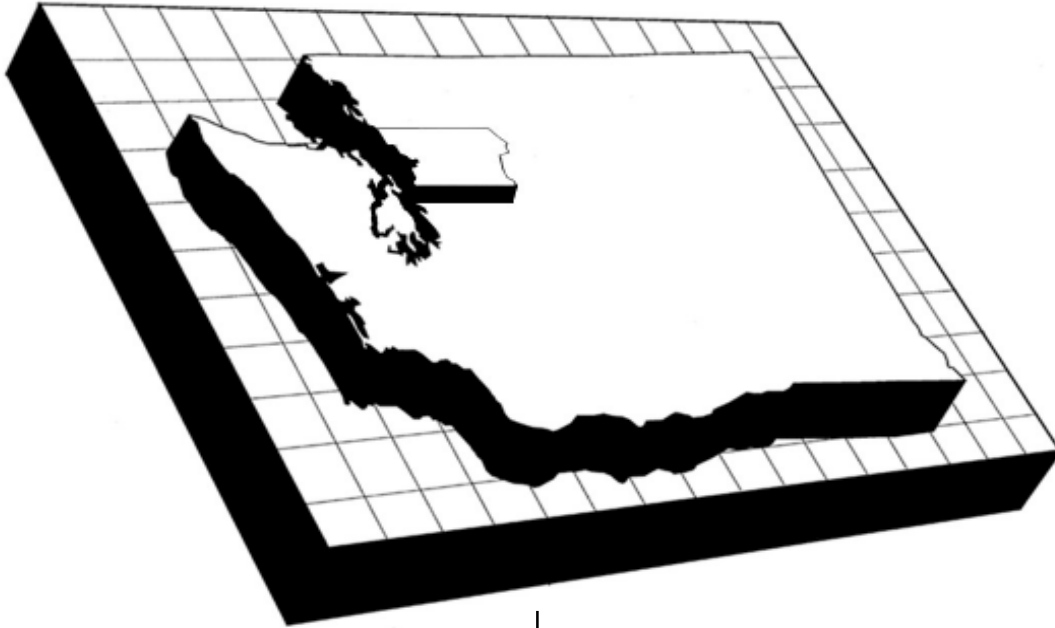


# SNOHOMISH COUNTY PROFILE



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

**Washington State  
Employment Security**

---

**SNOHOMISH COUNTY PROFILE**  
**APRIL 2001**

Labor Market and Economic Analysis Branch  
Employment Security Department

This report has been prepared in accordance with  
*RCW 50.38.050.*

Paul Trause, *Acting Commissioner*  
Washington State Employment Security Department

Greg Weeks, *Director*  
Labor Market and Economic Analysis Branch  
P.O. Box 9046  
Mail Stop 46000  
Olympia, WA 98507-9046  
(360) 438-4800

Prepared by Loretta Payne, *Economic Analyst*  
Layout by Bonnie Dalebout, *Graphic Designer*,  
Karen Thorson, *Graphic Designer*

**Price \$4.50**  
**plus 8.0% sales tax for Washington residents**

**Acknowledgements:**

Economic Development Council of Snohomish County  
917 - 134th Street S.W., Suite 103  
Everett, WA 98204  
(206) 743-4567

Private Industry Council of Snohomish County  
917 - 134th Street SW  
Everett, WA 98204  
(206) 743-9669

Donna Thompson, *Regional Economist*  
Labor Market and Economic Analysis Branch  
Employment Security Department  
P.O. Box 870  
Everett, WA 98206  
(425) 339-4954

*For additional labor market information, contact our*

- ◆ *homepage at [www.wa.gov/esd/lmea](http://www.wa.gov/esd/lmea)*
- ◆ *On-line database (WILMA) at [www.wilma.org](http://www.wilma.org)*
- ◆ *Labor Market Information Center (LMIC) at  
1-800-215-1617*

---

# TABLE OF CONTENTS

---

EXECUTIVE SUMMARY .....	1	Annual Average Covered Wage	
INTRODUCTION .....	2	Agriculture, Forestry, and Fishing	
GEOGRAPHY .....	3	Construction and Mining	
ECONOMIC HISTORY .....	4	Manufacturing	
POPULATION .....	7	Transportation and Public Utilities	
Population Trends		Trade	
Towns and Cities		Finance, Insurance, and Real Estate	
Age Groups		Services	
Demographics		Government	
CIVILIAN LABOR FORCE .....	11	Industry Projections	
Demographics		OCCUPATIONAL PROFILE.....	29
UNEMPLOYMENT .....	13	PERSONAL INCOME .....	33
Trends		Total Personal Income	
Unemployment Insurance Claims		Components of Personal Income	
Industrial Typology		Earned Income	
INDUSTRIES, EMPLOYMENT, AND WAGES .....	16	Transfer Payments	
Employment Trend		Investment Income	
Location Quotients		ECONOMIC DEVELOPMENT .....	38
Goods and Services		APPENDIX - Snohomish County	
		Selected Economic Data .....	A-1

---

# EXECUTIVE SUMMARY

---

The Snohomish County profile provides data and analysis in reference to the last three decades (1970-1999), but focuses on the last five years, 1994-1999. Snohomish County is the third most populated county in the state with 593,500 people in 2000. From 1990 to 2000 the population increased by 127,862 and 62 percent of that increase was due to migration. In 1999, 22 percent of all migrants into the state settled in Snohomish County; this was a decline from 38 percent in 1998. Snohomish County now ranks second, after Clark, in the percentage of new migrants settling in Washington State. At the same time, the neighboring King County ranks 35th with respect to its share of population growth due to migration.

Snohomish County had the third highest total personal income in 1998. Income is fairly well distributed among residents with the third highest per capita income (\$27,015) and the second highest median income (\$52,599) in 1998. The county also has a comparatively low share of transfer payments as a component of personal income, 10 percent compared to 12 percent for the state.

The county is unusual in its large manufacturing division (28 percent of total employment) and an overall impressive goods producing sector, 35 percent, which is the highest in the state. Snohomish County, particularly the city of Everett, is renowned for the presence of the Boeing Company. Employment in aircraft and parts is currently (2001) about 31,000. In 1999, transportation equipment accounted for 54 percent of the manufacturing division. Although, Boeing is often held

accountable for declines in manufacturing employment, it should be acknowledged that aircraft production (the largest industry within air transportation equipment) drives the growth in manufacturing overall. Employment in aircraft production grew by 106 percent between 1981 and 1999, while manufacturing as a whole increased by only 82 percent.

Snohomish County is also somewhat unique in that almost a third of its civilian labor force (approximately 100,000) commute to King County for their employment. With this in mind it should be noted that the King County average wage was \$46,053 in 1999, compared to \$33,899 in Snohomish County. These were the two highest county averages in the state. Although the actual commuter patterns in the area are not presently clear, it is estimated that 31 percent of Snohomish County earned income was earned outside of the county.

From 1994 to 1999, Snohomish County experienced healthy population and economic growth. While the population growth rate declined from 3.1 percent in 1998 to 1.7 percent in 2000, the CLF growth rate increased from 3.0 percent in 1998 to 4.1 percent in 1999. Job growth averaged 2.9 percent since 1994, including the first year of decline since 1982 (-1.4 percent in 1999.) The decline was due to a job loss of 6,000 in manufacturing and 100 jobs in transportation and public utilities. Despite the recent decline, it should be noted that 24 percent of all new jobs from 1994 to 1999 were in the manufacturing sector; 23 percent were in services and 18 percent were in trade.

---

# INTRODUCTION

---

This report profiles the labor market and economic characteristics of Snohomish 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.

This 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 *Snohomish County Profile* of September 1996, the purpose of this report is to provide a comprehensive labor market and economic analysis of Snohomish County. County characteristics profiled include the following:

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

The profile is available in a Pdf format from the LMEA Internet homepage. Much of the information included in this report is also regularly updated on the homepage. Current and historical labor market information that can be accessed by area or by type of information can be found at:

<http://www.wa.gov/esd/lmea>

Any inquiries or comments about information in this profile should be directed to the Labor Market and Economic Analysis Branch or the regional labor economist.

# GEOGRAPHY

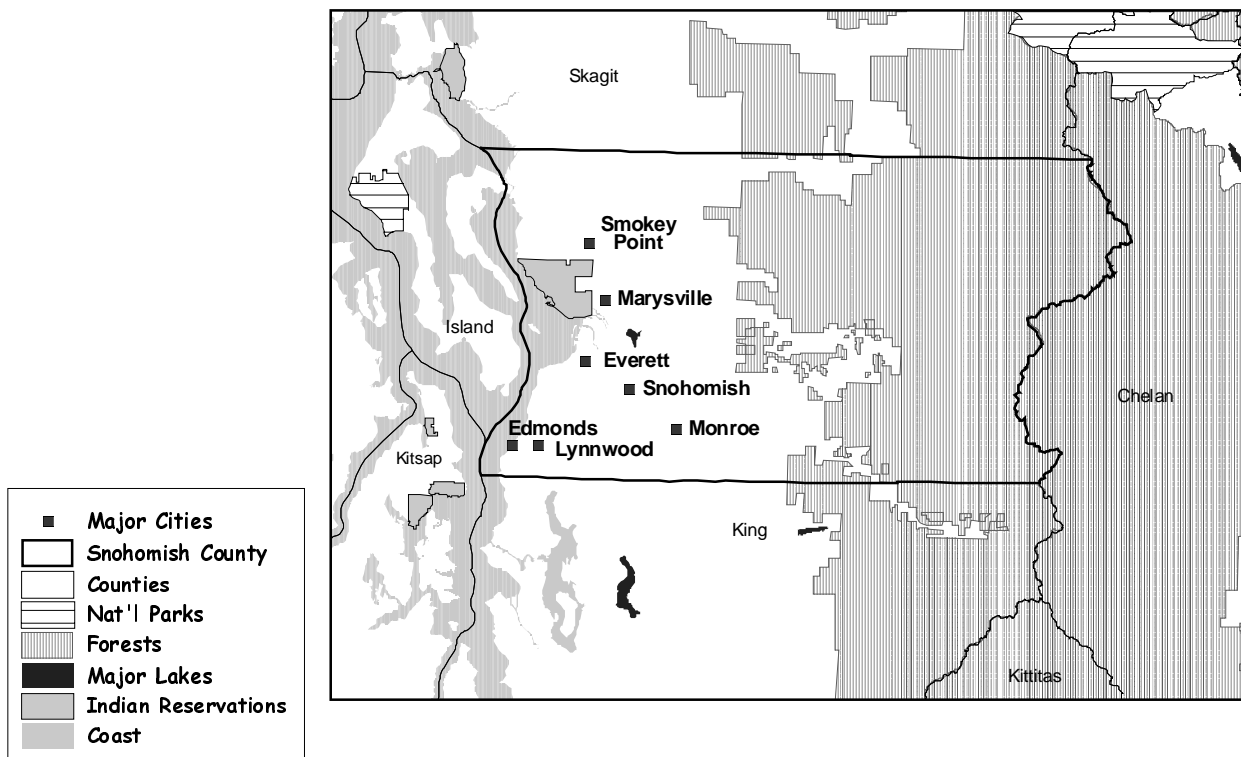
Snohomish County is located in the northwestern part of Washington State. The county ranges from the cold waters of Puget Sound in the west to the crestline of the Cascade Mountains in the east where it shares a common border with Chelan County. More rural Skagit County lies to the north, and King County, the state's most populous county, lies to the south.

The western part of the county contains the city of Everett, the largest city in Snohomish County, which lies on Port Gardner Bay. Silt and sand from dredging the harbor were used to create a low-lying island called Jetty Island. The Jetty, as it is referred to locally, creates a two-mile long breakwater, which protects much of the harbor from rough seas and makes it ideal for maritime commerce. South of Everett along the water are the cities of Mukilteo and Edmonds which also host a variety of maritime activities.

Eastern Snohomish County contains, or is part of, the Henry M. Jackson Wilderness, Glacier Peak, and Boulder River Wilderness areas. Elevations in the county range

from sea level along its western shores to 10,541 feet at Glacier Peak in the Cascades. Other significant elevations, also in the Cascades, are at Kyes Peak (7,280 feet), Sloan Peak (7,835 feet), and Monte Cristo Peak (7,233 feet).

The Snohomish River begins just southwest of Monroe. It is created by the combining of the Snoqualmie River, flowing down from Snoqualmie Pass and the Skykomish River, flowing down from Stevens Pass. The Snohomish River continues northward and empties into Puget Sound on the north side of Everett. This river system and its numerous tributaries have created fertile valleys, which support various agricultural activities and dairy farming. Numerous sloughs carve through the flood plain immediately to the east of Everett, creating many low-lying islands and estuaries. The Sultan and Pilchuck rivers are major tributaries to this river system. In the northwest, the Stillaguamish River has created a large and fertile valley. The Sauk River flows through the northern part of the county and is a major tributary of the Skagit River in Skagit County.



---

# ECONOMIC HISTORY

---

The following is largely excerpted from *Everett and Snohomish County: A Pictorial History*, by Robert M. Humphrey and *River Reflections, Parts I and II*, by the Snohomish Historical Society. The staff of the Employment Security Department provided contemporary observations.

Native Americans, long before the advent of white exploration and settlement, first inhabited what is now Snohomish County. The area had two major tribes, the Snohomish, who lived in what is now the western county as well as Skagit and Island counties, and the Snoqualmie, who lived in what is now the eastern county. A much smaller tribe, the Mukilteo, also inhabited the western county. The tribes co-existed peacefully, for the most part, engaging in trade and social interaction.

White exploration of present-day Snohomish County began in 1792 when British explorer Capt. George Vancouver guided the *H.M.S. Discovery* down the Puget Sound coastline. During that journey, Vancouver charted several locations in Snohomish County, including Port Susan and Port Gardner Bay.

Despite Vancouver's favorable report on the land, climate, and wildlife, whites traveled the county only sparingly over the next half-century. Fur trappers and traders, most of them with the British Hudson's Bay Company, were typical of the kind of presence in the region, though once the beaver population was decimated, they too moved on.

When the Washington Territory was established in 1853, present-day Snohomish County was part of Island County. One of nine original counties, Island encompassed present-day Island, San Juan, Skagit, Snohomish, and Whatcom counties. At that time, the region was sparsely populated and remained devoid of organized industries.

In 1855, Governor Issac Stevens met with the chieftains of 22 local tribes at Mukilteo and ironed out the Treaty of Point Elliot. In exchange for land, the tribes were given questionable benefits and what is now the Tulalip Indian Reservation. With the treaty signed and the reservation established, white settlement began in earnest.

The late 1850s through 1870s witnessed the establishment of numerous white settlements. The first was Snohomish City (later Snohomish). It was followed by Mukilteo and Centerville (later renamed Stanwood),

and then by Edmonds, Marysville, Monroe, and Lowell. Everett, despite its meteoric rise, was a relative late-comer organized in 1890. Like most other towns in western Washington, these also were largely built on the strength of timber.

The ongoing population boom encouraged local residents to petition the Territorial Legislature for a mainland county, one that could serve them better than the existing county seat at Coupeville on present-day Whidbey Island. In 1861, the legislature agreed and created Snohomish County.

Logging and lumber milling, not surprisingly, played a major role in the economic history of Snohomish County almost since the beginning. The earliest settlers engaged in logging simply to clear the land for settlement and agriculture. At that time, dense stands of virgin Douglas fir and cedar blanketed the region from the Cascades to the Sound. Secondary industries, namely stores, hotels, saloons and the like, eventually rose to support those employed in logging and lumber.

Though operations were scattered across western Snohomish County, most of the logging activity was concentrated in the southwest part of the county, where the Snoqualmie, Snohomish, and Pilchuck rivers gave logging firms a means of transporting (rafting) logs down to Snohomish. The Stillaguamish River and its forks were the principal magnets for logging companies in the north county.

Through the turn of the century, logging and lumber remained "king" in Snohomish County. In 1903, Everett was increasingly referred to as the "Lumber Capital of the World," due largely to the huge Weyerhaeuser mill that employed from 1,500 to 2,000 workers. It would reinforce its claim to that title by adding three more pulp and specialized lumber mills over the subsequent half century. That same year, Snohomish City alone had approximately 100 shingle mills, 35 sawmills, and several sash, door, and broom handle factories. Taken together, these firms employed more than 700 workers. The operations were supplied with wood by more than 20 logging companies, each employing from 10 to 20 workers.

At the same time, the turn of the century revealed increasingly tense relations between labor and management. International Workers of the World or "Wobblies" attempted to unionize lumber and shingle mills, and

logging camps were suppressed violently by the companies. The hostility culminated in the “Everett Massacre” of 1916, the day striking laborers docking at an Everett pier on one side and local law enforcement on the other engaged in armed conflict. The confrontation left several dead and wounded on both sides and has since drawn the line between labor and management in Everett and the immediate area.

Water and rail transportation played critical roles in the development of Snohomish County. As there was initially no road or rail access in the county, the first settlers arrived by boat. In fact, early growth in Snohomish County was effected by a fleet of steamers, stern wheelers, schooners, and launches that carried settlers up and down Puget Sound as well as upriver, for example, to Snohomish City. By the turn of the century, these vessels were collectively referred to as the *Mosquito Fleet*, a reference to their small and quick characteristics. The fleet operated quite profitably until the 1930s, at which time automobiles made boat travel all but obsolete.

The first rail in Snohomish County was laid by the Seattle, Lakeshore, and Eastern Railroad (later renamed the Northern Pacific Railroad) in 1888. It provided the area an outlet for its farm produce and lumber. In 1893, the Great Northern Railroad arrived from the east, laying its tracks along the Snohomish River to Everett. The Great Northern was followed by both the Chicago, Milwaukee, St. Paul, and Pacific Railroad and the Canadian Pacific Railroad. Then there was the Everett-Snohomish Interurban, the first electric railway north of Seattle. It operated successfully until 1921 when the advent of automobiles convinced its owners that it would be unprofitable to repair the tracks and trestles damaged by an earlier flood.

The Stanwood-Arlington area was somewhat different in that its fortunes were built on farming and dairying along the fertile banks of the Stillaguamish River in northwest Snohomish County. Though long a tradition in Snohomish County, dairying became a more formal industry around the turn of the century when local entrepreneurs successfully started dairies in Snohomish and Monroe in 1895. These successes spawned a host of other dairies and on the eve of World War I, local dairies were producing milk, cream, butter, and cheese for distribution across the Puget Sound region and beyond. In 1917, local farmers formed the Snohomish County Dairymen’s Association, an organization that would eventually become the well-renown Darigold Company. Darigold expanded and prospered over the years, but consolidated its plants in the 1960s, a move that closed the Snohomish facility.

Food processing, namely drying and curing, was familiar to Native Americans and white settlers alike. In fact, Mukilteo was to make its name as an early center for salted and packed salmon, as well as beer brewing. The more sophisticated food processing technique of canning emerged in Snohomish County in the mid-1910s and expanded in the 1920s and 1930s. Principal canned items included cherries, raspberries, strawberries, blackberries, peas, corn, beans, clams, shrimp, crab, salmon, sturgeon, tuna and assorted meat products.

Snohomish County was taken by oil fever during the 1925-26 period as the Sol Duc Company, convinced of deposits, proceeded to prepare a field, sink a well and even lay pipes in anticipation of a strike. No oil or gas, however, resulted from the project. On a side note, 1925 was also the year Stevens Pass was opened to automobile traffic. It was at the time only a one-lane road. It might be noted that oil fever struck the county again in 1955 when United Oil and Gas Company sunk a 600-foot well. No oil was discovered during that attempt either.

Because of the heavy concentration of forest products industries, the Great Depression seemed to hit Snohomish County as hard as, if not harder than, the eastern United States or urban centers in Washington (Seattle, Tacoma, and Spokane). Canning, retail trade, and farming and dairying also suffered financial hardship and heavy unemployment. At this point, the federal government and its New Deal programs injected much-needed dollars into Snohomish County. The Works Progress Administration set people to work on local infrastructure projects. The Civilian Conservation Corps and Soil Conservation Service put people to work on reforestation and flood and erosion abatement projects.

World War II brought renewed efforts at rationing and recycling. However, it was also a boon to local industries, especially farms, dairies, and canneries which went into high gear to supply U.S. troops overseas. Perhaps most important to the county, though not recognized at the time, was the development of the Paine Field airport near Everett. It was built to train pilots and test aircraft. In the mid-1960s, The Boeing Company built its 747 plant adjacent to Paine Field.

The postwar period ushered in an era of population and economic growth. People flocked into the Puget Sound region, especially Seattle, in the years immediately following the war. Eventually, population growth made its way up Highway 99 into south Snohomish County; Edmonds, Lynnwood, and Monroe expanded and new cities like Mountlake Terrace and Brier emerged. South Snohomish County became a veritable bedroom community for Seattle.



Population growth in south Snohomish County surged even more as the building of U.S. Interstate 5 (I-5) enabled increasingly greater numbers of Seattle-based workers to commute from homes in south Snohomish County. The numbers rose even higher, particularly in Everett, with the arrival of Boeing. The Boeing Plant was cited as one of the major reasons for the construction of Interstate 405.

The postwar period on through the 1960s saw much of Snohomish County's farmlands converted to residential and commercial use. The 1960s also witnessed the end of much of the county's logging and lumber activity. A downturn in the postwar housing construction boom and virtual exhaustion of the region's timber supply forced the closure of many mills. Land that had once supported the lumber industry was now also being converted to residential and commercial use.

The 1970s and 1980s brought the first signs of "high-tech" manufacturing in south Snohomish County, some of it tied to Boeing subcontracts, but also independent computer-related firms. For the first time, high-tech was no longer tied exclusively to the Seattle economy.

When discussion turns to the current state of Snohomish County's economy, the fortunes of Boeing are invariably cited as the primary yardstick. The resurgence in Boeing's commercial aircraft business in the latter halves of the 1980s and 1990s puts Snohomish County atop many economic development lists. Boeing manufactures the 747, 767, and 777 series aircraft at the Everett site. The firm's order backlog for these jetliners stretches into 2003. Additionally, in Boeing's wake comes other aerospace manufacturing vis-à-vis subcontractors, as well as expansion in a range of retail trades and services to both the company and its employees. This point has been underscored by the oft-cited study by Glenn Pascall, Dick Conway, and Doug Pedersen, which put the Boeing multiplier at 3.8; that is, for every Boeing job another 2.8 jobs are created in the statewide economy.

While Boeing has clearly been a moving force in Snohomish County's economy, industry growth has been fueled by more than just Boeing. Other forms of manufacturing, especially in advanced technology, have been starting up or relocating to the county. Much of this development activity has been concentrated in the county's *Technology Corridor*, a 10-mile stretch along the I-5/I-405 area.

Adding to the county's economic vitality is Naval Station Everett, which is currently the homeport to a nuclear Carrier Group: one nuclear powered aircraft carrier (USS Abraham Lincoln), three destroyers, and three frigates. The arrival of the Carrier Group brought over 16,000 new residents and more than 11,000 new jobs considering all of the military, civilian direct, and civilian indirect personnel, and their respective family members.

As Snohomish County entered the 1990s, the strong demand for raw logs in Pacific Rim markets, namely Japan, translated into record-level business at the Port of Everett. The onset of a national economic recession and a real estate collapse in Japan and other Pacific Rim countries cooled the forest products market considerably, as did a concurrent federal ban on raw log exports (affecting the Mount Baker-Snoqualmie National Forest which dominates eastern Snohomish County).

The future of Snohomish County will continue to be linked closely to Boeing. Present and future hiring by the aerospace giant to boost production levels is likely to benefit the Everett facility. Any Boeing booms or busts will be offset to a certain extent by the stability of Naval Station Everett. Moreover, continuing development of a regional high-technology corridor will provide some diversification to the local economy while tapping into a growth area in the goods-producing sector. And, the growth management act notwithstanding, Snohomish County with its designated urban growth areas will continue to see its fair share of population growth and accompanying trade, service, and public sector employment expansions.

# POPULATION

The Office of Financial Management estimated Snohomish County's population to be 593,500 in 2000, making it the 3rd largest of Washington's 39 counties, behind King at 1,685,600 and Pierce at 706,000. With a geographic area of 2,090 square miles, Snohomish County has a population density of 279 residents per square mile, making it the 6th most densely populated county. The vast majority of those residents, however, reside in the western third of the county so the "true" population density is admittedly much higher in the western third and much lower in the eastern two-thirds of the county.

Population is viewed as one key indicator of an area's economic vitality. With the exception of retirees and *foot-loose* workers, people tend to migrate to areas that offer economic opportunities. In short, people tend to follow jobs. For that reason, changes in population tend to be lagging rather than leading indicators. It takes time for people to arrive in areas where jobs are prevalent and it takes time for them to leave once the demand for labor slackens. Nevertheless, population changes provide insight into how the economy is performing in the present, as well as how it has performed over time.

## Population Trends

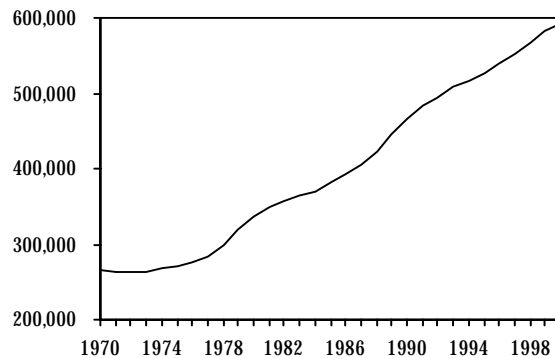
Snohomish County's population more than doubled over the last 30 years (*Figure 1*) reaching 593,500 in 2000, which translated into a 2.7 percent average annual growth rate. Snohomish County clearly outgrew both King County (1.3 percent), Pierce County (1.8 percent), and the state (1.8 percent).

Though the county posted net positive population growth every year except for 1971 following the *Boeing Bust*, it generated the strongest growth in the late 1970s and late 1980s with rates ranging from 5 to 7 percent and 4 to 5 percent, respectively. The 1990s had an average growth of 2.7 percent. Most recently, though, the county's population growth rate declined from 3.1 percent in 1998 to 1.7 percent in 2000.

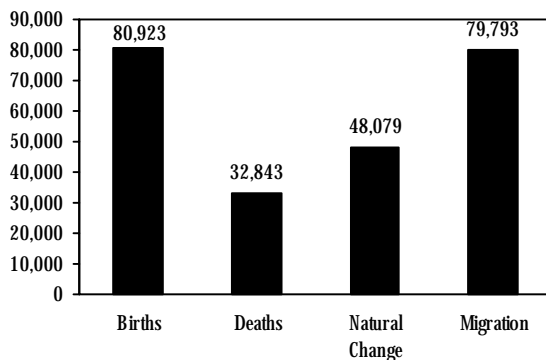
Components of population change such as births, deaths, and migration can provide insight into larger population trends (*see Figure 2*). From 1990 to 2000 the population of Snohomish County increased by 127,872. Sixty-two percent of this growth was due to migration. This is comparable to the statewide share of growth due to migration (59 percent), but much higher than the neighboring King County (29 percent).

*Figure 3* shows the annual rate of migration from 1970 to 2000. Migration patterns, which tend to be cyclical, in fact reveal such impacts in Snohomish County. Annual migration in the county clearly eased during the national economic recession of the early 1980s. However, it is important to note that the county nevertheless posted net positive migration even during that period. It is also worth noting that the pace of migration rose progressively through the latter half of the 1980s, peaking at 17,435 in 1989. More recently,

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



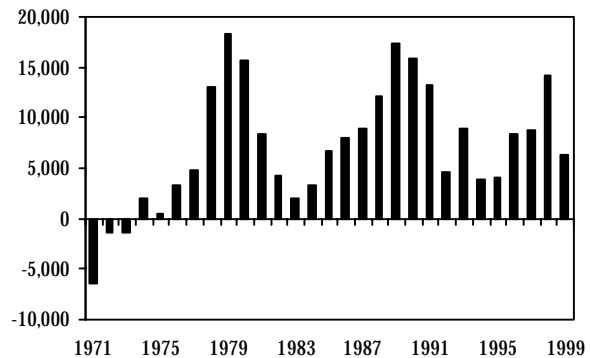
**Figure 2**  
**Components of Population Change**  
**Snohomish County, 1990-2000**  
*Source: Office of Financial Management*



annual migration has remained under 9,000 since 1991, until 1998 when migration reached a peak of over 14,000. It then quickly declined to 6,300 in 1999.

Since 1971, the percentage of those people moving into the state who have settled in Snohomish County has average 22 percent, but with great fluctuation over the years. In 1971 and 1986, 88 and 79 percent, respectively, of all state migrants moved into Snohomish County. The most recent peak was in 1998, when Snohomish County accounted for 38 percent of all state migration. Snohomish County now ranks second, after Clark, in the percentage of new migrants settling in Washington State. At the same time, the neighboring King County ranks 35th with respect to its share of population growth due to migration.

**Figure 3**  
**Migration Trends**  
**Snohomish County, 1970-1999**  
*Source: Office of Financial Management*



## Towns and Cities

The population of Snohomish County is fairly evenly distributed between the unincorporated and incorporated areas of the county, 49 and 51 percent, respectively (see Figure 4). From 1990 to 2000, growth has been much greater for the incorporated areas (46 percent) compared to the unincorporated areas (13 percent). Similarly, incorporated statewide regions grew 34 percent and unin-

corporated regions increased only 3 percent. Part of this increase is due to the fact that as areas become more urbanized, they are often annexed into existing cities or become incorporated cities themselves.

The incorporated population is widely distributed among 20 different cities. Not surprisingly, the vast majority was found in the county's western reaches near I-5

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

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	%Chg. 90-00
<b>Snohomish</b>	465,628	483,986	494,286	507,900	516,500	525,600	538,100	551,200	568,100	583,300	593,500	27%
Unincorporated	259,796	266,162	268,677	265,254	266,249	269,544	270,769	275,810	282,041	290,240	293,355	13%
Incorporated	205,832	217,824	225,609	242,646	250,251	256,056	267,331	275,390	286,059	293,060	300,145	46%
Arlington	4,037	4,250	4,450	4,690	4,910	5,350	5,670	6,010	6,635	7,350	10,640	164%
Bothell (part)	359	360	360	11,480	12,230	12,340	12,410	12,500	12,850	13,310	13,590	3,686%
Brier	5,633	5,680	5,740	5,855	5,990	6,030	6,105	6,180	6,295	6,350	6,365	13%
Darrington	1,042	1,055	1,075	1,085	1,100	1,125	1,170	1,185	1,235	1,245	1,280	23%
Edmonds	30,743	30,849	30,749	30,970	31,100	31,310	35,480	35,470	38,610	38,610	38,600	26%
Everett	69,974	72,493	75,853	76,980	78,240	79,180	81,810	84,130	84,330	86,730	87,520	25%
Gold Bar	1,078	1,120	1,140	1,195	1,195	1,285	1,400	1,520	1,672	1,810	2,000	86%
Granite Falls	1,060	1,140	1,260	1,395	1,445	1,465	1,650	1,830	1,985	2,010	2,175	105%
Index	139	140	140	141	141	141	141	141	140	140	140	1%
Lake Stevens	3,435	3,765	4,295	4,540	4,840	4,955	5,145	5,290	5,740	6,100	6,450	88%
Lynnwood	28,637	28,952	29,052	29,580	31,680	31,950	32,420	33,070	33,110	33,140	32,990	15%
Marysville	10,328	10,970	13,030	14,570	15,530	16,890	18,240	18,770	19,740	20,680	21,710	110%
Mill Creek	7,180	7,788	8,270	8,610	8,735	9,230	9,420	9,798	10,692	11,110	11,345	58%
Monroe	4,275	4,777	4,967	5,120	5,475	6,095	6,480	8,670	10,690	11,450	11,920	179%
Mountlake Terrace	19,320	19,690	19,820	19,880	19,920	20,050	20,160	20,360	20,360	20,270	20,070	4%
Mukilteo	6,982	12,965	13,395	14,035	14,500	14,760	15,430	15,890	16,810	17,180	17,360	149%
Snohomish	6,499	6,550	6,650	6,940	7,250	7,495	7,780	7,856	8,160	8,250	8,320	28%
Stanwood	1,961	2,065	2,155	2,250	2,470	2,910	2,935	3,050	3,130	3,380	3,495	78%
Sultan	2,236	2,300	2,293	2,395	2,550	2,535	2,510	2,685	2,885	2,955	3,180	42%
Woodway	914	915	915	935	950	960	975	985	990	990	995	9%

and interconnecting highways. The largest city, Everett, accounts for 15 percent of the total county population, followed by Edmonds (7 percent), Lynnwood (6 percent), Marysville (4 percent), Mountlake Terrace and Mukilteo (each with 3 percent), and Bothell (2 percent). The cities with the greatest growth were Monroe, Arlington, and Mukilteo, all of which had between 149 and 179 percent

growth over the 10-year period. Index and Mountlake Terrace experienced the least growth, 1 and 4 percent, respectively. Snohomish County is also home to the Tulalip Indian Reservation, located just north of Everett on the shores of Puget Sound. In 2000, the reservation population was estimated at 3,000.

## Age Groups

The distribution of the population among various age groups as well as the changes in this distribution over time show aspects of the population not revealed by the overall numbers. *Figure 5* categorizes the population of Snohomish County and Washington State by age group share size for 2000. These age groups are significant when viewed in terms of labor market assumptions:

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

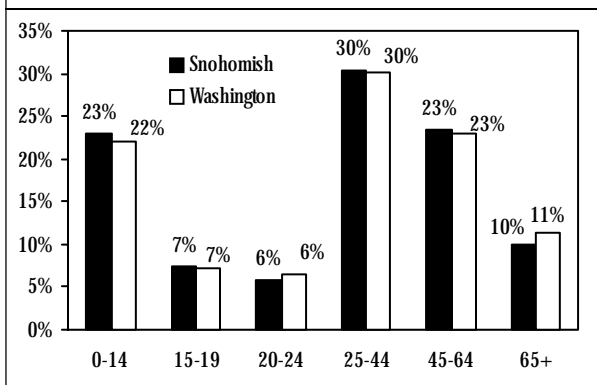
By far, the largest population group in Snohomish County, Washington, and the nation at this time is the 25 to 44 year olds. There is very little difference between Snohomish County and Washington with respect to the different age groups, except that there are slightly higher percentages for the youngest and the oldest age groups. The *baby boom*, which lasted from 1946 to 1964, resulted in a large population surge whose members are now beginning to turn 50. The 0-14 category,

also known as the *Echo Boom* or *Baby Boomlet*, is another sizable group at present. Over the next 30 years, it will ultimately find its way into the 25-44 bracket.

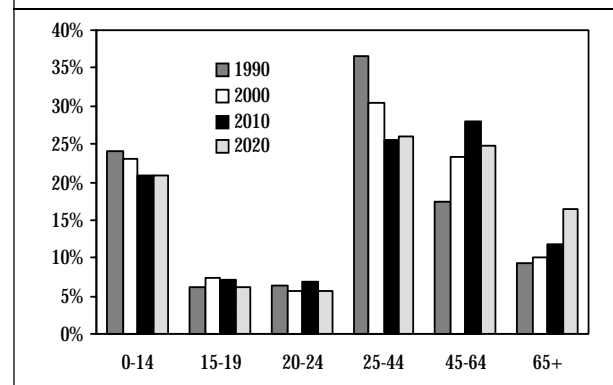
*Figure 6* shows the age groups in Snohomish County for 1990, 2000, 2010, and 2020. The groups with the greatest increasing share of population are the 45-64 year olds, from 17 percent in 1990 to 28 percent in 2010, and those 65 and over who increase from 12 percent in 2010 to 16 percent in 2020. In terms of absolute growth, the groups with the greatest growth between 2000 and 2010 are the 20-24 year olds (44 percent), 45-64 year olds (48 percent), and those 65 and over (44 percent). Over the next 20 years these same groups will increase by 44 percent, 51 percent, and 134 percent, respectively.

As most people are aware, these demographics will have a significant impact on society. While the primary wage earners (those 25 to 64) will comprise 54 percent of the total population from 1990 to 2010, that share declines to 51 percent in 2020, at the same time that the 65 and over age group increases from 12 to 16 percent of the population. There will be a smaller percentage of people paying into social security, which in turn will be paid out to a larger number of people. Funding of education (through property taxes) may lose support from a larger senior population.

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



**Figure 6**  
**Population by Age Groups**  
**Snohomish County, 1990, 2000, 2010, & 2020**  
*Source: Office of Financial Management*



# Demographics

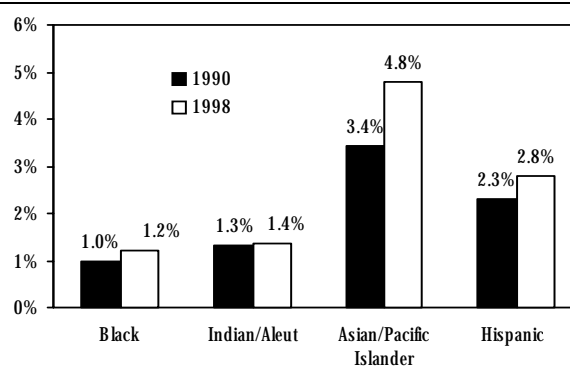
In accordance with the federal Office of Management and Budget, the state Office of Financial Management tracks five broad race and ethnic groups: White, Black, American Indian/Eskimo or Aleut (AIEA), Asian or Pacific Islander (API), and Hispanic origin. (People of Hispanic origin can be of any race and are tallied separately.) *Figure 7* shows the percentage of the population for each of these groups for Snohomish County and Washington State, in 1990 (Census) and 1998 (estimate), and their rate of growth. Overall, the Snohomish County population grew by 22 percent, somewhat higher than the statewide increase of 18.3 percent.

Racially, Snohomish County has a slightly lower level of diversity than the remainder of Washington, which is highly influenced by King County. (Forty-five percent of all blacks and 49 percent of all Asian and Pacific Islanders in the state live in King County.) In 1998, Whites comprised 89.9 percent of the population, compared to 88.7 percent statewide. The next largest ethnic groups after Whites were Asian/Pacific Islanders (4.8 percent), Hispanics (2.8 percent), AIEA's (1.4 percent), and Blacks (1.2 percent). In contrast, for the state, the order of minority ethnic groups was Hispanic (6.2 percent), API's (5.9 percent), Blacks (3.5 percent) and AIEA's (1.9 percent).

A comparison of the 1998 estimate with the 1990 Census shows that the non-white population in Snohomish County continues to grow faster than the

white population. Since the 1990 Census, the overall Snohomish County population increased 22 percent while the white population increased 19.2 percent. Comparatively APIs increased by 71 percent, Hispanics by 49 percent, Blacks by 47 percent and Native Americans by 26 percent. *Figure 8* shows that the greatest change among the smaller ethnic groups is for Asian and Pacific Islanders. Growth rates for the different groups have been similar for the county and the state, except that the county experienced a higher growth rate for Blacks and much less growth for Hispanics than the state as a whole.

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



**Figure 7**  
**Population by Race and Hispanic Origin**  
**Snohomish County and Washington State, 1990 and 1998**  
*Source: Office of Financial Management*

	1990 Census		1998 Estimates		1990-1998 % Change
<b>Snohomish</b>					
Total	465,628	100.0%	568,100	100.0%	22%
White	428,327	92.0%	510,463	89.9%	19%
Black	4,644	1.0%	6,828	1.2%	47%
Indian/Aleut	6,074	1.3%	7,671	1.4%	26%
Asian/Pacific Islander	15,927	3.4%	27,288	4.8%	71%
Hispanic*	10,656	2.3%	15,851	2.8%	49%
Female	233,451	50.1%	283,535	49.9%	21%
<b>Washington</b>					
Total	4,866,692	100.0%	5,757,400	100.0%	18%
White	4,411,407	90.6%	5,107,571	88.7%	16%
Black	152,572	3.1%	198,670	3.5%	30%
Indian/Aleut	87,259	1.8%	109,509	1.9%	25%
Asian/Pacific Islander	215,454	4.4%	341,650	5.9%	59%
Hispanic*	214,570	4.4%	356,464	6.2%	66%
Female	2,452,952	50.4%	2,854,914	49.6%	16%

\*Hispanics may be of any race

# CIVILIAN LABOR FORCE

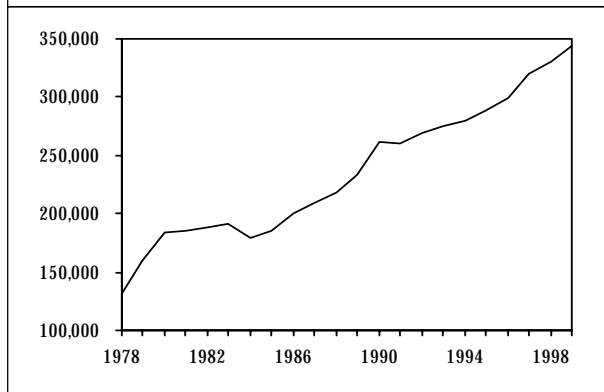
The *resident civilian labor force* is defined as all persons 16 years of age and older within a specified geographic area who are either working or actively seeking work. This excludes those serving in the armed forces, which may become more significant as Naval Station Everett creates a greater military presence in the county. Like the general population, the labor force can be seen as a key economic indicator. Patterns of growth and decline in a county's labor force are largely driven by economic cycles as well as specific non-cyclical activities in local industry divisions. Since gross domestic product and gross state product are not gathered at the county level, labor force changes and other measures often serve as substitutes or proxies.

Snohomish County's resident civilian labor force was estimated at 343,900 in 1999, a 4.1 percent increase over the previous year (see *Figure 9*). The average annual growth rate from 1978 to 1999 was 4.9 percent, compared to statewide average of 2.6 percent. (Prior to 1978, King

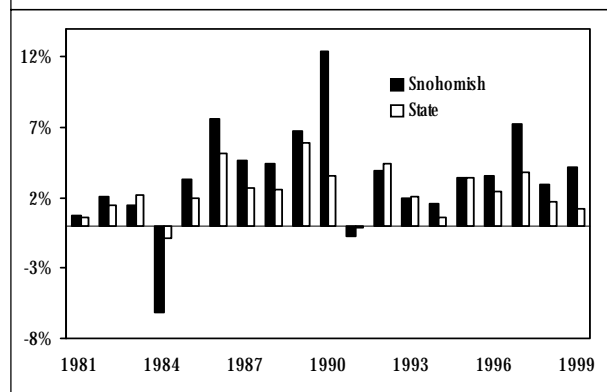
County data was not segregated from Snohomish County). The average growth rates for the 1980s and 1990s were 3.9 and 4.1 percent, respectively. Interestingly both decades began with the highest growth rates of the decade, 14.4 percent in 1980 and 12.4 percent in 1990.

As can be seen in *Figure 10*, growth in the Snohomish County Civilian Labor Force (CLF) easily outpaced state growth in the 1980s, and from 1996 to 1999. As a result, the share of the state labor force based in Snohomish County increased from just 7.2 percent in 1978 (the earliest data available) to 11.2 percent in 1999. Interestingly, the number of employed persons in Snohomish County outnumbers nonagriculture jobs by more than 113,000. The difference was 82,000 in 1990, when Census data estimated the number of commuters from Snohomish County to King County at 85,000. The number of commuters has probably increased proportionally. The 2000 Census data should shed some light on the issue of commuting patterns.

**Figure 9**  
**Civilian Labor Force**  
**Snohomish County, 1978-1999**  
*Source: Employment Security Department*



**Figure 10**  
**Civilian Labor Force Annual Growth Rates**  
**Snohomish County, 1980-1999**  
*Source: Employment Security Department*



## Demographics

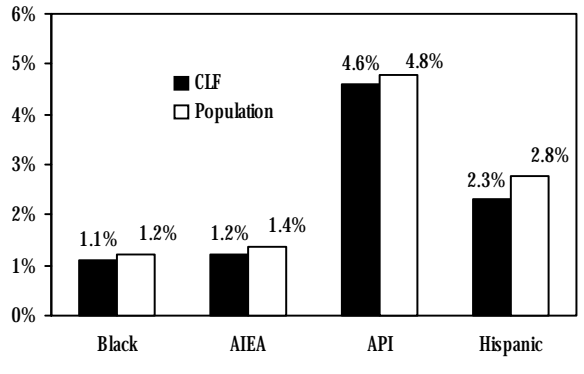
The racial and ethnic composition of the Snohomish County's civilian labor force (1997) is very much like that of the county's general population (1998). About 90.8 percent is white; 4.6 percent is Asian and Pacific Islander; 1.2 percent is Native American; 1.1 percent is black; and those of Hispanic origin comprise 2.3 percent of the labor force (see *Figure 11*). (Note: Race estimates are based

on 1990 Census and 1997 population data from the Office of Financial Management. New information will be provided after the 2000 census.)

Though the racial composition of Snohomish County's population and labor force were virtually the same, its male-female labor force composition was considerably different from its population distribution. Readers may

recall that the county's male-female population was, for all intents and purposes, an even split. The county's labor force composition in 1997, however, saw males with a 55 percent share compared to 45 percent for females. In 1980, the gap was even wider with males accounting for 59 percent of the labor force compared to 41 percent for females. This shows that Snohomish County is experiencing increased female work force participation, a trend being documented nationwide.

**Figure 11**  
**Population, 1998 & Civilian Labor Force, 1997**  
**Snohomish County**  
*Source: Employment Security Department*



# UNEMPLOYMENT

The civilian labor force consists of both those who are working and those without a job who are actively looking for work. The unemployment rate is the share of the total labor force that is not working but who are actively looking for work. The ranks of the unemployed do not include retirees, persons in institutions or those known as *discouraged workers* (i.e., persons who would like to work but who are not actively searching for a

job). None of these groups are included in the unemployment figures because they are not looking for work.

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

## Trends

Figure 12 shows the unemployment rates for Snohomish County, Washington, and the U.S. since 1978. Unemployment in the county tracks remarkably well with unemployment in Washington and throughout the nation, rising during periods of national economic contraction and falling during economic expansions. The Snohomish County unemployment rate has always been slightly lower than the statewide unemployment rate, except from 1982 to 1985 when they were virtually the same.

After 1982's high point of 11.8 percent, the county's unemployment rate steadily declined until 1990 when it reached 3.9 percent. This was despite a high growth rate in the civilian labor force of 12.4 percent (almost 30,000 workers). The low unemployment rate was apparently due as much to the 39,000 new jobs in King County as the 11,000 new jobs in Snohomish County.

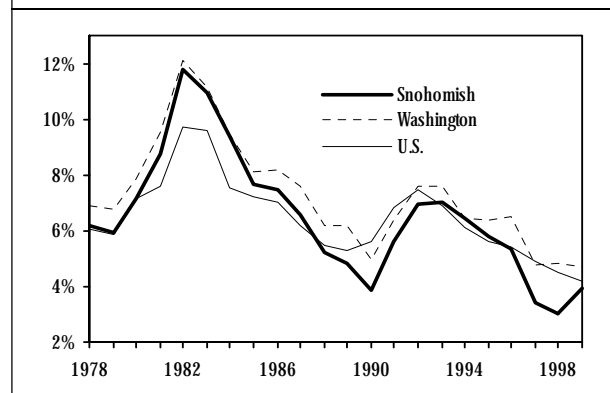
The *Slowdown of 1991*, while it impacted the nation, did little to Snohomish County and Washington in

terms of employment growth (it merely slowed). However, that slower growth was coupled with continued high rates of in-migration into the county and subsequent labor force growth—a combination which succeeded in pushing up the unemployment rate to 7.0 percent by 1992. It had been on a steady decline since then reaching an all-time low of 3.0 percent in 1998, before increasing to 3.9 percent in 1999 (due primarily to the Boeing layoffs) with a slight decline to 3.8 percent in 2000. Manufacturing fell from 66,500 in 1998 to 54,500 in 2000 for a loss of 12,000 jobs.

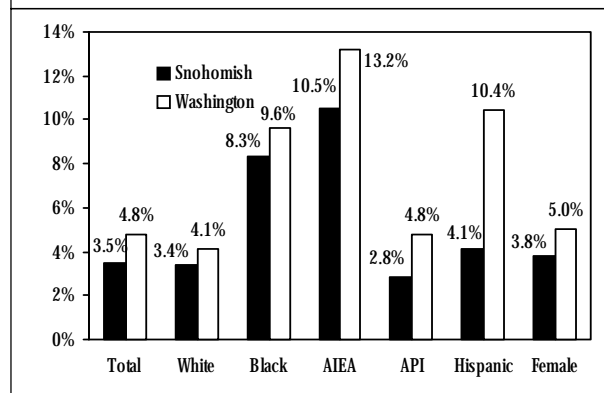
In fact, while the CLF and the number of employed persons in Snohomish County have both increased by about 165 percent since 1978, the number of unemployed have increased by only 67 percent.

The 1997 unemployment rates disaggregated by race, ethnicity, and sex for Snohomish County and the state are shown in Figure 13. Unemployment does not usu-

**Figure 12**  
Unemployment Rates  
Snohomish, Washington, & U.S., 1978-1999  
Source: Employment Security Department



**Figure 13**  
Unemployment by Race, Ethnicity, & Gender  
Snohomish County and Washington, 1997  
Source: Employment Security Department





ally affect racial groups equally, but this was apparently less of an issue in Snohomish County. The overall unemployment rate was 3.5 percent, and 3.2 percent for whites. Blacks accounted for 1.1 percent of the CLF and 2.7 percent of the unemployed, with an unemployment rate of 8.3 percent. AIEAs represented 1.2 percent of the CLF, accounted for 3.6 percent of the unemployed, and had the highest unemployment rate in the county of 10.5

percent. Interestingly, APIs accounted for 4.6 percent of the CLF, but only 3.6 percent of the unemployed. They had the lowest unemployment rate of all groups, including whites, of 2.8 percent. Hispanics accounted for 2.3 percent of the CLF and 2.7 percent of the unemployed, and had an unemployment rate of 4.1 percent. All ethnic groups had lower unemployment rates at the county level compared to the state.

## Unemployment Insurance Claims

One of the key factors, and perhaps most reliable methods, in determining unemployment is the number of claims filed with the Employment Security Department for unemployment insurance (UI) benefits. *Figure 14* shows the number of UI claims filed in Snohomish County and Washington State during FY 1999-2000 by occupational groupings. Occupational groupings differ from industry designations in that the former deal with the type of work performed regardless of industry and the latter deal with work performed within a given industry. The table lists the groupings in descending size based on the number of claims in the county. Snohomish County had 35,018 UI claimants between July 1, 1999 and June 30, 2000.

The concentration of UI claims in Snohomish County occupational groupings closely reflect concentrations state-

wide. Fifty percent of the claims were almost equally divided between professional/technical/managerial and structural occupations. These were also at the top of the list for the state but with somewhat lower percentages, 19 and 20 percent, respectively. Clerical occupations were in third place for both the county and the state, accounting for 12 and 11 percent, respectively. Machine trades and service occupations each accounted for 8 percent of unemployment claims in Snohomish County.

Comparatively, Snohomish County had lower percentages of claims in blue-collar type occupations, such as, packaging and materials handling, agriculture, and processing, but somewhat higher for machine trades. The biggest difference was for agriculture, 2 percent versus 8 percent for the state.

**Figure 14**

### Unemployment Insurance Claimants

Snohomish County and Washington State, July 1, 1999-June 30, 2000

Source: Employment Security Department

	Snohomish		Washington	
	Claimants	Percentage	Claimants	Percentage
Structural	8,682	25%	68,041	19%
Professional, technical and managerial occupations	8,669	25%	69,757	20%
Clerical	4,278	12%	39,861	11%
Machine Trades	2,799	8%	21,643	6%
Service	2,751	8%	35,562	10%
Sales	1,689	5%	17,729	5%
Packaging and Materials Handling	1,584	5%	26,847	8%
Benchwork	1,512	4%	10,515	3%
Motor Freight and Transportation	1,433	4%	16,993	5%
Agriculture, Forestry, and Fishing	770	2%	26,856	8%
Processing	608	2%	17,838	5%
Miscellaneous (NEC)	243	1%	2,444	1%
Total	35,018	100%	354,086	100%
White-Collar*	17,387	50%	162,909	46%
Blue-Collar*	17,631	50%	191,177	54%

\*Miscellaneous/NEC occupations excluded

# Industrial Typology

The characteristics of an area's industrial base hint at the unemployment patterns that the area might face. Therefore, calculations were made to establish the share of seasonality, cyclicality, and structural maturity in the area's employment base. These terms are defined as follows.

Industries with *seasonal* employment patterns are characterized by large employment increases and decreases in particular months of the year, for example, construction and retail sales. These variations occur during the same months each year and are caused by factors that repeat each year, for example: poor weather conditions, holiday seasons, and weather-related activities such as harvesting. A seasonal industry is one in which the maximum variation between the highest and lowest monthly employment is 18.9 percent or more of the industry's annual average employment.

*Cyclicality* refers to business and unemployment patterns caused by or linked to the broader movements of the economy—expansions and contractions. Unemployment in such industries is attributable to a general decline in macroeconomic activity, especially expenditures, which occurs during a business-cycle downturn, for example, ship building, aerospace and automobile manufacturing. When the economy dips into a contraction, or recession, aggregate demand declines, so less output is produced and sold, and thus fewer workers and other resources are employed. An industry is cyclical if its highest to lowest annual average employment varied 24 percent or more from the midpoint trend line from 1982-1990.

*Structurally mature* industries are characterized by long-term declines in total annual average employment. These declines may be the result of increased productivity, automation, technological change, exhaustion of natural resources, or other factors. Decreasing sales are due to either displacement by less-expensive competitors, or decreasing overall demand for the good. Affected industries must either shut down, or restructure.

Areas with a high degree of structurally mature industries experience specific unemployment issues. First, structurally mature industries shed a significant number of workers causing unemployment to increase. Second, unemployment can persist because of a mismatch between the skills possessed by the available work force and the skills called for in existing and newly created jobs. The impact of structurally mature industries on local economies, therefore, can be devastating in the

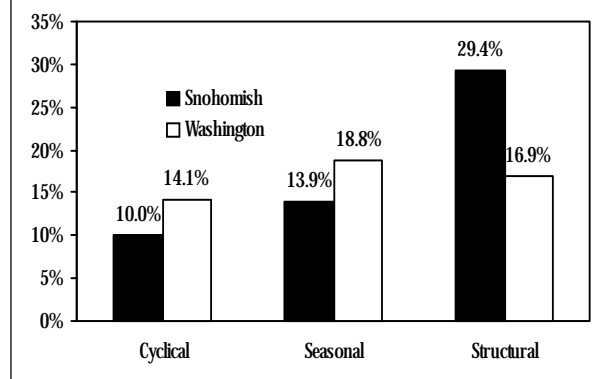
short run. An industry is structurally mature if there is a decline in employment in comparison to the pre-recession peak of 1990.

Only private industries were included when producing the figures below, so the large impact of government employment is excluded. *Note: The percentages will not necessarily total 100 percent. An industry can be recognized in more than one typology. Construction, for example, is very dependent upon weather and is also highly sensitive to fluctuations in overall economic activity, i.e., the business cycle. It has been categorized as both seasonal and cyclical.*

The percentage of workers employed in these type of industries in Snohomish County and the state are shown in *Figure 15*. In 1999, cyclical industries accounted for 10 percent of all non-government employment in Snohomish County; statewide the share was 14.1 percent. Seasonal industries accounted for 13.9 percent of employment at the county level and 18.8 percent at the state level. A very high 29.4 percent of employed persons were in structurally mature industries, compared to 16.9 percent at the state level.

Compared to Washington, Snohomish County has a relatively small proportion of workers in seasonal and cyclical industries, suggesting that it is less subject to regular short-term swings in employment. However, the county does have a higher than average share of structurally mature employment compared to the state. This suggests that the county might be somewhat vulnerable to longer-term, longer-lived declines in employment consistent with structural employment.

**Figure 15**  
**Industrial Typology**  
**Snohomish County and Washington, 1999**  
**Source: Employment Security Department**



# INDUSTRIES, EMPLOYMENT, AND WAGES

Data in this section are derived through two different Bureau of Labor Statistics programs, which are conducted in Washington by the Employment Security Department. Current Employment Statistics (CES) generates monthly *nonagricultural* employment figures. The

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

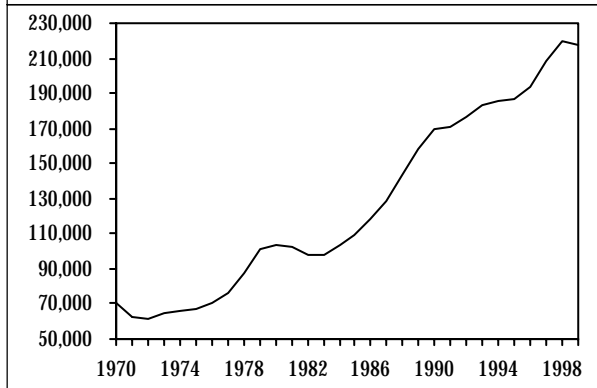
## Employment Trend

The Snohomish County economy is an urban-rural mix. Agriculture, logging, and small-town activity predominate in the northern and eastern regions of the county while a high technology, urban job market predominates in Everett and the southern part of the county. The separation between south Snohomish and highly urbanized north King County is somewhat artificial: labor flows heavily in both directions. For that reason, the U.S. Bureau of Labor Statistics officially designated the two counties a single labor market, called the *Seattle-Bellevue-Everett Primary Metropolitan Statistical Area (PMSA)*, an area that also includes Island County.

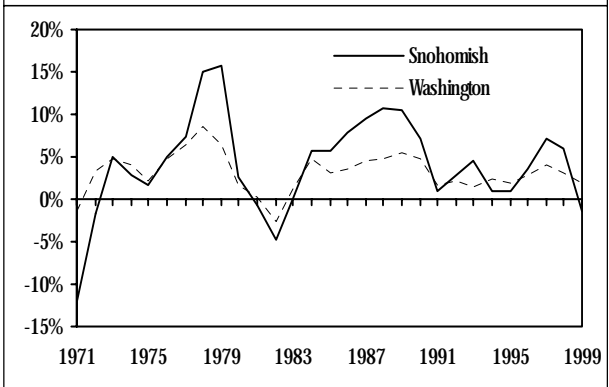
In 1999, Snohomish County had 330,400 employed residents (including farm and self-employed), but only 216,900 nonfarm jobs by place of work. As mentioned earlier cross-border commuting is a predominate issue. The 1990 Census of commuting patterns showed that roughly a third of Snohomish County's commute (nearly 85,000 workers) was *outbound* into neighboring King County, explaining to a great degree the aforementioned employment disparity. The commuting patterns, however, are not solely outbound. The Census also showed that nearly 30,000 people commuted from their residences in King County to places of work in Snohomish County. More than 7,500 commuted into Snohomish County from homes in nearby Island, Skagit, and Pierce counties. As many as 200 traversed the Cascades from homes in eastern Washington.

Despite the national recessions of the early 1970s, 1980s, and the 1990s, which were slowdown periods for Snohomish County, employment has increased steadily in Snohomish County from 71,000 jobs in 1970 to over 216,900 jobs in 1999 (*Figure 16*). The most recent 1990-91 national recession coupled with heavy Boeing

**Figure 16**  
**Nonagricultural Wage & Salary Employment**  
**Snohomish County, 1970-1999**  
*Source: Employment Security Department*



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



decreases did not cause the county to fall into recession, but it did slow the growth rate significantly. Overall job growth during the last 29 years has been strong, with the county's 205 percent increase greater than the state overall increase of 145 percent, and more than double that of the nation (81 percent).

Figure 17 shows the annual job growth rates from 1970 to 1999 for Snohomish County and Washington State. Although Snohomish County tends to follow the state trend, the recessionary periods of the 1970s and 1980s caused even lower growth rates in the county. On the other hand, other than those few years, nonagriculture job growth

tended to keep up with the state and is dramatically higher at times (1978-1979, 1985-1990, and 1997-1998). Since 1970 the average annual rate of job growth is 4.1 percent, higher than the King County average of 3.4 percent, and the statewide average growth rate of 3.2 percent.

Most recently the annual growth rate has declined from 7.1 percent in 1997 to -1.4 percent in 1999, a total net loss of 3,100 jobs. Over 6,000 jobs were lost in the manufacturing division, 90 percent of which were in aircraft production. Comparatively, nationwide growth rates declined from 2.8 to 2.2 percent. Despite the decline in the growth rate, it should be noted that from 1994 to 1999, Snohomish County gained over 31,600 jobs.

## Location Quotients

One way of determining the industrial makeup of an area, and thereby its relative economic strength or weakness, is to compare it to another area. This comparison can be done using various measures of economic activity, such as employment, income, or retail sales. In the following analysis, location quotients are calculated using employment figures.

The following section shows fairly specifically, by industry division, how Snohomish County's employment patterns both differ from and coincide with Washington State's. When comparing an industry's share of total employment at the county level to the same industry's share at the statewide level, it becomes apparent that some county employment is distributed differently than statewide employment. The location quotient compares the share of total employment in a particular industry division in the county with the share it represents in Washington State.

The quotient is determined by dividing the local industry's share of local total employment by the same industry's share of total employment at the state level. A value higher than 1.0 denotes a local industry with a higher percentage of employment than exists in the same industry at the state level. A value below 1.0 denotes the opposite. A quotient of 1.0 denotes an industry in which the county is comparable to the state as a whole.

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

**Figure 18**  
**Location Quotients**  
**Snohomish County, 1999**  
*Source: Employment Security Department*

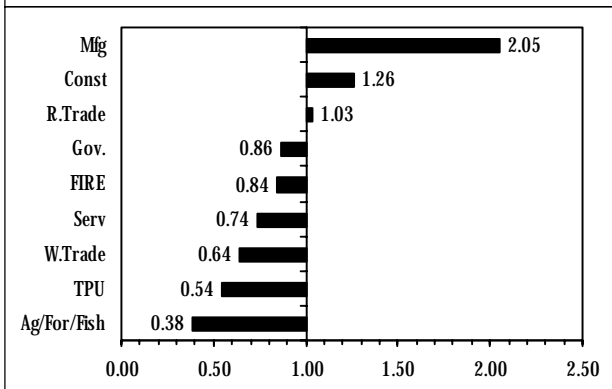


Figure 18 shows the location quotients of the major industry divisions in Snohomish County. It is to be expected that an urbanized area would be an importer of agriculture products. At the same time, it is not surprising that except for agriculture, forestry, and fishing (quotient of 0.38) most of the divisions are fairly close to the statewide norm (quotient of 1.0), indicating that importing/exporting consumption patterns in the county are similar to the statewide patterns, except for manufacturing which has a location quotient of 2.05. Although there has been some fluctuation over the years, aircraft production increased from 48 percent of total manufacturing employment in 1981 to 57 percent in 1998; it then declined to 54 percent in 1999. It is well known that Snohomish County exports aircraft, nationally and internationally. Due to the large Boeing presence, Snohomish County has an unusually large manufacturing division.

Services, TPU, and FIRE—have location quotients far enough below 1.0 to be regarded as *import* industries. Import, in this case, means that the divisions by relative measure do not produce enough services to meet

the needs of county populace. It is theorized that a good share of county residents, particularly those in the southwest corner of the county, choose to acquire services outside the area, very likely in King County.

## Goods and Services

There are three broad sectors in an economy: primary, secondary, and tertiary. The primary sector is comprised of agriculture and mining. The secondary sector is the goods-producing sector, comprised of manufacturing and construction. Finally, the service-sector is everything else—although government is sometimes excluded. Over the past several decades, most job growth in the U.S. has been in the service sector.

*Figure 19* shows the total number of jobs in the “goods” and “service” production sectors in Snohomish County, from 1970 to 1999. Although service based employment increased 156 percent, goods producing employment was not far behind (135 percent). In comparison, Washington State goods and services sectors grew only 37 and 92 percent, respectively.

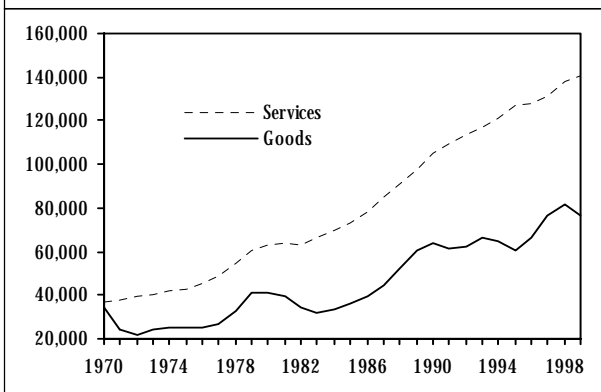
*Figure 20* shows that the percentage of jobs in the goods sector in Snohomish County has declined from 48 percent in 1970 to 35 percent in 1999. It should be noted that most of the decline occurred by 1972, and that Snohomish County still has the highest share of employment in the goods sector among all 39 counties. (Only two other counties in the state have such a high

percentage of their employment in the goods sector—Wahkiakum and Columbia.) Also shown is the share of overall state employment in the goods sector, which declined from 27 percent in 1970 to 20 percent in 1999.

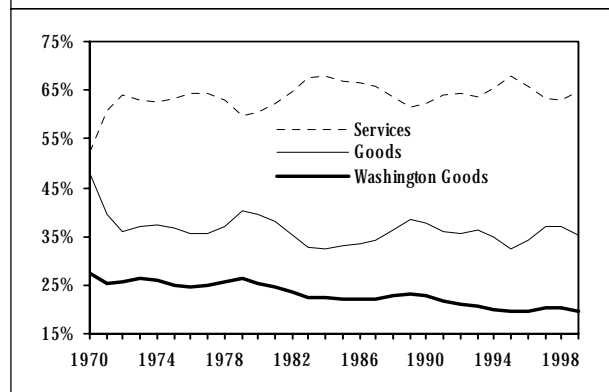
Although the seven major industrial divisions are grouped into either “goods” or “services” it is more illuminating to compare the individual divisions. *Figure 21* shows the employment share of the three smaller divisions (construction, TPU, and FIRE) from 1970 to 1999. Employment in the TPU division experienced the greatest decline from 5 to 2 percent. At the same time, FIRE increased from 3 to 5 percent and construction increased from 5 to 7 percent.

Similarly, *Figure 22* shows the trend for the larger industrial divisions (manufacturing, trade, services, and government). After increasing in the early 1970s, government decreased slightly from 16 to 15 percent of total employment. Manufacturing, the dominant division within the goods sector, declined from 43 to 28 percent of employment. In contrast, services increased from 11 to 21 percent, and trade increased from 16 to 22 percent of total employment.

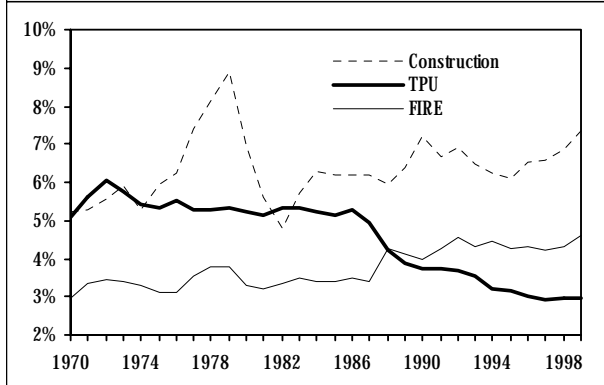
**Figure 19**  
**Total Number of Jobs in Goods and Services**  
**Snohomish County, 1970-1999**  
*Source: Employment Security Department*



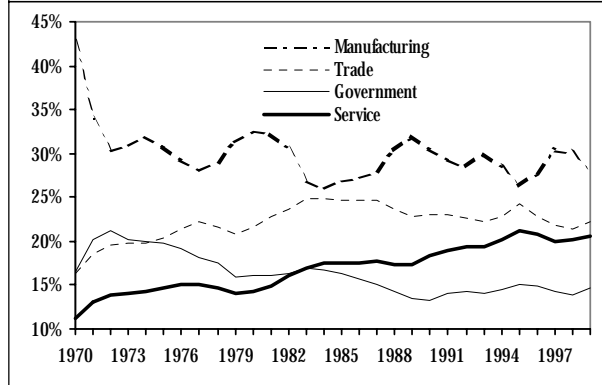
**Figure 20**  
**Percentage of Jobs in Goods and Services**  
**Snohomish County & Washington, 1970-1999**  
*Source: Employment Security Department*



**Figure 21**  
**Percentage of Employment in Small Divisions**  
**Snohomish County, 1970-1999**  
*Source: Employment Security Department*



**Figure 22**  
**Percentage of Employment in Large Divisions**  
**Snohomish County, 1970-1999**  
*Source: Employment Security Department*



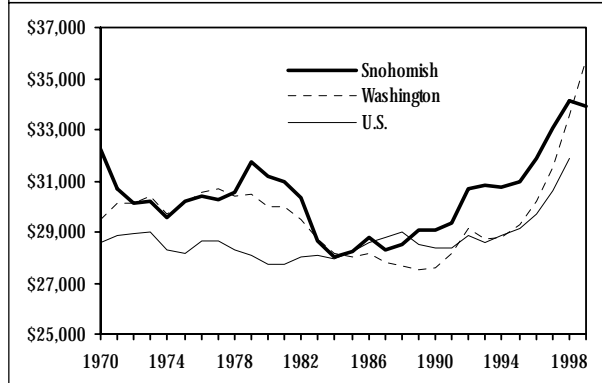
## Annual Average Covered Wage

Annual average covered wages are derived by dividing the total wages paid in an area by the annual average employment in that area. Jobs not covered by the unemployment insurance program are excluded; however, approximately 85 percent of all employment in the state is covered under the program. *(Note: all amounts here have been inflation adjusted to 1998 dollars.)* The average wage does not include any benefits (e.g., insurance or retirement plans) other than actual wages.

Figure 23 shows the real annual covered wage from 1970 to 1999 for Snohomish County, Washington State, and the U.S. The Snohomish County wage was consistently higher than the state average until 1999, when it had the fourth lowest growth rate (0.9 percent) in the state, and fell to \$1,800 less than the state average. This was, in part, due to the layoff of 11,000 workers by Boeing, which tends to pay above average wages. On the other hand, it is also a matter of unusual growth in the average wage in King County, which tends to skew the Washington average. Wages in King County are driven by high tech, mainly Microsoft. The predominant occupation in high tech industries had an average annual wage of over \$300,000, mostly from stock options.

Regardless, Snohomish County still has the second highest average wage in the state, after King County (\$46,053), which had the greatest percentage increase in 1999, of 11.6 percent. Like the rest of the state and the nation, there was no growth in the real average wage between 1970 and 1996. Since 1984, the Snohomish

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



County real average wage has increased steadily from a low of \$27,992 to \$34,124 in 1998, before declining slightly to \$33,899 in 1999. The state and national average wage were \$35,724 and \$31,908, respectively (1998 is the most recent year available for the nation).

Overall, the county wage increased by only 5 percent since 1970, all of which occurred since 1996. Comparatively, the state average wage (highly influenced by King County) increased by 19 percent and the national wage by 12 percent. Some of the explanations proffered, which would explain the lack of growth in the average wage between 1979 and 1996, are listed below; undoubtedly, each is a contributing factor.

- Pay declines within industries caused by international competition, restructuring, the decreased power of unions to set wages, and other factors.
- An overall decline in high paying goods-producing jobs accompanied by a large increase in lower paying trade and services jobs.
- The substitution of employee benefits for direct pay increases.
- Increase in part-time workers.

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

The annual average 1999 covered wage, and the number employed, for major industry divisions and permissible two-digit SIC code industries are shown in *Figure 24* for Snohomish County and Washington State. Note that the county average wage by division is usually somewhat less, but very close to the state average wage. Again, the state’s average wage data are heavily influenced by King County; the high-paying aerospace and high-tech industries drive up the wage for the densely populated county and, consequently, for the state as a whole.

Agriculture, forestry, and fishing is the only divisional wage that is higher in Snohomish County than for the state. This is due primarily to the very high salary

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

SIC	Total	Snohomish		Washington	
		Employment	Avg Wage	Employment	Avg Wage
	<b>Total</b>	<b>211,800</b>	<b>\$31,817</b>	<b>2,642,331</b>	<b>\$35,788</b>
	<b>Private - Total</b>	<b>180,653</b>	<b>\$31,679</b>	<b>2,192,054</b>	<b>\$35,742</b>
	<b>Agriculture, Forestry, and Fishing</b>	<b>2,760</b>	<b>\$33,939</b>	<b>89,792</b>	<b>\$27,304</b>
01	Agricultural Production - Crops	440	\$16,767	54,110	\$13,647
02	Agricultural Production - Livestock	482	\$20,792	5,738	\$20,133
07	Agricultural Services	1,668	\$19,475	24,890	\$18,966
08	Forestry	44	\$23,784	2,377	\$26,042
09	Fishing, Hunting, and Trapping	126	\$88,875	2,677	\$57,730
	<b>Construction and Mining</b>	<b>14,716</b>	<b>\$36,489</b>	<b>145,913</b>	<b>\$37,317</b>
14	Nonmetallic Minerals, except Fuels	119	\$36,803	2,310	\$36,408
15	General Building Contractors	3,249	\$33,709	39,143	\$34,383
16	Heavy Construction, except Building	2,138	\$43,913	18,988	\$44,209
17	Special Trade Contractors	9,210	\$31,529	85,472	\$34,266
	<b>Manufacturing</b>	<b>58,636</b>	<b>\$37,908</b>	<b>357,005</b>	<b>\$39,436</b>
20	Food and Kindred Products	1,433	\$29,669	40,591	\$31,154
22	Textile Mill Products	*	*	1,008	\$34,867
23	Apparel and Other Textile Products	533	\$21,681	7,070	\$21,451
24	Lumber and Wood Products	3,095	\$32,266	33,147	\$37,770
25	Furniture and Fixtures	744	\$28,060	4,611	\$27,877
26	Paper and Allied Products	*	*	15,769	\$51,198
27	Printing and Publishing	2,075	\$29,763	23,572	\$33,464
28	Chemicals and Allied Products	317	\$84,372	6,104	\$70,893
30	Rubber and Miscellaneous Plastic Products	698	\$31,058	10,015	\$31,242
31	Leather and Leather Products	*	*	371	\$21,713
32	Stone, Clay, and Glass Products	580	\$31,086	8,633	\$35,512
33	Primary Metal Industries	149	\$32,732	11,586	\$44,067
34	Fabricated Metal Products	1,828	\$29,027	14,185	\$32,871
35	Industrial Machinery and Computer Equipment	2,652	\$43,806	24,413	\$46,556
36	Electronic Equipment, except Computer	2,200	\$36,443	18,231	\$41,020
37	Transportation Equipment	37,334	\$56,534	114,616	\$55,599
38	Instruments and Related Products	4,672	\$56,862	14,537	\$54,866
39	Miscellaneous Manufacturing Industries	326	\$25,268	8,546	\$37,726

(\$88,875) for the small number of workers employed in fishing, hunting, and trapping.

The highest average division salaries are for the fire, insurance, and real estate (FIRE) (\$41,721), and manufacturing (\$37,908) divisions. The highest industry salaries are for fishing, hunting, and trapping (\$88,875), chemical and allied products (\$84,372), security and commodity brokers (\$77,273), instruments and related products (\$56,862), and transportation equipment (\$56,534). The lowest average covered wages were for private household help (\$9,030), and motion pictures (\$9,609).

These figures should be used only to draw broad conclusions. Some industries are purposefully excluded for confidentiality purposes, and the inclusion of data on part-time workers and executive earnings exaggerate wage disparities between otherwise comparable industries. Moreover, the wages have not been adjusted for regional cost-of-living variations, which can be very significant.

In the following sections the different employment divisions are discussed using two different data sources. Except for agriculture, the employment trend for the division is discussed based on data from the CES program. Then each division and industries within the division are discussed in terms of 1999 employment and average salary based on ES-202 data, shown in *Figure 24*.

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

SIC	Snohomish		Washington		
	Employment	Avg Wage	Employment	Avg Wage	
	<b>5,784</b>	<b>\$34,629</b>	<b>132,876</b>	<b>\$41,538</b>	
<b>Transportation and Public Utilities</b>					
41	Local and Interurban Passenger Transit	545	\$21,871	6,680	\$19,707
42	Trucking and Warehousing	1,102	\$30,884	31,672	\$30,801
44	Water Transportation	201	\$46,560	8,885	\$55,455
45	Transportation By Air	573	\$31,134	26,406	\$38,483
47	Transportation Services	528	\$27,935	11,923	\$33,852
48	Communication	2,509	\$44,312	31,694	\$59,055
49	Electric, Gas, and Sanitary Services	326	\$39,711	15,616	\$53,416
	<b>Trade</b>	<b>46,785</b>	<b>\$23,428</b>	<b>621,591</b>	<b>\$26,082</b>
	<b>Wholesale Trade</b>	<b>7,605</b>	<b>\$33,958</b>	<b>149,133</b>	<b>\$40,085</b>
50	Durable Goods	4,271	\$36,237	84,772	\$44,227
51	Nondurable Goods	3,334	\$31,680	64,361	\$35,943
	<b>Retail Trade</b>	<b>39,180</b>	<b>\$20,795</b>	<b>472,458</b>	<b>\$22,582</b>
52	Building Materials and Garden Supplies	1,805	\$26,055	21,861	\$25,037
53	General Merchandise Stores	4,130	\$18,045	49,287	\$21,021
54	Food Stores	6,385	\$20,277	69,332	\$20,306
55	Automotive Dealers and Service Stations	4,812	\$32,663	48,050	\$30,516
56	Apparel and Accessory Stores	1,360	\$16,117	25,405	\$21,033
57	Furniture and Homefurnishings Stores	1,770	\$25,659	21,526	\$27,490
58	Eating and Drinking Places	13,753	\$11,136	176,049	\$12,256
59	Miscellaneous Retail	5,165	\$16,406	60,948	\$2,993
	<b>Finance, Insurance, &amp; Real Estate</b>	<b>9,055</b>	<b>\$41,721</b>	<b>134,122</b>	<b>\$52,991</b>
60	Depository Institutions	2,121	\$32,960	38,184	\$37,558
61	Nondepository Institutions	910	\$47,716	11,538	\$49,436
62	Security and Commodity Brokers	223	\$77,273	7,981	\$96,218
63	Insurance Carriers	3,252	\$43,138	26,869	\$44,641
64	Insurance Agents, Brokers, and Service	666	\$30,567	13,328	\$40,639
65	Real Estate	1,853	\$21,639	33,633	\$26,378
67	Holding and Other Investment Offices	30	\$38,751	2,589	\$76,065
	<b>Services</b>	<b>41,945</b>	<b>\$21,015</b>	<b>710,755</b>	<b>\$29,785</b>
70	Hotels and Other Lodging Places	884	\$14,152	28,212	\$16,637
72	Personal Services	2,201	\$16,840	22,450	\$17,399



**Figure 2A (Continued)**  
**Annual Covered Wages and Employment**  
**Snohomish County and Washington State, 1999**  
**Source: Employment Security Department**

SIC		Snohomish		Washington	
		Employment	Avg Wage	Employment	Avg Wage
73	Business Services	7,341	\$23,415	165,464	\$88,797
75	Auto Repair, Services, and Parking	2,073	\$25,598	25,900	\$24,829
76	Miscellaneous Repair Services	492	\$25,710	7,575	\$29,872
78	Motion Pictures	1,014	\$9,609	9,928	\$13,461
79	Amusement and Recreation Services	3,173	\$16,586	40,268	\$19,647
80	Health Services	12,306	\$29,985	185,827	\$31,616
81	Legal Services	647	\$28,099	17,528	\$44,849
82	Educational Services	532	\$16,207	22,720	\$27,132
83	Social Services	4,249	\$17,618	59,140	\$17,080
84	Museums, Botanical, Zoological Gardens	9	\$13,364	1,532	\$21,471
86	Membership Organizations	1,782	\$20,599	24,580	\$22,145
87	Engineering and Management Services	3,224	\$45,707	64,036	\$46,629
88	Private Households	2,000	\$9,030	33,439	\$8,814
89	Services, NEC	18	\$23,718	2,156	\$46,185
	<b>Government</b>	<b>31,147</b>	<b>\$34,908</b>	<b>450,277</b>	<b>\$36,809</b>
	Federal	2,481	\$36,071	67,631	\$42,858
	State	4,532	\$34,407	116,784	\$35,091
	Local	24,134	\$34,247	265,862	\$32,477

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

## Agriculture, Forestry, and Fishing

Agriculture is the smallest industrial division in Snohomish County, accounting for only 1.3 percent of the county's covered employment, compared to 3.4 percent of total employment statewide. In the agriculture division, there are a scattering of workers employed in the production of various berries, dairy products, flower

bulbs, and fresh vegetables, but the remainder of the division (60 percent) falls in the agricultural services industry, dominated by lawn and garden services and non-livestock veterinarian services, which is to be expected of a densely urbanized area.

## Construction and Mining

In this section, figures for mining are rolled up with construction figures. Mining in Snohomish County is relatively small, limited primarily to sand and gravel and dimension stone. Of the division's 14,716 employees, only 119 workers are involved with mining.

In 1999, 6.9 percent of the county's employment was in construction, significantly more than for construction statewide which was 5.5 percent. The annual average wage for the construction division was \$36,489 in 1999, only slightly less than the statewide average of

\$37,317. The construction division has the third highest average wage in the county.

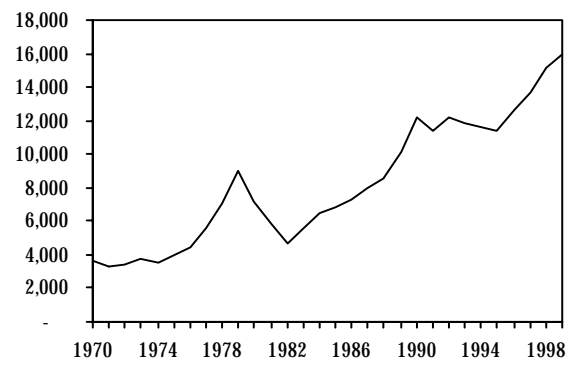
There are three major industries within the construction division: general building, heavy construction, and special trades. Largest is the special trades industry, which includes plumbers, electricians, carpenters, painters, etc. They accounted for 63 percent of divisional jobs in 1999 and had an annual average wage of \$31,529—the lowest in the division. General building, primarily residential construction, had a 22 percent share of employment and

paid a wage of \$33,709. Heavy construction, mainly road and highway work, employed only 15 percent of the division total but paid the highest average wage of \$43,913.

Figure 25 shows construction employment in Snohomish County since 1970. Over the period shown, division employment grew from 3,700 to 15,900, an increase of 330 percent, compared to the state which increased only 185 percent. Nationwide construction expanded by only 62 percent. Employment in this division can be volatile, for not only is it subject to strong seasonal variations, it is very sensitive to business cycle changes. The drops in employment all occurred during and immediately following periods of national recession. Except for the decline from 1990 to 1995, employment in construction has been climbing steadily since 1983 with an average annual growth rate of 6.0 percent since 1970. Most recently the growth rate declined from 10.2 percent in 1998 to 5.3 percent in 1999. After services, the construction division experienced the greatest average growth since 1970.

Over the 1980s and 1990s growth in this division has been driven by several factors. Boeing built the original 747 factory in Everett in 1967 and expanded the factory in 1979 for production of the 767 and again in 1992 for the 777. Construction of Naval Station Everett began in 1987 and was completed in 1993. The division showed

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



a slight tapering off from 1993 to 1995, and then a steady increase from 1996 through 2000. With an increase of nearly 128,000 people over the decade of the 1990s, there has been a corresponding increase in demand for all three major groups within the construction division. *(Note: The construction industry realizes a significant degree of cross-border movement between King and Snohomish counties. If a Snohomish County resident works for a King County contractor, the job is counted in King County.)*

## Manufacturing

Manufacturing is a key division in any area's economy. From an employment perspective it provides a high-wage job with a large economic multiplier. As mentioned earlier, Snohomish County has an unusually high share of its total employment in the manufacturing division—27.7 percent (58,636 workers), compared to 13.5 percent statewide. It is the largest division in the county. In Snohomish County manufacturing firms pay an average wage of \$37,908 (1999), the highest division wage in the county. Manufacturing accounts for 41 percent of total wages in the county.

Transportation equipment is the largest industry, with 64 percent of division employment (37,334 workers) and an average wage of \$56,534, which is \$19,000 higher than the average wage for the division. While transportation equipment includes boat and ship building, the bulk of employment (87 percent) is in aircraft production. Aircraft production has fluctuated between 76 and 92 percent of transportation equipment since 1980. Boeing's Everett plant employs a substantial number of

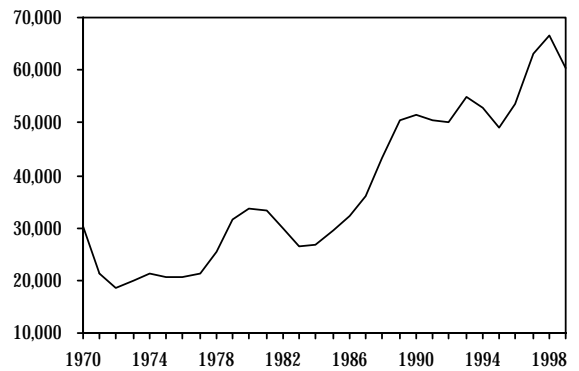
these workers, but a variety of other aircraft and parts firms or subcontractors are also located in the county.

After transportation equipment, instruments and related products is the next largest industry with 8 percent of division employment (4,672 workers). Lumber and wood products, and industrial machinery/computer equipment each account for 5 percent of the division employment.

Figure 26 shows the number of jobs in manufacturing increasing from 30,300 in 1970 to 66,500 in 1998, before declining by 6,000 jobs in 1999. Despite the decline manufacturing employment in Snohomish County was quite strong with an overall increase of 99 percent, from 1970 to 1999. Comparatively manufacturing grew by 52 percent statewide and declined by 5 percent nationwide. Since 1970, manufacturing has had an average growth rate of 3.1 percent. The average growth rate for the state was 1.6 percent and -0.1 percent for the nation. Between 1994 and 1999, 7,500 jobs were gained in manufacturing; that is 24 percent of all new jobs during that time.

Manufacturing employment declined by 9.2 percent in 1999; 90 percent of the 6,100 lost jobs were in aircraft production. Despite the decline, employment in aircraft production grew by 113 percent from 1981 to 1999; during the same period manufacturing increased by 82 percent. (In 2000 manufacturing averaged 54,500, ranging from a high in January of 55,700 to a low in February of 50,500 with 5,000 Boeing engineers on strike.) Although the aircraft production industry is likely responsible for the volatility within the manufacturing division, it is also responsible for its overall growth.

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



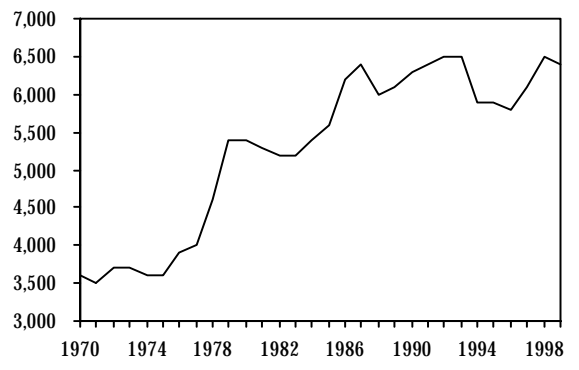
## Transportation and Public Utilities (TPU)

This sector includes employment in all types of transportation, warehousing, communications (television, cable TV, radio, telephone service, etc.), and utilities (electric, gas, and sanitary services). TPU accounts for 2.7 percent of all Snohomish County employment compared to 5 percent statewide. It should be noted that 57 percent of all statewide TPU employment is based in King County, which would explain the comparatively low share in Snohomish and other counties.

The communications industry, which includes cable, broadcast TV, radio, and telephone service, is now the largest industry with 43 percent of the division employment and offers the second highest average salary within the division (\$44,312). Workers in trucking and warehousing were the second largest group accounting for 19 percent of total division employment, followed by air transportation which accounts for 10 percent of the total division employment.

As shown in *Figure 27*, employment in TPU increased from 3,600 workers in 1970 to 6,400 workers in 1999, with an average annual growth rate of 2.2 percent. The average growth rates for the state and the nation were 2.3 and 1.4 percent, respectively. Interestingly, TPU was the

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



only division in Snohomish County to show a decline between 1994 and 1999 (-0.1 percent). Most recently the annual growth rate declined from 6.6 percent in 1998 to -1.5 percent in 1999. Overall, from 1970 to 1999, TPU employment increased 78 percent in the county, 93 percent statewide, and only 50 percent nationwide.

## Trade

Trade, with 22 percent of all nonfarm employment (46,785 jobs), is the second largest division in Snohomish County and has the second lowest average divisional wage of \$23,428. Trade is comprised of two

components, wholesale and retail. A relatively low 16 percent of Snohomish County's trade division employment is in wholesale trade; statewide wholesale trade accounts for 24 percent of trade employment. The average wage for wholesale trade is significantly higher than

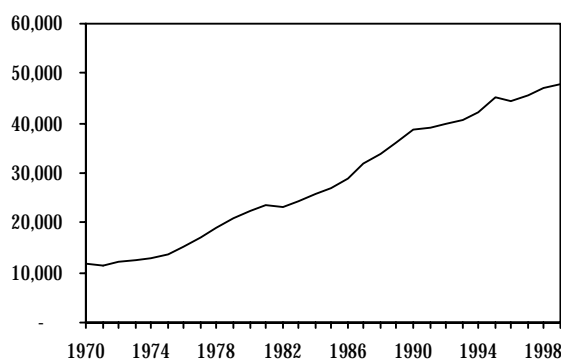
for retail trade, \$33,958 versus \$20,795. Within wholesale trade, durable and nondurable goods account for 56 and 44 percent, respectively.

Retail trade provided 84 percent of trade divisional employment for the county and 76 percent for the state. The average wage for retail (\$20,795) is the lowest divisional wage. It should be noted, though, that the trade division, like agriculture, has a high level of part-time work which strongly affects the average wage. (All jobs are treated equally in the average wage calculations, so that one entailing 20 hours work a week is counted the same as one entailing 40 hours a week.)

Eating and drinking establishments employ the largest share of workers within the trade division as a whole (29 percent) with the third lowest average county salary of \$11,136. The next largest group (14 percent) are food stores with an average salary of \$20,277, followed by miscellaneous retail (11 percent) and durable goods (9 percent).

Figure 28 shows the employment trend for the trade division in Snohomish County from 1970 to 1999. The number of trade jobs increased 314 percent from 11,600

**Figure 28**  
**Wholesale and Retail Trade**  
**Snohomish County, 1970-1999**  
*Source: Employment Security Department*



in 1970 to 48,000 in 1999, with an average annual growth rate of 5.1 percent. Overall growth for the state was 164 percent based on an average annual growth rate of 3.4 percent. Most recently the growth rate for trade employment in Snohomish County declined from 3.7 percent in 1998 to 1.9 percent in 1999.

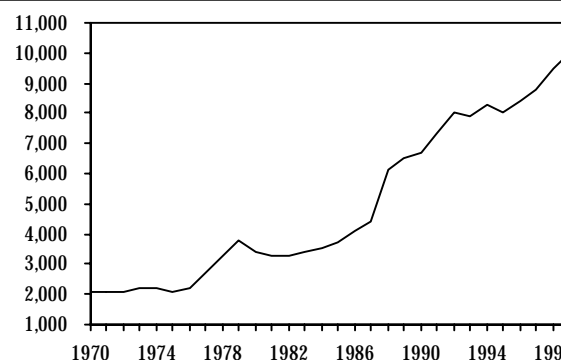
## Finance, Insurance, and Real Estate (FIRE)

In 1999, the county had 9,055 workers in the FIRE division, 4.3 percent of county employment. Statewide, 5.1 percent of total employment was in the FIRE division. The FIRE division had the highest average wage of \$41,721. The largest industry was insurance carriers with 36 percent of the division employment and an average wage of \$43,138. The second largest industry, depository financial institutions, had 23 percent of the division's covered employment with an average wage of \$32,960. Real estate was the next largest industry, with 20 percent of divisional employment and the lowest average wage of \$21,639.

Employment within the FIRE division began to take off in the late 1970s (see Figure 29), with an average annual growth rate of 20 percent, from 1977 through 1979. The division then grew slowly until 1988, when the growth rate suddenly hit 38 percent. Since then the growth rate has been steady but always less than 10 percent. From 1970 to 1999, the FIRE division increased by 376 percent, averaging 5.9 percent growth per year. Growth in Snohomish County has far outpaced both the national average (2.6 percent) and the state average of 3.0 percent. The average growth rate between 1996 and 1999 was 4.1 percent, with a gain of 1,700 new jobs.

The division's share of the county's nonagricultural employment edged up from 3 to 5 percent, between

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



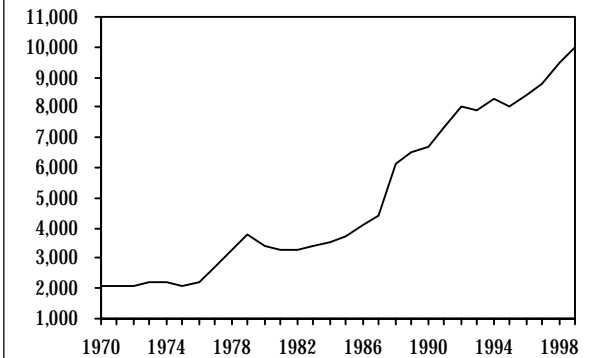
1970 and 1999. Like trade, FIRE is driven by many of the same dynamics, the principal one being migration-related population growth. New residents typically seek local banking, insurance, and real estate services after relocating. Unlike trade, however, FIRE tends to be much more cyclical because of the interest-sensitive finance and real estate components.

# Services

Services was the third largest division in Snohomish County, accounting for 20 percent of total employment, significantly less than the 27 percent statewide. The service division offered the lowest average salary of \$21,015. The largest industry within the service division is health services, accounting for 29 percent of division employment (12,306 jobs) and the second highest divisional salary of \$29,985. The second largest industry is business services covering 17 percent of divisional employment and a relatively low average salary of \$23,415. Social services employs 4,249 workers (10 percent) with an average salary of \$17,618.

Many are concerned that the nation is becoming a *services* rather than a *goods* producing economy, resulting in lower wage jobs. As discussed earlier, this is less of an issue in Snohomish County. On the other hand, services has increased from an 11 percent share of total employment in 1970 to 21 percent in 1999. Furthermore, it has been the fastest growing division in the county, expanding 458 percent in the last 29 years (see Figure 30), with an

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



average growth rate of 6.2 percent. Twenty-three percent of all new jobs in Snohomish County from 1994 to 1999 were in the services division (7,200 jobs).

# Government

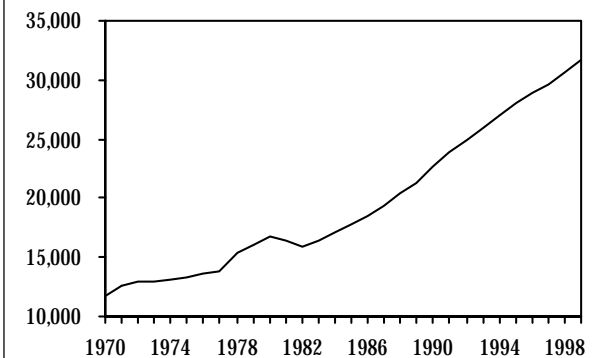
The share of public employment in Snohomish County (15 percent of nonfarm jobs) is somewhat less than it is in the rest of the state (17 percent). While federal and state employment hold much smaller shares of total government than at the state level, local government occupies a much larger share. Local government provides 77 percent of all government employment, compared to 56 percent statewide. The primary reason for the overall smaller size of public employment in the county is the economies of scale that can be realized in a densely populated area such as Snohomish County.

The government sector, although relatively small compared to other areas, adds a stabilizing influence on the area's economy. Employment growth has been moderate but consistent over the last 25 years (see Figure 31). Besides manufacturing and TPU, the government division had the lowest level of growth (171 percent) from 1970 to 1999, with an average annual growth rate of 3.5 percent. Comparatively, government employment statewide increased only 93 percent.

The share of the total nonfarm employment base maintained by the public sector has ranged from 13 percent to 21 percent over the period, and presently sits at 15 percent. Government employment is theoretically linked to

population growth. In this case, Snohomish County's population grew at an annual rate of 2.7 percent over the 1970-1999 period. There are roughly 24,000 employees at the local government level. The primary employers are the various K-12 school districts. About 13,000 workers are employed by the schools (faculty and staff), comprising 54 percent of local government jobs.

**Figure 31**  
**Government Employment**  
**Snohomish County, 1970-1999**  
*Source: Employment Security Department*



**Figure 32**  
**Average Annual Growth Rates**  
**Snohomish County, Washington State, and U.S., 1994-1999**  
**Source: Employment Security Department**

	Total	Const.	Mfg	TPU	Trade	FIRE	Svcs.	Gov.
<b>Snohomish County</b>	2.9%	5.1%	2.0%	-0.1%	2.8%	4.1%	3.8%	3.4%
<b>Washington State</b>	2.7%	4.2%	1.2%	3.4%	2.6%	2.2%	4.2%	1.6%
<b>United States</b>	2.1%	1.8%	-0.1%	1.4%	2.4%	2.6%	4.3%	1.7%

The higher than average increase in public sector employment might be attributed to growth in public education (K-12 and the two state community colleges) to keep pace with enrollment growth and to the more than 450 sailors and civilian employees at Naval Station Everett. It should also be noted that there are nearly 6,000 sailors not counted in Snohomish County's government sector.

Figure 32 provides a summary of the average annual growth rates, from 1994 to 1999, for all divisions in Snohomish County, Washington State, and the U.S. Note that the construction division has the highest average growth rate and Snohomish County has the highest rate of all areas (5.1 percent).

## Industry Projections

Nonfarm employment projections for the 1998-2003 period, for Snohomish County and Washington State, are shown in Figure 33. The projections are made by Employment Security Department analysts based on historical trends and anticipated developments in the various industries. The projections are modified according to economic outlook and anticipated developments such as plant openings and closures, energy availability, for-

eign and domestic trade volume, and government resource policies.

The county is expected to show less growth in its employment base than the state, 7.8 percent compared to 9.3 percent. This translates into 17,100 more jobs for the county. The industry projections normally provided in the county profile are usually limited to the divisional averages. As the manufacturing division is such

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

	Snohomish				Washington			
	1998	2003	% Change	# Jobs	1998	2003	% Change	
Total Nonfarm Employment	218,000	235,100	7.8%	17,100	2,591,700	2,834,000	9.3%	
Manufacturing	65,800	59,100	-10.2%	-6,700	378,800	370,100	-2.3%	
Durable Goods	59,500	52,400	-11.9%	-7,100	271,100	257,900	-4.9%	
Electronic Equipment	2,000	2,800	40.0%	800	18,000	23,000	27.8%	
Transportation Equipment	43,000	34,100	-20.7%	-8,900	127,800	105,100	-17.8%	
Non Durable Goods	6,300	6,700	6.3%	400	107,700	112,200	4.2%	
Services	43,900	51,900	18.2%	8,000	710,000	829,400	16.8%	
Retail Trade	39,200	44,700	14.0%	5,500	470,400	518,100	10.1%	
Government	30,600	36,300	18.6%	5,700	464,100	508,600	9.6%	
Construction	14,400	16,600	15.3%	2,200	143,700	158,500	10.3%	
Finance, Ins. & Real Estate	9,300	10,300	10.8%	1,000	135,000	142,900	5.9%	
Wholesale Trade	7,900	8,800	11.4%	900	153,600	163,700	6.6%	
Transportation & Public Utilities	6,900	7,400	7.2%	500	136,100	142,700	4.8%	

an unusually large component of the Snohomish economy, a few of the divisional subcategories are also included. As can be seen in the table, the slower rate of growth for the overall Snohomish County economy is due predominantly to the decline in manufacturing (-10.2 percent), which is concentrated in the durable goods subdivision. The decline in durable goods is obviously driven by the projected loss of jobs in transportation equipment (-8,900). On the other hand, a much smaller industry within manufacturing, electronic equipment, is expected to grow by 40 percent.

All other divisions in Snohomish County are projected to have greater growth than at the state level. In fact, if manufacturing is removed from the equation, projected growth for the county and the state would be 13.7 and 9.2 percent, respectively. The service and government divisions are expected to have the greatest growth, both over 18 percent. At the state level these two divisions are expected to grow by 16.8 and 9.6 percent, respectively. The largest number of new jobs (8,000) are expected to come from within the service division.

# OCCUPATIONAL PROFILE

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

Figure 34 shows Snohomish County 1998 employment estimates and 2008 projected employment for the major occupational divisions, as well as a few of the

more specific categories within several of the larger divisions. The data are based on Occupational Employment Surveys (OES) conducted in the area by the Employment Security Department in 1998. Between 1998 and 2008 the expected average growth among all of the occupations is 16.3 percent (41,504 jobs).

The greatest rate of growth is expected in managerial and administrative occupations (22.6 percent), and services (25.8 percent). Within the very large category of professional occupations the greatest projected increases are for systems analysts, teachers, and instructors/coaches. The greatest decline within this group is pro-

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

	1998	2008	Average Annual Growth	Total % Change	Jobs
Total	254,195	295,699	1.6%	16.3%	41,504
Managerial and Administrative	18,562	22,753	1.9%	22.6%	4,191
Professional and Paraprofessional	61,898	72,358	2.1%	16.9%	10,460
Systems Analysts	2,396	3,280	3.7%	36.9%	884
Teachers, Elementary	2,654	3,329	2.5%	25.4%	675
Teachers, Secondary School	2,521	3,157	2.5%	25.2%	636
Instructors & Coaches, Sports	928	1,422	5.3%	53.2%	494
Drafters	1,208	1,042	-1.4%	-13.7%	-166
Mgmt Support Workers, NEC	3,183	2,960	-0.7%	-7.0%	-223
Computer Programmers	1,483	1,171	-2.1%	-21.0%	-312
Marketing and Sales	28,710	35,064	1.8%	22.1%	6,354
Clerical and Admin. Support	35,673	38,404	0.6%	7.7%	2,731
Services	37,272	46,884	2.3%	25.8%	9,612
Child Care Workers	2,764	3,903	4.1%	41.2%	1,139
Comb Food Prep/Serv Wkrs	3,634	4,561	2.6%	25.5%	927
Personal/Home Care Aides	234	460	9.7%	96.6%	226
Ag., Forestry, Fishing and Related	3,969	4,233	0.3%	6.7%	264
Prec. Production, Craft and Repair	36,604	40,123	0.9%	9.6%	3,519
Carpenters	4,676	5,418	1.6%	15.9%	742
Painters & Paperhangers	1,695	2,266	3.4%	33.7%	571
Operators, Fabricators, and Laborers	31,507	35,880	1.2%	13.9%	4,373
White-Collar	182,115	215,463		18.3%	33,348
Blue-Collar	72,080	80,236		11.3%	8,156



jected for drafters, management support workers, and computer programmers. The professional occupation category will retain its position as the largest occupation category in Snohomish County, and within that group elementary teachers will also continue as the largest group. The least growth is expected in agriculture, forestry, and fishing positions (6.7 percent), and as it is a small category the 6.7 percent growth will add only 264 jobs to Snohomish County.

Services is the second largest occupational division in Snohomish County. Within services the greatest growth in employment is projected for child care workers, food preparers/servers, and home care aides. Child care work-

ers is in 5th place in terms of the expected number of new jobs in 2008.

Figure 35 compares the share of each occupational category and its projected growth for both Snohomish County and Washington State. For the county and the state professional occupations are the largest category, 24 and 22 percent, respectively. A lower rate of growth (17 percent) is expected for the professional occupations, compared to expected statewide growth (22 percent). The major difference between Snohomish County and the state is that precision production, craft, and repair occupations are the third largest category in the county (14 percent), compared to fifth place for the state (11 percent).

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

			Snohomish County			
	1998	% Share	2008	% Share	% Chg	Jobs
<b>Total</b>	<b>254,195</b>	<b>100%</b>	<b>295,699</b>	<b>100%</b>	<b>16%</b>	<b>41,504</b>
Professional and Paraprofessional	61,898	24%	72,358	24%	17%	10,460
Services	37,272	15%	46,884	16%	26%	9,612
Prec. Production, Craft, & Repair	36,604	14%	40,123	14%	10%	3,519
Clerical & Admin. Support	35,673	14%	38,404	13%	8%	2,731
Operators, Fabricators, & Laborers	31,507	12%	35,880	12%	14%	4,373
Marketing & Sales	28,710	11%	35,064	12%	22%	6,354
Managerial and Administrative	18,562	7%	22,753	8%	23%	4,191
Agriculture, Forestry, Fishing, & Related	3,969	2%	4,233	1%	7%	264
White-Collar	182,115	72%	215,463	73%	18%	33,348
Blue-Collar	72,080	28%	80,236	27%	11%	8,156
			Washington State			
	1998	% Share	2008	% Share	% Chg	Jobs
<b>Total</b>	<b>1,807,704</b>	<b>100%</b>	<b>2,106,615</b>	<b>100%</b>	<b>17%</b>	<b>298,911</b>
Professional, Paraprof., & Tech.	380,848	21%	466,118	22%	22%	85,270
Services	299,281	17%	367,617	17%	23%	68,336
Clerical & Admin. Support	254,274	14%	279,059	13%	10%	24,785
Operators, Fabricators, & Laborers	228,367	13%	261,409	12%	14%	33,042
Prec. Production, Craft, & Repair	213,957	12%	240,013	11%	12%	26,056
Marketing & Sales	194,344	11%	227,058	11%	17%	32,714
Managerial and Administrative	129,593	7%	156,480	7%	21%	26,887
Agriculture, Forestry, Fishing, & Related	107,040	6%	108,861	5%	2%	1,821
White-Collar	1,258,340	70%	1,496,332	71%	19%	237,992
Blue-Collar	549,364	30%	610,283	29%	11%	60,919

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

The occupations are organized under seven broad categories, for example, "Managerial and Administrative Occupations." Within each category the occupations are sorted by rank, the most common occupation will be at the top of the list within its category. For example, the most common occupation within "professional, paraprofessional, and technical occupations" is management support workers.

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

Occupational Title	Wage*	Rank**	Occupational Title	Wage*	Rank**
<b>Managerial and Administrative Occupations</b>			Teacher, Vocational Education	\$19.42	131
General Manager & Top Executive	\$32.24	4	Licensed Practical Nurse	\$14.94	132
All Other Manager & Administrator	\$26.77	6	Writer & Editor	\$21.37	136
Financial Manager	\$28.59	52	Dentist	\$52.07	138
Property & Real Estate Manager	\$15.42	53	All Other Health Prof, Paraprof, Tech	\$17.95	141
Food Service & Lodging Manager	\$13.26	54	Social Work, Medical & Psychiatric	\$16.82	145
Marketing, Advertising, Public Rel Mgr	\$28.44	72	Psychologist	\$24.70	147
Construction Manager	\$25.74	78	Photographer	\$11.69	153
Education Administrator	\$27.17	121	Dental Hygienist	\$30.82	155
Engineering, Math, Natrl Science Mgr	\$34.17	122	Mechanical Engineering Technician	\$19.47	160
Industrial Production Manager	\$28.34	135	Management Analyst	\$28.73	162
Administrative Service Manager	\$25.83	140	Loan Officer & Counselor	\$21.69	167
Purchasing Manager	\$24.61	161	Recreation Worker	\$10.81	176
Medicine & Health Service Manager	\$25.00	164	Pharmacist	\$29.95	180
Personnel, Train & Labor Relation Mgr	\$26.25	170	Architect, except Landscape & Marine	\$22.05	181
<b>Professional, Paraprofessional, and Technical Occupations</b>			Metallurgist & Related Engineer	\$27.40	183
All Other Management Support Worker	\$19.42	12	Medical & Clinical Laboratory Technician	\$14.39	187
Teacher, Elementary	\$40.550	15	Vocational & Educational, Counselor	\$20.10	190
Electrical & Electronic Engineer	\$28.69	16	Physical Therapist	\$25.66	191
Teacher, Secondary School	\$40,860	17	Residential Counselor	\$11.51	194
Registered Nurse	\$24.42	18	All Other Teacher, Instructor	\$30,940	195
Computer System Analyst, EDP	\$26.02	19	<b>Sales and Related Occupations</b>		
Accountant & Auditor	\$21.72	23	Salesperson, Retail	\$10.65	1
All Other Engineer	\$28.44	24	First Line Supervisor, Sales & Related	\$18.72	3
Teacher Aide, Paraprofessional	\$10.48	29	Cashier	\$9.24	5
Electrical & Electronic Technician	\$18.32	40	Sales Rep, exc Retail, Sci, Related	\$20.96	36
Computer Programmer	\$25.00	44	All Other Sales & Related Occupation	\$15.36	59
All Other Professional, Paraprof, Tech	\$21.07	46	Stock Clerk, Sales Floor	\$9.31	73
Mechanical Engineer	\$26.23	55	Telemarketer, Door-To-Door Sales & Rel	\$9.46	76
Drafter	\$16.60	56	Sales Rep, Science & Related, exc Retail	\$24.24	86
All Other Engineering & Related Tech	\$19.15	60	Counter & Rental Clerk	\$8.22	96
Aeronautical & Astronautical Engineer	\$30.26	61	Travel Agent	\$11.22	111
Purchase Agent, exc Whlsl, Retail, Farm	\$19.87	62	Salesperson, Parts	\$12.67	116
Designer, except Interior Design	\$17.96	63	Sales Agent, Real Estate	\$13.89	117
Instructor & Coach, Sport	\$14.41	70	Insurance Sales Worker	\$19.93	124
Personnel, Train & Labor Relation Spec	\$19.73	74	Sales Agent, Business Services	\$18.78	142
Lawyer	\$38.74	79	<b>Clerical and Administrative Support Occupations</b>		
Social Work, exc Medical & Psychiatric	\$16.20	81	General Office Clerk	\$11.69	2
Artist & Related	\$19.43	84	Bookkeeping, Accounting & Auditing Clerk	\$13.19	8
Physician & Surgeon	\$42.25	90	Secretary, except Legal & Medical	\$13.42	10
Cost Estimator	\$23.25	91	Receptionist, Information Clerk	\$10.13	21
Teacher, Special Education	\$41,210	98	First Line Supervisor, Clerical	\$17.50	28
Civil Engineer, including Traffic	\$26.62	107	Stock Clerk, Stockroom or Warehouse	\$11.32	30
Industrial Engineer, except Safety	\$23.14	109	Traffic, Shipping & Receiving Clerk	\$12.78	43
Computer Engineer	\$29.48	110	Production, Planning, Expediting Clerk	\$16.29	50
All Other Financial Specialist	\$21.17	114	All Other Clerical & Admin Support	\$12.38	51
Instructor, Nonvocational Education	\$15.23	115	Data Entry Keyer, except Composing	\$10.62	80
Industrial Engineering Technician	\$19.84	119	Typist, including Word Processing	\$12.90	97
Computer Support Specialist	\$18.25	128	Teacher Aide & Educational Asst, Clerk	\$9.40	100

**Figure 36 (Continued)**  
**Occupational Wages**  
**Snohomish County, 1998**  
**Source: Employment Security Department**

Occupational Title	Wage*	Rank**	Occupational Title	Wage*	Rank**
Postal Mail Carrier	\$16.19	102	Aircraft Structure & Related Assembler	\$17.83	34
Customer Service Represent, Utilities	\$15.42	118	First Line Supervisor, Production	\$18.71	35
Bank Teller	\$9.80	123	Machinist	\$14.35	37
Billing, Cost & Rate Clerk	\$12.99	150	Painter & Paperhanger, Constr & Maint	\$16.05	38
Insurance Adjuster, Investigator	\$20.92	163	Electrician	\$21.44	39
Order Clerk, Materials, Service	\$12.80	171	Assemble, Fabricate, ex Mach, Elec, Prec	\$11.08	45
Loan & Credit Clerk	\$14.35	174	Electric, Electronic Eq Assembler, Prec	\$11.25	47
Dispatcher, exc Police, Fire & Ambulance	\$16.21	179	Inspector, Tester, Grader, Precision	\$14.44	48
File Clerk	\$9.34	185	All Other Help, Labor, Matl Move, Hand	\$11.90	49
Order Filler, Sales	\$11.12	192	First Line Supervisor, Constr & Extract	\$24.07	57
Library Assistant & Bookmobile Driver	\$10.26	193	Aircraft Mechanic	\$18.34	64
Adjustment Clerk	\$13.43	196	All Other Precision Worker	\$12.29	67
<b>Services Occupations</b>			All Other Hand Worker	\$11.61	68
Combined Food Preparation & Service	\$6.55	9	Electrical, Electronic Assembler	\$10.61	71
Waiter & Waitress	\$6.38	11	All Other Mechanic, Installer & Repairer	\$17.00	82
Janitor & Cleaner, except Maid	\$9.54	13	Electrical Install & Repair, Trans Equip	\$16.20	83
Child Care Worker	\$7.73	14	Plumber, Pipefitter, Steamfitter	\$23.24	85
Food Preparation Worker	\$7.86	25	All Other Freight, Stock, Mat Move, Hand	\$10.76	88
Hairdresser & Cosmetologist	\$9.54	26	Production Inspector, Grade, Sort, Test	\$14.40	89
All Other Service Supervisor	\$14.20	33	Driver/Sales Worker	\$12.76	93
Nursing Aide, Orderly & Attendant	\$9.61	41	Sheet Metal Worker	\$18.07	95
Cook, Restaurant	\$9.44	42	Roofer	\$17.14	99
Bartender	\$7.64	65	Bus Driver, School	\$12.46	103
Guard & Watch Guard	\$9.71	66	Cabinetmaker & Bench Carpenter	\$12.38	104
Home Health Aide	\$8.33	69	All Other Const & Extract, exc Helper	\$21.65	105
Cook, Fast Food	\$6.53	75	Automotive Body, Related Repairer	\$16.60	106
Dining Room, Cafeteria & Bartender Help	\$6.06	77	Vehicle Washer & Equipment Cleaner	\$8.97	108
Correction Officer & Jailer	\$17.07	87	Operating Engineer	\$22.49	112
Maid & Housekeeping Cleaner	\$8.14	92	Welder & Cutter	\$15.85	113
Fire Fighter	\$23.12	94	First Line Supervisor, Mechanic & Repair	\$22.16	120
Dental Assistant	\$13.85	101	Drywall Installer	\$22.51	125
Cook, Institution or Cafeteria	\$10.01	134	Bus Driver, except School	\$14.31	126
Amusement & Recreation Attendant	\$7.35	137	Industrial Truck & Tractor Operator	\$14.78	127
Host & Hostess, Restaurant, Lounge	\$7.00	146	Heat, A/C, Refrigeration Mech & Install	\$18.45	129
Baker, Bread & Pastry	\$9.96	151	Machine Feeder & Offbearer	\$10.08	130
Cook, Short Order	\$9.19	152	Numeric Control Mach Tool Op/Tend, Me/Pl	\$13.52	133
Police Patrol Officer	\$22.76	154	Taper	\$21.58	139
All Other Service Worker	\$10.02	157	All Other Machinery Mechanic	\$20.02	143
All Other Protective Service	\$12.86	159	Telephone & Cable TV Line Install/Repair	\$18.19	144
Medical Assistant	\$11.54	169	Milling, Planing Mach Setter/Op, Me/Pla	\$14.56	156
Counter Attendant, Lunchroom, Cafeteria	\$7.19	173	Sewing Machine Operator, Garment	\$7.99	158
All Other Food Service Worker	\$9.04	186	Bus & Truck Mechanic & Diesel Specialist	\$19.44	165
<b>Agricultural, Forestry, Fishing and Related Occupations</b>			Machine Assembler	\$11.36	166
Laborer, Landscaping & Groundskeeping	\$10.97	58	Helper, Carpenter & Related Worker	\$10.31	168
All Other Agricultural, Forestry, Fish	\$14.05	148	Painters, Transportation Equipment	\$15.17	172
Farm Workers, Farm/Ranch Animals	\$6.91	149	Service Station Attendant	\$7.85	175
Animal Caretaker, except Farm	\$7.68	189	Helper, Mechanic & Repairer	\$10.91	177
<b>Production, Construction, Oper, Maint, &amp; Material Handling</b>			Carpet Installer	\$22.26	178
Carpenter	\$19.13	7	Excavating & Loading Machine Operator	\$18.89	182
Truck Driver, Heavy or Tractor-Trailer	\$16.69	20	Concrete & Terrazzo Finisher	\$22.41	184
Automotive Mechanic	\$14.86	22	Woodworking Mach Op/Tender, exc Sawing	\$10.41	188
Truck Driver, Light, incl Delivery & Rel	\$11.15	27			
Maintenance Repairer, General Utility	\$13.76	31			
Hand Packer & Packager	\$7.97	32			

\*Wages are either hourly or annual. Annual wages are based on the mean.  
\*\*Ranking is by amount of employment per occupation, from highest (1) to lowest (196).

# PERSONAL INCOME

The following sections relate to income, which includes both wage and non-wage sources. The data are derived from the U.S. Department of Commerce, Bu-

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

## Total Personal Income

Personal income is generally seen as a key indicator of a region's economic vitality. Conceptually, personal income captures all forms of income: wages, salaries, government transfer payments, retirement income, farm income, self-employed income, proprietors' income, interest, dividends, and rent, but not contributions toward social insurance. By definition business and corporate incomes are not included.

Figure 37 displays both real and nominal (not adjusted for inflation) total personal income in Snohomish County from 1970 to 1999, which increased from \$3.98 billion to over \$15.8 billion, ranking third among the 39 counties. This 297 percent increase equates to an average 5.1 percent annual growth rate, significantly higher than the state's 4.0 percent annual growth.

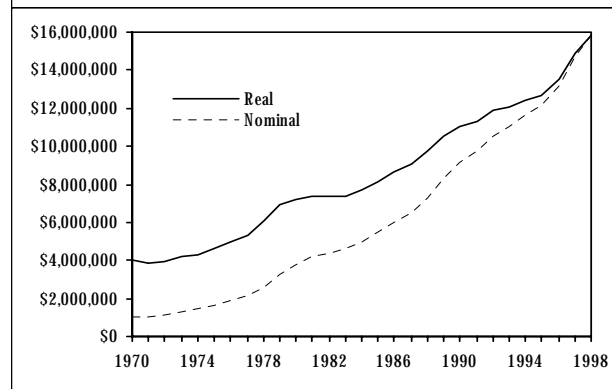
Figure 38 shows the annual growth rates for personal income for Snohomish County, the state, and the nation from 1970 to 1998. Snohomish County has shown consistently higher growth than both the state and the nation, with especially high growth rates in the late 70s, 80s and 90s. Most recently the Snohomish County per-

sonal income annual growth rate increased from 6.3 percent in 1996 to 10.1 percent in 1997, before declining back to 6.4 percent in 1998.

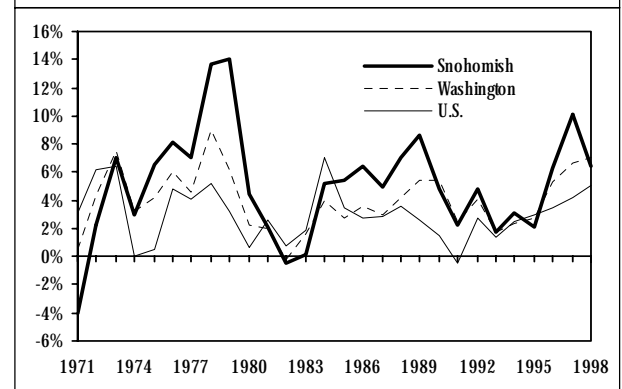
The total amount of income in an area is only a sensible concept if there is some relationship to the number of people in an area. Per capita income (PCI) is calculated by dividing total personal income by the total population for an area. PCI provides a figure that can be used as a common denominator between different time periods and/or different areas. It is also useful as an indicator of the character of consumer markets and of the overall economic well being of the residents of an area.

Figure 39 compares the adjusted per capita personal income for the county, the state, and the nation from 1970 to 1998. Unlike the average wage discussed earlier, per capita income has been growing steadily. Although its level flattened somewhat after the 1970s, the trend remained an upward one. In 1998, per capita income in Snohomish County was \$27,015 (the third highest in the state); the Washington average was \$28,719. It should be remembered that King County, with its huge

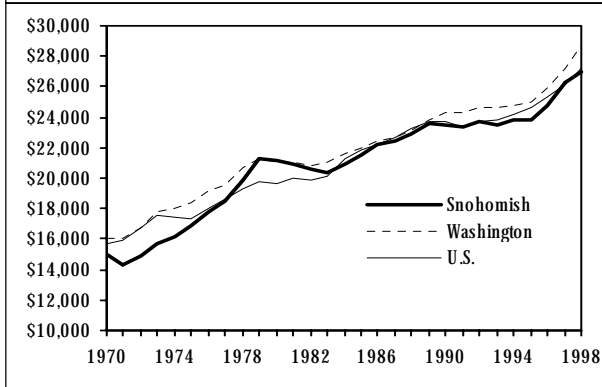
**Figure 37**  
**Total Personal Income, Real and Nominal**  
**Snohomish County, 1970-1998**  
*Source: Bureau of Economic Analysis*



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



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



population and highly paid high-tech and aerospace industries, is the strongest driver of the statewide income averages. Only King and San Juan counties have PCIs higher than the state average.

Per capita income has increased 80 percent from 1970 to 1998, with an average annual growth rate of 2.2 percent, slightly outpacing the average growth rates for both the state (2.1 percent) and the nation (2.0 percent). More recently, the average growth rate was 4.3 percent from 1996 to 1998; the state average over the same three years was 4.7 percent.

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. The median income in Snohomish County in 1998 was \$52,599, the second highest in the state after King County. The state average was \$48,289. The high rate of per capita income and of median income is an indication that income is relatively evenly distributed in the county and not merely concentrated in a few hands.

## Components of Personal Income

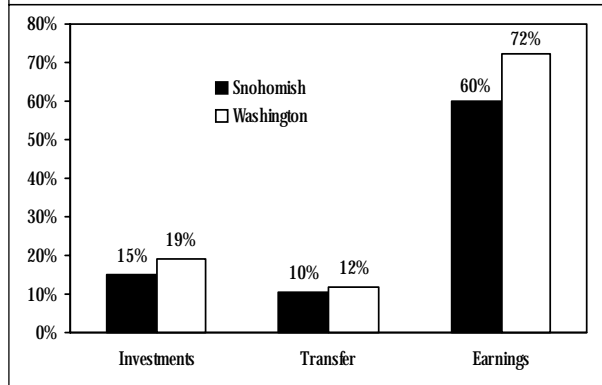
As mentioned earlier, personal income encompasses many different types of income. All the various types, however, can be subsumed under the three broad categories: 1) earnings, 2) transfer payments, and 3) investment income. Earnings include wages, salaries, and proprietors' income; transfer payments include income maintenance, unemployment insurance, medical, and retirement payments; investment income consists of interest, dividends, and rent.

Interestingly, all personal income components have lower percentages in Snohomish County than for the

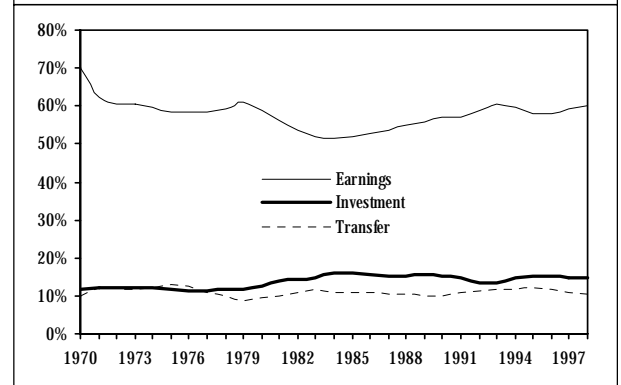
state (Figure 40) in 1998, with the biggest difference for earnings, 60 and 72 percent, respectively. It should be noted, that the Snohomish County components add up to only 85 percent. The reason for this will be discussed within the earned income section.

Figure 41 shows how the shares of personal income components for Snohomish County have changed over time, from 1970 to 1998. Earnings as a share of personal income has declined from 70 to 60 percent. Similarly, statewide earnings as a share of personal income declined from 78 to 72 percent. Investment has increased

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



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



from 14 to 20 percent (virtually the same statewide), and most importantly transfer payments have increased from 13 to 22 percent of total personal income.

Since 1970, transfer payments and investment income increased 314 and 409 percent, respectively, while earned income increased 241 percent. Statewide, trans-

fer payments and investment income increased 355 and 395 percent, respectively and earned income increased 276 percent. It must be remembered that earned income, even though its growth has been slow compared to the others, still has a 60 percent share of all personal income, amounting to \$9.5 billion in 1998.

## Earned Income

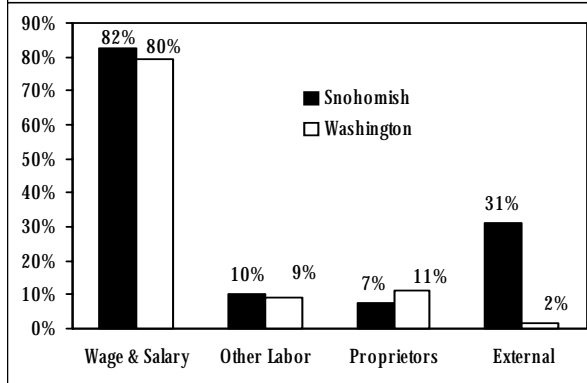
Earnings constitute the lion's share of personal income, and although its share of personal income has declined significantly over the last three decades, it has had good growth in absolute terms. There are three types of earnings: wages and salaries, proprietors' income, and "other labor income." Other labor income includes a number of items but is mainly driven by employer contributions to health care and retirement plans. The components which comprise earned income are based on residence within the county. In addition to the three primary components there is also an "adjustment for residence," referred to as "external" income. This is the amount of income earned outside of the county by residents of the county, or, if the figure is negative it is the amount of money earned within the county by non-residents of the county. This can be a very large percentage in counties with substantial numbers of commuters.

Figure 42 compares the share of each earned income component for Snohomish County and Washington State in 1998. The biggest difference between the state and the county is for external income, which is 31 percent for Snohomish County. (The three components of personal income add up to only 85 percent primarily because "external" income, which is very significant in Snohomish

County, is not included in county based personal income.) This means that in 1998, 31 percent of the income earned in Snohomish County is earned outside of the county. Similarly, 2 percent of state income earned by state residents is earned outside of the state, primarily by Clark County residents who work in Oregon.

Figure 43 shows the amount (in thousands of dollars) earned by Snohomish County residents, outside of the county. The amount has been climbing steadily, except for a dip in 1993-94, from \$450 million in 1970 to \$2.96 billion in 1998, an overall increase of 557 percent. In comparison, other labor increased 447 percent, wages and salary 242 percent, and proprietors' by only 121 percent. Figure 43 also shows the number of dollars earned in King County by non-King County residents. Although, the two were very close in the 1970s, a gap which began in the late 1970s, began to increase dramatically from 1984. Without detailed census information on commuting patterns, it is difficult to interpret the implications of the data. It would seem that while the amount of money being earned in King County by nonresidents is steadily increasing, an increasing share of that income is being earned by other counties besides Snohomish, for example, Pierce County.

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



**Figure 43**  
**Trends in Earned Income Components**  
**Snohomish County & King County, 1970 - 1998**  
*Source: Bureau of Economic Analysis*

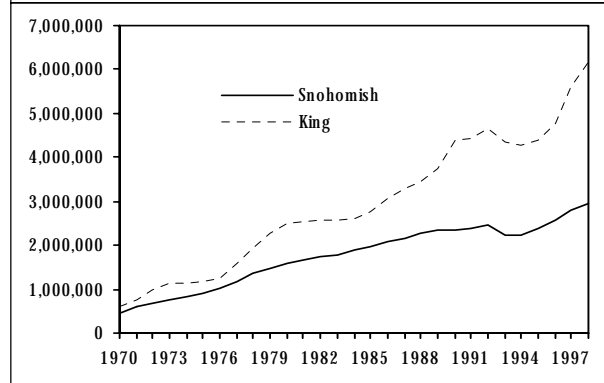
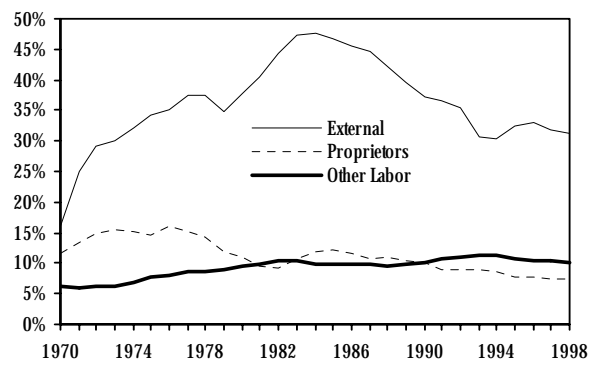


Figure 44 shows how the smaller earned income components have changed over time as a share of total earned income. The external income component increased dramatically, from 16 percent in 1970 to 47 percent in 1984, and then gradually declined to 31 percent in 1998. Unlike the other earned income components, external income does not “displace” the other components with respect to their share of the total. External income is comprised of the other three components.

Other labor income increased from 6 to 10 percent of earned income. The big increase in other labor income stems from the tax advantages accruing to employers (and employees) on indirect sorts of compensation. Wages and salaries fluctuated between 76 and 82 percent, but began and ended at 82 percent of earned income. Proprietors’ income increased from 11 percent in 1970 to 16 percent in 1976 but then steadily declined to 7 percent by 1998. Proprietors’ income is the aggregate of all the self-employed work-

**Figure 44**  
**Earned Income Component Trends**  
**Snohomish County, 1970-1998**  
*Source: Bureau of Economic Analysis*



ers in the county, including farmers. “External income” pretty much offsets the perceived decline in wages and salary as a component of earned income.

## Transfer Payments

The second component of personal income is transfer payments, which have increased by 314 percent in Snohomish County compared to 255 percent for the state as a whole. A transfer payment is a payment, usually from the government, to someone from whom no service is required. Figure 45 shows the transfer payment components for Snohomish County and Washington State in 1998. (Note: The total does not add up to 100 percent as veterans’ benefits and other smaller components are not included for this analysis.) Previous county profiles included the medical component under retirement. But, as this component has become a significant percentage of transfer payments over time, it is now shown as a separate component.

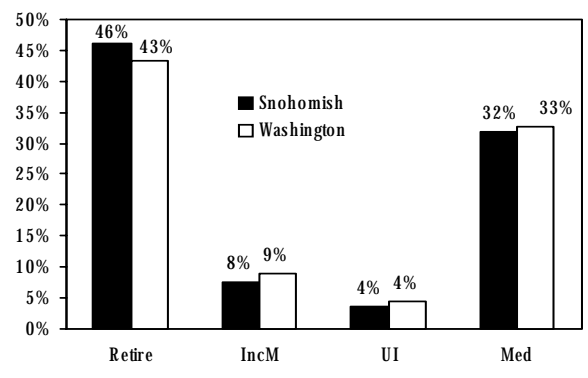
Interestingly, even though Snohomish County has a lower percentage of transfer payments (10 percent of personal income), the component shares are very similar to the state. By far, retirement and medical are the largest transfer components for both the state and the county. In Snohomish County retirement and medical account for 46 and 32 percent, respectively. The biggest difference between Snohomish County and the state is for retirement, 46 percent compared to 43 percent for the state. Income maintenance, Medical, and UI shares are virtually the same as for the state.

Figure 46 shows the components of transfer payments from 1970 to 1998 for Snohomish County. Medical in-

creased steadily from 13 percent of transfer payments in 1970 to 32 percent in 1998, with an overall increase of 865 percent (\$514 million). Medical has increased the most of all transfer components even more than that for the state, which increased by 700 percent.

Unemployment insurance fluctuated between 10 and 23 percent of transfer payments between 1970 and 1976. Since then it has always been under 10 percent or less except for 1982-83 when it was 15 percent. More recently UI has declined from 8 percent of total transfer

**Figure 45**  
**Transfer Payment Components**  
**Snohomish County & Washington, 1998**  
*Source: Bureau of Economic Analysis*



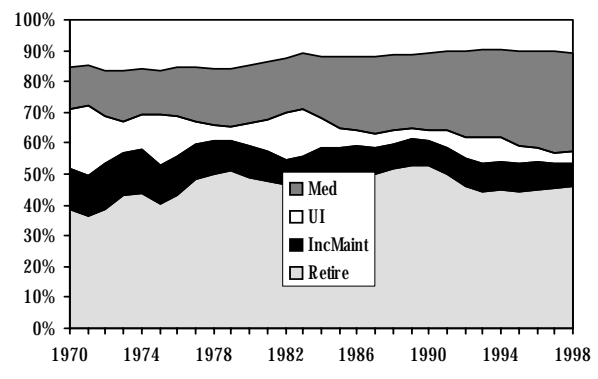
payments in 1994 to 4 percent in 1998 (\$59 million). Overall unemployment insurance has actually declined by 20 percent since 1970. Unemployment insurance does not follow a trend like the others but expands and contracts along with the economy, growing greatly as unemployment increases and falling off as it decreases.

Income maintenance has declined steadily from 13 percent in 1970 to 8 percent in 1998 (\$122 million), despite a modest overall growth of 141 percent. Income maintenance are those payments generally thought of as welfare. Some of the various programs are AFDC, food stamps, and general assistance.

Retirement has fluctuated between 36 percent (1971) and 53 percent (1989-90) of total transfer payments; it ended at 46 percent in 1998 which was the average percentage from 1970 to 1998. Overall retirement payment increased 395 percent, the highest level of growth after medical. Retirement, which includes government (federal, state, and local), military retirement plans, and social security still holds the largest share of transfer payments, \$746 million in 1998.

For the state as a whole, income maintenance increased by 149 percent, retirement by 258 percent, un-

**Figure 46**  
**Transfer Payment Component Trends**  
**Snohomish County, 1970-1998**  
*Source: Bureau of Economic Analysis*



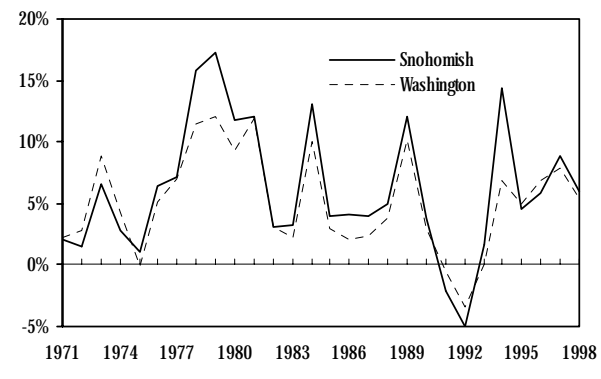
employment insurance by 16 percent, and medical by 700 percent.

Snohomish County retirement and medical payments had greater growth than statewide payments, while income maintenance and unemployment insurance had lower rates of growth.

## Investment Income

Investment income stems from dividends, interest, and rent. In Snohomish County investment income has grown the most of all personal income components, 409 percent since 1970, representing 19 percent of personal income in 1998 (\$2.35 billion). The annualized average growth was a high 6.1 percent, compared to 5.1 percent statewide and 4.2 percent nationwide. Only six of the 39 counties had average rates of investment higher than Snohomish County. Since 1970 there were only two years of decline (1991-92). Investment income then experience a rebounding growth rate of 14 percent in 1994 and since then has fluctuated between 4.5 and 9 percent (*see Figure 47*). This component of personal income should continue to expand at a healthy clip as more and more individuals, especially but not exclusively baby boomers, save for retirement via interest- and dividend-bearing investment vehicles.

**Figure 47**  
**Annual Investment Growth Rates**  
**Snohomish County & Washington, 1970-1998**  
*Source: Bureau of Economic Analysis*





---

# ECONOMIC DEVELOPMENT

---

The **Economic Development Council of Snohomish County (EDC)** is a private nonprofit organization established in 1955 as a public-private partnership dedicated to promoting economic growth and diversity that is consistent with the region's quality of life. Over the past 40 years, the EDC has been instrumental in developing and delivering business development programs in Snohomish County. The EDC's shareholders, board of directors, and staff are committed to helping create a positive business environment in Snohomish County. Current EDC economic development programs include the following:

- Export Assistance
- U.S. Department of Defense Procurement Technical Assistance
- Market Analysis
- Land Use Analysis and Policy
- Local Business Expansion
- Domestic and International Business Recruitment
- Economic Investment Plan Development and Implementation
- Demographics Research and Analysis
- Manufacturers Directory Publication
- Washington Manufacturers Service
- Customized training program

*Contact:* Economic Development Council of Snohomish County, Inc., 728 134th Street SW, Suite 219, Everett, Washington 98204, Phone: (206) 743-4567 / Fax: (206) 745-5563, Deborah Knutson, *President*.

The *Port of Everett* was established to broaden and strengthen Snohomish County's economic base through responsible stewardship of port district assets, including marine terminals, industrial property and facilities, and commercial and recreational facilities.

The Port of Everett is sited on Port Gardner Bay, a deep-water bay located on north Puget Sound. Though not the largest port, the Port of Everett is closer to the Far East and Alaska than other West Coast ports. The Port is also the western terminus of the Burlington Northern Railroad, which means that all cargo shipped to the Midwest or Eastern United States from Washington passes through Everett.

The Port of Everett has two marine terminals: Hewitt Terminal (four berths) and South Terminal (two berths). Warehouses and utilities are available on site, including a refrigerated on-dock warehouse. These terminals served 127 vessels and processed one million tons of cargo in

1995. Major cargoes handled by the Port include logs, lumber, agricultural products, alumina, and aircraft parts. The Port has developed the capability to handle container cargo. The North Pacific Steamship Corp. employs two 1,100 ton vessels between Kobe, Japan and the Port of Everett. The line also serves other north Asian ports using existing feeder service.

In the area of industrial development, the Port of Everett leases more than 100 acres of land and approximately 200,000 square feet of building space to 60 tenants on Port property.

The Port of Everett also operates commercial and recreational facilities, namely the Everett Marina and Marine Village. Everett Marina is the second largest marina on the West Coast with its 2,000-plus moorage slips. The Marina is supported by the Port Gardner Marine Park and boat launch which launches more than 40,000 boats per year. The Marina also has berthing and repair services for commercial fishing as well as a seafood processing plant. Marina Village is a commercial center anchored by the Marina Village Inn and a variety of restaurants and shops.

Future Port expansion plans include adding another berth and refrigerated warehouse capacity and development of 179 acres of riverside property for industrial development.

*Contact:* Port of Everett, P.O. Box 538, Everett, Washington 98206, Phone: (206) 259-3164 / Fax: (206) 252-7366, Ed Paskovskis, *Deputy Director*.

The *Port of Edmonds* is conveniently located on Puget Sound approximately 6.9 nautical miles from Seattle and 8.0 nautical miles from Everett at latitude 47-48-68, longitude 122-23-47. The Port features a marina that offers guest and permanent moorage. The marina is protected by a 3,000 foot breakwater. The marina is within walking distance of a 950-foot lighted pier, a 43-acre underwater park, and shopping and dining in the town of Edmonds. The Port is just south of the Washington State Ferries' Edmonds-Kingston run. Services at the Port of Edmonds include the following:

- Boat moorage
- Dockside water and power (30 amp)
- Modern lighted docks
- Public launch facilities
- Complete marine support services
- Restroom and shower facilities

- Parking and unloading areas
- Public work yard
- Public travel lift
- Monitored VHF Channel 69

*Contact:* Port of Edmonds, 336 Admiral Way, Edmonds, Washington 98020, Phone: (206) 774-0549 / Fax: (206) 774-7837, Bill Toskey, *Executive Director*.

**Chambers of Commerce** are generally comprised of business owners and other interested individuals who work together to further the business interests of their respective communities. In Snohomish County, the list of Chambers includes (in alphabetical order): Arlington, Darrington, Edmonds, Everett Area, Lake Stevens, Greater Marysville-Tulalipe Area, Greater Monroe, Northshore (Mill Creek), Sky Valley, Snohomish/Lynnwood, Stanwood, and Sultan.

**Infrastructure.** An area's infrastructure is integral to economic development. The following are the primary elements currently in place in Snohomish County.

**Roads and Highways.** Snohomish County's transportation network is most developed in its western half. Interstate 5 is the principal thoroughfare, extending north and south along Puget Sound, connecting Everett, Lynnwood, and Marysville with one another and the greater Seattle area. Extending off I-5 in the south county are S.R. 525 and S.R. 526 between Mukilteo and Lynnwood and S.R. 104 to Edmonds. In the north county, S.R. 531 and S.R. 532 extend to Stanwood and nearby beaches. State Route 9 parallels I-5 about five miles further inland, connecting Snohomish, Arlington, and Lake Stevens. Extending into the eastern reaches of the county are S.R. 530 to Darrington, S.R. 92 to Granite Falls, and S.R. 522 to Monroe. U.S. Route 2 travels east and west through south Snohomish County, providing a cross-Cascade link with eastern Washington via Stevens Pass.

State Route 532 in the northwest corner of Snohomish County near its border with Skagit County extends west from I-5 onto Camano Island (which is part of Island County). In fact, it is the only way to get on or off the island, which is not served by ferries.

Speaking of ferries, Washington State Ferries operates two runs in Snohomish County. One runs between Edmonds and Kingston in Kitsap County, the other between Mukilteo and Columbia Beach on south Whidbey Island in Island County.

**Air Transportation.** Snohomish County has five airfields. The largest is Paine Field, also known as Snohomish County Airport. The others are Harvey Airfield (Snohomish), Arlington Municipal Airport (Arlington), and Sultan Sky Harbor (Sultan). These airfields

handle mostly small, privately-owned and chartered aircraft. Paine Field handles the largest jetliners, but does so exclusively for The Boeing Company and not for commercial passenger airlines. Snohomish County residents requiring major air passenger service can go to Seattle-Tacoma International Airport near Burien (40 miles south of Everett). Sea-Tac Airport is served by most major airlines with service to most major domestic and international destinations.

**Rail Transportation.** The Burlington Northern Railroad currently has 200 active spurs in Snohomish County. Burlington Northern handles general freight and commodities, particularly local lumber and fruit produce.

**Educational Facilities.** *Everett Community College*, founded in 1941, is a state-supported, two-year college established to meet the higher education needs of Snohomish County residents. It is fully accredited by the Northwest Association of Schools and Colleges. Everett Community College confers an Associate of Arts or Associate of Science degree for its transfer programs (those which constitute the first two years of a four-year college education) while an Associate of Technical Arts degree is awarded for completion of any of the 14 vocational and technical programs specifically designed for job training or retraining. The continuing education program offers an Associate of General Studies degree. Everett Community College also offers a high school diploma as well as General Equivalency Degree (GED).

*Contact:* Everett Community College, 801 Wetmore Avenue, Everett, Washington 98201-1327, Telephone: (206) 388-9100, Homepage: <http://www.evcc.ctc.edu>, Mr. Charlie Earl, *President*.

*Edmonds Community College* is located 15 miles north of Seattle in the center of the growing south Snohomish County communities of Edmonds, Lynnwood, Mountlake Terrace, Brier, and Woodway.

Cultural opportunities abound, both locally and in the nearby metropolitan center, where students find a variety of career opportunities in business and industry.

Students come to Edmonds Community College to take advantage of comprehensive programs which include:

- Transfer courses parallel to the first two years of university and four-year college work.
- Professional and technical education degree and certificate programs for training or retraining in a variety of job fields.
- Developmental courses and high school completion.
- A wide range of continuing education and personal development courses.

Officially opened in 1967, Edmonds Community College is a public, two-year, coeducational state community college which each year welcomes about 11,000 students. The college is accredited by the Northwest Association of Schools and Colleges and is part of the Washington State Community College System governed by the Washington State Board for Community and Technical Colleges.

In April of 1990, Edmonds Community College established a branch campus in Kobe, Japan, Seattle's sister city.

*Contact:* Edmonds Community College, 20000 68th Avenue W, Lynnwood, Washington 98036-5999, Phone: (206) 640-1500, Homepage: <http://www.edmonds.ctc.edu>, Dr. Jack Oharah, *President*.

*Regional Colleges and Universities.* Transportation networks put Snohomish County residents in close proximity to several regionally-oriented colleges and universities, primarily to the south in the Seattle-King County area by way of either Interstate 5 or Interstate 405. These include the University of Washington, Seattle University, and Seattle Pacific University.