

Number of New Businesses Created

OUTCOME: INCREASE BUSINESS FORMATION, EXPANSION AND RETENTION

Countywide Planning Policy Rationale

"Local jurisdiction's comprehensive plans shall include policies intended to foster...a business climate which is supportive of business formation, expansion, and retention and recognizes the importance of small businesses in creating new jobs..."(CPP ED-6) "Where appropriate, jurisdictions' plans shall include policies intended to attract and retain industries, firms and jobs, within their locally determined or zoned manufacturing and industrial areas." (CPP ED-8)

Between 2002 and 2006, King County experienced 3,100 business losses. As shown in figure 4.1, all sectors (with the exception of Management of companies and enterprises) experienced business closings between 2002 and 2004. As the region recovered from a recession, the Washington State Employment Security Department reported net business increases after 2004, led by gains in construction.

Wholesale and retail trade collectively sustained one-half of the business losses reported between 2002 and 2006, though neither sector incurred notable changes in overall employment. Within the wholesale trade sector, the greatest business declines occurred in durable and non-durable goods wholesale establishments, with almost 2,000 business closings, representing a loss of one in three establishments during this time. Total wholesale trade business losses were ameliorated by an increase of 1,150 new business-to-business electronic market firms in this time period. Shifts in these wholesale trade subsectors, resulted in 825 wholesale trade sector business closings. Despite these losses, the sector gained 1,300 jobs.

Retail trade incurred a loss of 700 businesses, with losses in all "storefront" retail sectors. Despite these losses, fewer than 1,000 jobs were lost between 2002 and 2006, a decrease of less than 1% of the county's retail sector employment.

Figure 4.1

King County Average Firms and Annual Change									
SECTOR	2002	annual change	2003	annual change	2004	annual change	2005	annual change	2006
Agriculture, forestry, fishing and hunting	458	-9%	418	-8%	383	-2%	377	-3%	367
Construction	7,029	-7%	6,538	-7%	6,111	3%	6,281	4%	6,560
Manufacturing	2,814	-5%	2,670	-5%	2,532	-2%	2,474	-1%	2,455
Wholesale trade	7,796	-4%	7,479	-5%	7,107	-3%	6,905	1%	6,971
Retail trade	5,263	-5%	4,992	-7%	4,655	-2%	4,578	-1%	4,548
Transportation and warehousing	1,468	-6%	1,386	-8%	1,274	2%	1,301	1%	1,318
Information	1,626	-11%	1,450	-8%	1,333	5%	1,401	7%	1,496
Finance and insurance	2,652	-3%	2,569	-3%	2,499	4%	2,590	5%	2,725
Real estate and rental and leasing	2,484	-0.2%	2,479	-1%	2,451	3%	2,519	2%	2,578
Professional and technical services	8,753	-6%	8,201	-5%	7,753	2%	7,885	5%	8,278
Management of companies and enterprises	304	2%	311	0.0%	311	-1%	308	-1%	305
Administrative and waste services	3,703	-5%	3,519	-4%	3,366	1%	3,387	3%	3,490
Educational services	932	-2%	915	-3%	891	1%	902	3%	925
Health care and social assistance	4,470	1%	4,504	-1%	4,468	2%	4,557	2%	4,654
Arts, entertainment, and recreation	840	0.0%	840	-3%	815	0%	817	3%	842
Accommodation and food services	3,909	-0.2%	3,902	-2%	3,841	3%	3,975	3%	4,089
Other services, except public administration*	3,992	-3%	3,857	-3%	3,745	1%	3,792	1%	3,840
Government	307	-1%	305	-3%	295	-3%	286	0.2%	286
Not classified	72	-14%	62	-6%	58	-5%	55	-4%	53
TOTAL*	58,867	-4.2%	56,391	-4%	53,885	1%	54,387	3%	55,775

source: Washington State Employment Security Department

*Other services, except public administration does not include private households. "Total" row may not sum due to rounding.