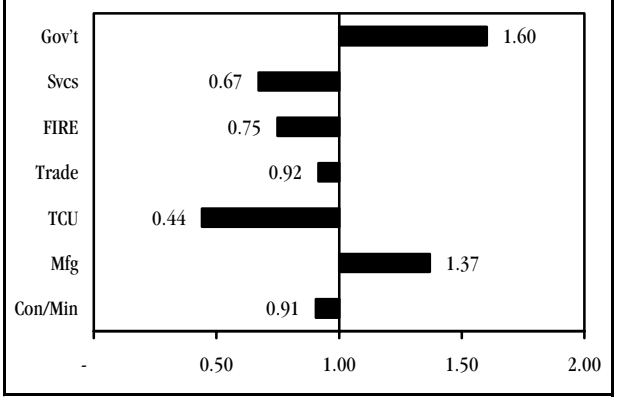


Figure 19 indicates that in Mason County, only government (1.6) and manufacturing (1.34) have a location quotient above 1.0. Lumber and Wood Products, by a large margin, contributed the most jobs to manufacturing. When derived for just Lumber and Wood Products, the location quotient becomes 10.5. Not surprisingly this would strongly indicate it as an exporting industry for Mason County. TCU, Services, and FIRE, were divisions that had location quotients significantly below 1.0 implying that these needs are typically met outside the county. In terms of actual number of jobs provided, trade ranked second to Government. However, trade is in less concentration in Mason than the state, with a location quotient of 0.92.

Agriculture, Forestry, and Fishing

This sector is not as large as one might expect in Mason County: its total covered employment was only 271 workers in 2000. This amounts to 2.2 percent of the county's employment, just below the state share (3.1 percent). Not surprisingly, the forestry sector led employment with 103 workers. In addition to trees, oysters and other shellfish are prevalent in Mason County. As a result, fishing and hunting account for 68 jobs. In terms of location quotients, forestry for Mason County had a location quotient of 10.5 and fishing and hunting had a location quotient of 6.73.

So, why does the county lag the state in employment for this group of industries? The answer is agriculture. Washington's agricultural sector is dominated by crop production workers and Mason County has very few. Agricultural crop production, livestock production, and services accounted for about 95 percent of division employment statewide in 2000. In Mason County they only comprise about 37 percent of division jobs.

The annual average wage for the sector ($16,362 in 2000) is below the sector's wage statewide ($18,036). The wage is driven by the low-paying wages in forestry, particularly in the timber tracts. These jobs tend to be seasonal and low paying.

Construction and Mining

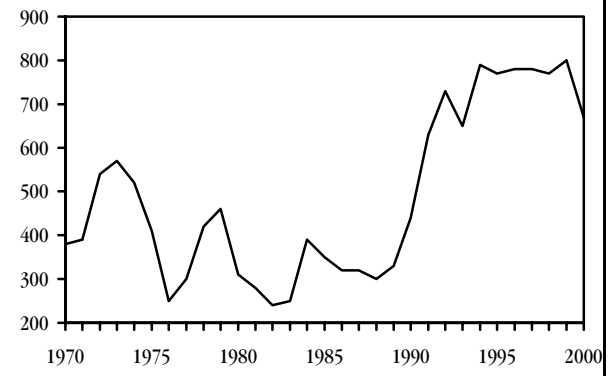
Although mining employment is included in this sector, there are few mining activities in Mason County. The mining data have little impact on the overall results. Therefore, the following analysis will only address the construction industry.

As *Figure 20* illustrates, construction employment in the past 30 years has been volatile. The industry is traditionally subject to abrupt contraction and expansions prompted by the general economic climate or by specific, large projects. From an early high of 570 jobs in 1973, employment dropped to a low of 240 by 1982. Since 1982 employment in construction has for the most part been rising but erratically. Between 1999 and 2000, 130 jobs were lost in the division, placing employment below the 1994 level.

During the past 30 years, employment in construction/mining has grown by 76 percent. This is a rather lackluster performance compared to the state which saw such employment rise by over 200 percent. Annual averaged employment growth in the division was a meager 1.8 percent per year compared to 3.6 percent statewide. Employment growth usually moves in similar directions for both the county and state but there was some divergence. The pattern results from the fact that a large project or the entrance of a single large firm can significantly impact industry employment.

Construction is divided into three sectors: general building, heavy construction, and special trades. General building employment, in Mason County, is almost entirely concerned with single-family housing. Heavy construction is primarily associated with road work and paid the lowest average wage. Combined, these industries employed 575 workers at an average wage of $27,140. Special trades, on the other hand, includes carpenters, electricians, plumbers, etc. It had the highest level of employment (414) and was paid the highest at an average wage of $29,274.

Figure 20
Construction and Mining Growth
Mason County, 1970-2000
Source: Employment Security Department



Employment Security Department analysts anticipate that sector employment will rise gradually between 2000 to 2008. Employment is expected to increase by 60 jobs to 730 in 2008. This would constitute a 9 percent overall addition and averages out to 1.1 percent annually. In comparison, from 1990 to 1991, employment grew 43 percent and the ensuing 1991 to 1996 time period saw a 25 percent or 4.6 percent annualized growth rate. Washington is expected to enjoy a faster growth of 11.3 percent and add 18,600 jobs by 2008.

Manufacturing

Manufacturing in the state of Washington has not fared particularly well in the past 30 years. At a 1.2 percent average annual growth and a total 30 year increase of only 46.3 percent, it was the slowest growing division. However, the experience with manufacturing in Mason County has even been less impressive. Growth there has averaged only 0.6 percent per year and since 1970 has risen less than 20 percent.

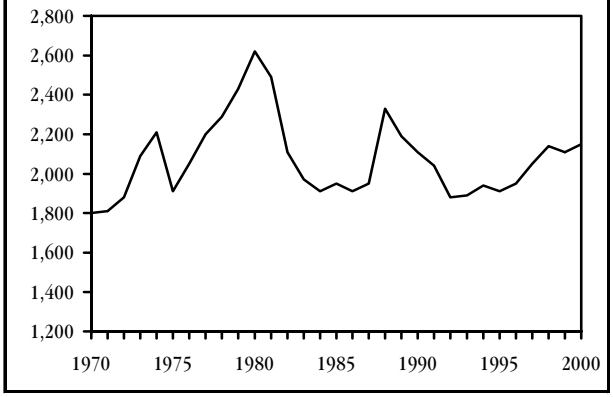
As *Figure 21* shows, much of the stagnation in Mason County manufacturing has been from 1980 on. In the ten year period prior to 1980, the division saw its employment grow by 45.6 percent. Since 1980, local manufacturing suffered a net loss of 470 jobs which translates to a decline of almost 18 percent. In both the state and county, the recessions of the 1980s sent employment into a tailspin, although the tailspin was much more devastating for Mason County. The statewide sector, however, recovered and exhibited strong growth throughout the rest of the 1980s before the Boeing downturn of the early-1990s. Manufacturing in the county, on the other hand, remained flat before forest product's hire and fire cycle of 1988-1991 and has since failed to return to those employment levels.

Lately much of the loss of work in manufacturing, and particularly forest products, can be attributed to increased competition from the southeastern U.S. and Canada. From an employee perspective, the damage caused by manufacturing's slump in Mason County is the loss of a large number of well-paying jobs. The average wage in the sector in 2000 was $35,480, significantly higher than the county's overall average of $25,683.

The great majority (just over 69 percent) of manufacturing jobs in Mason County are related to forest products. At $38,124, this is also the highest paying type of manufacturing job. In 2000, such work employed 1,411 workers. Next in line, and lagging in both numbers and wages, were the 261 workers employed in manufacturing food and kindred products who earned an average of $30,013. Transportation equipment, paper and allied products, and printing and publishing were also important segments of manufacturing.

The next eight years are not expected to brighten the picture for Mason County manufacturing. By 2008, the division is projected to lose 20 jobs and employ 2,130 persons. Overall this would be a 0.9 percent drop and would average out to a 0.1 percent loss of jobs per year. In other words, the stagnation will continue and the division will see a declining importance in the county's economy. On one hand this can be viewed as good news for Mason County. As expected with a structural industry, timber-endowed regions are experiencing closures and sharp cutbacks in employment. The hope is that while these industries fade in importance, others will grow in strength and share. On the other hand these relatively high paying jobs are typically being replaced by trade and service jobs which are often at or near minimum wage.

Figure 21
Manufacturing Employment
Mason County, 1970-2000
Source: Employment Security Department

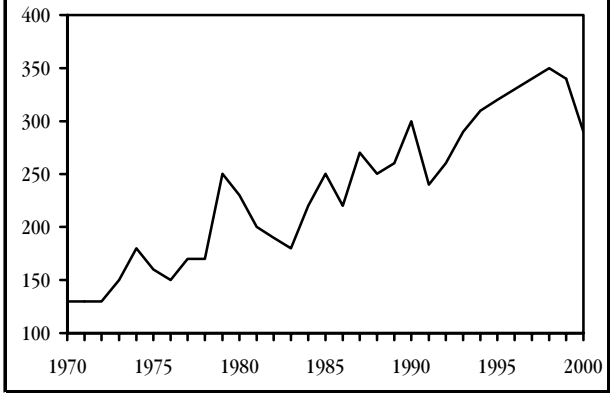


Transportation, Communications, and Public Utilities (TCU)

This is a relatively small sector (a 2.4 percent share of nonfarm jobs) which includes trucking and warehousing, local passenger transit, and communications (television, radio, cable, telephone, etc.). *Figure 22* shows the amount of persons employed in the TCU division between 1970 and 2000. Given that the industry is so small, the drastic ups and downs displayed in *Figure 22* should be taken with a grain of salt. Because of the size, expansions or declines in either individual business or industry appear as major upheavals.

Between 1970 and 2000, TCU employment grew by 123 percent compared to 103 percent for the state. Average annualized growth was also ahead of the state pace (2.6 versus 2.3 percent). Despite Mason County's superior growth rates, in 2000, the share of employment in TCU for the county was still less than half of the state's share of 5.4 percent.

Figure 22
TCU Employment
Mason County, 1970-2000
Source: Employment Security Department



In 2000, trucking and warehousing employed 122 workers, who were paid an average wage of $27,191. This industry accounted for 45 percent of TCU covered employment. Electric, Gas, and Sanitary services provided the second most number of jobs to the division. Its low average wage of $9,603 helped dampen the overall division wage of $27,270. It should be noted that those working in Electric, Gas, and Sanitary services for local government made quite a bit more but the wages are tabulated under local government.

Projected job growth is expected to be minimal in the next eight years. It has been predicted that the division will grow by 6.9 percent which would mean only 20 additional jobs. If the TCU employment in the county grows by 0.8 percent a year, the total would reach 310 jobs by 2008.

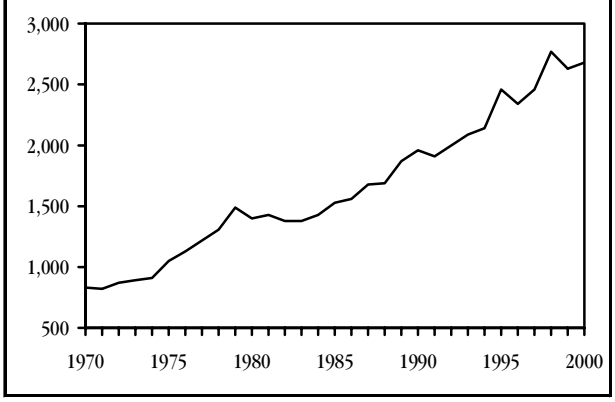
Trade

After government, trade which provides 22 percent of all nonagricultural employment, is the largest sector in Mason County. In 2000, there were 2,680 persons working in the Trade division. Since 1970, the number of Mason County trade workers has increased 223 percent, translating to 1,850 new jobs *(see Figure 23)*. This pace of growth over the past 30 years is only bested by growth in services. Since 1970, state trade employment grew by 103 percent. While the state saw an impressive 3.6 average annual growth in trade employment, Mason County experienced an even higher rate of 3.9 percent.

Trade is comprised of two components, wholesale and retail. A relatively low 3.1 percent of Mason County's total employment is in wholesale trade, whereas statewide wholesale trade accounts for 5.2 percent of total employment. The average wage for retail workers was only 60 percent that of the $25,355 earned by wholesale workers. Within wholesale trade, durable goods account for 27 percent of employment and nondurable goods 73 percent. The location quotient for wholesale trade of durable goods is 0.28, indicating the local industry's concentration is just over one fourth that of the state. This is unfortunate since the $30,479 average wage for durables is the highest average wage in trade.

Retail trade provided 18.2 percent of total county employment and 16.6 percent for the state. The average wage for retail ($15,174) is the lowest divisional wage. It should be noted, though, that the retail trade, like agriculture, has a high level of part-time work, which strongly affects the average wage. (All jobs are treated equally in the average wage calculations, so that one entailing 20 hours work a week is counted the same as one entailing 40 hours a week.).

Figure 23
Trade Employment
Mason County, 1970-2000
Source: Employment Security Department



The largest industry in the trade sector is eating and drinking establishments, employing 889 workers in 2000 (roughly one-third of all trade employment). The location quotient for this industry was 1.2, meaning the jobs are proportionally more prevalent in Mason than the state as a whole. The average pay for 2000 was just $9,912 due to the large share of part-time workers and to the fact that tips are not counted in the average wage. Other significant retail industries include food stores, employing about 387 workers, general merchandise stores, and auto dealers and service stations, providing about 240 jobs.

Finance, Insurance, and Real Estate (FIRE)

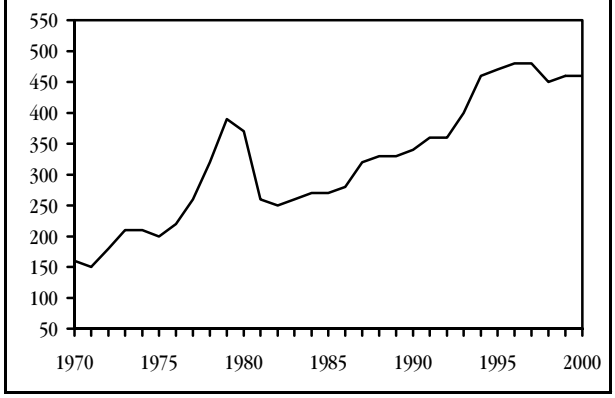
Like trade, FIRE is driven by many of the same dynamics, the principal one being migration-related population growth. New residents typically seek local banking, insurance, and real estate services after relocating. Unlike trade, however, FIRE tends to be much more cyclical because of the interest-sensitive finance and real estate components. Also, headquartered units of financial and insurance firms tend to concentrate in more densely populated areas, i.e., Seattle and the Puget Sound area, generating higher levels of employment there.

Mason County's FIRE sector has experienced periods of growth and decline over the 1970 to 2000 period (*see Figure 24*). Slow growth in the early- and mid-1970s gave way to rapid job gains. The employment peak of 1979, which reached 390, was driven by the housing boom of that time and its associated employment in real estate.

In the early 1980s, with the Federal Reserve following a tight monetary policy, interest rates soared. Not surprisingly this, and the accompanying recessions had a strong impact on real estate markets in Mason County and elsewhere. From 1981 through the end of the 1980s, steady growth was the mainstay. During most of the 1990s the county saw a quickening of expansion in this division. This was driven by the real estate segment and complemented by the gains in the banking sector (including credit unions). However, by 2000 the two most numerous jobs in the division saw their numbers decline and overall employment has diminished by 4 percent in the past four years.

Growth in Mason County FIRE employment compares favorably with that of the state. During the period 1970 to 2000 employment in this sector grew by 135 percent in the state and 188 percent in the region. When averaged out per year, the county advanced at a 3.5 percent pace compared to 2.8 percent statewide.

Figure 24
FIRE Employment
Mason County, 1970-2000
Source: Employment Security Department



Most employment in the sector (52 percent) is in depository institutions. This includes national and state banks, credit unions, mortgage companies, etc. On average, these institutions paid an annual wage of $26,439. Employment in real estate accounted for 30 percent of the total. The average wage, because of a high level of part-time work and of commission-only pay status, was a relatively low $17,897. Insurance-related employment, including, brokers, agents, and service accounted for 7 percent of the sector's workers. These workers averaged $17,093 per year.

During the next eight years this division is projected to grow faster than any other, adding 80 jobs. If accurate, this would mean an increase of 18 percent by 2008 and an annual growth rate of 2.1 percent.

Services

The services sector encompasses a wide assortment of industries, ranging from casinos to auto repair to hospitals to law offices. While the service sector is only the third largest in Mason County, it has been by far the fastest growing between 1970 and 2000. The number of employees went from 480 to 2,350 in the last 30 years, rising by 390 percent. Growth has been particularly strong since 1987, averaging a 6.3 percent increase per year. The very sharp jump from 1994 to 1996 reflects the establishment of the Squaxin Island Casino in the county, which added over 300 jobs. *Figure 25* illustrates how employment in this division has changed since 1970.

Even with the growth of the Mason County services employment as impressive as it has been, it remains under-represented compared to the state. Services make up 29 percent of statewide employment but only 19 percent locally. This notion is confirmed by a services location quotient of only 0.67. While the growth for

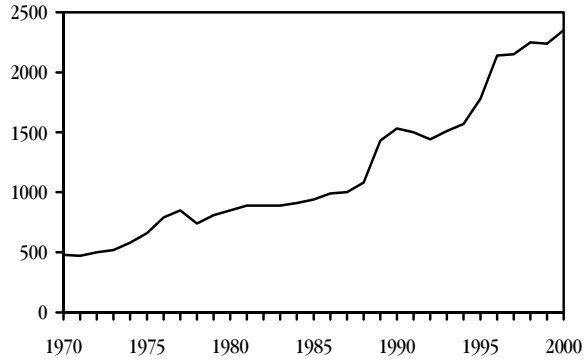
Mason County has been more sporadic, the state's growth has been constant and fluid. Still, the general trend for Mason County matches that of the state. From 1970 to 1995, however, the massive gains to the industry for Mason County (271 percent growth) were nearly identical to that of the state (267 percent growth). The average annualized growth rates for the county and state were also very close, 5.3 and 5 percent respectively. From 1995 to 1996, Mason County services division was in the midst of another dramatic surge in employment as mentioned in the previous paragraph. Services grew by 13.4 percent in 1995, 20.2 percent in 1996, but has only averaged 1.9 percent a year since then.

Like with the trade sector, the downside of the employment gains in the services sector is that the average wage is relatively low. In 2000, about 2,389 covered workers were paid an average of $18,804. With the exception of retail trade, services was the lowest paying division. Like trade, many portions of the services sector have high levels of part-time work.

Educational Services is the highest paying industry in the division ($27,008), followed by health services ($25,833). These numbers would be higher except that they don't include workers at Mason General Hospital in Shelton, whose employees are grouped in the local government sector, not in the services sector.

Social services (342) and membership organizations (292) also made significant contributions to services employment. The Native American influence on the local economy is apparent in both amusement and recreation services and membership organizations—which includes Native American tribal administration and governance. The location quotients in each case was almost 3.0 which indicates a disproportionate concentration of these industries in Mason County. In both cases, many non-tribal groups and businesses were also doing business.

Figure 25
Services Employment
Mason County, 1970-2000
Source: Employment Security Department



Analysts find no reason to expect the long run trend of services growth to change. Employment in services is predicted to increase by 400 persons to a total of 2,750. Percentage-wise this would mean a 17 percent increase and average out at 2 percent per year.

Government

When comparing the employment figures for each of these major divisions (*see Figure 26*), what stands out about government is the non-erratic, steady growth exhibited from 1970 to 2000. To date government remains the largest industry in Mason County with a 28.5 percent share of nonagricultural employment. Government jobs have grown by 169 percent since 1970, equating to a 3.2 percent annualized growth rate. While there has been a lot of growth in government employment, the pace is slowing. In the past 30 years there have been 3 other sectors with higher rates of growth. Much of the increase occurred prior to 1981, when employment annually grew by 4.1 percent. Since that period increases have averaged a moderate 2.6 percent annually.

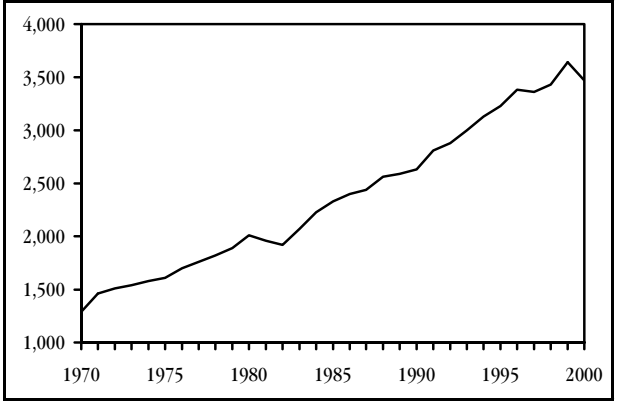
Although growth is slowing, the presence of government in Mason County exceeds that of the state. Government in Mason had a 1.6 location quotient meaning it is an "export" industry. One general explanation for this concentration of government employment is economies of scale, or more accurately lack of them. Economies of scale imply rising efficiency with larger populations. Therefore rural areas, for example, might require more teachers per student than in urban areas. The idea is supported by the fact that the Washington State Corrections facility and the Shelton school district are the second and third largest employers in the county.

Looking at the three levels of government in Mason County, it is apparent that federal government does not play as significant a role as the other levels of government. Federal government accounts for just 4.1 percent (143 jobs) of government employment compared to 15 percent for the state. In terms of location quotients, the county was a clear importer of federal government services. While federal assistance may be available in Mason County, the administration of large programs and defense installations does not take place in Mason County. The largest federal employers in the county are the Postal Service and the U.S. Forest Service. Federal workers earned an average annual wage of $31,084.

State employment which on average paid $36,255, has a comparatively large influence in Mason County (3.5 location quotient). Twenty nine percent of Mason government employees work at the state level and most are in the service of retaining and rehabilitating state lawbreakers. The Washington Correction Facility in Shelton and the Mission Creek Youth Camp of Belfair account for roughly 795 of 1,011 state employees working in Mason County. Correctional Institution workers on average earned $37,631. Numerous other state agencies, including the Department of Social and Health Services, the Washington State Patrol, and the Department of Fish and Wildlife also employ substantial numbers.

Local government employs the greatest number of government workers in the county. It employed 2,337 covered workers in 2000 and paid them an average of $30,267. Over 1,214 of the local government employees are employed by the K-12 educational system, with an average wage of $27,336. Almost 500 workers are involved in the county's executive and legislative branches, earning $34,180 on average. Additionally, the Mason General Hospital employs more than 300 workers, all of whom are public employees. These government-employed health care providers average $31,943 in yearly earnings.

Figure 26
Government Employment
Mason County, 1970-2000
Source: Employment Security Department



The location quotient of 4.7 identifies the area as a net exporter of local government services. In reality, the high location quotient comes down to the simple fact that schools, fire departments, police, and other local government functions are needed in all places. While densely populated counties may reduce employment through some economies-of-scale, counties such as Mason are left to hire a greater proportion of workers, particularly more part-time workers, to cover the less populated areas.

Overall, the average wage for government workers in the county was $32,035 in 2000. The wage is well above the county's all-sector average ($25,683), but still under the state average for government workers ($36,293). The number of persons working for the government is expected to rise by 16 percent in the coming eight years. This is a higher projected rate than all divisions except FIRE and services.

Industry Employment Forecasts

The forecasts of nonfarm industry employment for the period 2000-2008 have been made by Employment Security Department analysts. *Figure 27* shows estimated 2000 employment and projected 2008 employment by industry for Mason County and compares it to statewide growth. Overall, the county is expected to gain 1,440 jobs, an 11.9 percent increase which would be slightly less than the statewide 13.4 percent gain. Both the county and state are expected to see strong growth in FIRE, services, and government while experiencing stagnation in the manufacturing sector.

Figure 27
Industry Projections
Mason County and Washington, 2000 and 2008
Source: Employment Security Department

Mason County	**2000**	**2008**	**% Change**	**# Change**	**Annual Average**
Total Nonfarm Employment	**12,100**	**13,540**	**11.9%**	**1,440**	**1.4%**
Manufacturing	2,150	2,130	-0.9%	(20)	-0.1%
Construction and Mining	670	730	9.0%	60	1.1%
Transportation and Public Utilities	290	310	6.9%	20	0.8%
Wholesale and Retail Trade	2,660	2,980	12.0%	320	1.4%
Finance, Insurance, and Real Estate	440	520	18.2%	80	2.1%
Services	2,350	2,750	17.0%	400	2.0%
Government	3,540	4,120	16.4%	580	1.9%
Washington					
Total Nonfarm Employment	2,716,800	3,080,700	13.4%	363,900	1.6%
Manufacturing	350,300	365,500	4.3%	15,200	0.5%
Construction and Mining	165,200	183,800	11.3%	18,600	1.3%
Transportation and Public Utilities	146,600	162,200	10.6%	15,600	1.3%
Wholesale and Retail Trade	653,200	731,400	12.0%	78,200	1.4%
Finance, Insurance, and Real Estate	137,200	153,300	11.7%	16,100	1.4%
Services	780,800	940,800	20.5%	160,000	2.4%
Government	483,500	543,700	12.5%	60,200	1.5%

OCCUPATIONAL PROFILE

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

Figure 28 shows employment estimates for 2000 and projected employment for 2008, in the Pacific Mountain Partnership WorkSource area, for the major occupational divisions. The Pacific Mountain area includes the counties of Grays Harbor, Lewis, Mason, Pacific, and Thurston. The table also provides estimates and projections for Washington State. The data are based on an Occupational Employment Survey (OES) conducted in the area by the Employment Security Department in 1999 and 2000.

Between 2000 and 2008 the expected average growth among all of the occupations is 11.4 percent, which would amount to 2,044 jobs. Currently the largest occupational grouping is Professional, Paraprofessional, and Technical jobs, which make up 25 percent of the work force in the region. Service jobs have the second largest impact, followed by clerical jobs, which provide 16 and 15 percent of the local work force respectively. Agriculture, Forestry, Fishing and Related, provided the fewest employment opportunities in 2000 (5 percent). In the Pacific Mountain Partnership area, approximately three quarters of all occupations are considered to be white-collar.

Overall, Washington State occupational patterns mirror those of this region. The top three occupational groupings are the same for the state and are about the same proportions. Professional and technical jobs make up 24 percent, services 16 percent, and clerical 15 percent of total statewide jobs. Agriculture, forestry, fishing and related is also the smallest for the state, at 3.5 percent. The Pacific Mountain Partnership area surprisingly, has a lower blue-collar presence than the state. This is surprising given that logging and manufacturing of timber products have traditionally formed the backbone of the economy. However, as *Figure 29* indicates, the agriculture, forestry, fishing and related occupations, though small are large relative to the state as a whole. It should be noted that the relatively urban Thurston County contains over 50 percent of the region's population and thus

Figure 28
Occupational Employment and Projections
Pacific Mountain Region and Washington State, 2000 and 2008
Source: Employment Security Department

	Pacific Mountain Partnership						Total Washington			
	2000		2008		% Chg	New Jobs	2000		2008	
Total	**175,821**	**100%**	**196,376**	**100%**	**11%**	**2,044**	**3,154,747**	**100%**	**3,563,844**	**100%**
Managerial & Administrative	17,883	10%	19,927	10%	11%	2,044	251,217	8%	288,545	8%
Professional, Paraprof., & Tech	44,118	25%	49,998	25%	13%	5,880	740,215	23%	861,822	24%
Marketing & Sales	17,187	10%	19,192	10%	12%	2,005	362,655	11%	402,609	11%
Clerical & Admin. Support	26,210	15%	29,427	15%	12%	3,217	470,640	15%	533,225	15%
Services	27,923	16%	32,424	17%	16%	4,501	492,741	16%	567,130	16%
Ag., Forestry, Fishing & Related	8,018	5%	8,278	4%	3%	260	121,036	4%	125,180	4%
Prec. Production, Craft, & Repair	16,022	9%	17,415	9%	9%	1,393	350,389	11%	388,202	11%
Operators, Fabricators, & Laborers	18,460	10%	19,715	10%	7%	1,255	365,854	12%	397,131	11%
White-Collar	133,321	76%	150,968	77%	13%	17,647	2,317,468	73%	2,653,331	74%
Blue-Collar	42,500	24%	45,408	23%	7%	2,908	837,279	27%	910,513	26%

Data not available for separate counties.
Pacifc Mountain Partnership includes Grays Harbor, Lewis, Mason, Pacific, and Thurston counties

skews these data. In comparison Mason County comprises only 12 percent of the regional population.

The greatest rate of growth is expected in service occupations (not to be confused with the services division, an industry classification) (16.1 percent) and professional and paraprofessional occupations (13.3 percent). Services and marketing and sales represent the only occupational area that are projected to grow faster locally than for the entire state. Managerial and administrative and professional, paraprofessional, and technical occupations, if projections are accurate, will increase much quicker at the state level than for the Pacific Mountain counties. In both cases the projected state growth rate is more than 2 percentage points higher than the local rate between 2000 and 2008. The Agriculture, Forestry, fishing and related occupations are projected to have the least growth at both the state and regional level. Overall the state is expected to see a 13 percent increase in occupational employment by 2008, compared to 11.4 percent in the Mason County area.

Figure 29 is also based on an occupational survey conducted in The Pacific Mountain Partnership counties by the Employment Security Department in 2000. The list of occupations and wages presents the 200 most common nonfarm jobs in the area and their average level of pay. Wages are generally provided as hourly rates, except for those occupations for which hourly rates are unavailable. The rank of each occupation, in terms of the number of people employed, is also shown.

The occupations are organized under nine broad categories, for example, "management." Within each category the occupations are sorted by rank, the most common occupation will be at the top of the list within its category. The most common occupation in the Pacific Mountain counties numerically is office clerks, who get paid on average $11.34 per hour. The much better paid general and operations managers ($30.05) are the second most common followed by cashiers ($8.99).

Note that earnings may be listed in hourly or annual terms. Lawyers at $50.72 per hour earned the highest hourly wage, whereas educational administrators received the largest regional salary. Host and hostesses, restaurant, lounge and coffee shop occupations wage of $6.37 per hour was the lowest recorded wage. It was however, closely followed by the $6.39 earned by fast food cooks.

Figure 29
Top 200 Occupations for Washington's Pacific Mountain Partnership (Grays Harbor, Lewis, Mason, Pacific, and Thurston Counties), 2000
Source: Employment Security Department

Occupational Title	Wage*	Rank**
Management, Professional and Related Occupations		
General and Operations Managers	$30.05	2
Teacher Assistants	$20,690	7
Business Operations Specialists, All Other	$22.93	8
Registered Nurses	$24.52	12
Elementary School Teachers, Except Special Education	$43,121	16
Secondary School Teachers, Except Special and Vocational Education	$42,095	20
Accountants and Auditors	$21.74	24
Network and Computer Systems Administrators	$24.97	26
All Other Teachers, Primary, Secondary, and Adult	$27,100	30
Computer Programmers	$24.82	34
Claims Adjusters, Examiners, and Investigators	$18.25	41
Lawyers	$50.72	42
Licensed Practical and Licensed Vocational Nurses	$14.57	44
Middle School Teachers, Except Special and Vocational Education	$43,230	51
Civil Engineers	$26.75	56
Electrical and Electronic Engineering Technicians	$8.75	57
Rehabilitation Counselors	$15.55	60
Computer Support Specialists	$13.01	65
Paralegals and Legal Assistants	$13.91	72
Probation Officers and Correctional Treatment Specialists	$18.21	78

Figure 29 (Continued)
Top 200 Occupations for Washington's Pacific Mountain Partnership (Grays Harbor, Lewis, Mason, Pacific, and Thurston Counties), 2000
Source: Employment Security Department

Occupational Title	Wage*	Rank**
Special Education Teachers, Preschool, Kindergarten, and Elementary School	$43,307	79
Managers, All Other	$40.86	89
Educational, Vocational, and School Counselors	$20.91	90
Environmental Scientists and Specialists, Including Health	$21.01	93
Preschool Teachers, Except Special Education	$9.97	99
Compliance Officers, Except Agriculture, Construction, Health and Safety, and Transportatio	$20.25	101
Financial Managers	$30.85	103
Purchasing Agents, Except Wholesale, Retail, and Farm Products	$18.79	106
Vocational Education Teachers, Secondary School	$42,811	109
Urban and Regional Planners	$25.45	111
Zoologists and Wildlife Biologists	$23.20	112
Compliance Officers, Except Agriculture, Construction, Health and Safety, and Transportatio	$17.08	119
Mental Health and Substance Abuse Social Workers	$14.88	121
Special Education Teachers, Preschool, Kindergarten, and Elementary School	$44,814	122
Civil Engineers	$24.42	127
Radiologic Technologists and Technicians	$18.26	133
Chief Executives	$43.59	136
Foresters	$20.06	139
Family and General Practitioners	$55.55	142
Managers, All Other	$32.67	143
Network and Computer Systems Administrators	$19.78	144
Librarians	$23.26	145
Medical and Clinical Laboratory Technicians	$13.02	146
Natural Sciences Managers	$26.77	147
Postmasters and Mail Superintendents	$19.93	148
Mechanical Engineers	$27.61	149
Mental Health Counselors	$13.19	150
Medical and Clinical Laboratory Technologists	$18.56	151
Physical Therapists	$25.84	152
Public Relations Specialists	$18.17	155
Clinical, Counseling, and School Psychologists	$24.18	160
Computer Systems Analysts	$22.88	162
Kindergarten Teachers, Except Special Education	$39,555	163
Special Education Teachers, Secondary School	$46,540	164
Wholesale and Retail Buyers, Except Farm Products	$12.77	169
Loan Officers	$16.22	170
Industrial Production Managers	$35.85	172
Engineering Managers	$35.99	173
Administrative Services Managers	$30.71	176
Architectural and Civil Drafters	$17.56	177
Agricultural and Food Scientists	$24.02	183
Construction Managers	$26.88	185
Conservation Scientists	$23.50	186
Zoologists and Wildlife Biologists	$23.14	188
Occupational Health and Safety Specialists and Technicians	$22.78	113
Vocational Education Teachers, Postsecondary	$22.29	114

Figure 29 (Continued)
Top 200 Occupations for Washington's Pacific Mountain Partnership (Grays Harbor, Lewis, Mason, Pacific, and Thurston Counties), 2000
Source: Employment Security Department

Occupational Title	Wage*	Rank**
Self-Enrichment Education Teachers	$15.12	116
Tax Examiners, Collectors, and Revenue Agents	$19.96	117
Education Administrators, Elementary and Secondary School	$69,649	122
Compensation, Benefits, and Job Analysis Specialists	$19.02	128
Public Relations Specialists	$24.80	132
Librarians	$21.81	133
Management Analysts	$20.83	134
Cost Estimators	$22.85	135
Financial Specialists, All Other	$24.75	138
Chief Executives	$48.47	143
Social and Human Service Assistants	$9.77	147
Computer Systems Analysts	$24.31	148
Legal Support Workers, All Other	$23.58	149
Dental Hygienists	$31.46	151
Foresters	$22.47	154
Kindergarten Teachers, Except Special Education	$40,724	155
Wholesale and Retail Buyers, Except Farm Products	$14.75	156
Pharmacists	$32.93	160
Civil Engineering Technicians	$19.43	161
Library Technicians	$12.92	163
Radiologic Technologists and Technicians	$18.36	167
Special Education Teachers, Secondary School	$43,229	169
Floral Designers	$8.81	173
Administrative Services Managers	$28.34	176
Coaches and Scouts	$30,310	181
Environmental Engineers	$28.10	185
Construction Managers	$30.14	187
Budget Analysts	$24.16	188
Economists	$24.20	189
Pharmacy Technicians	$13.39	191
Loan Officers	$22.05	192
Statisticians	$20.69	196
Service Occupations		
Waiters and Waitresses	$8.46	5
Combined Food Preparation and Serving Workers, Including Fast Food	$8.21	6
Janitors and Cleaners, Except Maids and Housekeeping Cleaners	$9.65	15
Cooks, Restaurant	$8.49	21
Nursing Aides, Orderlies, and Attendants	$8.98	23
Dishwashers	$6.78	25
Maids and Housekeeping Cleaners	$7.71	35
First-Line Supervisors/Managers of Food Preparation and Serving Workers	$14.23	36
Cooks, Short Order	$8.62	38
Correctional Officers and Jailers	$15.26	45
Cooks, Fast Food	$6.39	50
Dining Room and Cafeteria Attendants and Bartender Helpers	$6.85	52
Home Health Aides	$8.18	53

Figure 29 (Continued)
Top 200 Occupations for Washington's Pacific Mountain Partnership (Grays Harbor, Lewis, Mason, Pacific, and Thurston Counties), 2000
Source: Employment Security Department

Occupational Title	Wage*	Rank**
Landscaping and Groundskeeping Workers	$10.09	54
Food Preparation Workers	$8.52	55
Hosts and Hostesses, Restaurant, Lounge, and Coffee Shop	$6.37	62
Bartenders	$7.63	64
Personal and Home Care Aides	$8.04	76
Cooks, Institution and Cafeteria	$10.57	80
Police and Sheriff's Patrol Officers	$21.19	81
Gaming Dealers	$9.25	82
Security Guards	$8.52	83
Medical Assistants	$11.06	87
Child Care Workers	$8.54	91
Counter Attendants, Cafeteria, Food Concession, and Coffee Shop	$8.54	94
Chefs and Head Cooks	$10.92	96
Hairdressers, Hairstylists, and Cosmetologists	$8.98	98
Amusement and Recreation Attendants	$7.45	119
Crossing Guards	$16.06	120
Fire Fighters	$15.77	121
Healthcare Support Workers, All Other	$11.83	125
Dental Assistants	$14.09	126
Medical Transcriptionists	$13.49	131
Food Preparation and Serving Related Workers, All Other	$10.98	157
Detectives and Criminal Investigators	$19.74	158
Protective Service Workers, All Other	$13.26	168
Recreation Workers	$12.46	170
First-Line Supervisors/Managers of Housekeeping and Janitorial Workers	$14.57	190
Fitness Trainers and Aerobics Instructors	$12.19	197
First-Line Supervisors/Managers of Police and Detectives	$29.75	199
Sales and Office Occupations		
Office Clerks, General	$11.34	1
Cashiers	$8.99	3
Retail Salespersons	$10.55	4
Bookkeeping, Accounting, and Auditing Clerks	$12.94	11
Stock Clerks and Order Fillers	$9.42	14
First-Line Supervisors/Managers of Office and Administrative Support Workers	$18.64	17
Secretaries, Except Legal, Medical, and Executive	$12.72	18
Tellers	$9.60	19
Executive Secretaries and Administrative Assistants	$16.87	22
First-Line Supervisors/Managers of Retail Sales Workers	$16.78	27
Customer Service Representatives	$13.53	28
Sales Reps., Wholesale and Manufacturing, except Technical and Scientific Prod.	$18.33	32
Receptionists and Information Clerks	$9.30	47
New Accounts Clerks	$11.83	49
Billing and Posting Clerks and Machine Operators	$11.78	61
Counter and Rental Clerks	$9.87	67
Office and Administrative Support Workers, All Other	$13.93	70

Figure 29 (Continued)
Top 200 Occupations for Washington's Pacific Mountain Partnership (Grays Harbor, Lewis, Mason, Pacific, and Thurston Counties), 2000
Source: Employment Security Department

Occupational Title	Wage*	Rank**
Shipping, Receiving, and Traffic Clerks	$11.20	74
Postal Service Mail Carriers	$17.19	85
Interviewers, Except Eligibility and Loan	$9.45	104
Dispatchers, Except Police, Fire, and Ambulance	$14.82	107
Medical Secretaries	$11.72	108
Bill and Account Collectors	$13.04	124
Sales and Related Workers, All Other	$13.80	129
Order Clerks	$11.26	136
Postal Service Mail Sorters, Processors, and Processing Machine Operators	$13.32	137
Parts Salespersons	$14.04	139
Legal Secretaries	$16.36	140
Production, Planning, and Expediting Clerks	$14.60	150
Data Entry Keyers	$10.68	159
Insurance Sales Agents	$21.81	164
File Clerks	$8.75	165
Eligibility Interviewers, Government Programs	$18.37	171
Telemarketers	$10.25	175
Gaming Change Persons and Booth Cashiers	$8.20	177
Hotel, Motel, and Resort Desk Clerks	$7.90	178
Switchboard Operators, Including Answering Service	$9.83	179
Payroll and Timekeeping Clerks	$13.96	182
Travel Agents	$10.75	194
Sales Representatives, Wholesale and Manufacturing, Technical and Scientific Products	$34.28	198
Natural Resources, Construction, and Maintenance Occupations		
Carpenters	$15.07	13
Maintenance and Repair Workers, General	$14.58	33
Electricians	$18.53	48
Automotive Service Technicians and Mechanics	$15.58	58
Logging Equipment Operators	$17.23	63
Telecommunications Equipment Installers and Repairers, Except Line Installers	$16.60	66
First-Line Supervisors/Managers of Construction Trades and Extraction Workers	$25.43	68
Construction Laborers	$16.34	69
First-Line Supervisors/Managers of Mechanics, Installers, and Repairers	$24.91	73
Operating Engineers and Other Construction Equipment Operators	$21.51	77
Helpers--Carpenters	$9.69	84
Automotive Body and Related Repairers	$13.51	86
Logging Workers, All Other	$17.03	88
Painters, Construction and Maintenance	$15.80	95
Bus and Truck Mechanics and Diesel Engine Specialists	$18.48	105
Mobile Heavy Equipment Mechanics, Except Engines	$19.61	123
Roofers	$13.04	141
Heating, Air Conditioning, and Refrigeration Mechanics and Installers	$19.40	144
Industrial Machinery Mechanics	$19.39	145
Farming, Fishing, and Forestry Workers, All Other	$14.77	146
First-Line Supervisors/Managers of Farming, Fishing, and Forestry Workers	$22.43	152

Figure 29 (Continued)
Top 200 Occupations for Washington's Pacific Mountain Partnership (Grays Harbor, Lewis, Mason, Pacific, and Thurston Counties), 2000
Source: Employment Security Department

Occupational Title	Wage*	Rank**
Helpers--Electricians	$11.91	153
Plumbers, Pipefitters, and Steamfitters	$19.15	174
Sheet Metal Workers	$18.38	180
Helpers--Installation, Maintenance, and Repair Workers	$12.47	183
Highway Maintenance Workers	$18.24	186
Fallers	$23.97	193
Tire Repairers and Changers	$10.15	195
Production, Transportation, and Material Moving Occupations		
Laborers and Freight, Stock, and Material Movers, Hand	$9.61	9
Truck Drivers, Heavy and Tractor-Trailer	$15.99	10
Machine Feeders and Offbearers	$14.10	29
Driver/Sales Workers	$8.04	31
Packers and Packagers, Hand	$7.98	37
Team Assemblers	$12.37	39
Bus Drivers, Transit and Intercity	$13.42	40
Truck Drivers, Light or Delivery Services	$11.87	43
Bus Drivers, School	$10.95	46
First-Line Supervisors/Managers of Production and Operating Workers	$22.82	59
Industrial Truck and Tractor Operators	$15.01	71
Sawing Machine Setters, Operators, and Tenders, Wood	$14.16	75
Packaging and Filling Machine Operators and Tenders	$13.10	92
Fiberglass Laminators and Fabricators	$15.22	97
Welders, Cutters, Solderers, and Brazers	$12.67	100
Assemblers and Fabricators, All Other	$10.48	102
Cleaners of Vehicles and Equipment	$7.37	110
Helpers--Production Workers	$10.94	115
Inspectors, Testers, Sorters, Samplers, and Weighers	$15.41	118
Bakers	$11.18	127
First-Line Supervisors/Managers of Helpers, Laborers, and Material Movers, Hand	$21.30	130
Woodworking Machine Setters, Operators, and Tenders, Except Sawing	$12.73	142
Photographic Process Workers	$10.22	162
First-Line Sups./Mngrs. of Transportation and Material-Moving Machine and Vehicle	$22.58	166
Photographic Processing Machine Operators	$9.80	172
Meat, Poultry, and Fish Cutters and Trimmers	$9.20	184
Sewing Machine Operators	$11.38	200

** Wages either hourly or annual.*
*** Overall rank by number employed per occupation - highest employment is "1".*
NA - Wage not available; data did not meet confidentiality guidelines.

PERSONAL INCOME

The previous section dealt with occupations and the wages associated with them. The following section discusses all sources of income in addition to wages and salaries. Data in this section are derived from the U.S. Department of Commerce, Bureau of Economic Analysis (BEA). All income data have been adjusted to 1999 dollars. The purpose of converting to "real" data is to allow comparisons across time periods without the distorting effect of changing prices.

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 1999, total personal income rose by 3.2 percent to reach $1,014 million. *Figure 30* illustrates changes in total personal income growth from 1970-1999 for Mason, Washington, and the U.S. In the 1970s Mason County tended to have higher growth in income than both the state and the nation. This was reversed in the early 1980s when growth became negative for Mason and briefly for Washington. The 1990s were generally good for both Washington and Mason. However, this period of fast growth did end by 1998, when the county income growth fell below that of the nation.

While using constant 1999 dollars allows us to compare income data (free from inflation distortions) over time, per capita income (PCI) allows us to compare income for different populations of varying sizes. PCI is a useful indicator of an area's economic well-being. The BEA derives PCI by dividing total personal income by its corresponding population.

If population in Mason County was constant, the growth rates illustrated in *Figure 30* would indicate rising PCI. However, since population (*see Figure 2*) has been steadily rising, PCI has had minimal growth since the 1970s. Since 1979, PCI has only risen by 14 percent. *Figure 31* shows per capita income for Mason County since 1970 and compares it with state and national trends. In 1999, the county's per capita income was $20,146, and ranked 30th among Washington's 39 counties. Not surprising, given the population growth, Mason County ranked a much higher 20th in the state in total personal income (which is not divided by population).

Figure 30
Growth in Real Personal Income
Mason, Washington, and U.S., 1970-1999
Source: Bureau of Economic Analysis

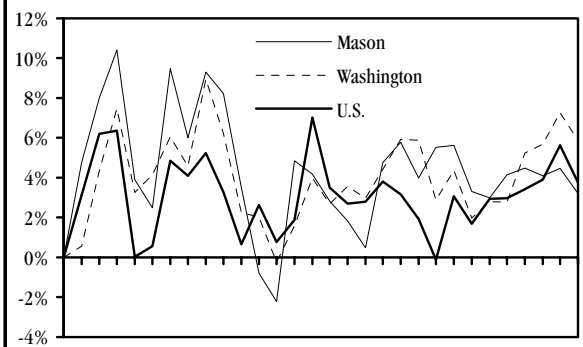
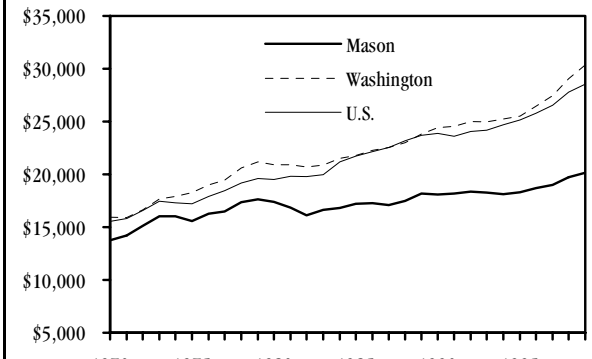


Figure 31
Per Capita Income
Mason, Washington, and U.S., 1970-1999
Source: Bureau of Economic Analysis



In contrast, the state per capita income figure has grown 44 percent, from $21,168 in 1979 to $30,380 in 1999. As a result, in 1999 Mason County per capita income was only 68 percent of the state figure. The influence of Seattle

and King County on the statewide figures should also be highlighted. In 1999, only two counties (King and San Juan) had per capita incomes higher than the statewide average. King County's PCI was $44,719 in 1999.

Per capita personal income is a good measure of how personal income is growing relative to the population. However, it gives no indication of how income is distributed among the population. To a degree, median household income does that. It indicates the point in income where half of all households have a higher income and half have a lower income. In 2000, median income in Mason County was $37,608, ranking 18th among the state's counties. This was one position higher than in 1999. The relatively high ranking of the median income coupled with the low ranking of per capita income indicates that income is more evenly distributed in Mason County than in other areas. Statewide in 2000, the median household income was $50,698, once again, strongly influenced by King County with its high-tech and aerospace industries.

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; and investment income consists of interest, dividends, and rent. *Figure 32* shows how these components of personal income have changed over time in Mason County.

The trend in the past 30 years has been for earnings to decline in percentage terms due to the rising significance of transfers and investments. As *Figure 32* shows much of the ground lost by earnings in Mason County occurred by the early 1980s and things have remained fairly static since. Earnings contributed 65 percent of personal income in 1970. By 1981 this had fallen to 47 percent but has only lost 2 percentage points since. In 1999, the dollar amounts of these components were: earned income, $456.7 million; transfer payments, $225.4 million; and investment income, $248.7 million. Transfer payments, with a 543 percent gain since 1970, have had, by far, the strongest growth. Investment income, which grew by 421 percent, also had a strong showing. Earned income grew only by 143 percent which averaged out to 3 percent per year.

The breakdown of personal income components at the state level and for Mason County differ quite a bit, as shown in *Figure 33*. Statewide, over 73 percent of personal income comes from earnings, compared to only 45 percent in Mason County. Residents in the region rely in particular on transfer payments, and to a lesser extent retirement income than the average Washington resident.

Figure 32
Personal Income Component Trend
Mason County, 1979-1999
Source: Bureau of Economic Analysis

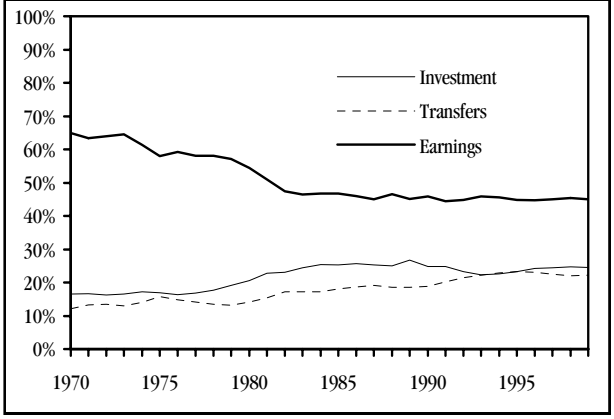
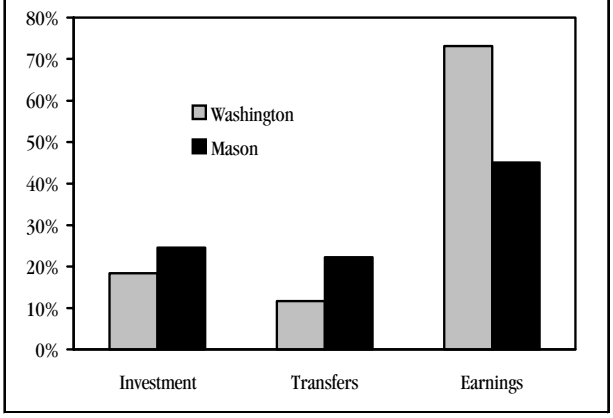


Figure 33
Components of Personal Income
Mason County and Washington, 1999
Source: Bureau of Economic Analysis



Earned Income

There are three types of earnings: wages and salaries, proprietors' income, and "other labor income." Other labor income includes a number of items but is mainly driven by employer contributions to health care and retirement plans. The components that comprise earned income are based on residence within the county. In addition to the three primary components there is also an "adjustment for residence," referred to as "external" income. This is the amount of income earned outside of the county by residents of the county, or, if the figure is negative it is the amount of money earned within the county by nonresident of the county. This can be a very large percentage in counties with substantial numbers of commuters.

Figure 34 depicts the 30-year changes in components earned inside Mason County (external not included). Since 1970, proprietors' income has experienced the slowest growth, expanding by 2.8 percent per year and 131 percent since 1970. During the same time, wage and salary income have done only slightly better, increasing by a modest 134 percent or 2.9 percent annually (on average). Other labor income, in contrast, rose at a 5.3 percent annualized rate, resulting in a distinctive 375 percent rise. Even so, wages and salaries at 74 percent, remain by far the largest portion of earnings.

With a few exceptions, wage and salaries have grown consistently, if not at a torrid pace in Mason County. The years 1974 and 1975 registered small decreases, but in 1981 wages and salaries fell by 5 percent. The following year saw much worse declines, falling by 10.3 percent. The flatness of manufacturing jobs coupled with relatively stagnant wages have led to the slow pace for wage and salary growth since that time period.

Given the Mason County's proximity to urban centers, it is not surprising that the "external" aspect of income is large. Although compared to most counties external income in Mason is high, but this was not always the case. In 1970 this outside-earned income was only 13 percent the size of total income. From then until 1982, earnings outside of Mason County continued to play a rapidly increasing role. By 1982 it equaled about 30 percent total earned income and stayed at that level through 1991. Since that period these earnings have fallen to the 24 percent of earned income registered in 1999.

Figure 34
Earned Income Component Trends
Mason County, 1970-1999
Source: Bureau of Economic Analysis

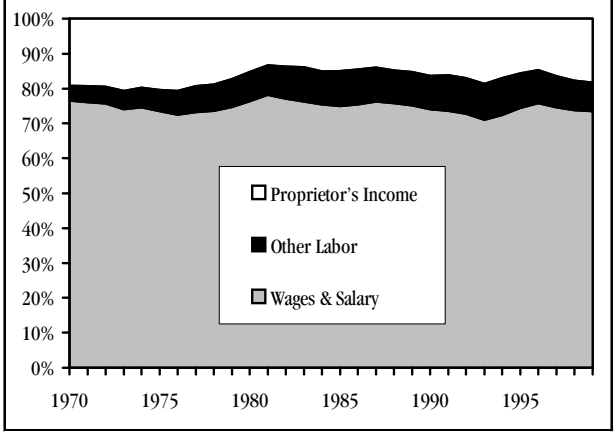
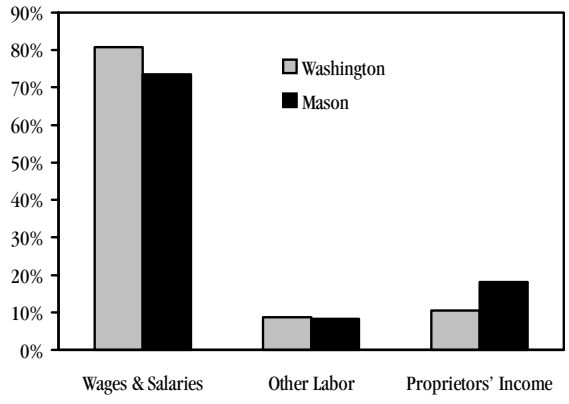


Figure 35
Components of Earned Income
Mason County and Washington, 1999
Source: Bureau of Economic Analysis



As indicated in *Figure 35*, wages and salaries play a more prominent role in earned income for the state than Mason County. Proprietors' income is a larger component in Mason, while other labor is proportionally about the same for both state and county. Wages and salaries amounted to $336 million in 1999; proprietors' income, $83 million; and other labor income, $38 million. Statewide wage and salary growth in the past 30 years was 196.6 percent and averaged 3.7 per year. The other components of earned income also grew faster at the state level but not significantly faster.

Transfer Payments

Transfer payments comprise the second largest component of personal income after earnings in Mason County. Their growth has been rapid, and their share of personal income has been consistently increasing. More and more, individuals are deriving a larger share of their income from transfers from the government. (A transfer payment is normally defined as a payment from the government to an individual from whom no current good or service is received.) In Mason, these payments totaled $35 million in 1970, 12 percent of all personal income. In 1999, they amounted to $225 million, or 22 percent of the total. This equates to an increase of 543 percent, averaging 6.4 percent growth annually.

There are 4 types of transfer payments: retirement and related, income maintenance, unemployment insurance payments, and medical. Retirement and related includes social security payments, federal, state, and local government retirement, military retirement, some railroad retirement plans, and workers' compensation. Income maintenance payments are those commonly referred to as welfare. They include Temporary Assistance to Needy families (TANF), food stamps, Supplemental Security Income (SSI), general assistance, emergency assistance, etc. Unemployment insurance payments are those payments made to workers who have been laid off from their jobs. The medical component of transfer payments consists of medicare, medical vendor payments (payment for care of federally assisted, Medicaid, and state and local administered general assistance), and military medical insurance.

Figure 36 compares the share that each of these components of transfers had both in 1970 and 1999. As mentioned, transfers have grown dramatically and this is no more apparent than for the medical aspect of transfers. Over the past 30 years medical payments have risen 9.4 percent annually and an astounding 1,392 percent overall. Relative to that increase, the rise in retirement payments of 532 percent seems mild, and growth of income maintenance (363 percent) and unemployment insurance (138 percent) seems paltry.

Despite the phenomenal growth of medical payments, retirement remains the largest component of transfers. Retirement-related payments make up 48 percent of transfers and social security made up the largest part of retirement which at $96 million was 45 percent of all transfers and 94 percent of retirement. Thirty-five percent of transfers went to medical payments, primarily Medicare ($38 million) and public assistance medical care ($37 million).

Income maintenance, or welfare, makes up a rather small component (8 percent) of transfer payments. The dollar value was $18 million in 1999 with "other income maintenance programs," SSI, and family assistance getting roughly equal shares.

Not surprisingly, unemployment insurance payments fluctuate directly with the level of unemployment in the county (*see Figure 37*). The peaks in 1971, 1975, 1982, and 1993 correspond with national recessions and rising unemployment rates. Payments, which had been climbing following the 1990-91 national recession fell until 1997. With the arrival of recession in 2001, new

Figure 36
Transfer Payments Components
Mason County, 1970 and 1999
Source: Bureau of Economic Analysis

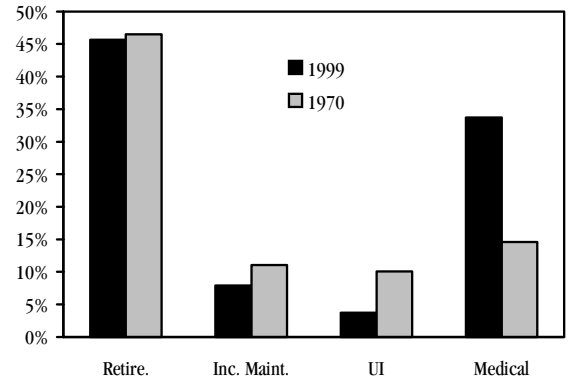
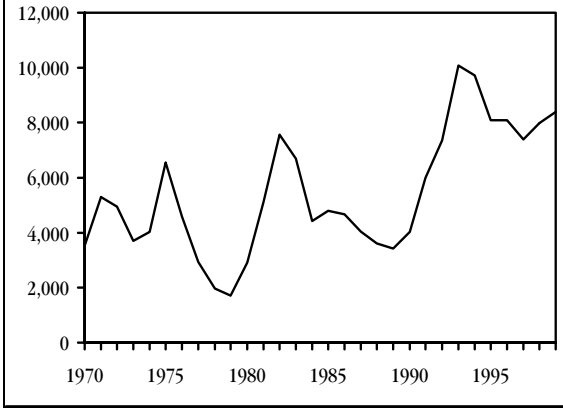


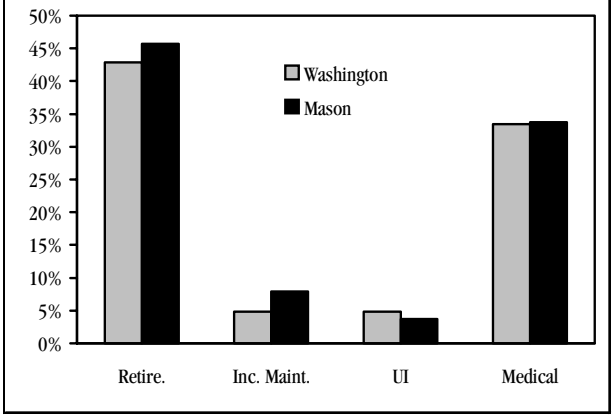
Figure 37
Unemployment Insurance Expenditures
Mason County, 1970-1999
Source: Bureau of Economic Analysis



unemployment claims were on the rise through much of the latter part of the year and into early 2002. As the chart shows, these payments swing widely, hinging upon the economic climate. In 1999, UI payments amounted to only 4.8 percent of transfer payments, or $9.8 million. UI payments peaked at a high of 16 percent of transfers in 1971 and had a low of 3.8 percent in 1989.

As *Figure 33* illustrated, in Mason County transfers are proportionally almost double the state level. This has been the case for many rural, nonmetropolitan areas of the state where, in some cases, one-third of personal income comes in the form of transfer payments. In Washington as a whole, transfer payments account for 11.7 percent of personal income. When comparing the breakdown of components of transfers between the state and county (as in *Figure 38*), the differences are less startling: Income maintenance and retirement payments are higher percentage-wise, whereas unemployment insurance payments were higher for the state.

Figure 38
Transfer Components
Mason County and Washington, 1999
Source: Bureau of Economic Analysis



Investment Income

Investment income is derived from dividends, interest, and rent. In Mason County, it is a significant portion (25 percent) of personal income. In part, this reflects the larger than average over-65 population whose income stems from investments. This income amounted to $149 million in 1999. *Figure 39* compares the growth rate of investment income in the county and compares it to statewide growth.

One of the interesting aspects of *Figure 39* is that changes in growth for both the county and state investment income correspond to each other but not necessarily to the business cycle. For example, Mason County experienced a decline (0.9 percent) in investment income in 1987, a period of growth. An alternate and possibly stronger influence on this type of income is stock prices because of the direct influence on the value of investments. *Figure 40* compares changes in the Dow Jones (DJ) Industrial Average index and investment income in Mason County between 1970-2000. Note for example, how in 1987, the year of a severe stock market crash, both investments and the Dow index fall sharply. In general Mason County investments show a strong correlation to stock prices after the early 1980s.

Figure 39
Investment Growth Rate
Mason County and Washington, 1970-1999
Source: Bureau of Economic Analysis

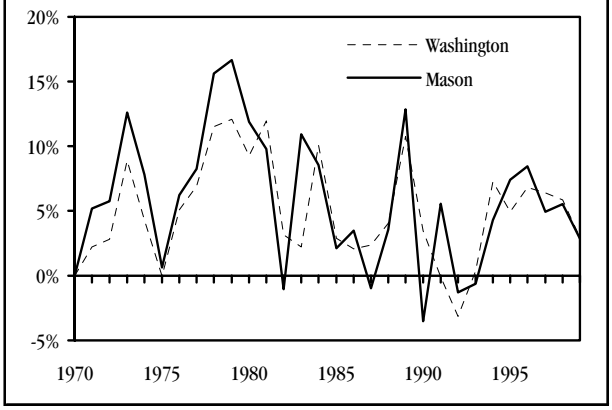
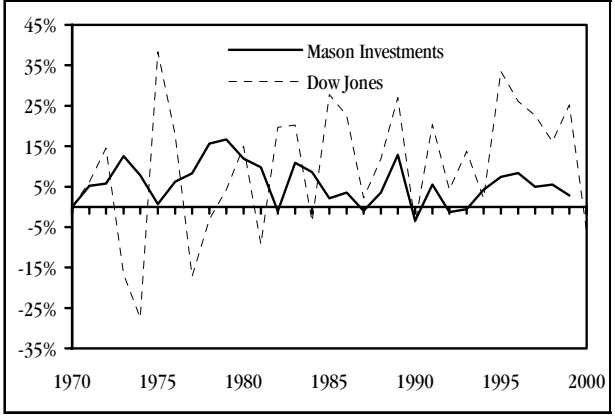


Figure 40
Dow Jones Index & Investment Growth Rate
Mason County, 1970-2000
Source: Bureau of Economic Analysis



JOB TRAINING AND ECONOMIC DEVELOPMENT

Mason County WorkSource Center is a facility characterized by the provision of collocated and integrated services offered through a variety of self-service, group, and one-on-one activities. The Centers will provide customers one point at which to access programs administered by multiple agencies. They will offer access to all WorkSource Center system services, most of which will be available on site. However, not all services will necessarily be provided on a full-time basis. Each area will have at least one full service Center. In terms of services, the Center must:

- provide all core services;
- provide all required services;
- serve as a "broker" for services not available on site such as training or support services;
- provide referrals for services not provided through the WorkSource System;
- coordinate services for customers; and
- provide access to the Internet and other electronic linkages.

The core services, which are available on site or through electronic access and which are available to all customers (no eligibility required), include:

- initial assessment to evaluate job readiness based on job skills, experience, aptitudes, interests, and abilities;
- job counseling to help customers determine what services are available and best use of the information;
- job referral and placement providing access to available jobs and posting of resumes;
- employer services that provide access to labor market information, recruitment, screening, and referral of qualified applicants;
- information and referral to services such as housing, food, and medical assistance;
- information on training and retraining programs such as basic skills, literacy, occupational skills training, and apprenticeships;
- labor market information on current occupational supply and demand and occupational wages;
- computers with Internet access;
- access to a telephone to file for Unemployment Insurance benefits; and
- translation services to customers in their first language using AT&T services or the Internet.

The programs (eligibility required) include:

- WIA Title I (adults, dislocated workers, youth, and national programs)
- Title V of the Older Americans Act
- Veterans' Employment Programs
- Claimant Placement Program
- Worker Retraining
- Post Secondary Vocational-Technical Programs
- Vocational Rehabilitation
- Welfare to Work
- Adult Basic Education Programs
- ESL Programs
- Worker Profiling
- Migrant Farmworker Services
- NAFTA/Trade Assistance Act
- HUD Employment & Training
- Early Intervention services to potentially dislocated workers
- Rapid Response to plant closures
- WorkFirst (employment services only)
- Community Services Block Grant

Mason County WorkSource Center is located at 2505 Olympic HWY North, Suite 420, Shelton, Washington 98584. The mailing address is P.O. Box 9046, Olympia, Washington 98507-9046. Hours of operation are Monday through Friday 8 a.m. to 5 p.m., Thursday 9 a.m. to 5 p.m. Telephone: (360) 427-2174, fax: (360) 427-2088, e-mail address: rbrader@esd.wa.gov and Internet address: go2worksource.com.

The Workforce Investment Act (WIA) of 1998 replaced the Job Training Partnership Act (JTPA) of 1982 on July 1, 2000. The purpose of WIA is to provide training, education, and other services that prepare all individuals, not just youth and unskilled adults, for current and future jobs. It is guided by several principles: universal access, individual empowerment, streamlined services, state and local flexibility, strong local role, increased accountability, and improved youth programs. It is upon this legislation that the Employment Security Department and other providers base their training and employment service programs.

The Pacific Mountain Workforce Development Council (WDC) was established in accordance with the requirements of the Workforce Investment Act in 1999. It represents Region 2, which encompasses Grays Harbor, Lewis, Mason, Pacific, and Thurston counties. Each WDC is responsible for strategic planning for employment and training related programs, oversight of the WorkSource system within its specific geographic area, and service delivery to eligible dislocated workers, adults, and youth. The WDC is led by private business and has wide representation from labor, education, and other local organizations in the community. The WIA and Governor Locke's Executive order 99-02 describe the functions of the WDC as follows:

- Provide input to the state Workforce Development Board (WDB) in the development of the state unified plan, which articulates their local strategies and needs.
- In partnership with the local elected officials, develop and maintain a local unified plan for the workforce development system including, but not limited to the local plan required by law. The WDC submits a unified plan to the WDB for review and to the Governor for approval.
- Conduct oversight of the local one-stop system, including selection, certification, and de-certification of one-stop providers.
- Promote coordination of workforce development activities at the local level and ensure that they are linked with local economic development strategies.
- Establish youth councils, which are responsible for developing portions of the local plan relating to eligible youth, as well as implement and administer youth programs.
- Provide for a coordinated and responsive system of outreach to employers.
- Identify eligible providers using performance standards established by the WDB.
- On behalf of the Governor, negotiate with local elected officials and the WDB to develop performance measures for local programs.
- Assess the planning process to identify quality improvements.
- Officials that establishes the working relationships and specific responsibilities of each body in the partnership.
- Collaborate in the development of WorkFirst service area plans.

The Pacific Mountain Workforce Development Council is located at 719 Sleater-Kinney Road SE, Suite 200, Lacey, Washington 98503-1133. Hours of operation: 8:00 a.m. to 5:00 p.m. Telephone: (360) 754-4113, Fax: (360) 754-4119, E-mail: kennedm@co.thurston.wa.gov.

Economic Development Council (EDC) of Mason County. Based in Shelton, the EDC of Mason County is a private, nonprofit corporation formed to advocate and coordinate the development of infrastructure, community, and resources necessary to create diversified investment throughout Mason County. Its Board of Directors represents a partnership of industry, government, and education committed to encouraging business development.

Reorganized in 1985 by Mason County citizens, the EDC has established a wide-range development strategy. Programs have been implemented to encourage and aid local business expansions, create new business starts, attract compatible new businesses, and promote a healthy, diversified business climate in Mason County. Many of these programs are contracted with the state, county, city, and ports. For example, the EDC is the state-designated associate development organization for Mason County.

The EDC's long range goals are to:

- diversify the county's economy;
- attract new employers, especially manufacturing concerns;
- strengthen and expand the local business community;
- aid struggling businesses to survive;
- assure the best possible public services are available to the private sector;
- enhance the education of the local labor market; and
- strengthen the community's ownership of the EDC mission.

The EDC has assisted dozens of local businesses with start-up, expansion, and job retention programs. It has held conferences on selling to the government, has researched opportunities in aquaculture and other new and emerging industries, and has provided free information on business development strategies. The EDC also offers loan packaging and business planning assistance that is supplemented by state and federal programs.

Ports. Of the six port districts in Mason County, the largest is the Port of Shelton which oversees more than 1,600 acres of developed and undeveloped property. Its goal is to attract long-term commercial and industrial development to the Port. The Port developed and manages three main properties—Sanderson Field Industrial Complex, Johns Prairie Industrial Complex, and the Shelton Yacht Club and Marina.

The 1,200 acre Sanderson Field Industrial Complex is ideal for aviation related and light industry. The 5,000 foot hard surface runway is fully equipped and available for unrestricted use. The 400 acre Johns Prairie site is oriented more toward wood products and heavier industry with rail service and good highway access.

Both the Sanderson Field and Johns Prairie sites have large Foreign Trade Zone acreages available. Between those two locations, over 50 firms lease facilities from the Port and those companies employ over 500 workers.

The other Mason County port districts are: The Port of Allyn, the Port of Hoodsport, the Port of Grapeview, the Port of Tahuya, and the Port of Dewatto. Significant developments at the Port of Allyn will occur in the next year with business park development. At the Port of Hoodsport they are concentrating on tourism development.

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. There are two chambers in Mason County: the Shelton-Mason County Chamber of Commerce and North Mason Chamber of Commerce (Belfair-Allyn).

The Economic Development Council (EDC) of Mason County can be reached at P.O. Box 472, Shelton, Washington 98584. Telephone: (360) 426-2276, Fax: (360) 426-2868, E-mail: masonedc@hctc.com

SUMMARY

Mason County's economy has long been dominated by the timber industry. The region's forest lands have provided well-paying employment for several generations. Yet, the most outstanding economic feature of the recent past and the foreseeable future is the relative decline of timber's importance.

In 1970, led by lumber and wood products, manufacturing held a tight grip on county employment, accounting for 36 percent of all jobs and far outpacing the nearest industry division. By 2008, it is projected that manufacturing will account for just 16 percent of jobs, down from a current level of 18 percent. Already manufacturing provides less employment than all but 3 of the industrial divisions.

The remarkable transformation of Mason County's economy has not come without a cost. While the tremendous growth of the services and trade industries has provided an outlet for job seekers, it has also created many lower paying jobs. These sectors have low wages throughout the state. In Mason County, the sectors pay even less as they lack the elements that tend to boost wages—high tech and wholesale trade industries. The result has been a stagnation of wages. For those working in Mason County, average annual pay, in real terms, has fallen 12.4 percent since 1973. However, since 1987 real average wages have risen 7.6 percent.

It is not surprising, then, that real per capita income of Mason County residents is lower than it was in 1978. Moreover, the gap between state and Mason County per capita income has been steadily growing (*see Figure 31*). In terms of composition of income, transfer payments have grown to be a crucial element in the county's personal income, mostly due to rising retirement payments.

On the up side, Mason County residents have maintained a relatively stable median household income (ranking 18th of 39 counties). Additionally, Mason County has seen tremendous in-migration during periods of economic restructuring, an unusual combination. The draw of the area is its natural beauty and its accessibility to adjacent employment centers. For those working in Bremerton or Olympia, Mason County is an attractive place to retire. Increasingly, workers are not waiting to retire, but are choosing to commute from Mason County instead.

The future looks to bring more of a shift towards service and trade industries. The blue-collar county may start to look more like a bedroom community. Construction of residential homes has been booming. Casinos now offer a more diverse entertainment setting to compliment the natural beauty of Hood Canal and the Olympic Mountains. As congestion grows in other urban areas of the Puget Sound, Mason County's attractiveness will grow.

Still, the blue-collar roots will remain strong. Despite its relative decline, timber is still the single most important economic factor in the county and will remain as such for the foreseeable future. Jobs in the services and trade sectors will simply expand and diversify the economic base.

Appendix I

Mason County, Selected Economic Data

(Dollars are current unless otherwise noted)

Resident Population [1]			Civilian Labor Force [2]				Nonagricultural Employment [2]								Annual	Annual Avg.
Year	Total	65 & Older	Total	Employed	Unempl.	Unemp. Rate	Total	Const. & Mining	Mfg.	TCU	Trade	FIRE	Services	Gov't	Average Covered Wage [2]	Cov. Wage [2] 2000 Dollars
1970	4,439	680	8,260	7,690	570	6.9%	5,070	380	1,800	130	830	160	480	1,290	$6,926	$27,044
1971	4,400	680	7,800	7,340	460	5.9%	5,230	390	1,810	130	820	150	470	1,460	$7,501	$28,028
1972	4,400	670	8,160	7,680	480	5.9%	5,610	540	1,880	130	870	180	500	1,510	$7,870	$28,412
1973	4,300	700	8,650	8,190	460	5.3%	5,970	570	2,090	150	890	210	520	1,540	$8,604	$29,471
1974	4,300	700	8,750	8,340	410	4.7%	6,190	520	2,210	180	910	210	580	1,580	$9,214	$28,665
1975	4,200	700	8,640	7,920	720	8.3%	6,000	410	1,910	160	1,050	200	660	1,610	$9,872	$28,411
1976	4,200	710	9,030	8,460	570	6.3%	6,290	250	2,050	150	1,130	220	790	1,700	$10,666	$29,040
1977	4,100	710	9,440	8,890	550	5.8%	6,760	300	2,200	170	1,220	260	850	1,760	$11,267	$28,778
1978	4,100	710	10,010	9,470	540	5.4%	7,070	420	2,290	170	1,310	320	740	1,820	$11,937	$28,415
1979	4,100	720	11,320	10,600	720	6.4%	7,720	460	2,430	250	1,490	390	810	1,890	$12,789	$27,929
1980	4,057	727	11,010	10,180	830	7.6%	7,790	310	2,620	230	1,400	370	850	2,010	$14,210	$27,982
1981	4,100	783	11,080	9,750	1,340	12.1%	7,510	280	2,490	200	1,430	260	890	1,960	$14,924	$26,962
1982	4,100	795	10,990	9,370	1,620	14.7%	6,970	240	2,110	190	1,380	250	890	1,920	$15,079	$25,773
1983	4,000	811	12,310	10,750	1,560	12.7%	7,000	250	1,970	180	1,380	260	890	2,070	$15,901	$26,007
1984	4,000	809	12,140	10,930	1,210	10.0%	7,360	390	1,910	220	1,430	270	910	2,230	$16,197	$25,522
1985	4,000	930	12,380	11,340	1,040	8.4%	7,620	350	1,950	250	1,530	270	940	2,330	$16,761	$25,468
1986	4,000	775	12,830	11,610	1,220	9.5%	7,680	320	1,910	220	1,560	280	990	2,400	$17,047	$25,172
1987	4,000	786	13,030	11,900	1,130	8.7%	7,980	320	1,950	270	1,680	320	1,000	2,440	$16,869	$23,998
1988	4,000	789	13,720	12,750	960	7.0%	8,540	300	2,330	250	1,690	330	1,080	2,560	$17,904	$24,514
1989	4,100	783	14,150	13,110	1,040	7.4%	9,000	330	2,190	260	1,870	330	1,430	2,590	$18,310	$24,013
1990	4,024	764	15,820	14,920	900	5.7%	9,310	440	2,110	300	1,960	340	1,530	2,630	$18,553	$23,262
1991	4,153	762	15,660	14,440	1,220	7.8%	9,490	630	2,040	240	1,910	360	1,500	2,810	$20,036	$24,202
1992	4,216	788	16,050	14,690	1,360	8.5%	9,550	730	1,880	260	2,000	360	1,440	2,880	$21,261	$24,934
1993	4,475	801	16,850	15,240	1,610	9.5%	9,830	650	1,890	290	2,090	400	1,510	3,000	$21,487	$24,608
1994	4,402	783	17,030	15,600	1,430	8.4%	10,340	790	1,940	310	2,140	460	1,570	3,130	$21,882	$24,569
1995	4,704	773	18,270	16,820	1,460	8.0%	10,940	770	1,910	320	2,460	470	1,780	3,230	$22,264	$24,436
1996	4,772	754	19,090	17,470	1,620	8.5%	11,430	780	1,950	330	2,340	480	2,140	3,380	$22,976	$24,699
1997	4,527	744	19,970	18,620	1,360	6.8%	11,640	780	2,050	340	2,460	480	2,150	3,360	$23,586	$24,881
1998	4,484	740	19,980	18,650	1,330	6.7%	12,160	770	2,140	350	2,770	450	2,250	3,430	$24,256	$25,310
1999	4,272	735	19,450	18,210	1,240	6.3%	12,040	800	2,110	340	2,630	460	2,240	3,470	$25,341	$25,974
2000	4,064	729	19,660	18,250	1,400	7.1%	12,170	670	2,150	290	2,680	160	2,350	3,560	$25,690	$25,690

[1] *Source: Office of Financial Management*

[2] *Source: Employment Security Department*

Appendix II

Mason County, Selected Economic Data

Current Dollars

(Dollars in thousands except per capita income)

	Personal Income [3]												
	Place of Residence								Place of Work				
				Transfer Payments									
Year	Per Capita Income	Total	Investment Income	Total	Retirement	Income Maint.	UI	Medical	Total Earnings	Wage/ Salary	Other Labor	Proprietors	Farm Income & Expenses
1970	$3,632	$76,069	$12,568	$9,231	$4,291	$1,020	$929	$1,342	$49,379	$37,785	$2,110	$9,484	$1,794
1971	$3,913	$83,293	$13,813	$11,029	$5,029	$1,084	$1,460	$1,555	$52,747	$40,148	$2,417	$10,182	$1,520
1972	$4,316	$93,109	$15,115	$12,470	$5,748	$1,258	$1,409	$1,848	$59,534	$45,037	$2,898	$11,599	$1,698
1973	$4,817	$108,348	$17,936	$14,155	$7,280	$1,214	$1,109	$2,086	$69,875	$51,749	$3,631	$14,495	$3,363
1974	$5,298	$123,962	$21,291	$17,448	$8,477	$2,117	$1,330	$2,774	$76,086	$56,769	$4,238	$15,079	$2,359
1975	$5,566	$137,315	$23,159	$21,677	$9,911	$2,491	$2,343	$3,491	$79,665	$58,588	$4,809	$16,268	$1,618
1976	$6,147	$158,883	$26,005	$23,517	$11,525	$2,858	$1,729	$3,866	$94,102	$68,290	$6,283	$19,529	$1,828
1977	$6,645	$179,517	$30,014	$25,418	$13,454	$2,702	$1,181	$4,421	$104,355	$76,429	$7,750	$20,176	$2,630
1978	$7,491	$210,541	$37,235	$28,329	$15,487	$2,836	$849	$5,054	$122,233	$89,939	$9,240	$23,054	$2,423
1979	$8,312	$248,323	$47,353	$32,512	$17,770	$3,188	$807	$6,218	$141,796	$105,992	$11,192	$24,612	$2,937
1980	$9,081	$285,031	$58,759	$40,213	$21,362	$4,229	$1,524	$7,870	$155,316	$118,645	$12,977	$23,694	$1,866
1981	$9,592	$308,214	$70,305	$47,199	$25,538	$3,977	$2,921	$8,590	$157,034	$122,819	$13,231	$20,984	$1,907
1982	$9,707	$318,566	$73,535	$54,865	$28,896	$4,300	$4,548	$10,419	$151,086	$116,453	$13,857	$20,776	$2,366
1983	$10,464	$348,989	$85,237	$60,338	$32,190	$4,781	$4,208	$12,305	$161,833	$123,356	$16,039	$22,438	$1,893
1984	$10,980	$377,337	$96,048	$64,733	$34,864	$5,181	$2,885	$14,131	$176,206	$132,975	$16,726	$26,505	$1,224
1985	$11,651	$402,370	$101,716	$72,968	$37,892	$6,172	$3,243	$17,393	$188,148	$141,235	$18,714	$28,199	$1,054
1986	$12,040	$421,572	$108,300	$78,936	$41,193	$7,198	$3,254	$18,584	$193,768	$146,202	$19,303	$28,263	$506
1987	$12,346	$439,721	$111,353	$84,020	$43,765	$7,946	$2,924	$20,571	$197,711	$150,697	$19,362	$27,652	-$445
1988	$13,148	$478,511	$119,788	$88,573	$49,407	$7,887	$2,713	$19,459	$223,033	$169,008	$21,037	$32,988	$553
1989	$14,262	$528,418	$141,108	$97,916	$54,621	$8,317	$2,682	$22,896	$238,175	$178,963	$22,887	$36,325	$1,856
1990	$14,842	$574,647	$142,391	$107,835	$59,324	$9,193	$3,302	$26,235	$263,118	$194,886	$25,389	$42,843	$3,560
1991	$15,466	$629,350	$156,017	$126,963	$64,758	$11,677	$5,106	$34,401	$279,280	$205,649	$28,196	$45,435	$1,784
1992	$16,111	$684,622	$158,631	$146,785	$68,230	$13,690	$6,459	$46,267	$306,951	$223,402	$31,327	$52,222	$2,591
1993	$16,413	$724,159	$161,429	$160,639	$72,820	$14,706	$9,055	$51,428	$331,511	$235,612	$33,973	$61,926	$1,633
1994	$16,619	$760,685	$171,711	$173,798	$79,777	$16,852	$8,889	$53,967	$346,529	$250,869	$36,485	$59,175	$1,309
1995	$17,149	$810,458	$188,687	$188,492	$84,323	$18,690	$7,580	$62,052	$363,588	$270,596	$36,301	$56,691	$407
1996	$17,880	$864,584	$208,902	$199,678	$88,944	$18,199	$7,734	$67,982	$385,962	$292,416	$37,075	$56,471	-$157
1997	$18,527	$918,018	$223,613	$206,400	$93,575	$17,431	$7,221	$69,629	$412,862	$307,704	$36,851	$68,307	-$399
1998	$19,419	$967,567	$238,083	$213,608	$98,670	$17,565	$7,856	$70,167	$438,969	$323,645	$37,661	$77,663	$1,781
1999	$20,146	$1,014,498	$248,784	$225,493	$102,950	$17,921	$8,385	$76,063	$456,714	$335,504	$38,033	$83,177	$1,778

[3] *Source: Bureau of Economic Analysis*

Appendix III

Mason County, Selected Economic Data

Constant 2000 Dollars

(Dollars in thousands except per capita income)

	Personal Income [3]											
	Place of Residence								Place of Work			
				Transfer Payments								
Year	Per Capita Income	Total	Investment Income	Total	Retirement	Income Maint.	UI	Medical	Total Earnings	Wage/ Salary	Other Labor	Proprietors
1970	$13,795	$288,924	$47,736	$35,061	$16,298	$3,874	$3,529	$5,097	$187,550	$143,514	$8,014	$36,022
1971	$14,222	$302,739	$50,205	$40,086	$18,279	$3,940	$5,307	$5,652	$191,715	$145,923	$8,785	$37,008
1972	$15,157	$326,972	$53,080	$43,791	$20,185	$4,418	$4,948	$6,490	$209,066	$158,157	$10,177	$40,732
1973	$16,049	$360,993	$59,759	$47,162	$24,255	$4,045	$3,695	$6,950	$232,809	$172,417	$12,098	$48,294
1974	$16,033	$375,128	$64,430	$52,800	$25,653	$6,406	$4,025	$8,395	$230,248	$171,792	$12,825	$45,631
1975	$15,581	$384,400	$64,831	$60,683	$27,745	$6,973	$6,559	$9,773	$223,014	$164,011	$13,462	$45,541
1976	$16,280	$420,792	$68,873	$62,283	$30,523	$7,569	$4,579	$10,239	$249,224	$180,862	$16,640	$51,721
1977	$16,509	$446,004	$74,569	$63,150	$33,426	$6,713	$2,934	$10,984	$259,267	$189,885	$19,255	$50,127
1978	$17,345	$487,495	$86,215	$65,594	$35,859	$6,567	$1,966	$11,702	$283,023	$208,248	$21,395	$53,380
1979	$17,657	$527,502	$100,590	$69,064	$37,748	$6,772	$1,714	$13,209	$301,211	$225,154	$23,775	$52,282
1980	$17,394	$545,968	$112,551	$77,027	$40,918	$8,101	$2,919	$15,075	$297,503	$227,261	$24,857	$45,385
1981	$16,856	$541,628	$123,548	$82,943	$44,878	$6,989	$5,133	$15,095	$275,958	$215,831	$23,251	$36,875
1982	$16,138	$529,631	$122,255	$91,216	$48,041	$7,149	$7,561	$17,322	$251,188	$193,609	$23,038	$34,541
1983	$16,648	$555,226	$135,608	$95,995	$51,213	$7,606	$6,695	$19,577	$257,469	$196,254	$25,517	$35,698
1984	$16,829	$578,349	$147,214	$99,217	$53,436	$7,941	$4,422	$21,659	$270,073	$203,812	$25,636	$40,625
1985	$17,220	$594,713	$150,339	$107,848	$56,005	$9,122	$4,793	$25,707	$278,087	$208,749	$27,660	$41,679
1986	$17,294	$605,533	$155,559	$113,381	$59,168	$10,339	$4,674	$26,693	$278,322	$210,000	$27,726	$40,596
1987	$17,084	$608,480	$154,089	$116,266	$60,561	$10,996	$4,046	$28,466	$273,590	$208,532	$26,793	$38,264
1988	$17,511	$637,302	$159,539	$117,965	$65,802	$10,504	$3,613	$25,916	$297,045	$225,092	$28,018	$43,935
1989	$18,194	$674,109	$180,013	$124,913	$69,681	$10,610	$3,421	$29,209	$303,843	$228,305	$29,197	$46,340
1990	$18,101	$700,845	$173,662	$131,517	$72,352	$11,212	$4,027	$31,996	$320,901	$237,685	$30,965	$52,252
1991	$18,172	$739,462	$183,314	$149,177	$76,088	$13,720	$5,999	$40,420	$328,143	$241,630	$33,129	$53,384
1992	$18,378	$780,975	$180,957	$167,443	$77,833	$15,617	$7,368	$52,779	$350,151	$254,844	$35,736	$59,572
1993	$18,284	$806,716	$179,832	$178,952	$81,122	$16,383	$10,087	$57,291	$369,304	$262,473	$37,846	$68,986
1994	$18,151	$830,790	$187,536	$189,815	$87,129	$18,405	$9,708	$58,941	$378,465	$273,989	$39,847	$64,629
1995	$18,308	$865,249	$201,443	$201,235	$90,024	$19,954	$8,092	$66,247	$388,169	$288,890	$38,755	$60,524
1996	$18,696	$904,050	$218,438	$208,793	$93,004	$19,030	$8,087	$71,085	$403,580	$305,764	$38,767	$59,049
1997	$18,993	$941,101	$229,236	$211,590	$95,928	$17,869	$7,403	$71,380	$423,243	$315,441	$37,778	$70,025
1998	$19,730	$983,048	$241,892	$217,026	$100,249	$17,846	$7,982	$71,290	$445,993	$328,823	$38,264	$78,906
1999	$20,146	$1,014,498	$248,784	$225,493	$102,950	$17,921	$8,385	$76,063	$456,714	$335,504	$38,033	$83,177

[3] *Source: Bureau of Economic Analysis*