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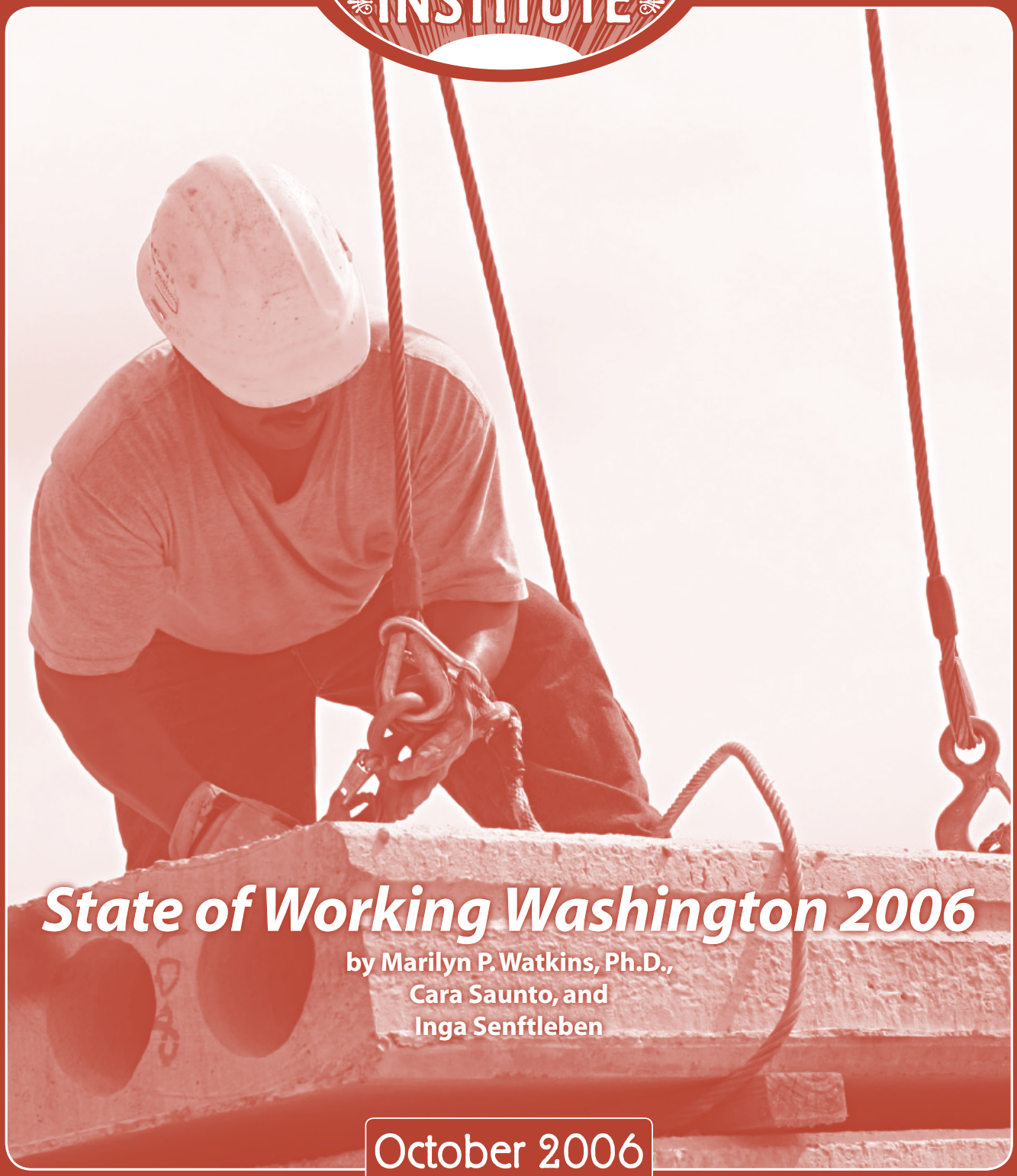

State of Working Washington 2006

by Marilyn P. Watkins, Ph.D.,
Cara Saunto, and
Inga Senftleben

October 2006

The Economic Opportunity Institute (EOI) is a public policy research and development institute. EOI focuses on analysis of and solutions for the most pressing problems of economic security and opportunity that confront middle class and low-income families in Washington State. EOI's policy work embraces solutions that are long lasting, universal, pragmatic, and replicable in other states.

EOI's work focuses on state taxation policies, early childhood education, family leave insurance, retirement security, Social Security, minimum wage and the state of the Washington State economy.

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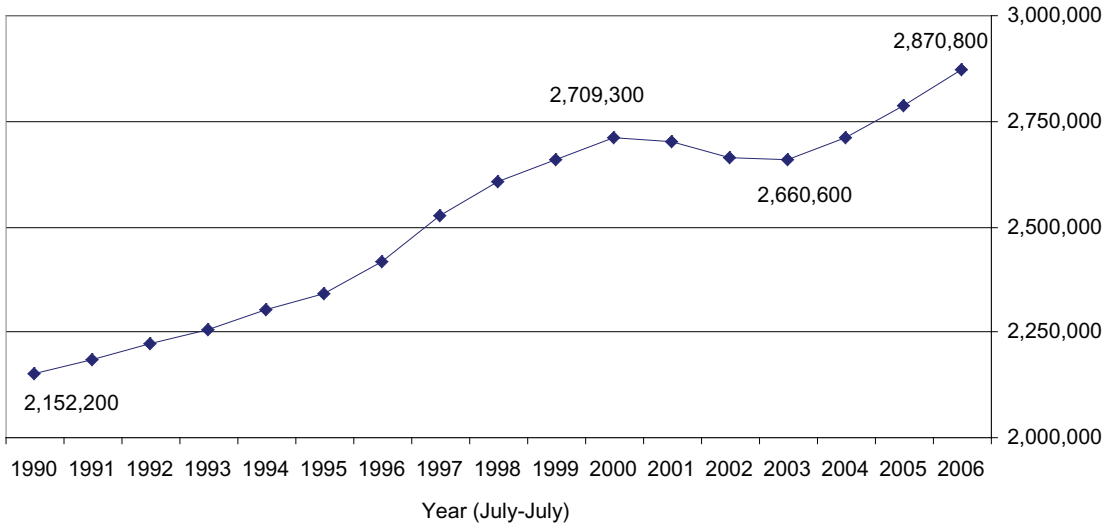
Introduction and Executive Summary

Washington state experienced strong job growth in 2005 and 2006, but the benefits of the booming economy have been unequally distributed. Because the job market has been so slack for so long, the typical family income has not kept up with inflation. Men from their mid-20s to their mid-40s in particular are earning less now than they did in the late '90s. Women have managed to just keep pace with inflation, while continuing to earn far less on average than men.

Recovery from the 2001 recession has been remarkably slow. Between 2000 and 2002, the state lost 58,000 jobs, slowly gained them back over the next two years and ended 2005 with 66,000 jobs more than in 2000. Through mid-2006, the job numbers look even better. July 2006's job figures were 83,000 over the previous summer.

The state has a lot of making up to do. During the 1990's, Washington added 56,800 jobs ***each year*** on average. Between 1990 and 2000, the state's population grew by 21.1%, while jobs increased at the faster pace of 26.5%. So far in this decade, jobs are growing more slowly than the rate of population increase. From April 2001, just before the recession took hold, to April 2006, Washington's population grew by 6.7%, or 400,700 people. Jobs over that same period increased by 5.2%, or 140,000 jobs. [1]

Nonagricultural Jobs in Washington State, July 1990 – July 2006



Source: Washington State Employment Security Department, Industry Employment, WorkforceExplorer.com

The jobs that are expanding are often different than the ones that were lost. Manufacturing employed 16% of Washington's workforce in 1990, but only 10% in 2005. Education and health services, professional and business services, information, and construction have all gained in job share. Wages in these sectors are quite diverse.

While some Washington residents are doing very well in the current economy, prosperity is not widespread. One of the most significant economic trends nationally in the past decade has been a sharp rise in productivity. From the mid 1970s to the mid-1990s, productivity grew at an average annual rate of 1.4%. Between 1995 and 2000, the productivity rate rose to 2.5% a year, then increased again to 3.1% from 2000 to 2005.[2] Rising productivity means that each worker produces more in an hour of work. The question is, who benefits? In the 1990s when the labor market was tight, the benefits of rising productivity were distributed up and down the economic ladder, with workers at all skill and education levels seeing real increases in their incomes. However, during the jobless recovery after the 2001 recession, the benefits of productivity growth have gone almost exclusively to the very highest earners and to corporate profits.

In Washington state, income for the typical family in 2005 was $4,000 less than in 1999 after adjusting for inflation. Men saw their average monthly earnings increase by one third in inflation adjusted dollars between 1994 and 1999, from $3,381 to $4,482, but by 2004 their average monthly earnings had fallen to $4,227. Women's monthly earnings rose by a more modest 23% from 1994 to 1999, from $2,044 to $2,512, then remained largely stagnant, inching up to $2,597 by 2004.

At least Washington is doing much better than the national average. Our state median income is about $5,000 above the national. The U.S. increased jobs by only 1.3% between 2000 and 2005, compared to 2.4% in Washington. So far in 2006, jobs in the U.S. are up 1.2% over 2005, compared to 2.1% in Washington.[3] Public policy makes a difference in how economic gains are distributed among working families. Because of Social Security and its annual cost of living adjustments, poverty among seniors remains lower than for any other age group, both in Washington and throughout the United States. Fewer children lack health insurance than adults, because of both state and federal programs designed to get coverage to kids who need it. Thanks to Washington's minimum wage law with annual cost of living adjustments, the state's lowest earning workers did not lose ground during the recession, and the state's poverty level remains lower than the national average for both adults and children.

Every worker is contributing to rising wealth for our nation and state. New state and federal policies could help ensure that all working families benefit from that growing wealth and help mitigate the pain of the transition to a new mix of industries. Key areas for new policy development include:

- **Education –** Washington is importing college graduates, engineers, and other highly trained workers from other states and countries, while short-changing our own higher education system. A recent national evaluation of state higher education systems ranked Washington poorly in both access to college and affordability for middle and low income families.[4] We need to expand access to four-year colleges while maintaining an open door at technical and community colleges, continue efforts to build a world-class K-12 system, and greatly expand preschool and high quality early learning so that every child in the state enters kindergarten ready to succeed in school.

- **Paid leave benefits –** While some workers have been able to command good benefits, many have no or only limited paid leave benefits. Part time workers and those in growing service occupations are particularly unlikely to have paid sick leave. Women now comprise almost half the workforce, most parents of young children are in the workforce, and many workers have elderly parents needing care. Nevertheless, paid family leave is a rarity for Washington workers. Five states with over 20% of the U.S. workforce have had universal paid disability programs in place for decades, and California added a family leave component to its disability program in 2004. Legislation has already been introduced to adopt similar programs in Washington and other states, including Illinois, Massachusetts, New York, and New Jersey.[5] Legislation to require employers to provide sick leave has been introduced in Congress and in several states and municipalities.[6] Lack of access to paid leave compounds the problems of high numbers of children in poverty, inadequate health care coverage, and continued gender inequality in earnings.

- **Universal retirement accounts –** Over 50% of workers do not have any workplace-based retirement plan. With life spans lengthening and people changing jobs more often, we need easy, portable plans, oriented both towards individuals and smaller businesses. Washington Voluntary Accounts provide an easy way for the state to help all workers save for a more secure retirement.[7]

- **Health care –** Rising costs and declining insurance coverage are squeezing workers, businesses, and taxpayers. We need policies that combine – rather than further segment – risk pools; lower costs of prescription drugs, administration, and other costs; and provide coverage for people during life transitions and in between jobs.

- **Infrastructure development –** Every part of the state and every type of business needs a good transportation and communications infrastructure. With global warming and energy dependence threatening to undermine our quality of life, we also need to transition quickly to better fuel efficiency and renewable energy sources. Investing in a modern, fuel-efficient infrastructure also creates good jobs, both directly and indirectly. A windfall profits tax on oil companies would be one way to finance such public investments.[8]

- **Tax policy –** Expanded public investments in education, social insurance, and infrastructure will lead to a better quality of life for all Washington residents. Generating the revenues for those investments will be very difficult with our current tax structure, which is inequitable and does not reflect the 21st century economy. Creating a new tax structure will require standing up to numerous special interests and convincing a skeptical public, but our state's future depends on it.[9]

Notes to Executive Summary

1 Washington job numbers from Washington Employment Security Department, Industry Employment, Historical Series, through July 2006, www.WorkforceExplorer.com. Population numbers from Washington Office of Financial Management, "More People Moving to Washington," June 29, 2006, http://www.ofm.wa.gov/news/release/2006/060629.asp.

2 Lawrence Mishel, Jared Bernstein, Sylvia Allegretto, *The State of Working America 2006/2007*, Economic Policy Institute, September 2006, p. 1.

3 Washington job numbers from Washington Employment Security Department, WorkforceExplorer.com, Industry Employment, Historical Series. National numbers from U.S. Bureau of Labor Statistics, "The Employment Situation, July 2006," http://www.bls.gov/news.release/pdf/empsit.pdf, and Establishment Data, Historical Employment, Table B-1, "Employees on nonfarm payrolls by major industry sector, 1956 to date," ftp://ftp.bls.gov/pub/suppl/empsit.ceseeb1.txt.

4 National Center for Public Policy and Higher Education, "Measuring Up 2006: The State Report Card on Higher Education," Washington fact sheet, September 2006, www.highereducation.org.

5 For Washington family leave insurance legislation see Senate bill 5069 and House bill 1173, 2005-06 Session, www1.leg.wa.gov.

6 For Washington sick leave legislation see Senate bill 6592 and House bill 2777, 2005-06 Session, www1.leg.wa.gov.

7 For Washington Voluntary Accounts legislation see Senate bill 5544 and House bill 1570, 2005-06 Session, www1.leg.wa.gov.

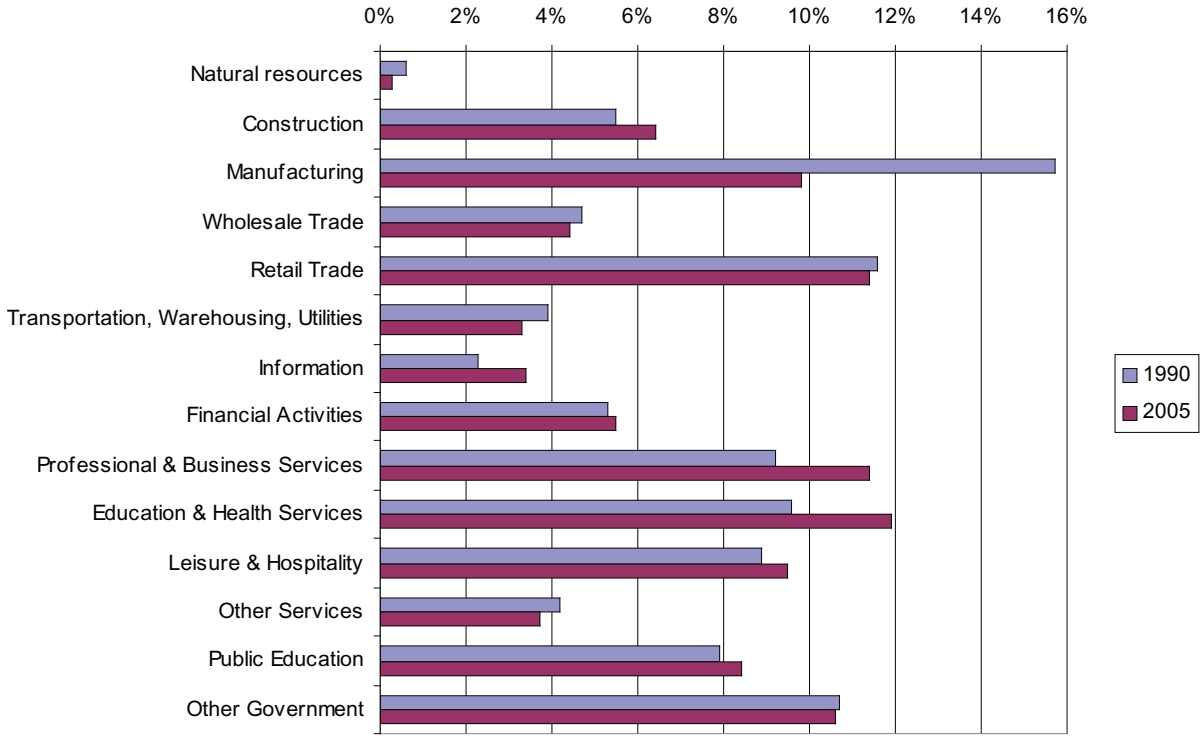
8 See John R. Burbank, "The Environment, the Economy, and Energy: Redirecting Windfalls for a Renewable Energy Future and a Sustainable Transportation Policy," Economic Opportunity Institute, September 2006, www.eoionline.org.

9 See Marilyn P. Watkins, "Reforming Washington's Tax System: Where Do We Go From Here?" Economic Opportunity Institute, January 2005, www.eoionline.org.

Jobs in Washington's Changing Economy

Washington's economy has changed since 1990. Manufacturing has declined sharply, from nearly 16% of all nonagricultural jobs to just under 10%. Education and health services, professional and business services, information, and construction have all gained in job share. Some of the new jobs are quite high paying, while others pay well below the state average earnings. Because of significant differences in training and skill requirements, people who lose a job in a shrinking sector often have a difficult time finding a job with similar pay in another. Over the 15 year period from 1990 to 2005, average real wage and salary earnings for workers have increased by about 12%, from $3,055 to $3,429 in 2005 dollars, but almost all of that gain was during the 1990s.[1]

Nonagricultural Jobs in Washington by Major Sector, 1990 and 2005

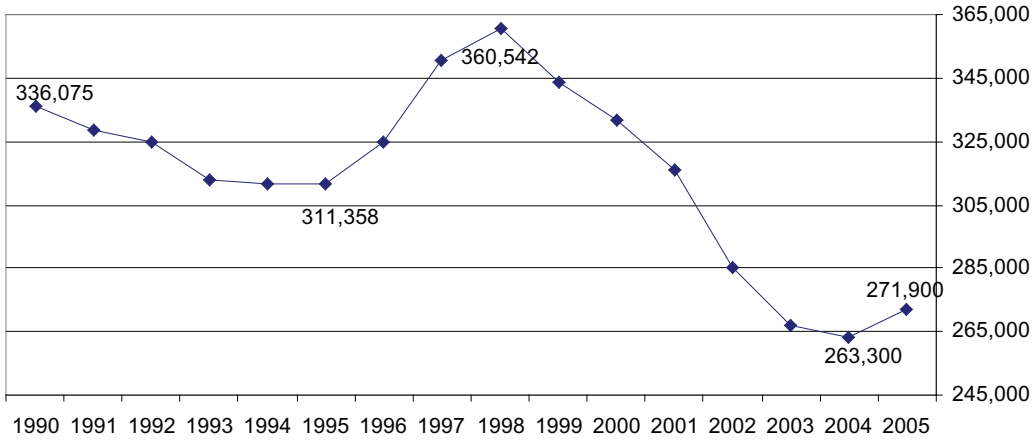


Source: Washington Employment Security Department, Industry Employment, WorkforceExplorer.com

Manufacturing

Manufacturing's general decline in Washington started well before 1990. In 1950, manufacturing provided 26% of the state's jobs.[2] Between 1990 and 1995 manufacturing in Washington lost around 7,500 jobs per year, then temporarily turned around to gain about 16,500 jobs per year from 1995 to 1998. Manufacturing jobs peaked in 1998 at 360,542 jobs, then plunged, shedding nearly 100,000 jobs by 2004. In 2005 there was finally a slight turnaround with an increase of 8,600 jobs. The modest upward trend is continuing in 2006 with another 9,000 new jobs. Manufacturing throughout the United States has been on the skids, with factories of all sorts relocating overseas to areas of cheap labor and lax environmental laws, and as mechanization replaces the number of workers needed. No one expects manufacturing to regain the share of jobs statewide that the sector contributed in previous decades.

Manufacturing Employment in Washington



Source: Washington Employment Security Department, WorkforceExplorer.com

Manufacturing has traditionally been a source of family-wage jobs for those without four year college degrees, often unionized and with complete benefit packages. Average monthly earnings in manufacturing, at $4,449, are $1,000 higher than the statewide average earnings in all nonagricultural jobs of $3,451. Almost every type of manufacturing has lost jobs in Washington since 1990, from fruit canneries to lumber mills to aluminum production. Aerospace manufacturing, with the highest average monthly earnings of any manufacturing employment category, has been particularly volatile. It provided 114,000 jobs to Washington residents in 1991, fell to 80,000 by 1995, rose again to 113,000 in mid-1998, fell to 61,000 by mid-2004, and employed 73,000 people in July 2006. While few categories of manufacturing have regained their 2000 level of employment, there are several exceptions to the general decline, including nonmetallic mineral products (which includes cement and glass associated with construction) and petroleum and plastic products.

Components of Manufacturing Job Change, 1990-2005

Selected categories	Jobs 1990	Jobs 2000	Change 1990-2000	Jobs 2005	Change 2000-2005	Avg. monthly wages, 2005*
Wood products	24,000	21,900	-8.8%	20,000	-8.7%	$3,267.75
Primary metal	12,700	10,900	-14.2%	5,100	-53.2%	$4,464.25
Fabricated metal	15,358	18,900	23.1%	18,200	-3.7%	$3,322.25
Machinery	11,717	15,600	33.1%	13,500	-13.5%	$3,969.00
Computer & electronic product	29,133	34,400	18.1%	22,200	-35.5%	$5,561.25
Aerospace	113,033	86,200	-23.7%	65,700	-20.5%	$6,074.25
Food manufacturing	36,775	38,900	5.8%	33,700	-13.4%	$2,835.75
Petrol, coal, plastics, rubber	9,292	12,500	34.5%	12,400	-0.8%	$4,631.13
Paper	16,458	14,400	-12.5%	12,200	-15.3%	$4,629.75
Printing	11,975	11,600	5.7%	8,600	-25.9%	$3,376.75
All manufacturing	336,075	331,900	-1.2%	271,900	-18.1%	$4,326.75

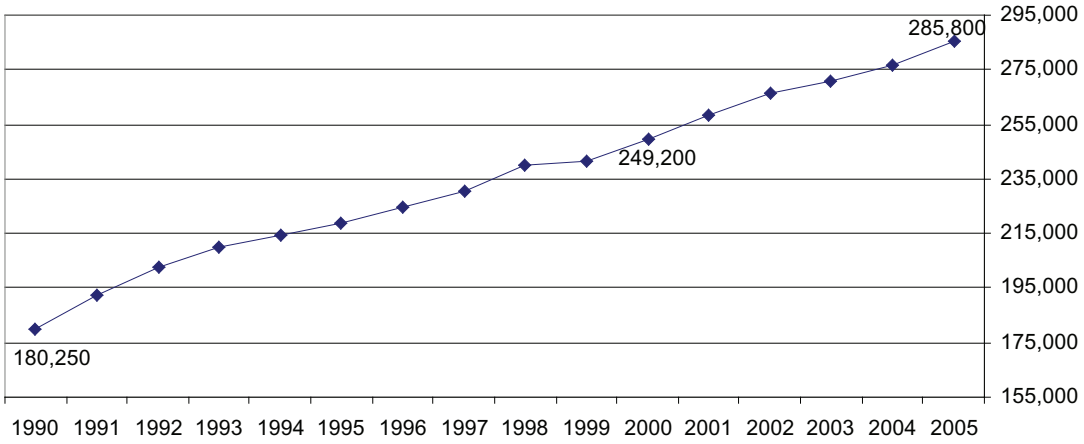
* Based on 4 quarters ending with the 2nd quarter 2005.

Source: Washington Employment Security Department, WorkforceExplorer.com; U.S. Census Bureau, Quarterly Workforce Indicators

Health Services and Social Assistance

In contrast to manufacturing, jobs in Health Services and Social Assistance have been consistently growing as a percentage of the Washington workforce. In 1990 the industry made up 8.1% of Washington's workforce and reached just over 10% in 2005. During that 15 year period, the sector added more than 105,000 new jobs. The new jobs are in hospitals, nursing homes, other types of medical and care facilities, and child care centers. With the population aging and medical care becoming increasingly complex, health-related jobs are expected to continue to grow. Wages and skill levels in this sector are quite diverse, with family physicians averaging $156,600 in annual earnings, registered nurses averaging $60,000, and home health aides averaging $20,000 in 2005.

Health Services and Social Assistance Employment in Washington



Source: Washington Employment Security Department, WorkforceExplorer.com

Components of Health Services and Social Assistance Job Change, 1990-2005

Selected categories	Jobs 1990	Jobs 2000	Change 1990-2000	Jobs 2005	Change 2000-2005	Avg. monthly wages, Selected occupations, 2005*
Ambulatory health care	75,267	98,800	31.3%	116,600	18%	Avg. - $3,516 Family doctors - $13,051 Dentists - $10,765 Pharmacists - $6,945 Dental assistants - $2,647 Home health aides - $1,680
Hospitals	42,175	58,900	39.7%	63,400	7.6%	Avg. for Hospitals $4,110 Surgeons - $16,078 Registered nurses - $4,998 Medical assistants - $2,473 Nursing aides, orderlies - $1,977
Nursing & residential care	37,750	49,500	31.1%	54,000	9.1%	Avg. Nursing & res. care - $2,122 Nursing care- $2,298 Care for elderly - $1,840
Social assistance	25,058	42,000	67.6%	51,800	23.3%	Indv'l & family services - $1,776 Child day care - $1,421
All health services and social asst.	180,250	249,200	38.3%	285,700	14.6%	$3,124

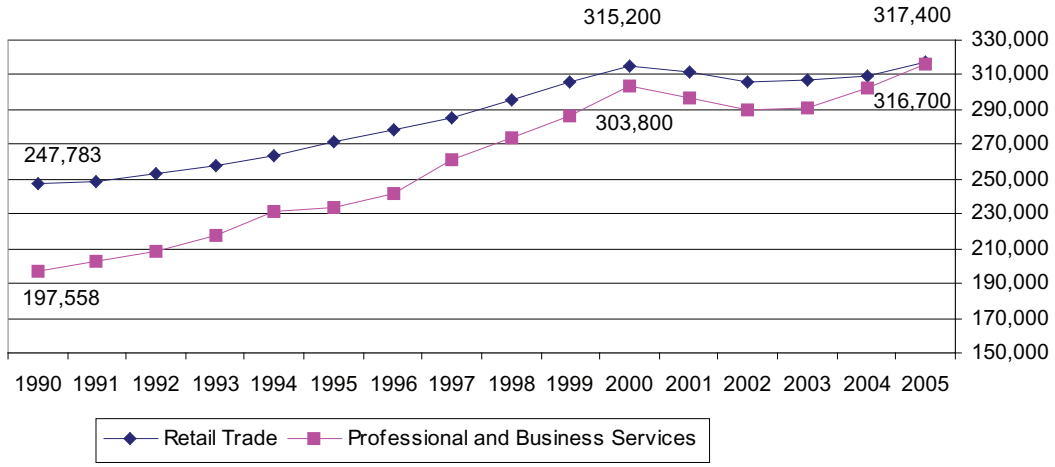
* Based on 4 quarters ending with the 2nd quarter 2005.

Source: Washington Employment Security Department, WorkforceExplorer.com; U.S. Census Bureau, Quarterly Workforce Indicators

Retail Trade

Most other sectors of the economy have shown overall patterns of growth during the 1990s, a dip in 2001 and 2002, then resumed growth. For example, retail trade gained 67,400 jobs between 1990 and 2000, lost almost 10,000 between 2000 and 2002, then added 12,000 jobs through 2005. Through July, retail jobs in 2006 have been above the previous year's same month total, but the rate of increase has been shrinking as higher gas prices and interest rates have begun to affect consumer spending.[3] The average monthly earnings of $2,482 in retail trade are about $1,000 less than the statewide average earnings, and retail is one of the largest providers of minimum wage jobs. As a share of all nonagricultural jobs in the state, retail trade has remained fairly steady since 1990 at about 11.5% of employment.

Retail Trade and Professional and Business Services Employment in Washington



Source: Washington Employment Security Department, WorkforceExplorer.com

Business and Professional Services

Business and professional services have gained a share of the jobs that manufacturing has lost. Since 2000, architecture and engineering services, management of companies, and other administrative services have added both high and low wage jobs. Computer system jobs fell sharply in the spring of 2001, and did not begin to turn around until 2005. In July 2006, computer system jobs were still 4,500 below the July 2000 level.

Components of Professional and Business Services Job Change, 1990-2005

Selected categories	Jobs 1990	Jobs 2000	Change 1990-2000	Jobs 2005	Change 2000-2005	Avg. monthly wages, Selected occupations, 2005*
Legal services	18,475	20,200	9.3%	20,900	3.5%	$4,744
Accounting and bookkeeping services	18,625	16,700	-10.3%	15,400	-7.8%	$3,891
Architectural and engineering services	21,392	29,900	39.8%	33,100	10.7%	$5,200
Computer systems design	7,892	28,800	264.9%	22,200	-22.9%	$6,197
Management of companies and enterprises	23,150	29,900	29.2%	33,400	11.7%	$4,373
Administrative, waste management & remediation services	79,725	133,400	67.3%	141,300	5.9%	Employm't services - $2,391 Security - $2,376 Janitorial, pest control, other building services - $1,902 Waste collection - $3,589 Remediation services - $5,533

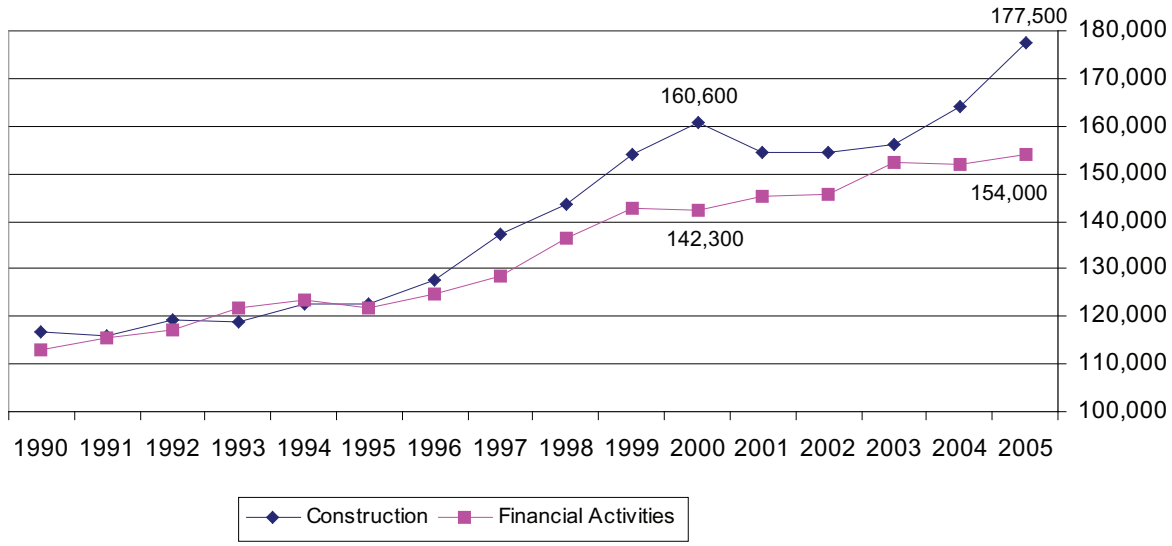
* Based on 4 quarters ending with the 2nd quarter 2005.

Source: Washington Employment Security Department, WorkforceExplorer.com; U.S. Census Bureau, Quarterly Workforce Indicators

Construction

The construction industry grew sluggishly in the first half of the 1990s, then took off, growing by about 7,600 jobs per year between 1995 and 2000. From 2000 to 2002, construction lost 6,200 jobs, but the sector has grown substantially since 2002, with particularly rapid growth the past two years. Construction added 13,400 jobs in 2005 and 11,000 in 2006. Historically low interest rates in the aftermath of recession helped fuel a construction boom. Annual average monthly earnings in construction are $3,626, a little above the statewide average for all jobs.

Construction and Financial Activities Employment In Washington



Source: Washington Employment Security Department, WorkforceExplorer.com

Financial Activities

The Financial Activities industry also clearly benefited from low interest rates. Overall, the Financial Activities industry has grown steadily since 1990, with slight downturns in employment in 1995, 2000 and 2004. Within the category of Financial Activities between 2000 and 2005, Credit Intermediation and Related Activities added 9,500 jobs, with average monthly earnings of $4,727, Insurance Carriers and Related Activities lost 500 jobs with average earnings of $4,822, and Real Estate and Rental Leasing gained 3,100 jobs, with average earnings of $2,848.

Components of Financial Activities Job Change, 1990-2005

Selected categories	Jobs 1990	Jobs 2000	Change 1990-2000	Jobs 2005	Change 2000-2005	Avg. Monthly wages, 2005*
Finance and insurance	76,925	96,000	24.8%	104,600	9.0%	$4,903
Credit Intermediation	38,150	45,200	18.5%	54,700	21.0%	$4,727
Insurance carriers	30,983	39,100	26.2%	38,600	-1.3%	$4,822
Real estate, rental & leasing	36,200	46,300	27.9%	49,400	6.7%	Real estate - $2,876 Rental and leasing - $2,742

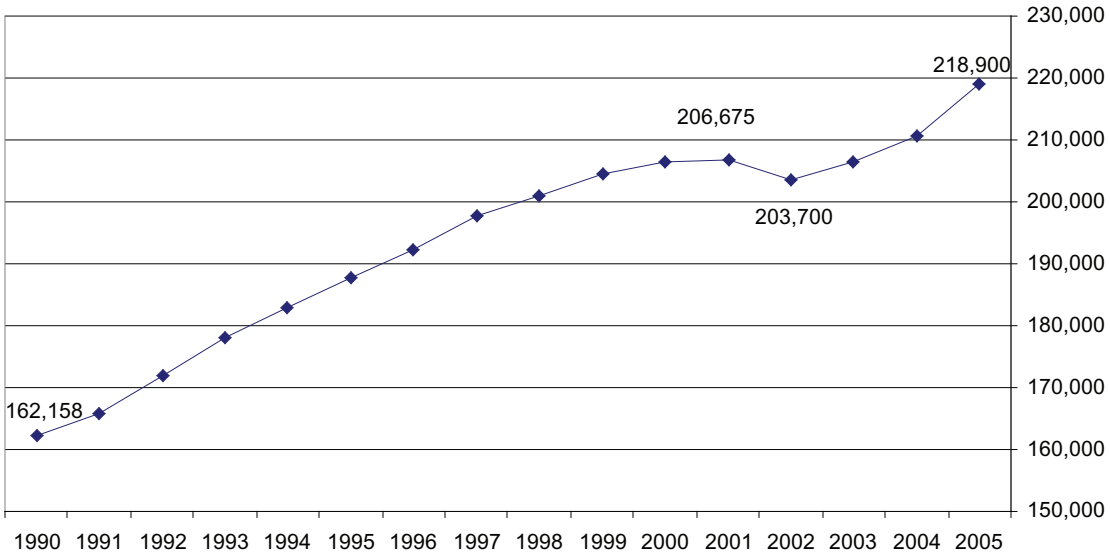
* Based on 4 quarters ending with the 2nd quarter 2005.

Source: Washington Employment Security Department, WorkforceExplorer.com; U.S. Census Bureau, Quarterly Workforce Indicators

Accommodation and Food Services

Accommodation and Food Services employs about 7.9% of Washington state's nonagricultural workers, up slightly from 7.6% in 1990. Most of those jobs are in restaurants. Between 2001 and 2002 the sector lost almost 3,000 jobs, but gained most of those jobs back the following year and has increased steadily since. Accommodation jobs have remained fairly stable, with seasonal fluctuations. Restaurant jobs were up by 7,700 in 2005 over 2004, and by another 7,600 in July 2006 over July 2005. Wages in this sector are low. Average monthly earnings in accommodations are $1,775, about half the state average. Full-service restaurants, which provided 84,300 jobs in 2005, paid average monthly earnings of only $1,462. Earnings in the 75,700 jobs at limited service restaurants averaged only $1,216, and in the 7,300 bar and drinking establishment jobs only $1,198. Earnings in Accommodations and Food Services include reported tips.

Employment in Accommodation and Food Services

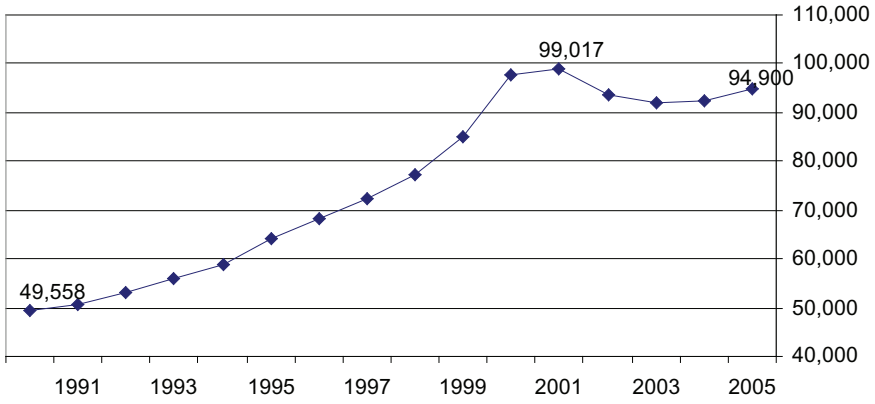


Source: Washington Employment Security Department, WorkforceExplorer.com

Information

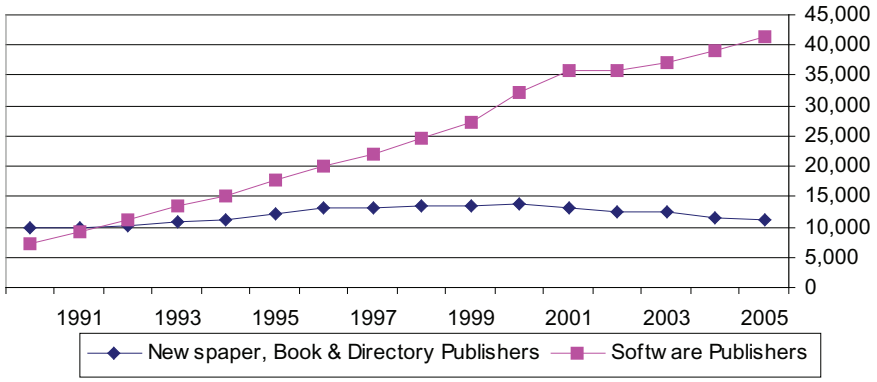
The information industry doubled employment between 1990 and 2001 but experienced losses in 2002 and 2003 that it has yet to regain. Information jobs were a healthy 3,000 higher in July 2006 over July 2005, but remained 3,000 below the 2001 peak. Within the sector there have been some interesting shifts. Software publishing took off during the 1990s, more than tripling the number of jobs over the decade and growing by another 28% between 2000 and 2005. Monthly wages in software publishing average nearly $9,000. Much lower paying jobs in traditional print publishing, meanwhile, have dropped. Wireless communications took off even more dramatically during the 1990s and has also continued growing, while wired communication jobs in 2005 stood about half the 1990 level. As with publishing, it is the newer jobs that pay better than the declining.

Information Employment in Washington



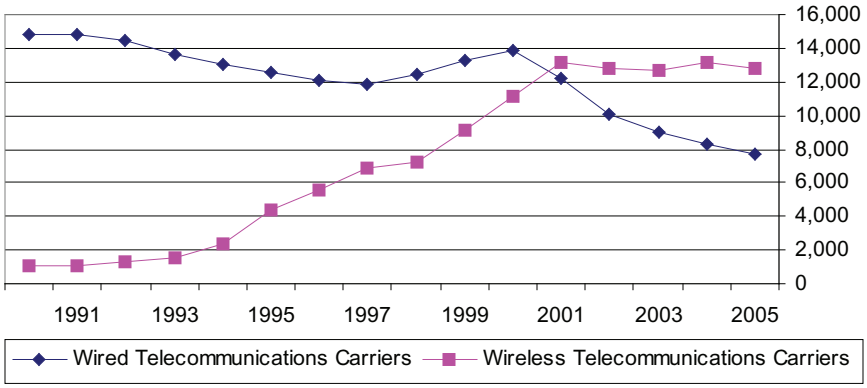
Source: Washington Employment Security Department, WorkforceExplorer.com

Publishing Employment in Washington



Source: Washington Employment Security Department, WorkforceExplorer.com

Wired and Wireless Telecommunications Employment in Washington



Source: Washington Employment Security Department, WorkforceExplorer.com

Components of Information Job Change, 1990-2005

Selected categories	Jobs 1990	Jobs 2000	Change 1990-2000	Jobs 2005	Change 2000-2005	Avg. monthly wages, 2005*
Newspaper, book and directory publishers	9,917	13,700	38.2%	11,200	-18.2%	$3,332
Software publishers	7,308	32,200	340.6%	41,300	28.3%	$8,935
Wired telecommunications	14,833	13,900	-6.3%	7,700	-44.6%	$4,767
Wireless telecommunications	1,117	11,200	903.0%	12,800	14.3%	$6,548
All information	49,558	97,700	97.1%	94,900	-2.9%	$6,403

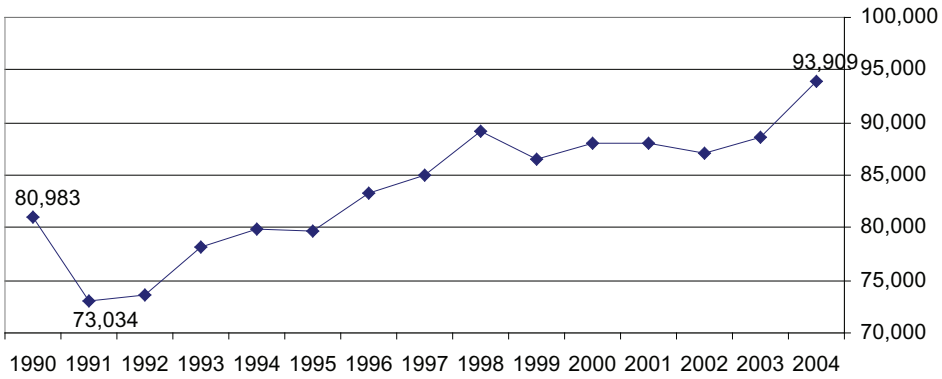
* Based on 4 quarters ending with the 2nd quarter 2005.

Source: Washington Employment Security Department, WorkforceExplorer.com; U.S. Census Bureau, Quarterly Workforce Indicators

Agricultural Jobs

Agriculture is a major component of Washington's economy. The state's agricultural output was valued at $6.6 billion in 2004.[4] In 2004, average monthly farm employment in the state stood at 94,000.[5] According to a 2006 state report, average annual earnings for agricultural workers covered by unemployment insurance in 2004 were $17,439.[6] About one-third of these jobs are seasonal, with highest employment levels in June through October. In Eastern Washington, one in every ten workers is employed directly in farming.[7] Apples are Washington's biggest crop, accounting for 20% of all state farm receipts and over half of the nation's apple harvest. Apples also provide over half of the annual seasonal farm jobs in the state. Dairy products, wheat, potatoes, and cattle and calves are the next four largest producers in terms of value, though not necessarily in terms of labor.[8]

Average Monthly Agricultural Employment in Washington



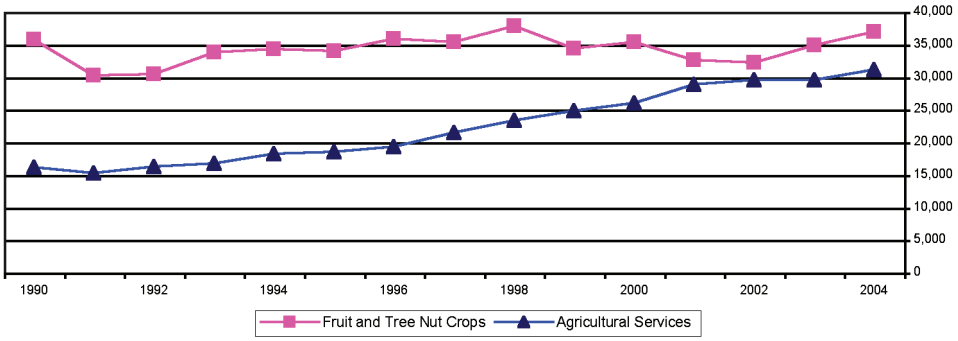
Source: U.S. Census Bureau, Quarterly Workforce Indicators, SIC-based data

Agricultural jobs in the state vary with the weather and changes in international markets. Farm jobs and profits are also influenced by the same long-term trends of globalization, consolidation, and mechanization that are affecting American manufacturing. Washington exports about one-third of its annual agricultural production, with 70% to 80% of exports bound for Asia. The value of exported crops rose sharply in the mid-1990s as Asian economies boomed, then fell rapidly with the Asian economic crisis in 1997 and 1998.[9]

In the United States, consolidation is taking place at every stage of the food production and marketing system, from farming, to manufacturing, to wholesaling, to retailing. The 2001 purchase of Pillsbury by General Mills, which now owns Betty Crocker, Green Giant, Haagen-Dazs, and dozens of other formerly independent brands, was one more step towards consolidation of food processing and marketing by corporations with international reach.[10] Between just 1997 and 2000, the four top grocery retailers (Kroger, Albertson, Safeway, and Wal-Mart) increased their share of all grocery store sales from 18% to 27%.[11]

Jobs classified as agricultural have trended up in Washington since the early 1990s, and more of these jobs are year-round. Seasonal work has declined from about 45% of Washington agricultural employment in 1997 to about one-third in 2003, according to an analysis by Washington's Employment Security Department.[12] The increase in overall agricultural employment has occurred primarily in agricultural services, a diverse category including soil preparation, contracted planting and harvesting, veterinarians, and landscaping services. In fruit and other crop production, the annual average number of workers appears fairly flat when viewed over the whole period since 1990. The numbers trended up modestly in both these categories in the mid-1990s, fed in part by rising exports to Asia. With the Asian economic crisis beginning in 1997, employment in Washington fruit and crop production dropped off somewhat after 1998. Livestock production employs fewer workers, but employment has held steady since 1990 with between 5,200 and 5,700 workers.

Average Monthly Jobs in Fruit and Tree Crops and Agricultural Services, 1990-2004



Source: U.S. Census Bureau, Quarterly Workforce Indicators, SIC-based statistics

Farm work peaks in June, July, September, and October when between 50,000 and 60,000 seasonal workers are employed in the state. In 2005, apples accounted for 50% of seasonal agricultural employment. Cherries provided 11%, while asparagus, grapes, onions, berries, pears, potatoes, and other crops each contributed less than 4% of the seasonal work.[13] Washington's cherry and grape harvests have been growing. Acres planted in grapes have increased two and a half times since 1980. Cherry acreage more than doubled in Washington between 1988 and 2003. During that same period, acres in asparagus fell by half.[14] U.S. asparagus production has been severely damaged by foreign competition, as the U.S. government has encouraged asparagus growing in Latin American in an effort to reduce the flow of illegal drugs into the country.[15] All of Washington's asparagus canneries have now closed, but state farmers are still producing some asparagus for the fresh market. In 2000, 53% of cash receipts for asparagus were from the processed market. In 2006, 95% of the crop is expected to be for the fresh market.[16]

Despite widely reported farm labor shortages, agricultural workers earn among the lowest annual incomes in the state.[17] According to Washington State Employment Security Department figures, in 2005 146,781 individuals worked in agriculture in the state over the course of the year. Of those, 72% worked only in agriculture and averaged 821 hours of work for the year, with average annual earnings of $8,359, or $10.89 per hour. The 28% who found nonagricultural jobs for part of the year averaged 1,293 hours of work, with annual earnings of $14,951 and hourly earnings of $11.56.[18] Jobs in fruit and tree nut farming paid an annual average of $14,273 in 2005, vegetable and melon work earned $19,600, cattle ranching paid $23,460, and poultry and egg production paid $25,152.[19]

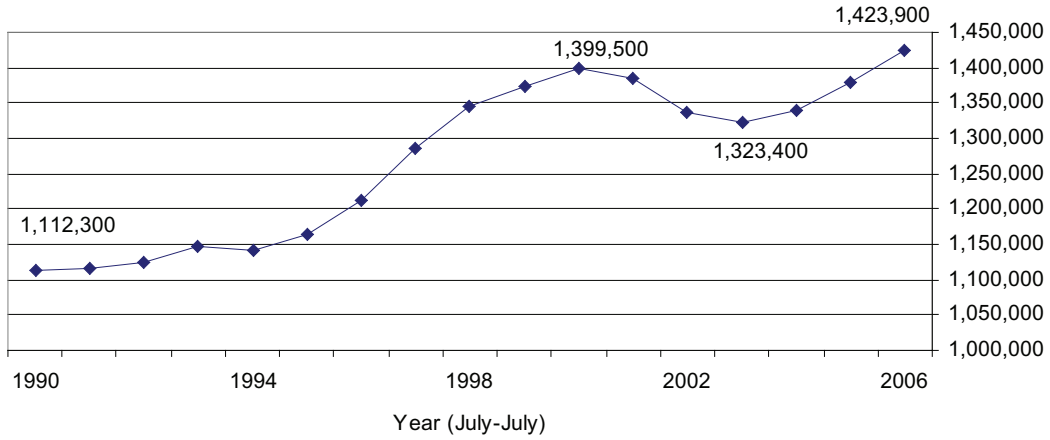
Jobs in Washington's Regions

Washington's regions provide quite different mixes of jobs for local residents and have experienced different economic trends since the turn of the 21st century. The Seattle metropolitan area provides half of the state's nonagricultural jobs. The prolonged job slump in King county was a major reason for the state's slow recovery from recession. Some of the state's mid-size cities have experienced economic growth since 2000 with little noticeable effect of recession. Other parts of the state show little sign of economic growth.

Seattle-Bellevue-Everett Metropolitan Area (King and Snohomish Counties)

The Seattle metropolitan area ended 2005 with 30,500 fewer jobs than in 2000. Half of the nonagricultural jobs in Washington state are in King and Snohomish counties. Residents of the two counties commute freely to jobs across the county line, so that the metropolitan area operates as a single job market. The Seattle area experienced a job boom from 1995 through 2000, then began losing jobs in May of 2001. Three years of job loss and a fourth year of minimal growth followed. Finally, in 2005 and 2006 a brisk rate of employment growth resumed in King and Snohomish counties. By July 2006, the Seattle metropolitan area had 24,400 more jobs than in July 2000.[20]

Nonagricultural Employment in Seattle-Bellevue-Everett, July 1990-July 2006 (King and Snohomish Counties)



Source: Washington Employment Security Department, WorkforceExplorer.com

Manufacturing, the big loser statewide, shed 39,300 jobs in King and Snohomish counties between 2000 and 2005. Aerospace alone lost 20,200 jobs, computer and electronic product manufacturing lost 5,300, and non-durable goods manufacturing lost 7,100. Two sectors that saw big gains across the rest of the state between 2000 and 2005 did poorly in the Seattle area. Construction, which gained 17,000 jobs statewide, lost 600 jobs in King and Snohomish counties. Professional and business services, up 13,000 jobs across the state, lost almost 10,000 in the Seattle area, with computer system design and employment services the biggest losers.

Some other segments of the Seattle-Bellevue-Everett regional economy did quite well between 2000 and 2005. Retail trade lost 6,400 jobs overall, but general merchandise stores gained 2,500 jobs. The information sector was also down as a whole, but software publishing added 8,800 jobs. Health services added 15,800 positions, restaurants gained 4,700, and financial activities grew by 2,500 jobs. Public higher education facilities contributed 3,700 new jobs and local governments added 7,200.

Components of Job Change, King and Snohomish Counties, 1990-2005

Selected categories	Jobs 2000	Jobs 2005	Number Change 2000-2005	Percent Change 2000-2005	Avg. monthly wages, Selected Occupations, 2005*
Construction	83,200	82,600	-600	-0.7%	$4,015.25
Computer & electronic manu.	20,100	14,700	-5,300	-26.8%	$5,561.25
Aerospace manu.	83,000	62,800	-20,200	-24.3%	$6,120.25
Non-durable goods manu.	38,200	31,100	-7,100	-18.6%	Food Manufacturing- $3,349.50 Printing and related - $3,710.50 Paper Manufacturing- $4,805.00
Retail trade	150,000	143,500	-6,400	-4.3%	$2,725.25
Transportation & warehousing	54,000	48,300	-5,600	-10.5%	$4,018.75
Software publishing	31,300	40,100	8,800	28.1%	$9,899.00
Wired telecommunications	8,700	4,700	-4,000	-46.0%	$4,817.75
Financial activities	86,800	89,300	2,500	2.9%	$5,681.25
Computer systems design	24,000	16,900	-7,100	-29.6%	$6,195.00
Employment services	42,800	35,200	-7,600	-17.8%	$2,799.75
Health services	87,400	98,800	11,400	13.0%	$3,463.00
Food services & drinking places	84,300	88,900	4,700	5.5%	$1,520.75
Religious, grantmaking, civic	20,100	23,700	3,600	17.9%	$2,927.50
State government education	39,100	42,800	3,700	9.5%	Colleges & universities - $3,506.25 Community colleges - $2,659
Local government	106,800	114,000	7,200	6.7%	K-12 - $2,927 Public admin. - $4,181.75
Total nonfarm jobs	1,402,300	1,371,800	-30,500	-2.2%	$4,044.75

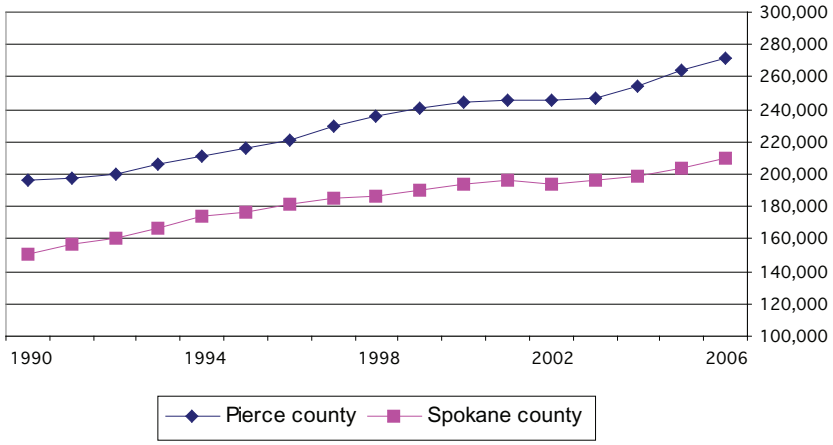
* Based on 4 quarters ending with the 2nd quarter 2005.

Source: Washington Employment Security Department, WorkforceExplorer.com; U.S. Census Bureau, Quarterly Workforce Indicators

Spokane and Tacoma

Other parts of the state rebounded from recession much more quickly. Tacoma and Spokane, the two biggest job markets in the state after the Seattle-Bellevue-Everett metropolitan area, were clearly rebounding by 2003. The Tacoma area saw a modest loss of less than 1,000 jobs in 2001 and 2002, but ended 2003 above the 2000 level and has grown since. Pierce county gained 19,400 jobs between 2000 and 2005, and the July 2006 number was 7,700 higher than July 2005. Spokane gained jobs in 2001, lost 2,700 jobs in 2002, then began growing again. Between 2000 and 2005, the county had a net increase of 10,000 jobs. July 2006 posted 6,200 more jobs than July 2005.

Nonagricultural Employment in Spokane and Pierce Counties, July 1990-July 2006



Source: Washington Employment Security Department, WorkforceExplorer.com

Growing employment opportunities in Tacoma include construction, retail trade, transportation, warehousing, and utilities, professional and business services, restaurants, and local government. As in the rest of the state, manufacturing is generally down in Pierce county. Health service occupations are only up modestly, in contrast to most of the rest of the state. Spokane's growing jobs include construction, financial activities, business and professional services, restaurants, health services, and local government. The biggest job losses have been in manufacturing.

Components of Job Change, Pierce & Spokane Counties, 1990-2005

Selected categories	Jobs 2000	Jobs 2005	Number Change 2000-2005	Percent Change 2000-2005	Avg. monthly wages, 2005*
Pierce County					
Construction	15,900	20,600	4,700	29.6%	$3,625.25
Manufacturing	22,400	19,700	-2,700	-12.1%	$3,719.00
Retail trade	29,500	30,900	1,400	4.7%	$2,422.25
Transportation, warehousing & utilities	8,400	11,100	2,700	32.1%	$3,811.50
Financial activities	13,200	14,300	1,100	8.3%	$5,478.75
Administration & support services	8,800	12,600	3,800	43.2%	$2,273.00
Education & Health services	37,200	38,300	1,100	3.0%	Education- $2,936.75 Health Services- $3,107.50
Food services & drinking places	18,900	20,900	2000	10.6%	$1,294.50
State government education	3,300	3,700	400	12.1%	Colleges & universities - $2,998 Community colleges - $2,781.75
Local government	28,600	32,700	4,100	14.3%	K-12 - $2,999 Public admin. - $4,416
Pierce nonfarm jobs	**244,400**	**263,800**	**19,400**	**7.9%**	**$3086.25**
Spokane County					
Natural resource & Construction	11,100	12,100	1000	9.0%	Construction- $3,063.50
Manufacturing	21,900	17,600	-4,300	-19.6%	$3,567.25
Retail trade	25,400	25,600	200	0.8%	$2,371.25
Financial activities	11,500	13,100	1,600	13.9%	$4,665.50
Professional & business services	18,100	21,900	3,800	21.0%	$3,333.50
Health & social assistance	26,000	29,000	3,000	11.5%	$2,735.75
Food services & drinking places	12,700	13,900	1,200	9.4%	$1,303.50
State government education	5,200	5,500	300	5.8%	Colleges & universities - $3,301.25
Local government	17,600	18,800	1,200	6.8%	K-12 - $2,817.50 Public admin - $3,425.50
Spokane nonfarm jobs	**195,800**	**205,800**	**10,000**	**5.1%**	**$2,839.50**

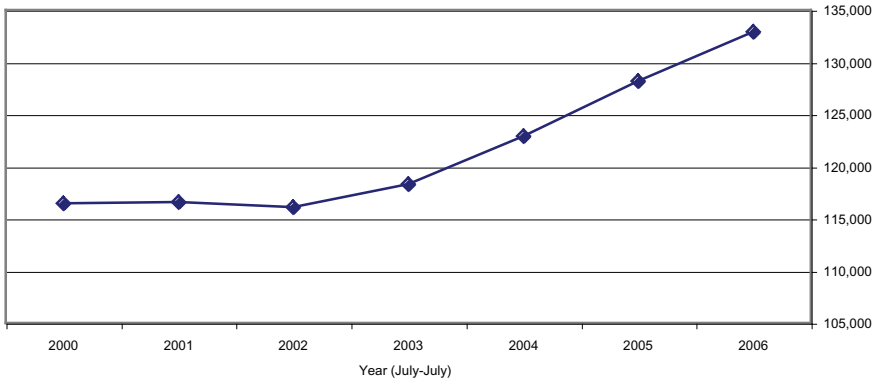
* Based on 4 quarters ending with the 2nd quarter 2005.
Source: Washington Employment Security Department; U.S. Census Bureau

Mid-Size Western Washington Cities

The Vancouver, Washington area experienced a dip in jobs in 2001 and 2002, turned around in 2003, and has seen strong job growth in 2004, 2005, and 2006. Clark county ended 2005 with 9.5% more jobs than in 2000, and has added another 4,700 jobs through July 2006. The other western Washington cities of Olympia, Bremerton, and Bellingham skated through the recession without losing jobs. Between 2000 and 2005, Bellingham's employment grew by 16.1%, Bremerton's by 14.7%, and Olympia's by 11.9%.

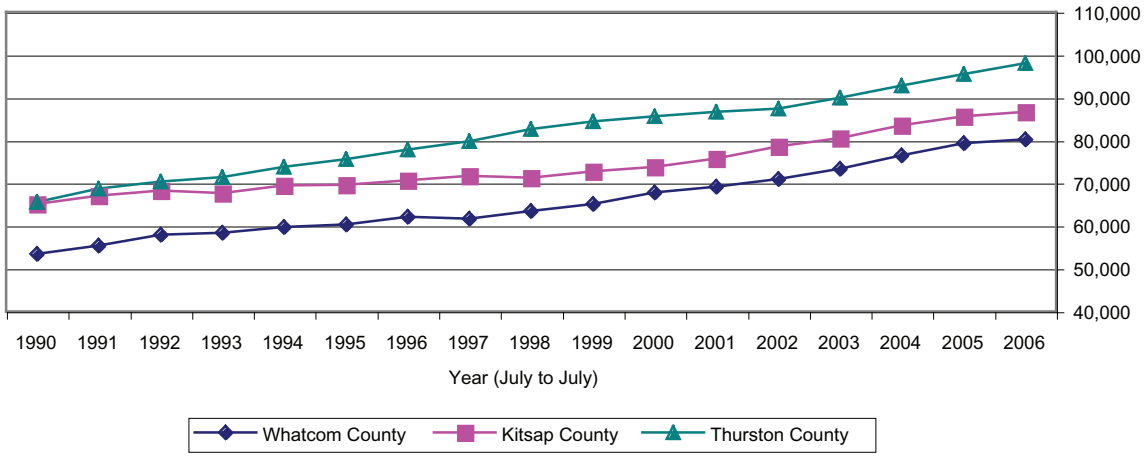
Vancouver's job growth has been broad-based. Between 2000 and 2005, the area gained a significant number of new jobs in construction, both wholesale and retail trade, financial activities, professional and business services, health care, and public education. These gains were partially offset by losses in information services and manufacturing, especially computer and electronic products and paper manufacturing.

Non-Agricultural Jobs in Clark County



Source: Washington Employment Security Department, WorkforceExplorer.com

Non-Agricultural Jobs in Bellingham, Bremerton, and Olympia Areas



Source: Washington Employment Security Department, WorkforceExplorer.com

Components of Job Change, Clark County (Vancouver), 2000-2005

Selected categories	Jobs 2000	Jobs 2005	Number Change 2000-2005	Percent Change 2000-2005	Avg. monthly wages, 2005*
Construction	10,000	12,300	2,300	23%	$3,383.50
Manufacturing	17,300	13,600	-3,700	-21.4%	$3,738.25
Computer & electronics	5,000	3,000	-2,000	-39.1%	$4,541.50
Paper	2,700	1,900	-800	-29.4%	$4,342.00
Wholesale trade	4,100	5,200	1,100	26.5%	$4,316.00
Retail trade	13,400	14,600	1,200	9.2%	$2,278.75
Information	3,600	2,800	-800	-21.9%	$3,829.75
Financial activities	4,900	6,600	1,700	34.7%	$4,515.75
Business & professional services	12,700	14,100	1,400	11%	$5,528.75
Health care	9,700	12,600	2,900	29.9%	$3,086.25
Accommodation & Food service	9,400	9,900	500	5.3%	$1,276.50
K-12 education	8,900	11,100	2,200	24.7%	$2,798.50
Total nonagricultural jobs	116,900	128,000	11,100	9.5%	$3,090.25

* Based on 4 quarters ending with the 2nd quarter 2005.
Source: Washington Employment Security Department; U.S. Census Bureau

The Olympia area gained jobs in retail trade and construction, and grew modestly in state government. Bremerton grew in construction, retail trade, professional and business services, leisure and hospitality, and local government. State government was the only employment category in Kitsap county to lose jobs between 2000 and 2005, with even manufacturing holding its own. Bellingham's growing employment opportunities include construction, retail trade, professional and business services, leisure and hospitality, and local government.

Components of Job Change, Thurston County (Olympia), 2000-2005

Selected categories	Jobs 2000	Jobs 2005	Number Change 2000-2005	Percent Change 2000-2005	Avg. monthly wages, 2005*
Construction	4,500	4,900	400	8.9%	$3,231.25
Manufacturing	3,700	3,200	-500	-13.5%	$3,613.00
Retail trade	9,900	10,800	800	8%	$2,352.25
State government	23,300	24,100	800	3.4%	$3,897.00
Total nonagricultural jobs	85,500	95,700	10,200	11.9%	$3,141.00

* Based on 4 quarters ending with the 2nd quarter 2005.
Source: Washington Employment Security Department; U.S. Census Bureau

Components of Job Change, Kitsap County (Bremerton-Silverdale), 2000-2005

Selected categories	Jobs 2000	Jobs 2005	Number Change 2000-2005	Percent Change 2000-2005	Avg. monthly wages, 2005*
Construction	4,100	5,000	900	22%	$3,210.25
Manufacturing	1,800	1,800	0	0	$2,937.00
Retail trade	10,200	11,300	1,100	10.8%	$2,263.25
Professional & business services	6,300	8,000	1,700	27%	$4,174.75
Leisure & hospitality	7,200	8,000	800	11.1%	food services- $1,214.50
Local government	9,600	11,200	1,600	16.7%	$4152
Total nonagricultural jobs	73,700	84,500	10,800	14.7%	$2,720.50

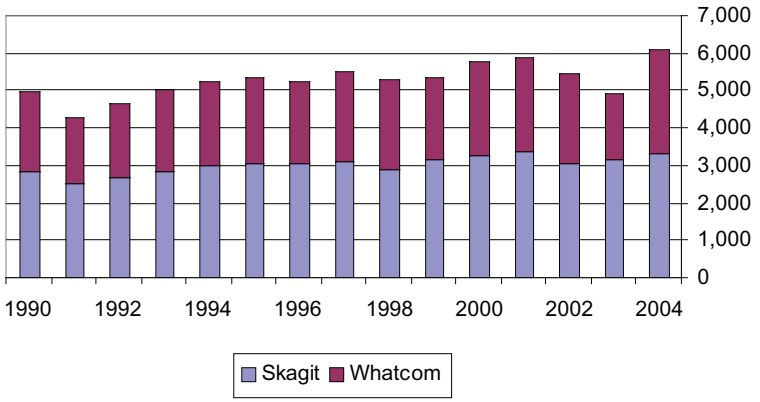
* Based on 4 quarters ending with the 2nd quarter 2005.
Source: Washington Employment Security Department; U.S. Census Bureau

Components of Job Change, Whatcom County (Bellingham), 2000-2005

Selected categories	Jobs 2000	Jobs 2005	Number Change 2000-2005	Percent Change 2000-2005	Avg. monthly wages, 2005*
Construction	6,100	7,800	1,700	27.9%	$3,326.25
Manufacturing	9,100	8,500	-600	-6.6%	$3,491.75
Retail trade	9,100	10,300	1,200	13.2%	$2,195.25
Financial activities	2,400	3,100	700	29.2%	$3,459.25
Business & professional services	5,500	6,500	1,000	18.2%	$3,703.75
Leisure & hospitality	7,600	9,200	1,600	21.1%	Food services - $1,084.25
Local government	7,600	9,200	1,600	21.1%	$3,747.75
Total nonagricultural jobs	69,300	80,400	11,100	16.1%	$2,686.00

* Based on 4 quarters ending with the 2nd quarter 2005.
Source: Washington Employment Security Department; U.S. Census Bureau

Farm Jobs in Skagit and Whatcom Counties



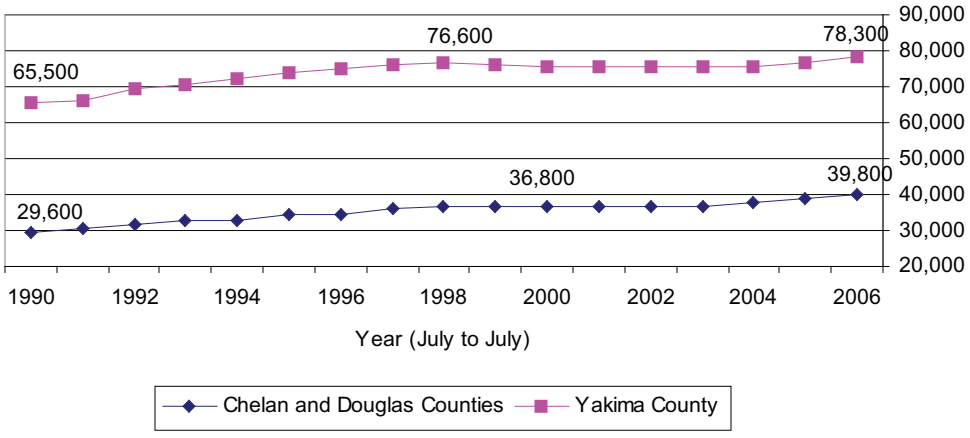
Source: U.S. Census, Quarterly Workforce Indicators

Central Washington

Central Washington has seen less economic growth than most other parts of the state. Wenatchee area nonagricultural jobs grew by 5% between 2000 and 2005. Jobs in Chelan and Douglas counties peaked in 1999, declined the next two years, then began slow steady expansion in 2002. Most categories added jobs, except for small declines in manufacturing and retail. The Yakima area has been largely stagnant, losing some jobs between 1998 and 2002, and gaining them back very slowly. Yakima county ended 2005 only 400 jobs over 2000. The good news is that 2006 monthly job totals for Yakima have been consistently 1,000 or more higher than the same month in 2005. Most job categories in Yakima declined slightly between 2000 and 2005, with a significant loss in manufacturing. Health services, restaurants, and local government are the three categories to see gains.

Because land and hydroelectric power are both plentiful in the Columbia River basin, internet firms have begun buying land and constructing plants to house data centers in the region. Yahoo and Microsoft began constructing facilities in Quincy, in Grant county east of Wenatchee in 2006. The Sabey Corporation has also entered into an 11 year agreement with the Douglas County Public Utility District for a data center to service smaller internet companies. Titan has already opened a data center near Moses Lake. While a new potential source of economic growth for this part of the state, these facilities are expected to directly create only 30 to 50 jobs each once operational, according to newspaper accounts.[21]

Non-Agricultural Jobs in Wenatchee (Chelan and Douglas Counties) and Yakima Areas



Source: Washington Employment Security Department, WorkforceExplorer.com

Components of Job Change, Chelan and Douglas Counties (Wenatchee), 2000-2005

Selected categories	Jobs 2000	Jobs 2005	Number Change 2000-2005	Percent Change 2000-2005	Avg. monthly wages, 2005*
Natural resources, Construction, & Mining	2,300	2,700	400	17.4%	Natural resources- $1,533.00 Construction- $2,670.00
Manufacturing	2,700	2,400	-300	-11.1%	$3,260.25
Retail trade	5,900	5,800	-100	-1.7%	$2,003.00
Education & health services	4,600	5,400	800	17.4%	Education- $2,432.75 Health Services- $3,777.75
Leisure & hospitality	4,500	4,800	300	6.7%	Food services- $1,105.25
Total nonfarm jobs	35,900	37,700	1,800	5%	$2,487.50

* Based on 4 quarters ending with the 2nd quarter 2005.
Source: Washington Employment Security Department; U.S. Census Bureau

Components of Job Change, Yakima County, 2000-2005

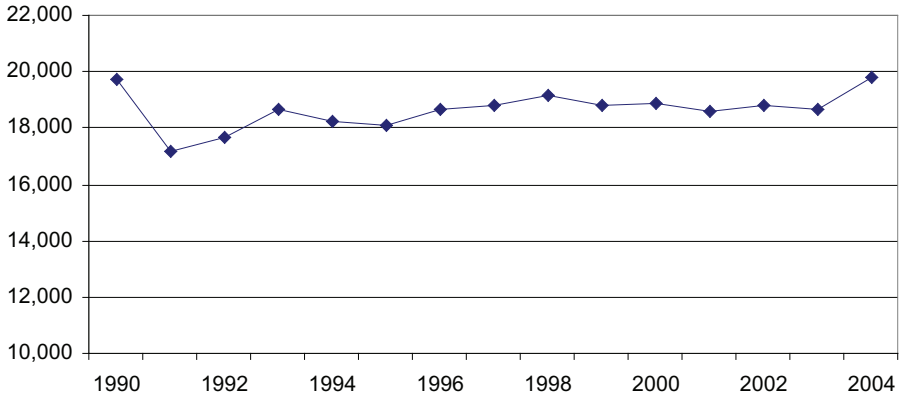
Selected categories	Jobs 2000	Jobs 2005	Number Change 2000-2005	Percent Change 2000-2005	Avg. monthly wages, 2005*
Natural resources, Construction, & Mining	3,300	3,400	100	3%	Construction- $2,608.25
Manufacturing	11,300	9,000	-2,300	-20.4%	$2,906.25
Retail trade	9,600	9,500	-100	-1%	$2,143.50
Health services	10,200	11,500	1,300	12.7%	$2,797.50
Food services	4,500	4,800	300	6.7%	$1,087.00
Local government	11,300	12,700	1,400	12.4%	K-12 - $2,760.75 Public admin - $3,375
Total nonfarm jobs	75,500	75,900	400	0.5%	$2,379.50

* Based on 4 quarters ending with the 2nd quarter 2005.
Source: Washington Employment Security Department; U.S. Census Bureau

Agriculture is a significant contributor to Central Washington's economy. Yakima's tepid job market of the last eight years is related to the agriculture sector, which contributes over 20% of total jobs in the county. Yakima county has more acres devoted to apples and hops than any other county in the United States. The county is also a major producer of other fruits and vegetables, dairy, and cattle and calves.[22] Food manufacturing, wholesale trade, and other industries that have lost jobs depend on the output of area farms. As market forces impact agricultural production, related manufacturing and processing jobs are affected. Recently, fresh fruit packinghouses have been closing steadily because of corporate consolidation.[23] Washington's last major asparagus processing plant has closed, as U.S. drug policy has encouraged Latin American farmers to grow asparagus and major corporations have moved from domestic to foreign supply.[24]

Apples, cherries, and asparagus, along with other fruits and vegetables, provide the bulk of the Central Washington farm sector jobs.[25] In 2004, Washington state produced its largest apple crop since 1998, 58% of the nation's total apple harvest. Agricultural employment in both the Yakima and Wenatchee areas rose accordingly. The bumper crop of 2004 followed a particularly low yield in 2003. Washington's 2005 apple harvest is expected to be lower than 2004, when the final figures come in, in part due to drought.[26] However, big crops mean lower prices. In 2003, when Washington farmers produced 2.3 million tons of apples, they received $518 per ton. In contrast, 2004's crop of 6 million tons brought only $318 per ton.[27]

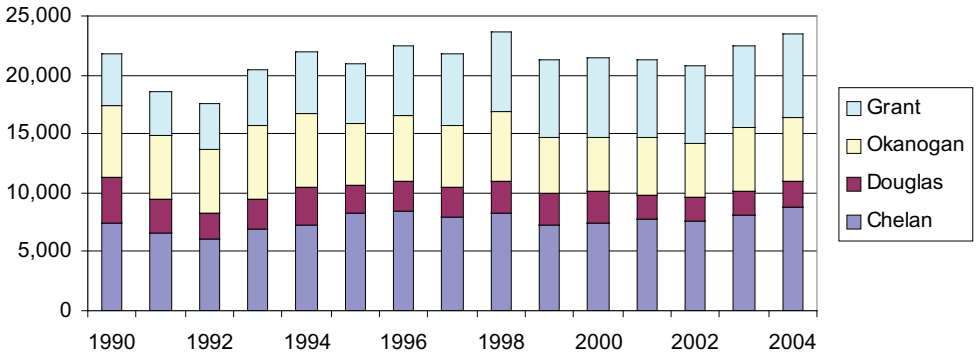
Average Monthly Agricultural Jobs, Yakima County, 1990-2004



Source: U.S. Census, Quarterly Workforce Indicators

Agricultural jobs make up 19% of the average monthly job total in Chelan and Douglas counties, about the same as in Yakima county. Apples, pears, and cherries are the biggest crops in North Central Washington.[28] Overall, average monthly farm jobs in the region declined between 1990 and 2000, but turned up again in 2003 and 2004.

Agricultural Jobs Chelan, Douglas, Okanogan, and Grant Counties, 1990-2004

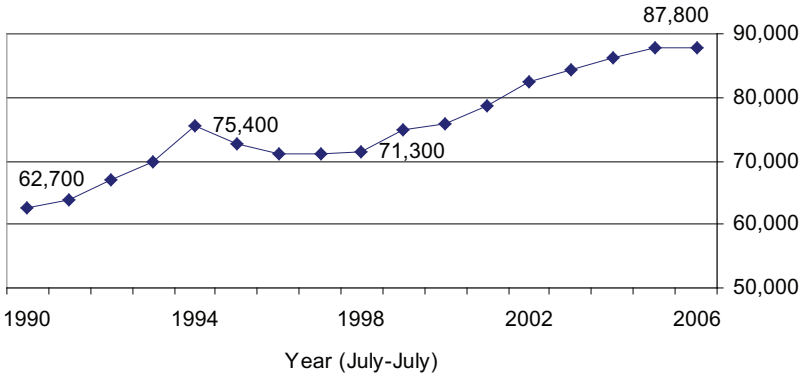


Source: U.S. Census, Quarterly Workforce Indicators

Tri-Cities (Benton and Franklin Counties)

The Tri-Cities of Kennewick, Richland, and Pasco have a unique economy with a heavy reliance on the Hanford nuclear facility. In the early 1990s, large numbers of new workers came to the area for clean-up activities, but between 1994 and 1996 many of these jobs were cut.[29] Robust job growth resumed in 1998 and continued into 2005, with no hint of the general recession. In 2002, the Department of Energy employed over 15,000 contractors at Hanford.[30] Construction, school, and other jobs have expanded since 2000 to keep pace. But since late 2005, as other parts of the state saw job growth take off, job growth in the Tri-Cities has stalled as some Hanford contractors laid off workers.[31] The two-county metropolitan area has seen jobs increase by 15% between 2000 and 2005.

Non-Agricultural Jobs in Kennewick-Richland-Pasco MSA (Benton and Franklin Counties)



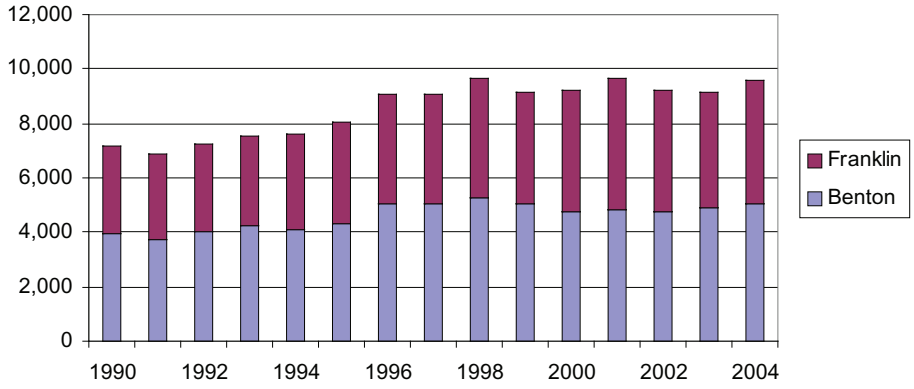
Source: Washington Employment Security Department, WorkforceExplorer.com

Components of Job Change, Tri-Cities (Benton and Franklin Counties), 2000-2005

Selected categories	Jobs 2000	Jobs 2005	Number Change 2000-2005	Percent Change 2000-2005	Avg. monthly wages, 2005, Q2
Natural resources, Construction, & Mining	4,100	5,900	1,800	43.9%	
Manufacturing	5,900	5,800	-100	-1.7%	
Retail trade	9,700	10,600	900	9.3%	
Financial activities	2,700	3,400	700	25.9%	
Professional & business services	17,000	20,600	3,600	21.2%	
Education & health services	6,900	8,600	1,700	24.6%	
Food services	5,100	5,600	500	9.8%	
Local government	10,900	12,400	1,500	13.8%	
Total nonagricultural jobs	75,500	86,900	11,400	15.1%	

Source: Washington Employment Security Department; U.S. Census Bureau

Agricultural Jobs Benton and Franklin Counties

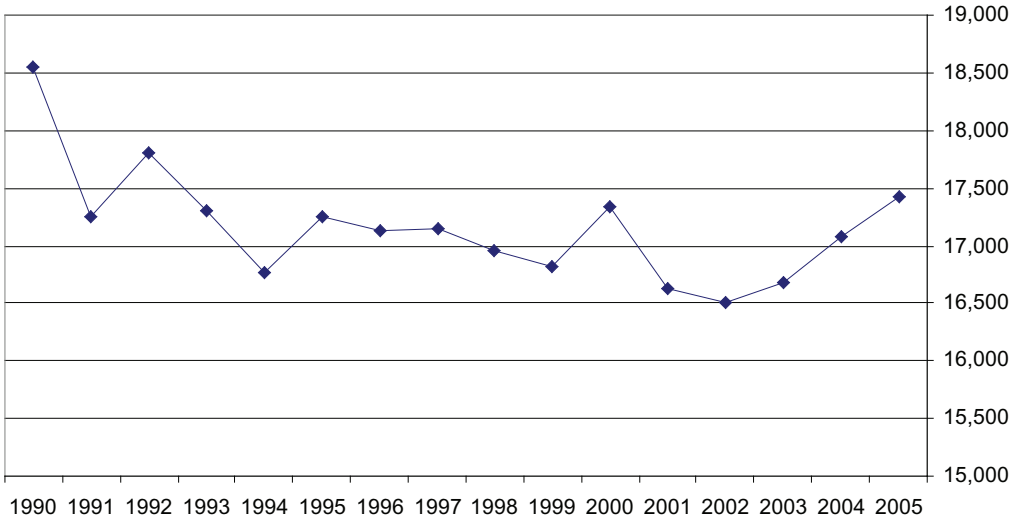


Source: U.S. Census, Quarterly Workforce Indicators

Grays Harbor

Grays Harbor County did not experience the expansion in jobs during the 1990s that most regions of the state enjoyed. In fact, the area experienced a sharp drop in jobs in the early 1990s and has yet to recover. Unemployment was as high as 15% in the early 1990s.[32] From 2000 to 2002, the county experienced further job loss, but has been gaining jobs since 2003. Manufacturing jobs were up 11% in 2005 over 2000.[33] State and local government and other services were also job winners. However, this economic rebound is threatened by recent and pending mill closures.[34]

Non-Agricultural Jobs in Grays Harbor County



Note: Job data for Grays Harbor County is unavailable for years prior to 2000 in the ESD series used in this report for the table below and for graphs showing job change in other counties and metropolitan areas. The numbers on this graph are therefore not directly comparable to the numbers in the table that follows.
Source: U.S. Census, Quarterly Workforce Indicators, SIC series

Components of Job Change, Grays Harbor County, 2000-2005

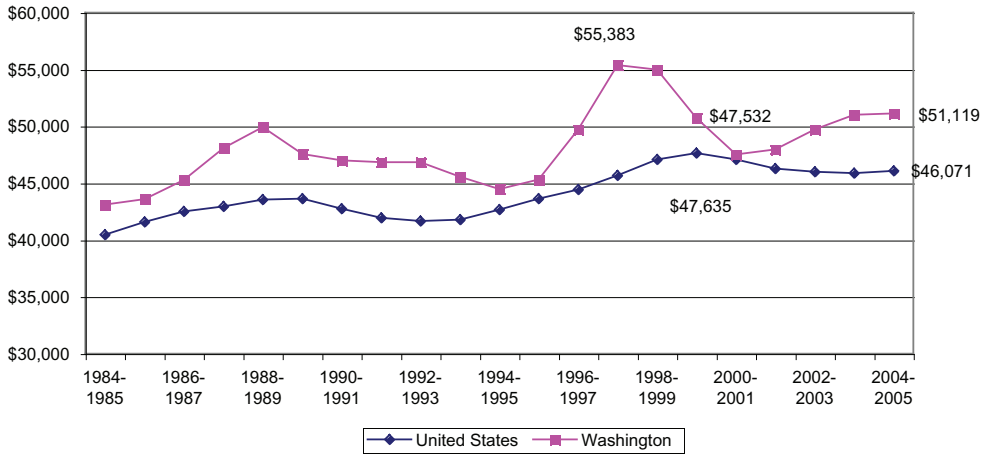
Selected categories	Jobs 2000	Jobs 2005	Number Change 2000-2005	Percent Change 2000-2005
Natural resources, Construction, & Mining	2,020	2,030	10	0.5%
Manufacturing	3,540	3,930	390	11%
Retail trade	3,260	2,980	-280	-8.6%
Information & Financial activities	1,300	1,170	-130	-10%
Other services	12,340	13,340	1,000	8.1%
State & local government	5,340	6,220	880	16.5%
Total nonagricultural jobs	23,640	24,750	1,110	4.7%

Source: Washington Employment Security Department, WorkforceExplorer.com

Wages and Income for Washington Working Families

In Washington, median household income peaked at $55,383 in 1997-1998 when manufacturing jobs in the state also peaked. Manufacturing jobs began declining in Washington in mid-1998, and household income began dropping at the same time, even before the general drop in jobs that began in 2001. After three years of decline, Washington household income began rising again in 2002. In the United States as a whole, household income peaked two years later than in Washington, in 1999-2000, but with much more sluggish job growth, has yet to rebound. Washington families typically enjoy higher incomes than the national average.[35]

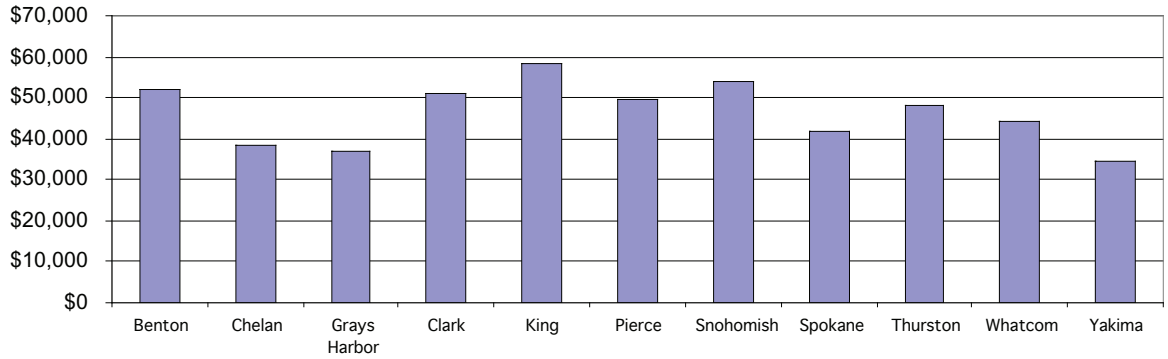
Median Household Income, Washington and United States (2 year averages, 2005 dollars)



Source: U.S. Census Bureau, Current Population Survey

Household income varies significantly across the state. According to the American Community Survey, in 2005 King county had the state's highest median income, at $58,370. Incomes are lower in the more rural areas of the state. In Yakima county, median household income stands at $34,312.[36]

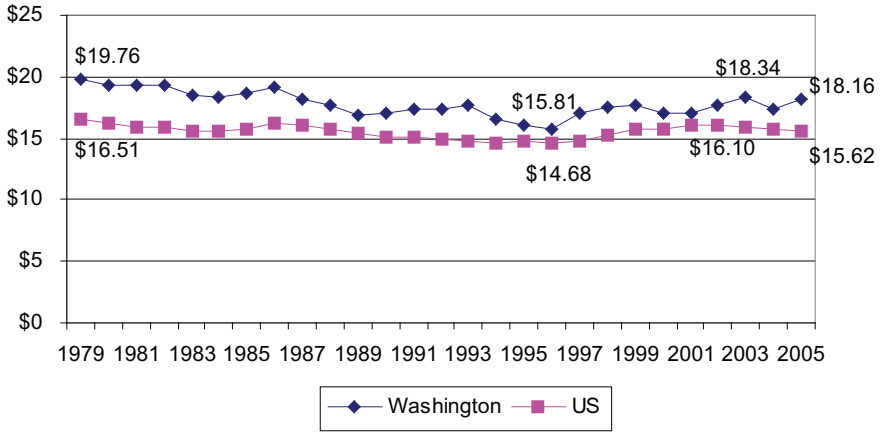
Median Household Income, Selected Counties, 2005



Source: U.S. Census, American Community Survey, 2005

Wage and salary income is the largest component of overall household income.[37] Between 1979 and 1996, men's hourly wages fell for all but the top income earners in both Washington state and the United States as a whole. Adjusted to 2005 dollars, the median hourly wage for Washington men fell from $19.76 an hour in 1979 to $15.81 in 1996. Wages across the board rose with the tight labor market in the late 1990s, but real wage growth has stalled again with recession and the slow recovery. In 2005, hourly wages for Washington men in the middle of the earnings spectrum stood at $18.16, $2.50 above the national median, but still $1.60 lower in buying power than in 1979.

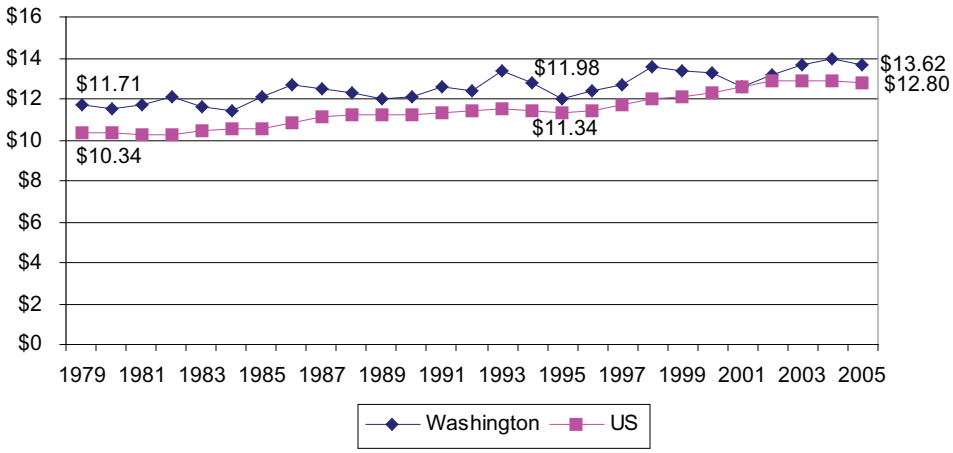
Median Hourly Wage for Men in Washington and the United States, 1979-2005, (2005 Dollars)



Source: Economic Policy Institute Analysis of Current Population Survey data

Women's hourly wages have trended more generally up as women's workforce participation and access to nontraditional jobs have increased. In inflation-adjusted terms, the median hourly wage for Washington women rose nearly $2.00 between 1979 and 2005, from $11.71 to $13.62. In 1979, women's median wage in the state was 59% of the male wage. By 2005, that ratio had risen to 75%.[38] Women comprise 47% of Washington's workforce.[39]

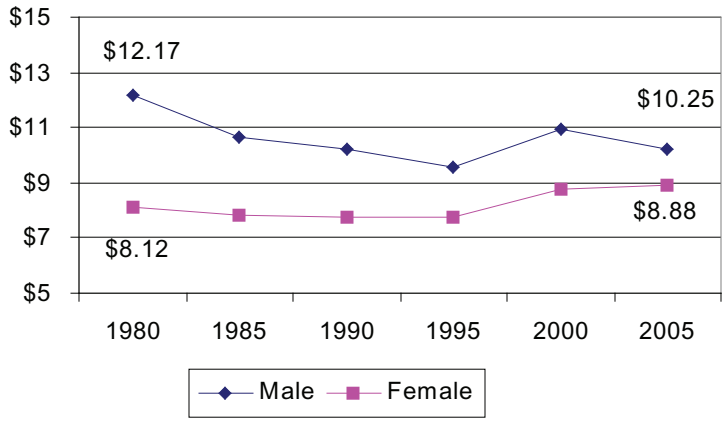
Median Hourly Wage for Women in Washington and the United States, 1979-2005, (2005 Dollars)



Source: Economic Policy Institute Analysis of Current Population Survey data

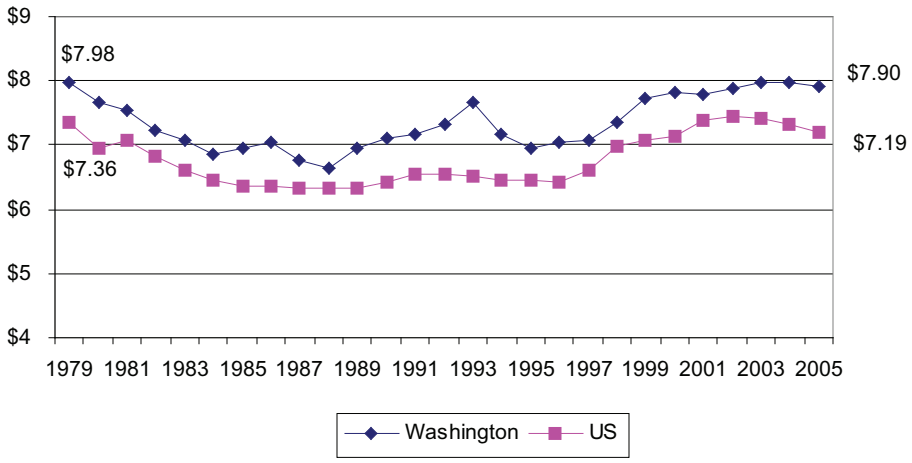
Among lower income workers, those whose hourly earnings were at the 20th percentile for state workers, both men and women saw a drop in real income between 1979 and 1996, then a rise during the late 1990s. Lower earning women have hung onto that raise in recent years. In 2005, Washington women at the 20th percentile made $8.88, 53 cents more per hour than in 1979, after adjusting for inflation. Men at the 20th percentile, on the other hand, made $2.18 less in 2005 than in 1979. Workers in Washington whose wages fall in the bottom 10 percent have managed to hold on to the wage gains of the late 1990s. These are the workers who benefit most directly from the state's annual cost of living adjustments to the minimum wage. In the U.S. as a whole, workers in the 10th percentile have lost economic ground since 2002.[40]

Hourly Wages for 20th Percentile Earners in Washington, 2005 Dollars



Source: Economic Policy Institute Analysis of Current Population Survey data

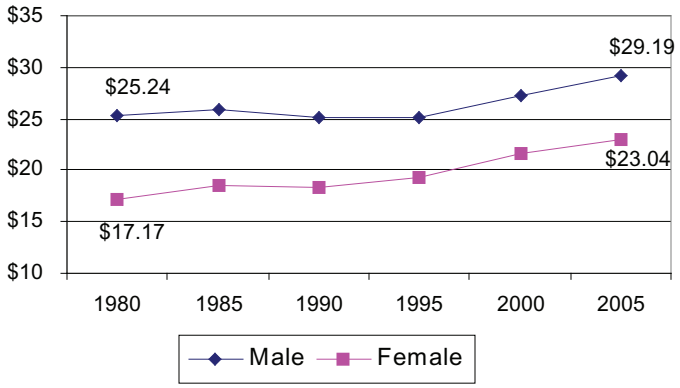
Hourly Wages for 10th Percentile Earners in Washington and U.S., 2005 Dollars



Source: Economic Policy Institute Analysis of Current Population Survey data

High earning men, those at the 80th percentile, had steady earnings through the 1980s and early 1990s and have experienced strong gains since. Women at this higher earnings level have gained more than $6.00 per hour since 1979, with hourly wages rising from $16.66 in 1979 to $23.04 in 2005, in 2005 dollars.

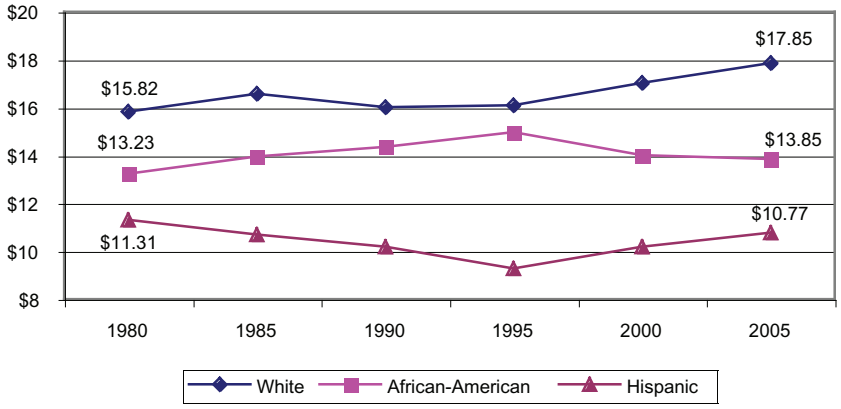
Hourly Wages for 80th Percentile Earners in Washington, 2005 Dollars



Source: Economic Policy Institute Analysis of Current Population Survey data

African American and Hispanic workers also tend to earn less than their white counterparts. Data at the state level is too spotty to break down by race, but across the five Pacific states of Washington, Oregon, California, Alaska, and Hawaii, median hourly wages for white workers in 2005 were $4.00 higher than for African Americans and $7.00 higher than for Hispanics. Median white wages had risen by $2.00 over inflation since 1980, but by only 62 cents for Black workers and were down for Hispanic workers.

Median Hourly Wages for White, African-American, and Hispanic Workers in Western States* (in 2005 dollars)



* Washington, Oregon, California, Alaska, and Hawaii

Source: Economic Policy Institute analysis of Current Population Survey data

Income inequality in Washington has increased over the past quarter century. The gap has grown between the state's highest earners and median and low wage earners. In 1980, men at the median hourly wage earned 64% of men at the 90th percentile. That figure fell to 48% by 2005. Women's median earning's fell from 57% to 44% of 90th percentile female wages. The wage gap among races has also increased. Gender inequality, on the other hand, has declined. However, the fact that most men's wages have fallen while women's have increased only slightly means that most family incomes have not benefited much from that narrowing.

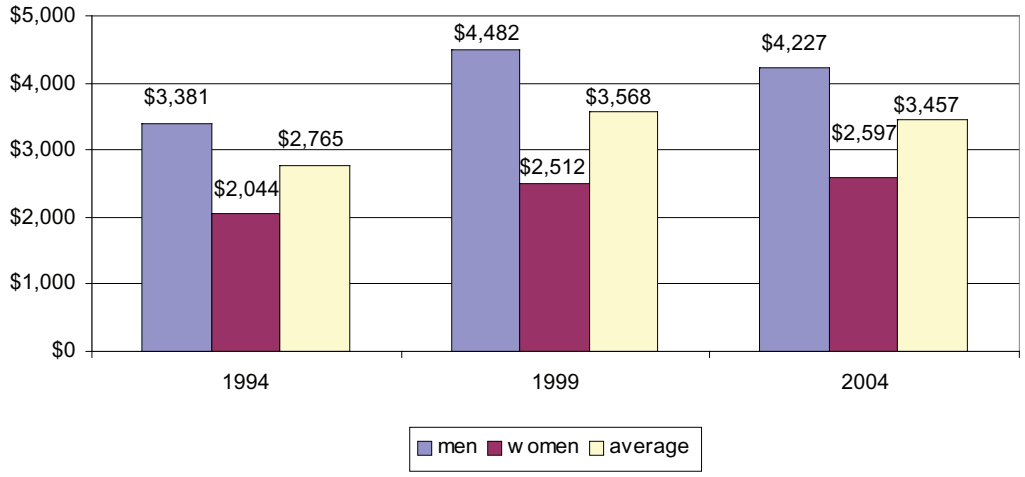
Washington Wages and Percentage of 90th Percentile Wages 1980 and 2005, in 2005 Dollars

	1980		2005	
	Wages	% of 90th Percentile Wage	Wages	% of 90th Percentile Wage
Men				
10th percentile	$9.32	30.9%	$8.35	22.3%
median	$19.29	63.9%	$18.16	48.4%
90th percentile	$30.19	100%	$37.51	100%
Women				
10th percentile	$6.96	34.4%	$7.61	24.4%
median	$11.53	57%	$13.62	43.7%
90th percentile	$20.21	100%	$31.16	100%

Source: Economic Policy Institute Analysis of Current Population Survey data

Of course, hourly wages tell only part of the story of a worker's earnings. Real average monthly earnings for both men and women in Washington state rose between 1994 and 1999. Men gained $1,100 in real monthly income during that period on average. Women gained a more modest $500. Over the next five years, men experienced a $255 drop in monthly income, while women held their own with a $85 per month increase.[41]

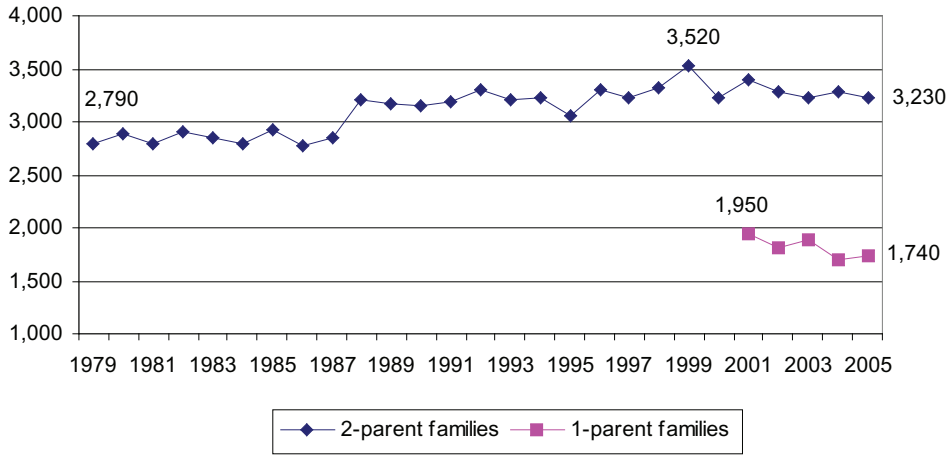
Average Monthly Earnings for Washington Men and Women, 1994, 1999, 2004, in 2004 Dollars



Source: U.S. Census, Quarterly Workforce Indicators

Families responded to men's declining hourly wages by working more hours. In 1979, the average 2-parent family in Washington worked 2,790 hours per year, or just under one and a half full time jobs, based on working 40 hours for 48 weeks per year. From the late 1980s through the late 1990s, hours of work increased. In 1999, with employment opportunities at a peak, 2-parent families in the state averaged 3,520 hours, or 1.8 full-time jobs. With recession and the slow recovery, hours at work fell to 3,230 for 2-parent families by 2005. Single parents also saw a decline of about 200 hours of work per year between 2001 and 2005.[42] According to the 2005 American Community Survey, 32% of Washington workers have children between the ages of 6 and 17, and 15% have children under the age of 6.[43]

Hours Worked Washington 1- and 2-Parent Families

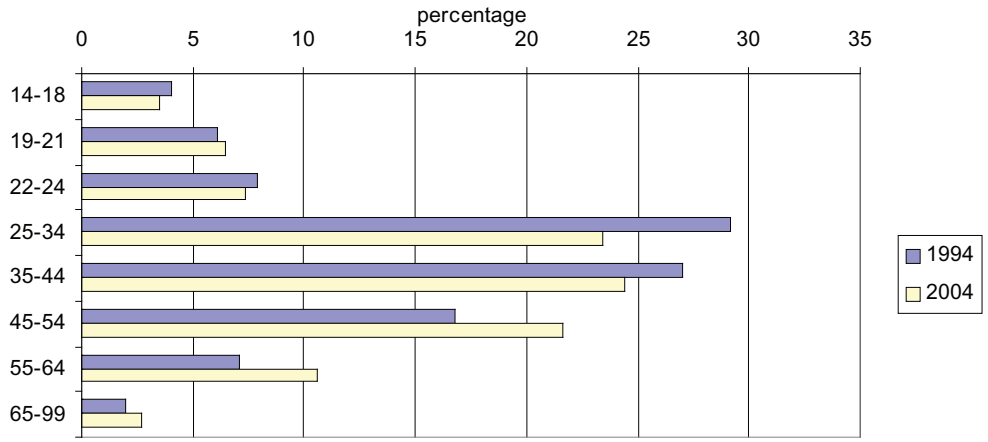


Source: Economic Policy Institute Analysis of Current Population Survey data

Jobs and Income by Age

As the population has aged, so has the workforce. The percentage of Washington's workforce between the ages of 22 and 44 has declined since 1994, while the percentage of workers over age 45 has risen. Between 1994 and 2004, the percentage of the state workforce aged 25 to 34 fell from 29% to 23%. Those aged 45 to 54 rose from 17% to 22%, and those between 55 and 64 rose from 7% to 11% during the same decade.[44]

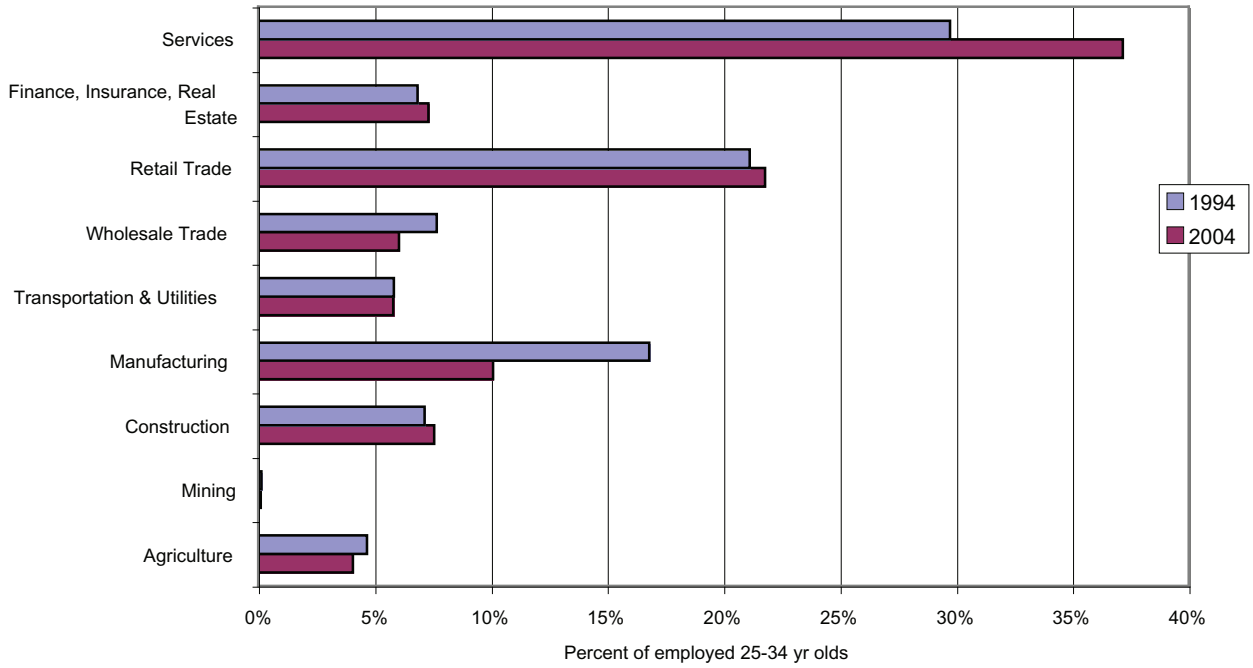
Percentage of Washington Workforce by Age



Source: U.S. Census, Quarterly Workforce Indicators

The types of jobs available to younger Washington residents has changed since the mid-1990s. In 1994, the manufacturing sector in the state provided 91,000 jobs to 25 to 34 year olds. By 2004 (the last year for which full age-related data are available), manufacturing provided 40,000 fewer jobs to this age group. Jobs in the broad services category, including business, health, personal, and accommodation services, made up much of the difference, providing 28,000 more jobs for 24 to 35 year olds in 2004 than in 1994.

Percent of People 25-34 Employed by Major Industry in Washington*



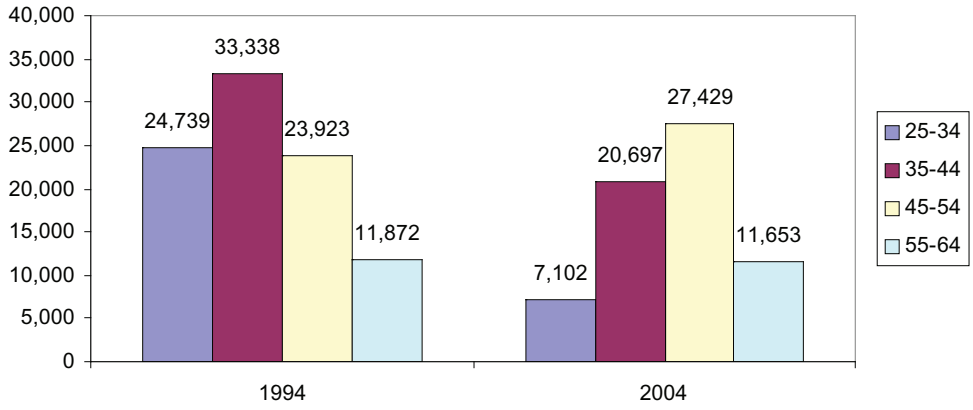
* SIC series data are used in this analysis in order to compare 1994 and 2004. Services include accommodations, personal, business, repair, amusement, health, professional, and social services. In this classification system, restaurants are included in Retail Trade.
Source: U.S. Census, Quarterly Workforce Indicators

For 25 to 34 year olds, jobs in transportation equipment manufacturing, including Boeing and related aerospace production, dropped by 71% between 1994 and 2004, from about 25,000 to 7,000 jobs. Age cohorts in the middle also lost jobs in transportation manufacturing between 1994 and 2004, but relatively fewer. The cohort that was aged 25 to 34 in 1994 had 24,700 jobs in that year, and still held on to 20,700 of them in 2004 when they were between 35 and 44. This age cohort lost 16% of their transportation equipment manufacturing jobs, while those jobs among all age groups dropped by 28% over the decade.

The age group with the largest share of transportation equipment manufacturing jobs in 1994 was the 35 to 44 year olds. A decade later as 45 to 55 year olds, that cohort still held the most jobs, but there were 18% fewer of them than in 1994. The cohort that was 45 to 55 years old in 1994 had lost over half of their jobs by 2004.

Transportation manufacturing has been a source of high wage jobs with good wage progression. Average monthly earnings in 2004 ranged from $3,762 for 25 to 34 year olds to $6,104 for 55 to 64 year olds. Average monthly wages for all workers in Washington in 2004 were $3,457.

Washington Workers in Transportation Equipment Manufacturing by Age, 1994 and 2004

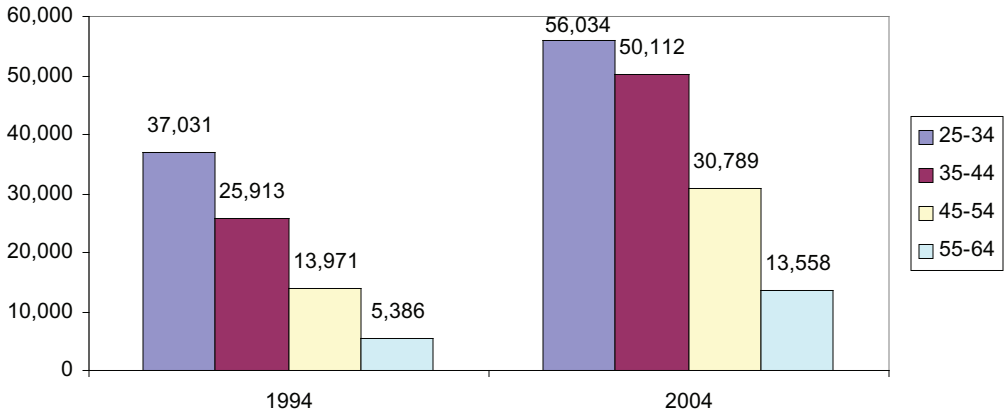


Source: U.S. Census, Quarterly Workforce Indicators

Business services are providing new opportunities for every age group, but especially for young workers. Personnel and computer related services are the two largest components in this job category. In both 1994 and 2004, 25 to 34 year olds held the largest share of business service jobs. The cohort that was 25 to 34 in 1994 gained 13,000 additional business service jobs by the time they were 35 to 44 year olds in 2004. The cohort that was 35 to 44 in 1994 gained 5,000 jobs by 2004, while the group that was 45 to 54 in 1994 held about the same number of positions a decade later. Computer related services provided 14,000 more jobs for 25 to 34 year olds in 2004 than a decade earlier, growing from 12,363 to 26,714 positions for the age group.

Monthly earnings in computer jobs are extremely high, averaging $7,800 in 2004 for 25 to 34 year olds and over $12,000 for 45 to 54 year olds. However, personnel services, the other large component of business services, start with relatively low earnings and provide very little earnings growth with age. Personnel services jobs gained 20,000 positions across all age groups between 1994 and 2004. These jobs paid average monthly earnings of $2,266 for 25 to 34 year olds in 2004, and about $2,600 for workers between 35 and 65.[45]

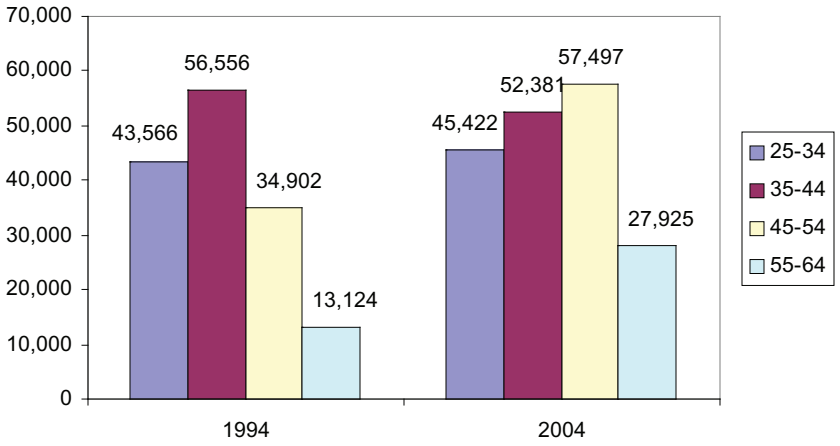
Washington Workers in Business Services by Age, 1994 and 2004



Source: U.S. Census, Quarterly Workforce Indicators

Health services grew by more than 40,000 jobs between 1994 and 2004. The field continued to provide a significant number of jobs for younger workers, while retaining large numbers of the baby boom generation. In 1994, 35 to 44 year olds were the largest age cohort in the field. A decade later that same cohort, now 45 to 54, remained the largest block of health workers. Average monthly earnings in health services in 2004 ranged from $2,801 for 25-34 year olds to $4,086 for 45 to 54 year olds.

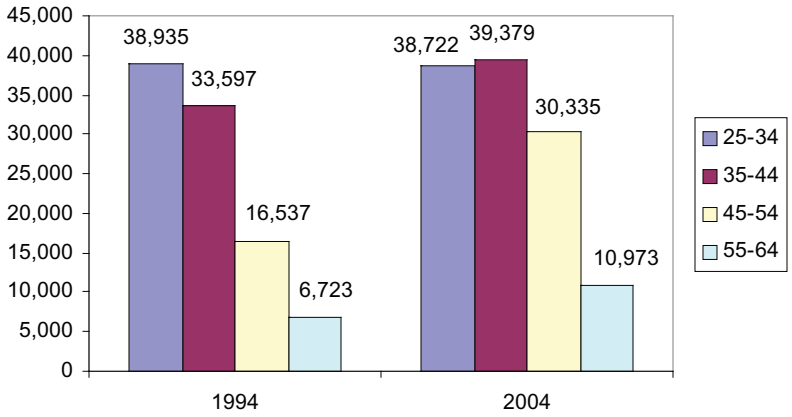
Washington Workers in Health Services by Age, 1994 and 2004



Source: U.S. Census, Quarterly Workforce Indicators

Construction is up by 30,000 jobs over the decade. It, too, provides numerous jobs to younger workers, but had a much older workforce by 2004 than in 1994. In contrast to health services, by age 45 the number of workers in construction starts to decline, due to the physical demands of many construction occupations. Construction workers averaged $3,329 per month among 25 to 34 year olds and $4,182 among 45 to 54 year olds in 2004.

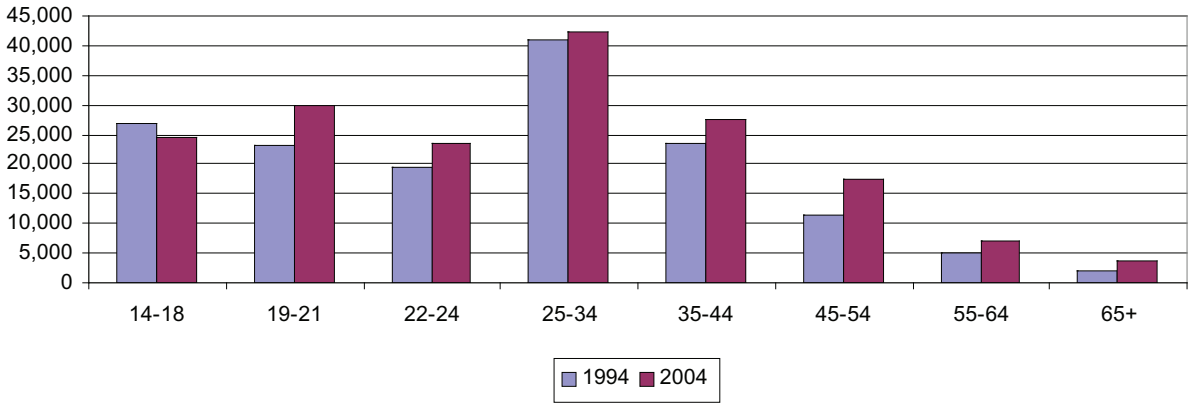
Washington Workers in Construction by Age, 1994 and 2004



Source: U.S. Census, Quarterly Workforce Indicators

Restaurants provide about one third of all jobs for high school age teens, and 21% of jobs for 19 to 21 year olds. However, 56% of Washington's restaurant and drinking establishment workers were over age 25 in 2004, and 16% were over age 45. Teens earned on average only $618 a month in restaurant work in 2004, 25 to 34 year olds averaged $1,572, and 35 to 65 year olds averaged a little over $1,900, well below the state average earnings.

Washington Restaurant Workers by Age, 1994 and 2004

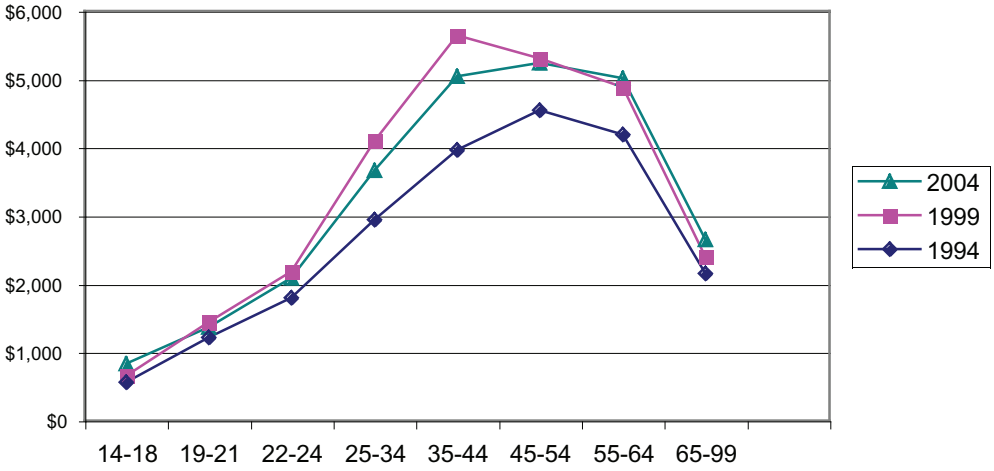


Source: U.S. Census, Quarterly Workforce Indicators

Earnings, Age, and Gender

An individual worker's earnings typically increase with age and experience. In Washington, both men and women see big jumps in average earnings from their early 20s to their mid-40s. After age 45, average monthly earnings plateau and then decline, probably in part because hours at work decline. During the right economic conditions, worker's earnings also benefit from productivity gains and increase over the rate of inflation. Between 1994 and 1999, workers in the state gained real income after inflation in every age group. However, since 1999 workers gains have come from experience alone. Men's earnings at a given age have actually lost ground compared to inflation while women's have barely kept up.

Average Monthly Earnings by Age for Washington Men, 1994, 1999, 2004 (2004 dollars)



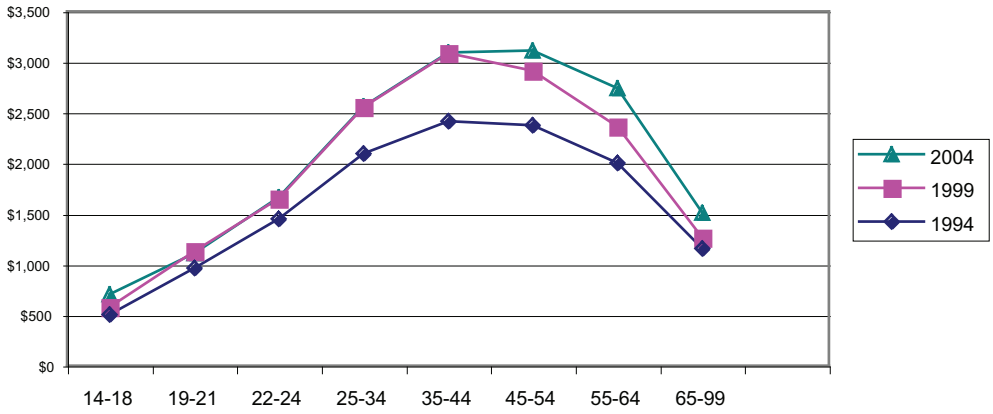
Source: U.S. Census, Quarterly Workforce Indicators

In 1994, a 24 year old male with average earnings made $1,802 per month in 2004 dollars. Five years later, if that man were still making the average for his age group, his monthly pay would have jumped to $4,094. A 24 year old starting in 1999 would experience considerably less wage growth. This younger man would start out in 1999 making almost $400 more each month than his counterpart five years earlier, after adjusting for inflation. When he reached the age of 29 in 2004, he would make more than he had five years earlier, but still end up with $400 less in monthly income than a 29 year old had in 1999. A man moving from the 25-34 to the 35-44 age group between 1994 and 1999 would have gained $2,700 per month on average, but a man making that same transition between 1999 and 2004 would have seen only a $948 gain.

Similarly, a 58 year old man in 1999 made $338 more per month than a 53 year old man did on average in 1994. In 2004, the average 58 year old man made about $300 less per month than the average 53 year old had in 1999.

Women's income also goes up with age, but at not nearly as steep a curve as men's. The average 24 year old woman in 1994 made $450 less per month than the average 24 year man. By 1999, she would have gained $1,101 in monthly income in 2004 dollars, but by then would have lagged behind the average 29-year old man by $1,540. Teenage girls start out making 84.5% of teenage boys' average monthly earnings. As women get older, the earnings gap grows wider. By the time they are age 55, women only make 55% of men's average monthly earnings.

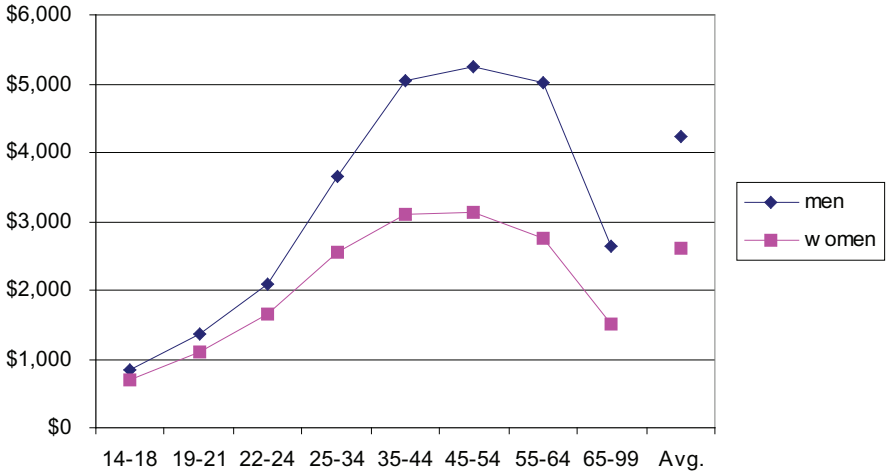
Average Monthly Earnings by Age for Washington Women, 1994, 1999, 2004 (2004 dollars)



Source: U.S. Census, Quarterly Workforce Indicators

Sex discrimination continues to exist in the workplace. However, much of the reason for the difference in earnings between men and women is that they often have different jobs. Men continue to dominate in the traditionally male fields of construction and manufacturing. Men held 71% of computer service jobs in 2004 and averaged $10,417 in monthly earnings, compared to $7,279 for women in the same field. Women held 81% of health services jobs in 2004, but earned only $2,957 per month on average compared to $5,440 for men in health occupations. Of course women continue to choose different jobs from men because they continue to shoulder the bulk of responsibility for family care, from caring for young children, to managing the schedules of school aged kids, to caring for elderly parents and parents-in-law. Policies that would make it easier for women – and men – to balance work and family responsibilities, such as family leave insurance and guaranteed sick leave for routine family illnesses, would help mitigate that imbalance. Policies that assured that part-time workers had equal access to paid leave, retirement plans, and health benefits would also lessen the care-giving penalty.

Average Monthly Earnings by Age for Washington Men and Women, 2004



Source: U.S. Census, Quarterly Workforce Indicators

Washington Women's Average Monthly Earnings as Percentage of Men's Earnings, 2004

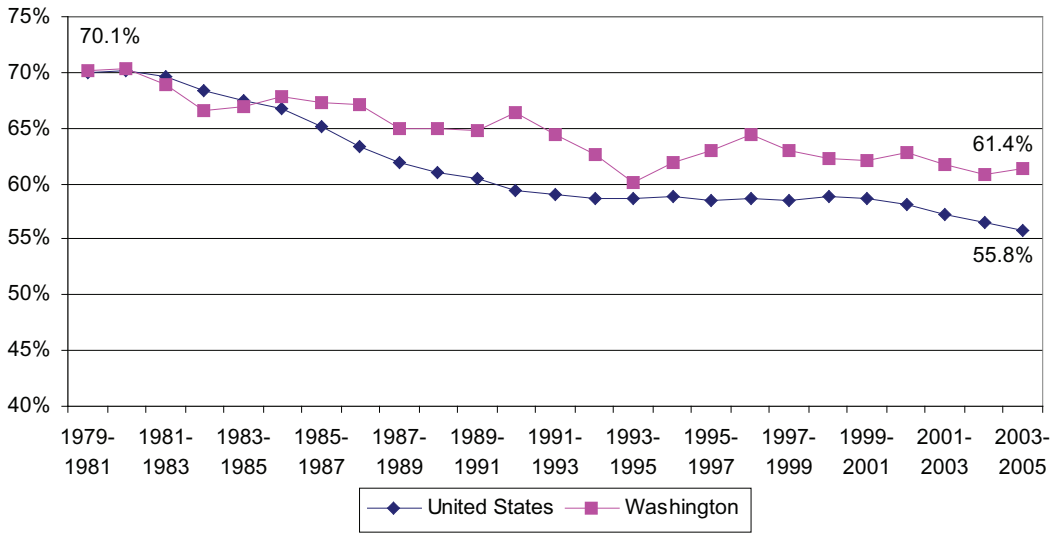
Age	% of Male Earnings
14-18	84.5%
29-21	81.3%
22-24	79.4%
25-34	69.9%
35-44	61.4%
45-54	59.5%
55-64	54.7%
65+	57.1%
All women	61.4%

Source: U.S. Census, Quarterly Workforce Indicators

Workplace Benefits

Workplace benefits contribute significantly to the well-being of working families, and their loss reflects a drop in economic security. Employer provided health insurance has declined since 1979 when 70% of workers were covered in both Washington and the U.S. as a whole. The economic boom of the later 1990s slowed the decline, but by 2005 only 61.4% of the Washington workforce employed at least half-time had health insurance on the job. As in most respects, Washington did better than the national average. Across the country only 55.8% of workers had health insurance from their employers in 2005.[46] Even when employers continue to provided health insurance, they are responding to escalating health costs by shifting more of the burden to employees. A 2005 Kaiser Family Foundation study found that nationally workers were paying $1,094 more annually than in 2000 for family health insurance premiums, along with having higher deductibles and co-payments.[47]

Percentage of Workers with Employer-Provided Health Insurance*

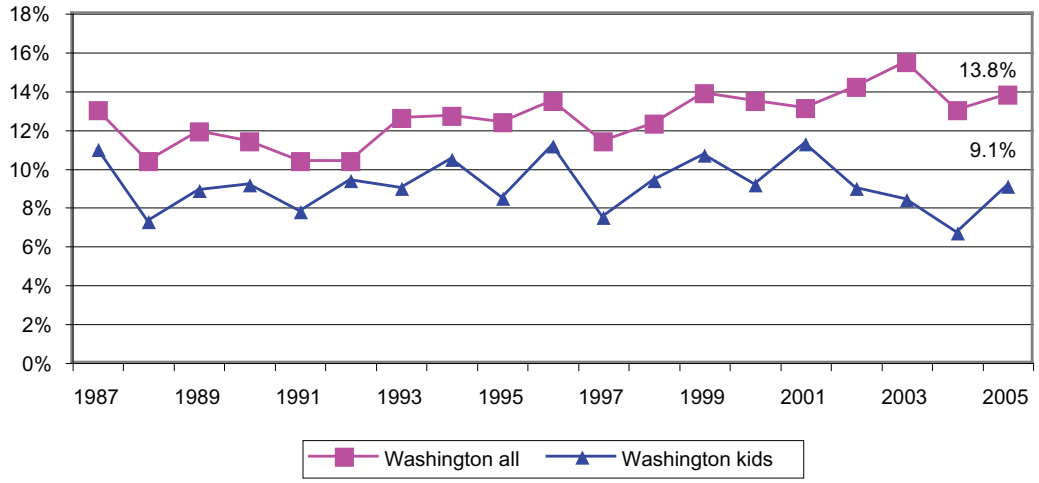


* Of private-sector wage and salary workers age 18-64, who worked at least 20 hours per week and 26 weeks per year.
Source: EPI analysis of Current Population Survey March supplement

According to a 2005 survey of state businesses by the Washington Employment Security Department, 62% of private sector companies provide health insurance to full-time workers for themselves, and 48% provide it for dependents. Part-time workers are much less likely to be offered insurance. Only 12% of firms provide health insurance for part-time employees, and only 9% for the dependents of part-timers. The larger the company, the more likely it is to provide health insurance and other benefits. The 62% of firms offering health insurance employ 86% of full-time employees.[48]

With fewer employers providing coverage, the percentage of the population without health insurance has trended up. In 2005, 13.8% of all Washingtonians lacked health insurance, and 9.1% of children. Overall in the U.S., the rates for both groups were about 2% higher. Government programs are keeping more children insured. Government provided about 32% of kids health insurance in Washington in 2005, compared to 27% in 1995.[49]

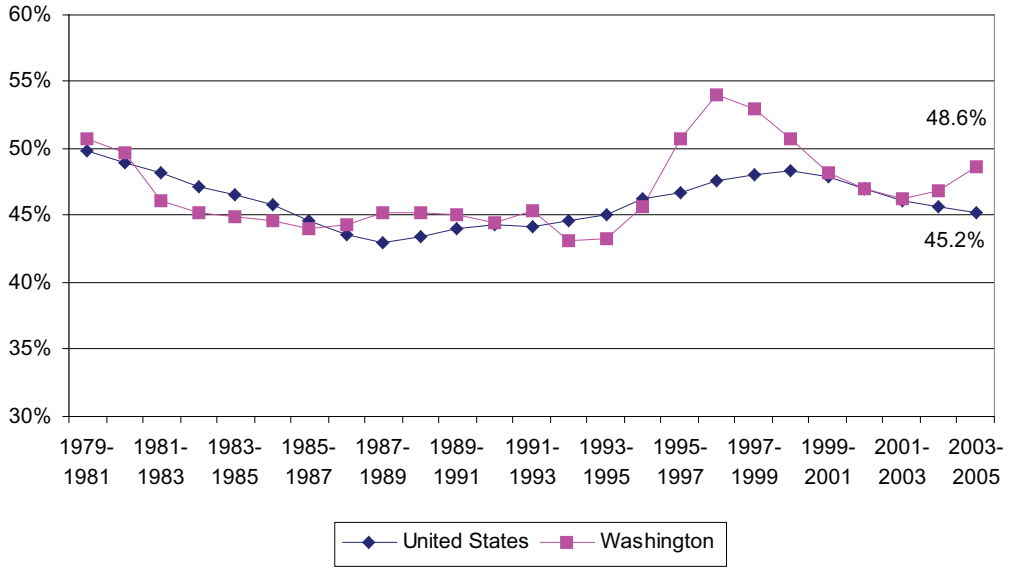
Percentage of Washington Total Population and Children without Health Insurance



Source: U.S. Census Bureau

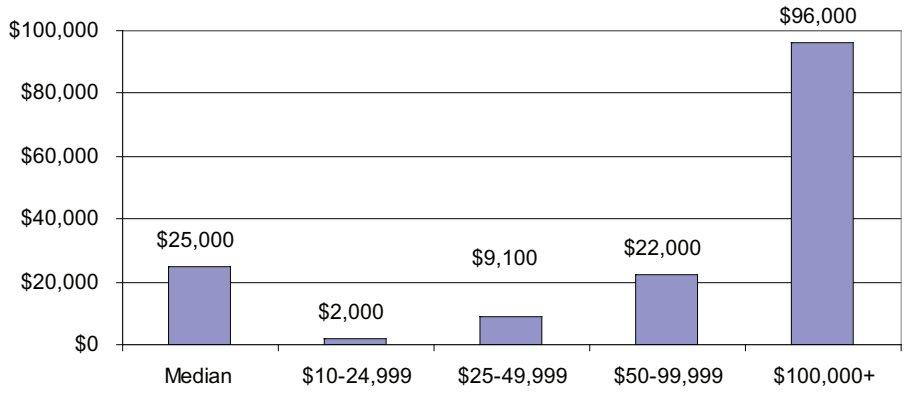
The percentage of workers with an employer-provided retirement plan increased somewhat in the late 1990s, but dropped with the recession and remains below 50%. Most workers with plans now have 401(k)-type defined contribution plans rather than traditional pensions with guaranteed benefits. The amount saved in defined contribution accounts by most workers is small. For workers with annual incomes between $50,000 and $99,999, the median amount accumulated for retirement in 2004 was only $22,000. Lower income workers have saved even less.[50] In Washington in 2005, 39% of private sector firms offered a retirement plan to full-time employees, and 16% to part-time. Three fourths of those firms offered defined contribution plans.[51]

Percentage of Workers with Retirement Plan at Work



Note: Universe is private-sector wage and salary workers age 18-64, who worked at least 20 hours per week and 26 weeks per year.
Source: EPI analysis of Current Population Survey March supplement

Median Accumulations in Defined Contribution Accounts, for Those with Plans

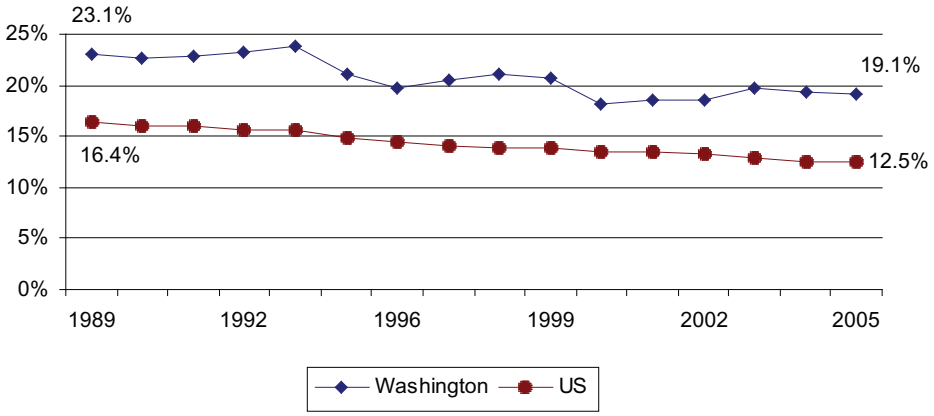


Source: Employee Benefit Research Institute

Vacation is the most commonly provided form of paid leave. In Washington, according to a 2005 Employment Security Department survey, 70.8% of private sector firms offered vacation to full-time employees, 44.2% offered paid sick leave, and 19.9% provided other types of leave, such as paid time off that combines traditional sick leave and vacation into a single category. For part-time workers, 23.4% of companies offered vacation, 14.3% sick leave, and 7.3% other paid leave.[52] Those number are down significantly compared to the Department's 2002 survey, which found that 77% of firms provided vacation and 56% offered sick leave to full-time workers.[53]

Labor unions have traditionally fought for higher pay and better benefits for workers. Union membership as a percentage of all workers has fallen steadily at the national level since 1989, and has also trended down in Washington. Washington's union membership rate is about 7% higher than the national average.[54]

Percentage of Workforce in a Union

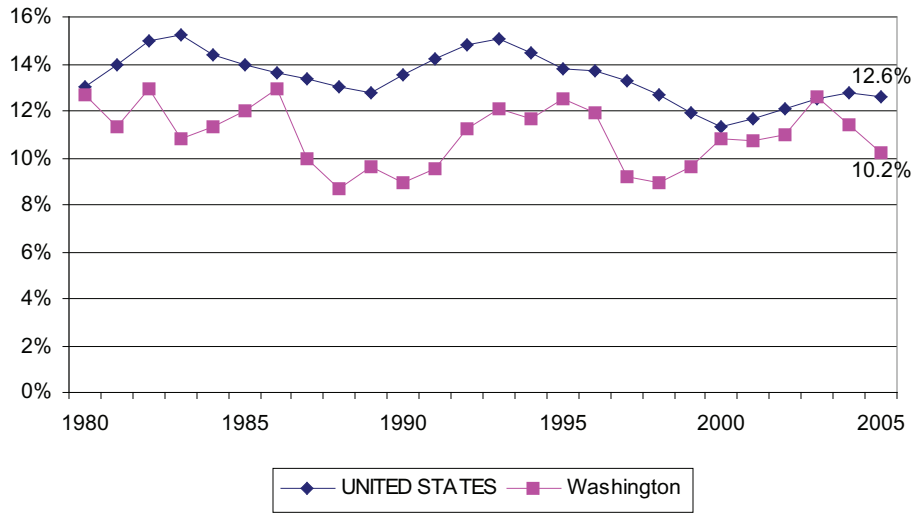


Source: Economic Policy Institute Analysis of Current Population Survey data

Poverty in Washington

Washington's higher incomes, higher minimum wage, and higher union membership result in lower poverty rates than the national average. Nationally, poverty rates began declining in the mid-1990s and began rising again in 2001. In 2005, the national poverty rate dropped slightly for the first time this decade, from 12.7% in 2004 to 12.6% in 2005. Because of a much smaller sample size, the Washington state rate has a higher degree of error and moves in a less smooth line than the national rate, but it has generally moved in the opposite direction of median household income figures. Washington poverty rates began climbing in 1998, the same year median household income began falling. In 2004 and 2005, Washington's poverty rate has dropped as median household income has risen, standing at 10.2% in 2005.[55]

Poverty Rates in Washington and the United States, 1980-2005



Source: U.S. Census Bureau, Current Population Survey

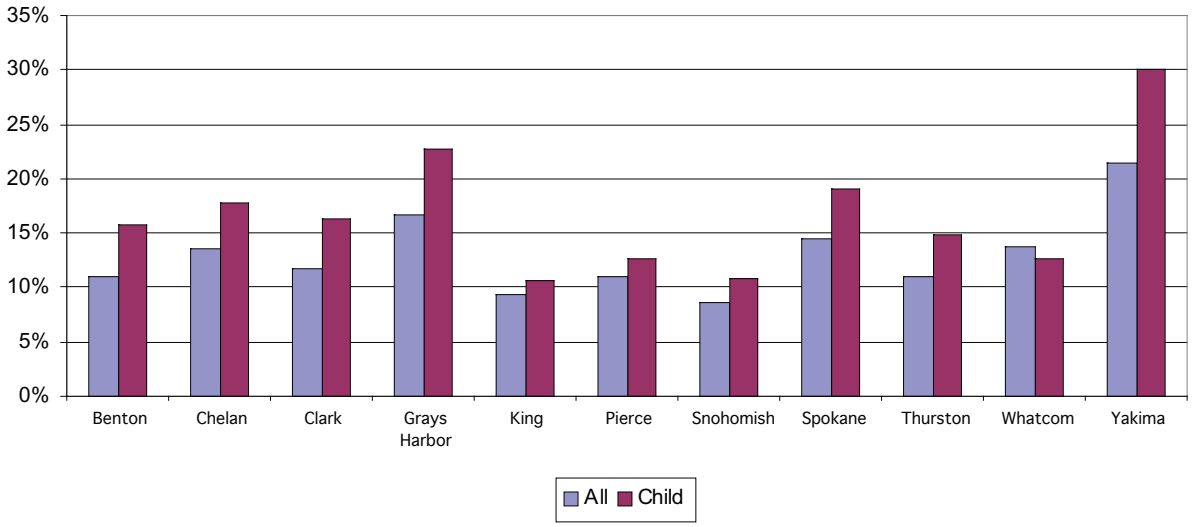
Unfortunately the child poverty rate is higher than the general rate. In 2005, 14.9% of children in Washington and 17.6% of children nationally lived below the poverty level.[56] Seniors, on the other hand, have a lower rate of poverty than the general population, thanks to Social Security and its annual cost of living adjustments. In Washington in 2005, 9% of people aged 65 or more lived in poverty.[57]

In 2005 the federal poverty level for a single person was $9,570, and $19,350 for a family of four.[58] Two times the poverty rate is often considered to be a better measure of what it takes for a family to cover basic expenses. In 2005, 26.1% of Washington residents, 35.2% of children, and 29.6% of seniors had incomes below 200% of poverty. Nationally, 31% of the total population, 38.9% of children, and 33.1% of seniors were below that level.[59]

While relatively few seniors live below the poverty level, high numbers of elderly women have inadequate incomes, living within 150% of the official poverty level. Nationally 16% of white men over age 65 fall below this level, while 26% of white women, 47% of Black women, 24% of Asian women, and 44% of Hispanic senior women do.[60]

Poverty rates also vary enormously around the state. According to American Community Survey data, child poverty is just over 10% in King and Snohomish counties, but reaches 30% in Yakima county.[61]

Poverty for All Individuals and Children by Selected Counties, 2005



Source: U.S. Census, American Community Survey, 2005

Conclusions and Policy Recommendations

Washington has seen robust job growth during 2005 and 2006, finally making up the jobs lost during the recession at the opening of the decade. Growth is occurring across most regions of the state and in most job sectors. But the new jobs often are quite different from the ones that have disappeared, and we will need another year or two of strong job growth to accommodate the state's growing population. Since 2000, Washington's population has grown by 8.2%. If jobs had increased at the same rate, we would have about 98,000 more nonagricultural workers than the monthly averages posted in 2006 through July.[62]

Nationally, worker productivity increased by 16.6% between 2000 and 2005. That increase in output has not translated into higher standards of living for most working families. Median annual household income in Washington in 2005 was $4,000 below the level of the late 1990s. Average monthly earnings for men fell relative to inflation between 1999 and 2004, after rising rapidly during the 1990s. Women's earnings barely kept pace with inflation during the first half of this decade. Inequality is up. Workplace benefits, key components of economic security for working families, are down, from health insurance, to paid leave, to retirement plans.

Public policy makes a difference in how economic gains are distributed among working families. Because of Social Security and its annual cost of living adjustments, poverty among seniors remains lower than for any other age group, both in Washington and throughout the United States. Fewer children lack health insurance than adults, because of both state and federal programs designed to get coverage to kids who need it. Thanks to Washington's minimum wage law with annual cost of living adjustments, the state's lowest earning workers held their ground better during the recession than their counterparts in other states. Washington's poverty level also remains lower than the national average for both adults and children.

Every worker is contributing to rising wealth for our nation and state. New state and federal policies could ensure that all working families benefit from that growing wealth and mitigate the pain of the transition to a new mix of industries. Key areas for new policy development include:

- **Education –** Washington is importing college graduates, engineers, and other highly trained workers from other states and countries, while short-changing our own higher education system. A recent national evaluation of state higher education systems ranked Washington poorly in both access to college and affordability for middle and low income families.[63] We need to expand access to four-year colleges while maintaining an open door at technical and community colleges, continue efforts to build a world-class K-12 system, and greatly expand preschool and high quality early learning so that every child in the state enters kindergarten ready to succeed in school.

- **Paid leave benefits –** While some workers have been able to command good benefits, many have no or only limited paid leave benefits. Part time workers and those in growing service occupations are particularly unlikely to have paid sick leave. Women now comprise almost half the workforce, most parents of young children are in the workforce, and many workers have elderly parents needing care. Nevertheless, paid family leave is a rarity for Washington workers. Five states with over 20% of the U.S. workforce have had universal paid disability programs in place for decades, and California added a family leave component to its disability program in 2004. Legislation has already been introduced to adopt similar programs in Washington and other states, including Illinois, Massachusetts, New York, and New Jersey.[64] Legislation to require employers to provide sick leave has been introduced in Congress and in several states and municipalities.[65] Lack of access to paid leave compounds the problems of high numbers of children in poverty, inadequate health care coverage, and continued gender inequality in earnings.

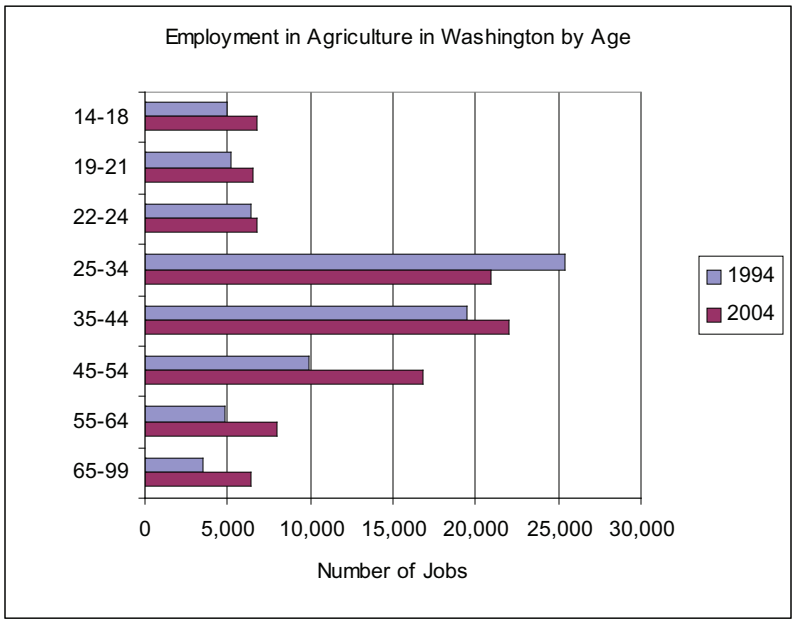
- **Universal retirement accounts –** Over 50% of workers do not have any workplace-based retirement plan. With life spans lengthening and people changing jobs more often, we need easy, portable plans, oriented both towards individuals and smaller businesses. Washington Voluntary Accounts provide an easy way for the state to help all workers save for a more secure retirement.[66]

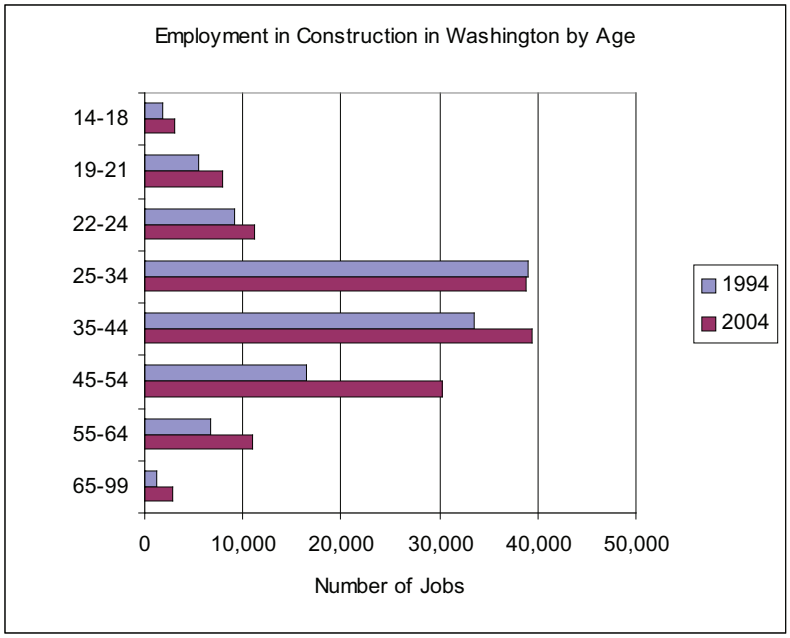
- **Health care –** Rising costs and declining insurance coverage are squeezing workers, businesses, and taxpayers. We need policies that combine – rather than further segment – risk pools; lower costs of prescription drugs, administration, and other expenses; and provide coverage for people during life transitions and in between jobs.

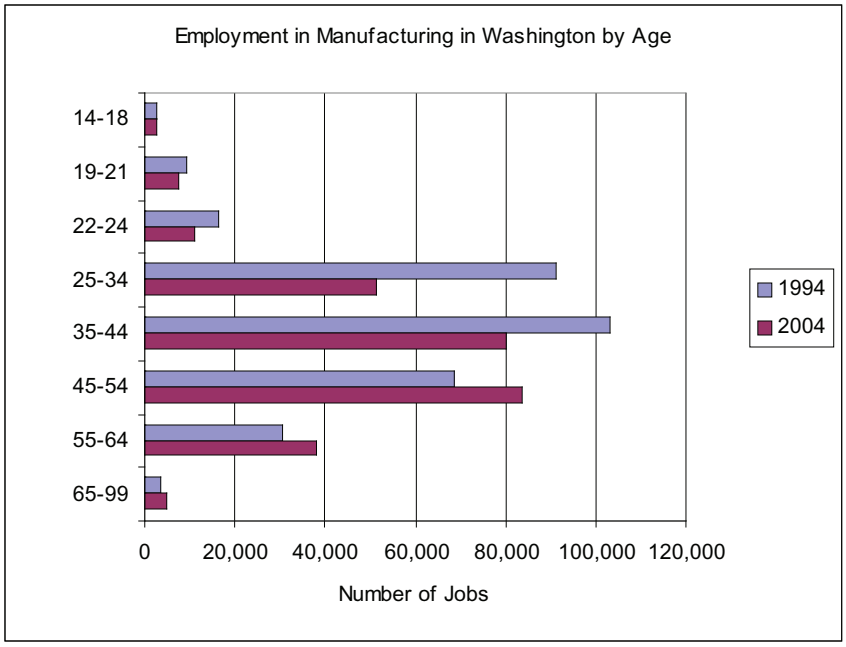
- **Infrastructure development –** Every part of the state and every type of business needs a good transportation and communications infrastructure. With global warming and energy dependence threatening to undermine our quality of life, we also need to transition quickly to better fuel efficiency and renewable energy sources. Investing in a modern, fuel-efficient infrastructure also creates good jobs, both directly and indirectly. A windfall profits tax on oil companies would be one way to finance such a public investment.[67]

- **Tax policy –** Expanded public investments in education, social insurance, and infrastructure will lead to a better quality of life for all Washington residents. Generating the revenues for those investments will be very difficult with our current tax structure, which is inequitable and does not reflect the 21st century economy. Creating a new tax structure will require standing up to numerous special interests and convincing a skeptical public, but our state's future depends on it.[68]

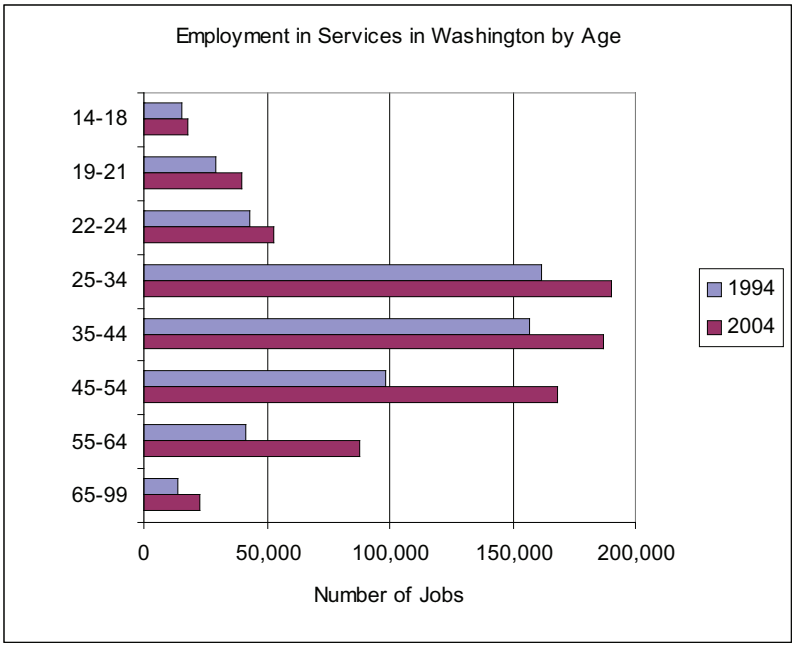
Appendix:
Age Distribution of Workforce by Major Sector, 1994-2004



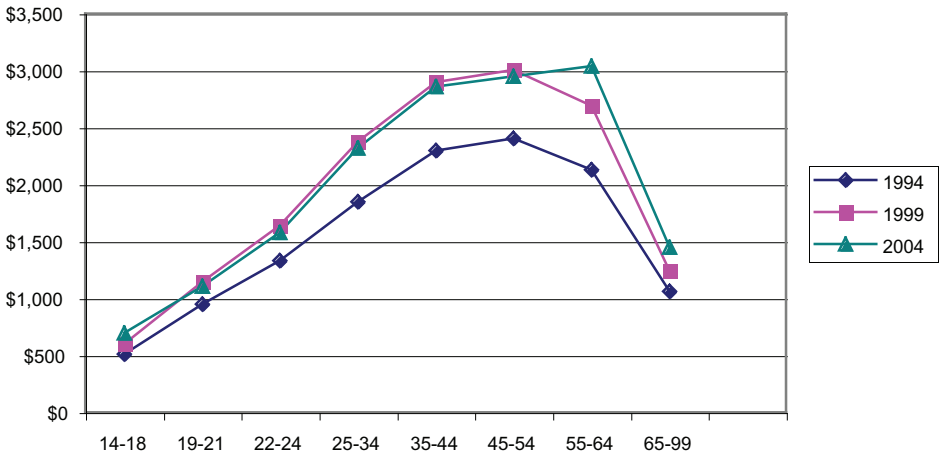



Employment in Manufacturing in Washington by Age
14-18
19-21
22-24
25-34
35-44
45-54
55-64
65-99
0
20,000
40,000
60,000
80,000
100,000
120,000
Number of Jobs
1994
2004


Employment in Retail Trade in Washington by Age
14-18
19-21
22-24
25-34
35-44
45-54
55-64
65-99
0
50,000
100,000
150,000
Number of Jobs
1994
2004



Average Monthly New Hire Earnings by Age for Washington Workers, Constant Dollars



Source: U.S. Census, Quarterly Workforce Indicators

Notes:

A note on sources: Jobs and wage data used in this report come from several sources. The major source for nonagricultural wage and salary employment by industry was the Industry Employment, Historical Series, not seasonally adjusted, provided by the Washington State Employment Security Department (ESD) on its website, www.workforceexplorer.com. This report relied on employment data through July 2006 as reported on August 15, 2006. As new information comes in, ESD periodically revises these figures. Jobs in this series are organized according to the North American Industry Classification System. The U.S. Census Department's Local Employment Dynamics, Quarterly Workforce Indicators tool provides age, gender, and average monthly earnings by industry. The 2nd quarter of 2005 was the latest data available in this series during preparation of this report. In order to compare wage and job data by age and gender from 2005 with 1994 and 1999, we used the Standard Industrial Classification (SIC) portion of this tool. Because we used two different data sets with job data organized in different classification schemes, numbers in different parts of this report are not necessarily directly comparable with each other. In making our own comparisons, we always used numbers from the same data set.

The Current Population Survey and the American Community Survey also provided key data on hourly wages, incomes, poverty, and access to health insurance. Some of the Current Population Survey data was analyzed by the Economic Policy Institute. Again, because these data come from two different sources, numbers used in different parts of our report may not always be directly comparable. As with the jobs data, in making our own comparisons, we always used numbers from the same data set.

Endnotes to pages 5 – 47

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19 ESD, "2005 Agricultural Workforce," Appendix Table 10.
20 February 2006 was the first month in which job totals for the metropolitan area exceeded the previous peak for the month. Snohomish county recovered jobs more quickly than King. By summer 2004, Snohomish county was posting higher job totals than the previous peak for that month. In King county, that landmark was not reached until April 2006.
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29 In the early years of the Clinton administration 6,000 jobs came to the area for Hanford clean up. When former Speaker of the House Tom Foley of Spokane lost his seat and Republicans gained a majority under Newt Gingrich in 1994, these jobs were lost. E-mail correspondence with Dean Schau, a Washington State Economic Security Department economist.
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Economic Opportunity Institute