

King County Benchmarks

2008

Economics

Local Economy Showing Mixed Signs of Growth

The mid-1990's brought exceptional economic growth to the Puget Sound region, buoyed by a strong national economy. Between 1995 and 2000, nearly 8,000 new businesses were established in King County. This business expansion was accompanied by strong gains in employment and wages, especially within the high-tech sector. With unprecedented growth in the 1990's, wages in the software publishing industry peaked in 1999. However, industry wages dropped just as precipitously as they had grown in the 1990's in the early years of this decade. This decrease accompanied other signs of economic downturn as the region faced a national recession, the results of which are shown in this bulletin.

Since 1996, per capita personal income (PCPI) in King County has averaged almost 5% annual growth. However, the lion's share of this growth occurred in the late 1990's. Beginning in 2000, the rate of growth in per capita personal income decreased noticeably, with very small gains in the early years of this decade. When adjusted for inflation, King County's PCPI in 2006 had not yet returned to incomes recorded in 2000.

Both nationally and within King County, median household incomes have also struggled to keep pace with inflation and have yet to return to their 1989 levels, despite gains over the last two years. A trend seen nationally, but more pronounced in King County, is the shrinking of the middle class with "moderate" income households accounting for an increasingly smaller share of the nation's (and county's) households. As shown in Indicator 2, this trend is led by income gains for households earning more than 150% of median income.

King County gained nearly 50,000 net new jobs between 2002 and 2006, with strong gains in both construction and administrative/ waste services. These sectors also experienced strong growth in wages, each increasing about 12% during this time period. During this time the information sector experienced decreases in firms and average wages. Despite these losses, the information sector continues to pay higher wages than any other sector in King County, with employees averaging \$108,000 annually.

Other indicators of King County's economic footing will be addressed in the upcoming Transportation and Affordable Housing Bulletins, highlighting recent changes in housing costs and availability in King County as well as the commuting practices of King County's residents.

What's Inside

When adjusted for inflation, **Real Wages Per Worker** in King County have climbed 25% since 1990 (*Indicator 1, page 2*).

Over the last decade, both **Per Capita Personal Income and Median Household Income** in King County have increased at a faster rate than the national average with King County residents now earning 143% more than their national counterparts and households earning 131% more than their national counterparts (*Indicator 2, page 4*).

At 9.5%, there is a smaller **Percentage of King County's Population Below the Poverty Level** than is measured in Washington State and nationally (*Indicator 3, page 6*).

Slowly recovering from a national and regional recession, King County realized a net loss in the **Number of New Businesses Created** between 2002 and 2006 (*Indicator 4, page 7*).

King County is also seeing a gain in the **Number of New Jobs Created, by Employment Sector**, with a 4% increase in employment between 2002 and 2006 (*Indicator 5, page 8*).

Despite job losses, aerospace product/ parts manufacturing continues to provide strong **Employment in Industries that Export from the Region** (*Indicator 6, page 10*).

With 45% of the adult population possessing a bachelor's degree or higher, the **Educational Background of the Adult Population** in King County is more advanced than seen nationally with 27% of adults throughout the United States holding at least a bachelor's degree (*Indicator 7, page 12*).

The On-Time **High School Cohort Graduation Rate** for the Class of 2005 in King County's 19 school districts was 76.5%, two percentage points higher than the Washington State average (*Indicator 8, page 13*).

NOTE: due to data availability, this bulletin reports economic indicators through the year 2006 only.