Special Report
Washington Research Council

BRIEFLY

This report on the business climate of the Central Puget Sound region was prepared with the support of the Economic Development Councils of Seattle - King County, Tacoma- Pierce County, Snohomish County and Thurston County.

October 19, 2001

A Regional Economic Vitality Agenda

Introduction

In the months since The Boeing Company announced that Seattle would no longer be home to its corporate headquarters, the region's business climate has come under intense scrutiny. As the national and state economies slowed over the summer, concern here mounted. The governor appointed a Competitiveness Council to address statewide policy issues. The events of September 11, the announced layoff of up to 30,000 Boeing employees, and the certainty of recession have added a sense of urgency to the discussion.

Last spring, the Economic Development Councils (EDCs) of Seattle-King County, Tacoma-Pierce County, Snohomish County and Thurston County united to examine issues affecting the competitive position of businesses in the Central Puget Sound region. Each of the EDCs represents a partnership between business and the public sector. They work together to retain and expand wealth-creating industry in the region, attract new business investment, and assure that the region remains a good place to do business.

Working together and with the Washington Research Council, the four groups identified thirty businesses in the region to be interviewed regarding the public policy issues influencing their expansion and relocation decisions.

The firms interviewed (listed in Appendix I) do not constitute a random sample of regional businesses. They were selected because the EDC executives identified them as critical to county or regional economic vitality, representative of new businesses locating or expanding here, or led by executives uniquely positioned to provide insight into elements of the business climate.

In the following pages, we examine changes in the regional economy and differentiate among the four counties. Following that discussion, we look at several business climate factors (infrastructure, housing, workforce preparation, education, regulation, and taxation) from the perspective of the executives interviewed. Finally, we conclude with two agendas: 1) a set of policy recommendations and 2) actions that will be taken by the EDCs to enhance the competitiveness of businesses in the region.

What Matters to Business Leaders

When Boeing chairman Phil Condit addressed shareholders at the company's annual meeting last spring, he said: "This area needs good transportation, needs good education, needs good permitting processes if it is to be competitive on a world scale."

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Nearly every person we interviewed echoed his list, although with some variation in emphasis. On many of the issues examined, there is widespread agreement; on others, the business people interviewed hold sharply diverging points of view. Sometimes, the differences can be explained by different industry requirements. Other times, geographic location is a determining factor. Start-up firms often described challenges different from those faced by more mature businesses.

There is no single "business climate." What constitutes a favorable environment for a technology firm looking for highly educated scientists and engineers, world-class public schools, and urban cultural amenities, will not necessarily satisfy the interests of a manufacturer seeking reasonable labor costs, abundant and affordable land on which to build, and a competitive tax burden. And the conditions either of those firms find favorable may not meet the requirements sought by a large call center.

Of course, today's manufacturer is often engaged to a high degree in the technology industry. Increasingly sophisticated design, engineering, and production processes require a skilled workforce and ongoing education and training. Because manufacturing firms frequently provide high-wage jobs and involve a supporting network of suppliers and distributors, their presence in a region has a substantial multiplier effect.

Nonetheless, there is a specific focus to the concern with the business climate. Simply, how does public policy here affect the ability of businesses to compete in the global economy? While the importance of various aspects of the policy environment will vary among industry sectors, all are affected in one way or another by the region's physical infrastructure, tax and regulatory policy, education system and energy supply. The choices made by policy makers in these areas will affect the desirability of the Puget Sound region for future business investment.

A number of business climates – call them microclimates – will exist within a large metropolitan region, particularly one characterized by an increasing economic diversity. The shift from a natural resource and manufacturing based economy to one more focused on emerging technologies, research and development, and professional services has been both a cause and an effect of policy decisions made by state and local lawmakers.

While the region has diversified, the diversification will not insulate the region from the loss of tens of thousands of high-paying jobs, nor does it suggest that policy makers can ignore the concerns of Boeing and other large manufacturers, still the primary engines driving regional prosperity.

As we have seen since September 11, many factors affecting the regional economy are beyond the control of businesses and policymakers here. The current national recession is having a severe impact on many local industries and the future is uncertain. Failure to address the identifiable weaknesses in the state's competitive position, however, will delay recovery. Many of these weaknesses relate to the cost of doing business in Washington, a factor that grows in importance during this recession, and one that may determine how well-positioned the region will be for the next phase of economic growth.

Costs Still Matter

Many of the firms interviewed expressed a strong desire to remain in the Central Puget Sound region. Executives extolled the quality of life, the strength of the technology sector, and the caliber of the region's labor pool. In addition, the investment made by these firms, particularly in human capital, creates a strong incentive to avoid the disruption of a move.

The positive inertia that helps with retention, however, underscores the heightened sensitivity to cost control.

As one technology executive, whose firm is not headquartered in Washington, pointed out, "Relocating is real expensive. Rather than move, we find the next project and grow it in the next location, … like seeding." Then, "the larger we get in a spot, the more spins out and lands… New institutions tend to perpetuate themselves."

There is no impending rush for the border.

The greater risk is that future investment will go elsewhere. As a spokesman for an international technology firm headquartered out of state said, "With the larger corporation there is a constant pressure to consolidate operations and to rationalize locations." Working with the local EDC, the firm was able to reverse a proposal to relocate operations out of the Seattle area, but the pressures to reduce costs remain.

"the most important public policy factor is the cost structure. The days of high margins and high growth are behind ... so costs and how we compete with competitors in the US and abroad are important."

An executive with a large manufacturing concern said the future of his firm was tied directly to the cost of the product. "If our product cannot be adequately priced, we lose share. We lose share, we lose the opportunity to invest in new product development and lose the confidence of our shareholders and customers."

Being in a historically high margin technology business provides little insulation from cost pressures. A local executive with an international firm said, "the most important public policy factor is the cost structure. The days of high margins and high growth are behind … so costs and how we compete with competitors in the US and abroad are important."

At some level, each of the issues we consider has a cost component. Beyond taxes and fees, there are the direct and indirect costs associated with regulation and regulatory compliance. High housing prices increase labor costs as employers must pay relocating employees relatively higher wages in order to preserve the employees standard of living. And the large number of employees commuting to King County jobs from elsewhere because they could not find affordable housing in the county contributes to the region's severe traffic congestion.

Economic Overview

The Central Puget Sound region is the most economically dynamic area of Washington state. King County is the primary economic engine of this region. Personal incomes in King County exceed those of in Pierce, Snohomish, and Thurston counties. Although population growth has been strong in Pierce, Snohomish, and Thurston Counties, many residents of those counties commute to jobs in King County.

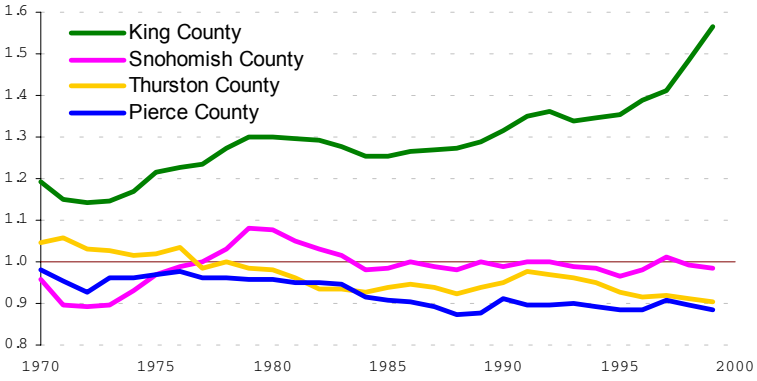
The number of manufacturing jobs in King County has declined. This, however, has been more than offset by an increase in high paying service jobs. Snohomish County, on the other hand has seen a boom in high tech manufacturing jobs. Pierce and Thurston Counties, while experiencing growth in technology firms, continue to rely on government jobs to provide large parts of their economic bases.

Personal Income and Wages in Covered Employment

Income growth is a key indicator of the health of a region's economy. By this measure, King County has performed very well in recent years. Income growth in the other three counties has been not nearly as strong. And King County's overall income is inflated by the spectacular stock option returns of a relatively small number of software employees.

FIGURE 1

Local Per Capita Personal Income Relative to the Nation as a Whole



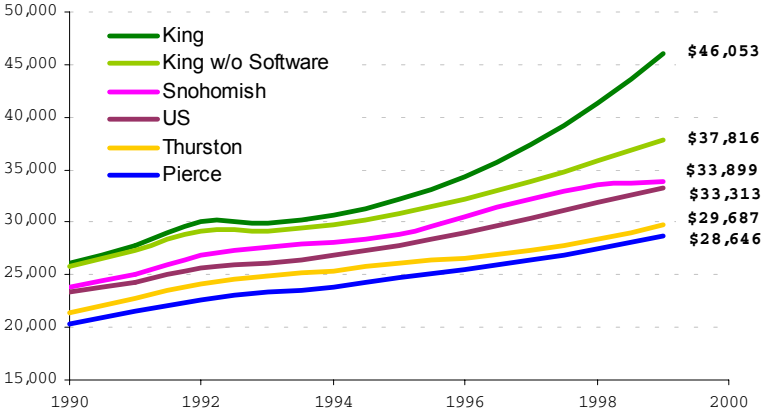
Source: Employment Security Department

In 1999 per capita personal income (PCPI) for King County residents was $44,719. Snohomish County residents had the second highest average income among the four counties, $28,105. For Thurston County, PCPI was $25,760; for Pierce County, $25,289. The King County figure was considerably above the national average PCPI of $28,546. The other three counties had per capita incomes below the national figure.

Figure 1 compares personal incomes for the four counties over the period 1970 to 1999. Each county's PCPI is indexed relative to the national PCPI. The index value of the King County's PCPI for 1999 is 1.57. This means that in 1999 King County PCPI was 57 percent greater than the national average.

FIGURE 2

Annual Average Wage in Covered Employment



Source: Employment Security Department

Average personal incomes of King County residents exceeded the national averages over the whole period, 1970-1999. The gap increased during the 1970s, held relatively constant during the 1980s, and then increased again during the 1990s. The upward movement in the latter half of the 1990s reflects option income in the software industry.

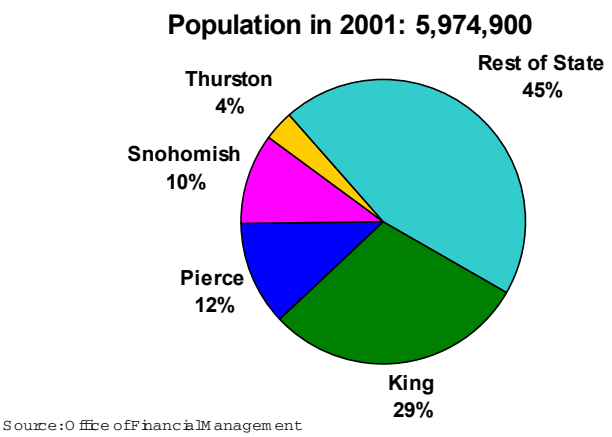
The patterns are quite different for the other three counties. Snohomish PCPI was below the national average from 1970 to 1977 and above the national average from 1978 to 1983. From 1984 onwards, it tracked the national

figure closely. Pierce PCPI was below the national average for the whole period. During the 1990s it remained about 90 percent of the national average. In 1970, Thurston PCPI was about 5 percent above national PCPI. By 1999 it was 10 percent below the national figure.

Wages and salaries provide a large portion of personal income.

Figure 2 shows average annual wages in covered employment for the years 1990 to 1999 for the nation and the four counties. King and Snohomish County annual average wages are above the national average for the entire 10-year period, while Pierce and Thurston County average wages are below the national averages. In 1999, the average wage in King County exceeded the national average by 38 percent. Much of this is due to stock options in the software industry. With this industry removed, the margin drops to 14 percent.

FIGURE 3



Source: Office of Financial Management

Population

Together the four counties accounted for 55 percent of the state's population in 2001. (See Figure 3) This is reduced slightly from their 56 percent share in 1990.

King County is the state's most populous county. Its population grew by 16.7 percent from 1990 to 2001. This was less than the rate of growth for the other three counties and less than the rate for the state as a whole. Of the 16.7 percent, 7.9 percent was the result of natural increase, the excess of births over deaths in the county, while 8.8 percent was the result of net migration, in migration less out migration. (See Figure 4)

FIGURE 4

	Population	Growth 1990-2001		
			Natural	*Net*
	1-Apr-01	*Overall*	*Increase*	*Migration*
State	5,974,900	22.8%	8.6%	14.2%
King	1,758,300	16.7%	7.9%	8.8%
Pierce	713,400	21.7%	9.7%	12.0%
Snohomish	618,600	32.9%	11.3%	21.5%
Thurston	210,200	30.4%	7.3%	23.1%

Source: Office of Financial Management

Pierce County is the state's second most populous county. Its population grew by 21.7 percent from 1990 to 2001. This was slightly less than the state's overall rate of population growth. Natural increase added 9.7 percent to the county's population; net migration, 12.0 percent.

Snohomish County is the state's third most populous county. It grew by 32.9 percent from 1990 to 2001, a much greater rate of increase than either King or Pierce Counties experienced. Of the 32.9 percent, 11.3 percent was due to natural increase and 21.5 percent was due to migration.

Thurston County is the state's eighth largest county. It grew by 30.4 percent from 1990 to 2001. Of this, 7.3 percent was due to natural increase and 23.1 percent was due to migration.

Employment

Economists distinguish between primary and secondary industries. Income from jobs in primary industries has its source outside of an area's economy. Growth in primary jobs drives growth in the area.

In 2000, the four counties had 64 percent of the state's jobs, as shown in Figure 5. King County alone had 44 percent of state jobs. This was consid-

FIGURE 5

Source: Employment Security Department

FIGURE 6

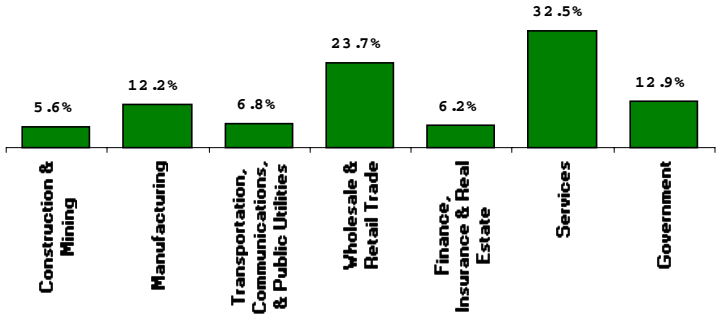
1999 Earnings from Employment
(billions of dollars)

	Net Earnings from County Jobs	Net Earnings of County Residents	Difference	Percent
King	62.9	55.8	(7.2)	-13%
Pierce	9.6	12.1	2.5	21%
Snohomish	9.1	12.6	3.5	28%
Thurston	3.1	3.6	0.5	13%

Source: Bureau of Economic Analysis

FIGURE 7

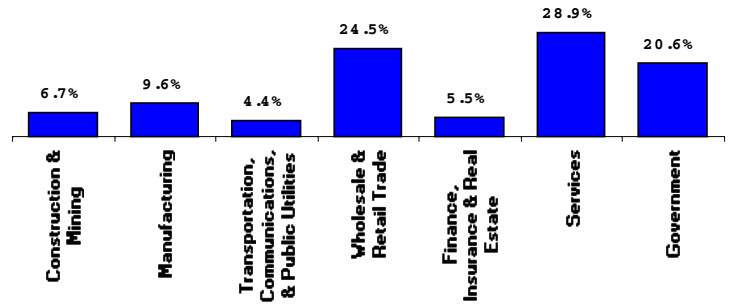
Percentage Distribution of 2000 King County Non-Agricultural Employment



Source: Employment Security Department

FIGURE 8

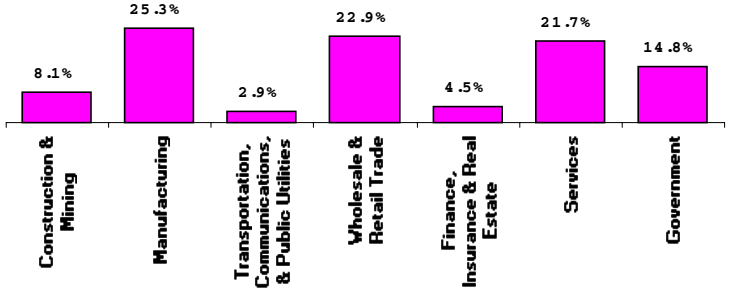
Percentage Distribution of 2000 Pierce County Non-Agricultural Employment



Source: Employment Security Department

FIGURE 9

Percentage Distribution of 2000 Snohomish County Non-Agricultural Employment



Source: Employment Security Department

erably greater than the county's 29 percent share of state population. Consequently, there is a considerable flow of commuters into the county.

In effect, for the economies of the adjacent counties, employment in King County is a major primary industry. Figure 6 compares, for each county, the earnings generated by jobs located within the county to the earnings of county residents. Commuting boosts Pierce County incomes by 21 percent, Snohomish County incomes by 28 percent, and Thurston County incomes by 13 percent.

Industrial structures differ significantly between the counties. For the region as a whole, primary jobs are concentrated in King County. In the "old" economy, most of the region's primary jobs were in the manufacturing sector. The manufacturing sector remains a very important source of primary jobs. The "new" information economy, however, has created new primary jobs in the service sector. And these new jobs have played a leading role in the region's recent growth.

Figures 7 to 10 show the percentage distributions of non-agricultural employment across broad industrial sectors for the counties.

In King County 32.5 percent of jobs are in the service sector. This is greater than the service sector's shares of jobs in the other three counties. Many of King County's service jobs are new economy primary jobs: The production of software is a service. Microsoft is King County's largest service sector employer.

King County also ranks first in the share of jobs in the transportation, communications, and public utilities sector and the finance, insurance, and real estate sector.

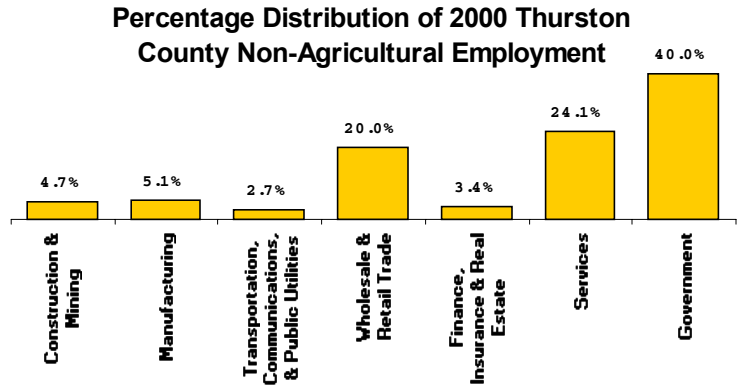
Manufacturing accounts for 12.2 percent of King County's jobs, the 2nd highest percentage among the counties. Boeing is the county's largest manufacturer. Government is 12.9 percent of King County jobs, the lowest percentage among the counties.

Government provides 20.6 percent of Pierce County's jobs, the second highest percentage among the four counties. Many of these jobs are military. Funded by federal taxes, military jobs are primary jobs for both the region's and the county's economy. Manufacturing is 9.6 percent of Pierce County jobs; Pierce County's 24.5 percent share of jobs in wholesale and retail trade is the largest of the four counties.

Manufacturing is the largest Snohomish county sector, with 25.3 percent of jobs in 2000. This is the highest share for manufacturing jobs among the four counties and twice manufacturing's share in King County. Snohomish also has the highest share of jobs in construction. The county has the lowest share of jobs in the service sector.

Government is by far the largest sector in Thurston County, with 40 percent of wage and salary jobs. The state provides many of these jobs, and they are primary jobs with respect to the county's economy. The county ranks 3rd in the share of its jobs in services and 4th in the share in manufacturing.

FIGURE 10



Source: Employment Security Department

Manufacturing

The four counties had 228,010 manufacturing jobs in 2000. As Figure 11 indicates, 56 percent of these jobs were in King County. Nearly one-third of the manufacturing jobs were in Snohomish County.

Manufacturing employment in the four-county region fell by 20,080 from 1990 to 2000. This loss, concentrated in King County has been a drag on the region's economy. In Snohomish County, however, manufacturing has expanded, contributing significantly to that county's growth.

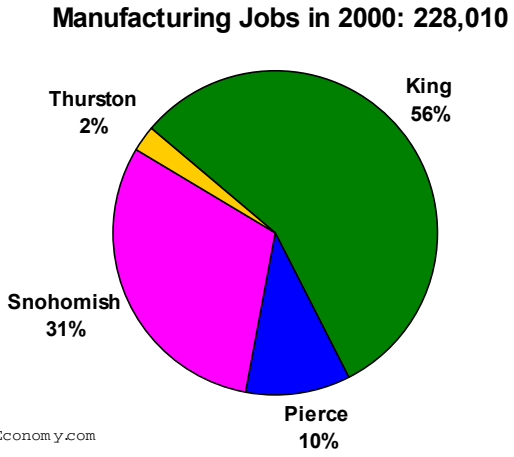
King County Manufacturing

King County had 128,760 manufacturing jobs in 2000. This was a drop of 39,010 from the number in 1990.

The Standard Industrial Classification (SIC) system identifies 140 different "3 digit" manufacturing industries. Federal and state governments collect extensive data on employment in counties. Much of this is not publicly exposed at the 3-digit level, however, to protect the privacy of individual employers. In this report we use estimates of county 3-digit employment prepared by the economic consulting firm Economy.com.

Year 2000 employment for the county for each of these industries is shown in Appendix III. The largest King County manufacturing industry was Aircraft and Parts, with 41,050 employees. Second was Miscellaneous Food and Kindred Products with 8,720 employees. (Manufactured Ice is the major kindred product in this group.) This was followed by Medical Instruments and Supplies, with 4,850; Toys and Sporting Goods, with 4,060; and Commercial Printing, with 420.

FIGURE 11



Source: Economy.com

FIGURE 12

King County Manufacturing
Most Jobs Added

SIC	Industry	Gain 1990-to-2000
209	Misc. Food and Kindred Products	4,250
394	Toys and Sporting Goods	1,350
283	Drugs	1,250
384	Medical Instruments and Supplies	1,210
367	Electronic Components and Accessories	1,190
346	Metal Forgings and Stampings	1,180
399	Misc. Manufacturing Industries	980
308	Miscellaneous Plastics Products, Other	870
365	Household Audio and Video Equipment	850
273	Books	690

Source: Economy.com

FIGURE 13

King County Manufacturing
Most Jobs Lost

SIC	Industry	Loss 1990-to-2000
372	Aircraft and Parts	(41,480)
373	Ship and Boat Building and Repairing	(2,080)
271	Newspapers	(1,190)
381	Search and Navigation Equipment	(1,190)
382	Measuring and Controlling Devices	(1,180)
344	Fabricated Structural Metal Products	(1,060)
353	Construction and Related Machinery	(1,010)
205	Bakery Products	(990)
357	Computer and Office Equipment	(850)
208	Beverages	(700)

Source: Economy.com

FIGURE 14

Pierce County Manufacturing
Most Jobs Added

SIC	Industry	Gain 1990-to-2000
273	Books	1,950
372	Aircraft and Parts	1,860
203	Preserved Fruits and Vegetables	1,250
355	Special Industry Machinery	810
308	Miscellaneous Plastics Products, Other	780

Source: Economy.com

FIGURE 15

Pierce County Manufacturing
Most Jobs Lost

SIC	Industry	Loss 1990-to-2000
201	Meat Products	(1,230)
243	Millwork, Plywood and Structural Member	(930)
271	Newspapers	(870)
373	Ship and Boat Building and Repairing	(770)
371	Motor Vehicles and Equipment	(710)

Source: Economy.com

FIGURE 16

Snohomish County Manufacturing
Most Jobs Added

SIC	Industry	Gain 1990-to-2000
372	Aircraft and Parts	8,390
357	Computer and Office Equipment	5,080
362	Electrical Industrial Apparatus	770
275	Commercial Printing	640
232	Men's and Boys' Furnishings	620

Source: Economy.com

FIGURE 17

Snohomish County Manufacturing
Most Jobs Lost

SIC	Industry	Loss 1990-to-2000
267	Misc. Converted Paper Products	(640)
243	Millwork, Plywood and Structural Member	(570)
367	Electronic Components and Accessories	(400)
356	General Industrial Machinery	(370)
201	Meat Products	(250)

Source: Economy.com

Figure 12 shows the ten manufacturing industries that added the greatest number of jobs from 1990 to 2000. The biggest growth was for Miscellaneous Food and Kindred Products, which added 4,250 jobs. Toys and Sporting Goods, Drugs, Medical Instruments and Supplies, and Electronic Components and Accessories rounded out the top five.

Figure 13 shows the ten manufacturing industries that most reduced King County employment from 1990 to 2000. The greatest reduction was in Aircraft and Parts, down 41,480. 1990 was a peak year in that industry. In addition, Boeing relocated some activities to Snohomish County during the decade.

Pierce County Manufacturing

In 2000, there were 22,260 manufacturing jobs in Pierce County, an increase of 1,250 over the number of jobs in 1990.

The largest industry was Sawmills and Planing Mills, which employed 2,170. Next in order were Aircraft and Parts, with 2,050 employees; Books, with 1960; Miscellaneous Plastics Products, with 1,740; and Preserved Fruits and Vegetables, with 1,270.

Figure 14 shows the five manufacturing industries with the greatest increase in employment. Books ranked first, with are 1,950 jobs added; followed by Aircraft and Parts, Preserved fruits and Vegetables, Special Industry Machinery, and Miscellaneous Plastics Products.

Figure 15 shows the five manufacturing industries with the greatest drop in employment over the decade in Pierce County. Meat Products had the greatest loss, 1,230 jobs. The Millwork, Plywood, and Structural Members industry had the second largest drop, 870 jobs.

Snohomish County Manufacturing

Snohomish County had 70,570 manufacturing jobs in 2000, an increase of 17,030 over the number in 1990. The county's largest manufacturing industry was Aircraft and Parts, with 40,760 jobs. Next in size were two high-tech manufacturing industries – Computer and Office Equipment, and Measuring and Controlling Devices – with a total of 8,350 jobs. The next two in size were Sawmills and Planing Mills, 1880 jobs, and Ship and Boat Building and Repairing, 1800 jobs.

Figure 16 shows the five industries that added the most manufacturing jobs between 1990 and 2000. Aircraft and Parts added 8,390 jobs, while Computer and Office Equipment added 5,080. Third in gains was Electrical Industrial Apparatus, with 770 jobs added. Commercial Printing and Men's and Boys' Furnishings rounded out the top five in gains.

The five manufacturing industries recording the greatest job losses were Miscellaneous Converted Paper

Products, Millwork, Plywood and Structural Members, Electronic Components and Accessories, General Industrial Machinery, and Meat Products.

Thurston County Manufacturing

Thurston County had 4,680 manufacturing jobs in 2000, a decrease of 90 jobs from 1990.

Beverages was the county's largest manufacturing industry with 650 jobs. Miscellaneous Plastics Products, 590 jobs; Logging, 540 jobs; Millwork, Plywood, and Structural Members, 440 jobs; and Paperboard, Containers and Boxes, 350 jobs, rounded out the top five.

Figure 18 shows the five industries that added the most manufacturing jobs from 1990 to 2000. Logging added 310 jobs. Miscellaneous Plastics Products added 290 jobs.

Figure 19 shows the four Thurston County manufacturing industries that lost 100 or more jobs between 1990 and 2000. The county's largest manufacturing job losses were in Industrial Inorganic Chemicals and Plastics Materials and Synthetics, which together lost 790 jobs.

Services

The four counties had 512,340 service sector jobs in 2000. This was an increase of 184,790 from 1990. Many of these new service sector jobs were primary jobs. Their creation drove the overall growth of the region's economy over the decade.

As Figure 20 shows, King County had nearly three-quarters of the region's service sector jobs in 2000.

King County Services

The drop in manufacturing employment in King County from 1990 to 2000 was offset by an increase in service jobs. County service employment was 370,780 in 2000 and increase of 133,130 over the decade.

There are 70 3-digit SIC service industries.

The county's largest service industry in 2000 was Computer and Data Processing Services, with 54,770 employees. Microsoft is part of this industry. Next in size were Personnel Supply Services (employment and temporary help agencies) with 29,970 jobs, and Miscellaneous Business Services, with 23,840 jobs. The latter is a catch-all category that includes security guard and security system services, news syndicates, photo finishing laboratories, and more. These were followed by Hospitals, 22,840 jobs, and Offices and Clinics of Medical Doctors, 16,400 jobs.

The ten service industries that grew the most from 1990 to 2000 in King county appear in Figure 21. Computer and Data Processing Services had the greatest growth in employment, 43,300. This in itself was sufficient to offset the county's drop in manufacturing. Miscellaneous Business

FIGURE 18

Thurston County Manufacturing
Most Jobs Added

SIC	Industry	Gain 1990-to-2000
241	Logging	310
308	Miscellaneous Plastics Products, Other	290
208	Beverages	180
348	Ordnance and Accessories	180
399	Miscellaneous Manufacturing Industries	80

Source: Economy.com, WRC

FIGURE 19

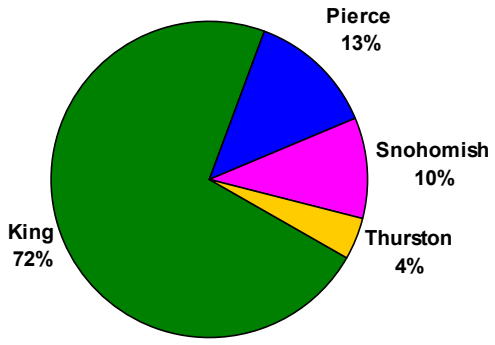
Thurston County Manufacturing
Most Jobs Lost

SIC	Industry	Loss 1990-to-2000
281	Industrial Inorganic Chemicals	(400)
282	Plastics Materials and Synthetics	(390)
242	Sawmills and Planing Mills	(190)
249	Misc. Wood Products	(100)

Source: Economy.com

FIGURE 20

Service Sector Jobs in 2000: 512,340



Source:Economy.com

FIGURE 21

King County Services
Most Jobs Added

SIC	Industry	Gain 1990-to-2000
737	Computer and Data Processing Services	43,300
738	Misc. Business Services	12,370
736	Personnel Supply Services	10,760
873	Research and Testing Services	7,960
832	Individual and Family Services	4,390
792	Theatrical Producers, Bands, and Entertainers	4,150
874	Management and Public Relations	3,580
806	Hospitals	3,520
829	Schools and Educational Services, Other	3,420
735	Misc. Equipment Rental and Leasing	3,410

Source: Economy.com

FIGURE 22

King County Services
Most Jobs Lost

SIC	Industry	Loss 1990-to-2000
861	Business Associations	(830)
769	Misc. Repair Shops	(810)
836	Residential Care	(740)
793	Bowling Centers	(420)
783	Motion Picture Theaters	(410)

Source: Economy.com

FIGURE 23

Pierce County Services
Most Jobs Added

SIC	Industry	Gain 1990-to-2000
832	Individual and Family Services	3,090
799	Misc. Amusement and Recreational Service	2,080
737	Computer and Data Processing Services	1,680
806	Hospitals	1,540
808	Home Health Care Services	1,340

Source: Economy.com

FIGURE 24

Pierce County Services
Most Jobs Lost

SIC	Industry	Loss 1990-to-2000
873	Research and Testing Services	(1,110)
734	Services To Buildings	(1,060)
805	Nursing and Personal Care Facilities	(1,000)
738	Misc. Business Services	(460)
839	Social Services, Other	(240)

Source: Economy.com

FIGURE 25

Snohomish County Services
Most Jobs Added

SIC	Industry	Gain 1990-to-2000
799	Misc. Amusement and Recreational Service	5,420
736	Personnel Supply Services	2,780
737	Computer and Data Processing Services	1,930
832	Individual and Family Services	1,670
874	Management and Public Relations	1,290

Source: Economy.com

Services, Personnel Supply Services, Research and Testing Services, and Individual and Family Services rounded out the top five.

Figure 22 shows the five service industries with the largest drop in King County employment over the decade. Business Associations showed the largest drop, 830.

Pierce County Services

There were 68,090 service jobs in Pierce County in 2000, an increase of 17,340 over the 1990 number. Hospitals, with 8,130 jobs, was the county's largest service industry, was followed by Offices and Clinics of Medical Doctors, with 4,480 jobs; Individual and Family Services, 4,200 jobs; private Colleges and Universities, 4,190 jobs; and Miscellaneous Amusement and Recreational Services, 3,790 jobs. (This industry includes casinos, sports clubs, golf courses, health clubs, and amusement arcades.)

Figure 23 shows the five industries that added the most jobs over the decade.

Individual and Family Services added the greatest number of jobs, 3,090. It was followed by Miscellaneous Amusement and Recreational Services, Computer and Data Processing Services, Hospitals, and Home Health Care Services.

Figure 24 shows the five services that lost the greatest number of jobs. Research and Testing Services lost the largest number of jobs, 1,110. Next were Services to Buildings, and Nursing and Personal Care Facilities.

Snohomish County Services

Snohomish County had 52,420 service jobs in 2000, and increase of 25,620 from 1990.

The largest of the county's service industries was Miscellaneous Amusement and Recreational Services, with 6,550 jobs. Second in size was Personnel Supply Services with 4,030 jobs. The next three service industries were in health care, Offices and Clinics of Medical Doctors, 3,400 jobs; Hospitals, 2,620 jobs; and Nursing and Personal Care Facilities, 2,450 jobs.

Figure 25 shows the five service industries with the largest gains. Over the decade, the largest gains were in Miscellaneous Amusement and Recreational Services, Personnel Supply Services, Computer and Data Processing Services, Individual and Family Services, and Management and Public Relations.

The only two service industries in Snohomish County to lose more than 100 employees were in private education: Vocational Schools dropped 400 jobs; Elementary and Secondary Schools dropped 150.

Thurston County Services

Thurston County had 21,050 service jobs in 2000, an increase of 8,700 jobs over 1990. Four of the county's five largest service industries were in health care.

Hospitals were the county's largest service employer, with 1,720 jobs in 2000, while Offices and Clinics of Medical Doctors ranked second, with 1,610 jobs. Civic, Social, and Fraternal Associations provided 1,590. Home Health Care Services (1,570 jobs) and Nursing and Personal Care Services (1,410 jobs) round out the top five.

The five service industries with the largest growth from 1990 to 2000 are shown in Figure 26. The greatest increase was in Home Health Care Services, which added 1,380 jobs. Second was Computer and Data Processing Services which added 1,110 jobs.

Only one Thurston County service industry lost more than 100 jobs between 1990 and 2000. This was Residential Care, which dropped 180 jobs.

FIGURE 26

Thurston County Services
Most Jobs Added

SIC	Industry	Gain 1990-to-2000
808	Home Health Care Services	1,380
737	Computer and Data Processing Services	1,110
805	Nursing and Personal Care Facilities	910
864	Civic, Social, and Fraternal Association	870
736	Personnel Supply Services	590

Source: Economy.com

Government

State and federal government jobs can be major economic drivers for a county's economy. This is the case for Thurston and Pierce Counties.

As shown previously, Government provides 40 percent of Thurston County's jobs. Figure 27 breaks down these jobs by level of government for 1999. Not surprisingly, with Olympia being Washington's capital, the majority of government jobs in Thurston County, 65.8 percent, are with the state. State government was not a growth industry in the 1990's, however. State employment in Thurston County grew by only 13 percent from 1990 to 1999. This was less than the 27 percent growth in local government jobs.

Because state jobs are funded mainly by state taxes, these jobs are primary with respect to Thurston County's economy but not with respect to the state's economy as a whole.

Government provides 21 percent of Pierce County's jobs. As indicated in Figure 28, the majority of these jobs are federal. Military jobs were 43.4 percent of government jobs in the county, while federal civilian jobs were 17.7 percent of the total. Federal employment dropped in the county from 1990 to 1999.

In both Snohomish and King Counties, local governments provide the majority of government jobs. King County had a large number of state jobs in 1999, but they still represented a small fraction of the county's employment base. Snohomish County experienced a large percentage increase in military jobs from 1990 to 1999 with the development of the Everett naval base.

Advanced Technology

Considerable interest focuses on the growth of new advanced technology jobs. Figures 31 to 34 show employment growth 1990 to 2000 for four selected industries.

FIGURE 27

Government Jobs in Thurston County

	1999		1990-1999
	Number	Percent	Change
Federal			
Civilian	988	2.9%	88
Military	792	2.3%	(156)
State	22,283	65.8%	2,898
Local	9,802	28.9%	2,621

Source: Bureau of Economic Analysis

FIGURE 28

Government Jobs in Pierce County

	1999		1990-1999
	Number	Percent	Change
Federal			
Civilian	9,398	17.7%	(1,660)
Military	23,054	43.4%	(5,495)
State	10,912	20.5%	2,943
Local	9,802	18.4%	2,621

Source: Bureau of Economic Analysis

FIGURE 29

Government Jobs in King County

	1999		1990-1999
	Number	Percent	Change
Federal			
Civilian	20,879	13.3%	490
Military	7,581	4.8%	(3,119)
State	46,586	29.7%	6,325
Local	81,570	52.1%	15,287

Source: Bureau of Economic Analysis

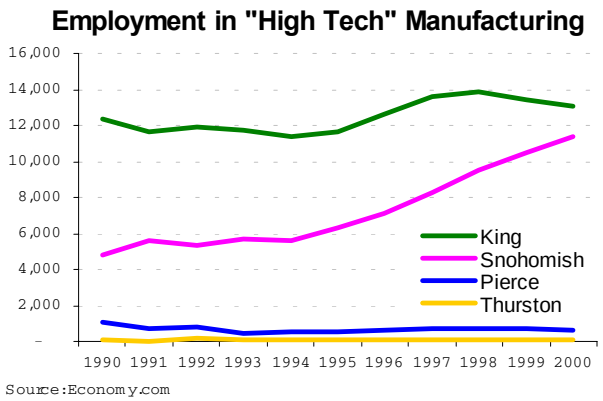
FIGURE 30

Government Jobs in Snohomish County

	1999		1990-1999
	Number	Percent	Change
Federal			
Civilian	2,432	6.2%	830
Military	7,575	19.3%	5,107
State	4,885	12.4%	1,075
Local	24,388	62.1%	7,069

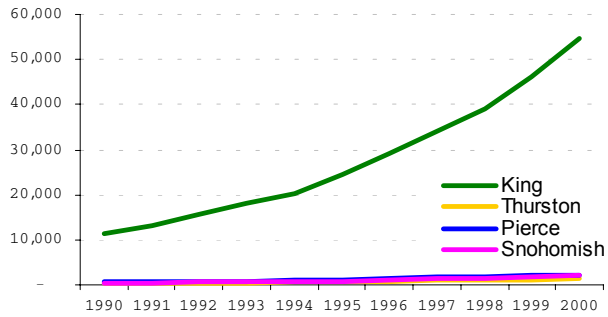
Source: Bureau of Economic Analysis

FIGURE 31



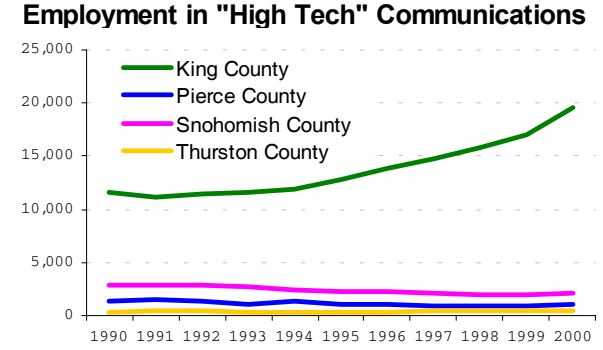
Source:Economy.com

FIGURE 32



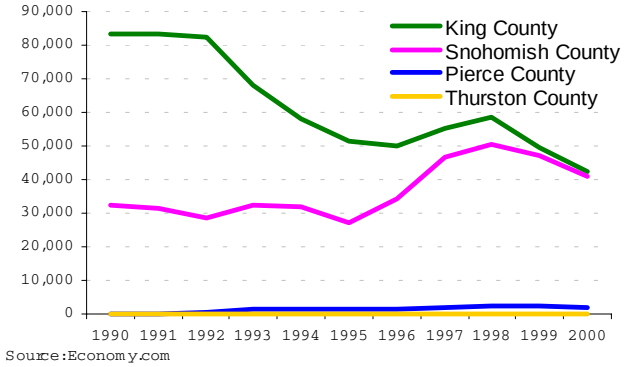
Source:Economy.com

FIGURE 33



Source:Economy.com

FIGURE 34



Source:Economy.com

In two of these industries growth was concentrated in King County. In the other two industries, Snohomish County enjoyed the growth. Pierce and Thurston Counties saw relatively little job growth in each of these industries.

Figure 31 tracks a group of "high tech" manufacturing industries in electronics and allied fields (SICs 357, 365, 366, 367, 381, 382, 384 and 386). The American Electronics Association employes a similar (but slightly narrower) definition of high tech manufacturing, based on 4-digit SIC industries. King and Snohomish Counties both had more than 10,000 jobs in these industries in 2000. Pierce and Thurston had less than 1,000. Snohomish County's employment in these industries grew dramatically from 1990 to 2000.

Figure 32 shows Computer Services (SIC 737). This industry, which includes Microsoft, is concentrated in King County. King County Computer Services grew by 43,000 over the decade. The other three counties added 3,700 Computer Services jobs.

Figure 33 shows employment in the counties for Communications Services (SICs 481, 482, 484, and 489). King County has many more of these jobs than do the other counties. King County saw significant growth in Communications Services jobs over the decade, while Snohomish and Pierce saw job losses.

Finally, Figure 34 shows employment in Aerospace (SICs 372 and 376), traditionally the region's most important advanced technology industry. Over the decade, King County lost jobs in Aerospace, while Snohomish County gained jobs. By 2000, Snohomish County's Aerospace employment almost equaled King County's.

Business Climate Concerns

Infrastructure – Transportation and More

The regional and state infrastructure challenges have been well documented. For many business leaders, transportation represents the greatest single deterrent to future development in the Central Puget Sound region. Boeing and other large regional employers have cited it repeatedly in public and private forums.

"Transportation challenges have driven us to a higher cost of living, which leads to higher labor costs."

How significant is the congestion problem to other firms?

"Huge!" says a local developer. "Projects cannot be built because there is no transportation infrastructure in place. … I am absolutely convinced that it affects the business climate in terms of businesses deciding whether to locate or stay here."

An executive with a King County telecommunications firm puts the issue in a broader perspective, saying "transportation challenges have driven us to a higher cost of living, which leads to higher labor costs. … For technicians working our network, their productivity is seriously impacted because of the time it takes to get them from place to place."

Despite its abundant logistical advantages – two deepwater ports, Sea-Tac International Airport, Pacific Rim location – the Seattle metropolitan region ranked just 64th in *Expansion Management* magazine's September, 2001 ranking of the "100 Most Logistics Friendly Cities.[1]" The region was substantially downgraded in the area of "road density/congestion/safety," ranking 184th and "interstate highways," ranking 256th among the 328 metro areas examined.

Similarly, the Texas Transportation Institute has ranked the Seattle metro area as having the second worst congestion in the nation, following only Los Angeles. According to TTI, congestion costs in the Seattle-Everett corridor amount to 53 hours and $655 per person per year, for an aggregate total cost of $1.1 billion annually.[2]

"Our truck can leave here (Everett) and go to Auburn and be back at the same time as a truck to Wenatchee will be back."

A Snohomish County manufacturer, serving primarily the Puget Sound region, provides a simple illustration of the costs imposed by traffic congestion. "Our truck can leave here [Everett] and go to Auburn and be back at the same time as a truck to Wenatchee will be back."

Yet, not everyone ranks the issue at the top. A south Pierce County technology firm says, "We're far enough away, we don't feel the impact of Seattle gridlock day in and day out."

A King County retailer, agreeing with the generally bleak assessment of the transportation situation, identifies the problem primarily in terms of the need for more transit. She notes that when the firm moved to its new Seattle facility, "a lot of people were die-hard drivers, now they're latter-day believers in transit." In particular, she cites the Sounder commuter train as a real plus for employees commuting from Tacoma.

Overall, however, road construction emerged as the dominant response to the question of what would be the single most productive step political leaders could take to improve the business climate. Reflecting on the failure of the governor and legislature to agree on a transportation package last session, one executive described his feelings this way: "Beyond disappointment. Anger. Frustration. Sadness."

"Beyond disappointment. Anger. Frustration. Sadness."

As one large employer put it, in a comment echoed by many others, "congestion not only hurts recruitment from other places, but also hurts our

ability to recruit regionally because people may not want to travel the distances required."

At least one business chose to expand outside the region rather than endure the traffic conditions. This King County financial firm had been evaluating how to service millions of Canadian accounts. "It might have made sense to service them out of Seattle, but ground transportation is unreliable. We must be able to meet regulatory requirements to process payments in twenty-four hours. Variability in timing of payments is not acceptable to us. So more than likely we'll move service of those customers to the Northeast part of the country. Servicing them in Seattle should have made sense and would have meant hundreds of jobs."

Even firms not directly affected by congestion place it at the top of the regional "to do" list. As a representative of a Snohomish County technology firm said, transportation "is the visible symbol of what's wrong with the climate." People from outside the state are aware of the problem, and of the inability of state leaders to come together to solve it, she notes.

"It's like the guy that continues to resist going to the dentist until the problem is overwhelming,"

"It's like the guy that continues to resist going to the dentist until the problem is overwhelming," said an executive with a Pierce County firm of the transportation problem. "[The state] needs to make the baby steps. Start doing something."

Technology

Infrastructure issues in the region clearly extend beyond the roadways.

Generally high marks were given the region for its telecommunications system. In Pierce County, which has made a bold bid for technology firms, the Click! Network is seen as a competitive advantage. (Click! is the city's municipally owned telecommunications service.) According to the owner of a technology firm that recently located to Tacoma, the network has been a direct boost to her business. In addition, she notes, "the commitment made by the city … helped to pre-sell" her firm to customers.

Regionally, the infrastructure investment – private and public – has supported the development of a technology cluster that creates opportunities for firms locating here.

"There's a high rate of technology adoption by business in this area," said a telecommunications executive in Tacoma. "That's a receptive market for us. For example, we didn't go to El Paso because they had a low rate of Internet usage."

A Snohomish County telecommunications executive expands on the comment.

"The high tech sector has helped my company become leading edge and stay leading edge better than if we had been serving other customers," he says. "From a telecom standpoint the Northwest tends to be leading edge in terms of implementation of new technologies, including telecom technologies. That has encouraged us to bring these new technologies to market faster than we otherwise would have and in many ways to use the Northwest as a proving ground … before deploying them in other areas.

"Such deployment helps the high tech sector because they get the services they need to fuel their growth. And it helps the rest of the sectors because they can take advantage of those new technologies to increase their business efficiencies."

The strong technology cluster lured one King County financial services firm to the region. "The technological orientation here … gives us access to software consultants and a qualified labor force. When we need experts on software or technological issues, we can find them here."

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None of the tech executives interviewed worried that the highly visible decline of the dot-com industry threatened the sector's continued growth in the region. "The shake-out is good," said one, "a necessary correction in misaligned expectations.'

Said another: "I think every industry goes through its flushing cycle where it gets rid of the people with bad business plans, those which are underfunded and poorly managed." He concluded, "At the end of it the strong people will be left standing, positioned to take advantage of the next growth curve."

Their generally positive assessment of the industry is supported by the research conducted by the authors of *The Metropolitan New Economy Index,* which ranked the Seattle metropolitan area third "farthest along the path to the New Economy" in the nation.[3]

And the Simple Old Stuff

"I think every industry goes through its flushing cycle where it gets rid of the people with bad business plans."

In addition to transportation and telecommunications networks, businesses talked about the need to maintain and expand sewer and water capacity. Restrictions on sewer and water add to the region's housing problems, and limit the potential for business expansion.

A Snohomish County manufacturer who works closely with the building industry observed that developers have moved from opposing the Growth Management Act to realizing that they can work with it. But, "the flaw is in the lack of infrastructure. The sewer isn't there. The water isn't there."

He says that regional variations compound the difficulty the industry has in working through the regulations. Some places have water, but no sewer, and vice versa.

"You're getting it on one end or the other. [They're] saying you don't have the water or the road capacity, same with septic," he says. "And there's no place to put the water. We're doing pretty good on cabling, DSL, technology stuff, but it's the simple old stuff we're failing at."

Infrastructure deficits can be, and have been, overlooked for years. They are not unique to the Puget Sound corridor. The pressures of growth, however, have brought them to the forefront in the last decade. A 1999 report by the state Public Works Board, "State of Washington Local Infrastructure Study," identified $8.2 billion of funding needs for a limited set of projects for the 1998-2003 period, most in the Central Puget Sound region. About half of the projects involved domestic water, sewers and storm water systems; the other half, roads and bridges. The funding shortfall amounted to more than $3 billion.

The failure to provide infrastructure has discouraged expansion by local businesses. One telecom executive cited the availability of land and appropriate infrastructure as the reason a new call center was located in the Coeur d'Alene area.

As well, infrastructure shortfalls and the Growth Management Act's concurrency requirement have exerted an upward pressure on housing prices.

Energy Generation and Transmission

As the region entered the fall months, concern with the energy crisis was abating, in part because supply problems were eased by curtailed production at

a number of energy-intensive manufacturing facilities. While most firms had taken steps to conserve, the responses varied considerably.

Many of the firms interviewed emphasized the importance of reliability, saying price was less important. Despite the price increases, energy costs were not a major part of their cost structure; however, access to reliable, consistent energy was critical.

For energy-intensive businesses, predictably, the prospect of rising prices and reduced reliability posed a major threat to operations.

A supply solution was favored by most. "if it's not too heavily regulated, supply and demand will sort it out," according to one tech executive.

One manufacturing respondent, whose business was acutely sensitive to energy prices, said, "it used to be that Washington and Oregon were good places to locate because of hydro." And he believes that the state needs to provide enough incentive to get energy producers to build more generation and transmission capacity here.

"Utilities are part of the basic infrastructure of the state. The cornerstone for a strong economy."

An energy provider agrees that there needs to be more focus on infrastructure, including expansion and construction of new natural gas pipelines, electric transmission and new generation. To do so, he says, the utilities must both be able to build and have the financial capability to support the buildout. "Utilities are part of the basic infrastructure of the state," he emphasizes. "The cornerstone for a strong economy."

While it is generally recognized that prices here will rise to levels closer to the national average, most believe that the region will continue to have a competitive energy advantage. To secure that position, however, they believe there must be improvement on the supply side.

Housing

Housing prices and rents in the metro area are among the nation's highest, with Seattle and east King County leading the region.

According to the Housing Affordability Index produced by the National Association of Home Builders, in the first quarter of 2001 the Seattle Metropolitan Area ranked 137th of 181 cities, with just 59% of homes sold being affordable for a median income family. Tacoma ranked 142nd, with just 55 percent of the houses sold at a price that could be handled by the median income family.

According to The Housing Partnership, "the median wage in King County is enough to afford only 10 to 15 percent of the homes sold in the area. Moreover, many of the lower priced homes are located in areas of the county that are becoming inaccessible due to our transportation problems."

"The high cost of living is making it more difficult to recruit employees from outside the region . . . particularly the high cost of housing."

Prospective employees are paying attention.

"The high cost of living is making it more difficult to recruit employees from outside the region," said a Snohomish County telecommunications executive. "Particularly the high cost of housing, because our wage scales, while climbing, have not kept pace with our increase in living costs."

He noted that high housing prices also take a toll on the ability of local governments to recruit and retain essential employees. "You know you've got a problem when the Bellevue School District is looking at building … housing on school district property for their teachers."

It's not simply an issue for entry-level or middle-income families. A top financial services executive said, "this place costs two to three times to replace what I had in Chicago."

"This place costs two to three times to replace what I had in Chicago."

Other firms, primarily in the technology sector, observed that their competition was also located in regions with similarly high housing prices. In recruiting from the Bay area or Boston, for example, housing affordability did not amount to a serious competitive disadvantage.

Outside King County housing prices are lower, leading workers to live further from their place of employment in order to secure the kind of home they would like. In 1970, King County had about two-thirds of the region's jobs and two-thirds of its housing. By 2000, about three-quarters of the jobs were in King County, and less than sixty percent of the housing. The longer commutes contribute to the traffic congestion discussed above.

Labor Force and Education

Most of the firms interviewed, particularly the technology firms, report that they have little difficulty attracting and retaining qualified employees. Then, they hasten to add that they recruit globally, pay high salaries, provide top-of-the-line benefits, and offer attractive career opportunities. For other firms, they acknowledge, the challenges are greater.

Among the tech businesses, several say that the dot-com build-up had created a temporary shortage. Not long ago, says one only half-facetiously, "if people didn't like what they had in the cafeteria they were gone," on to their next job. That's over, now.

As might be anticipated, the skills required vary significantly among the various business sectors interviewed.

For a major technology firm, the decision to expand overseas has been driven in part by a global pursuit of "star" talent. "If Washington's higher education system had produced more, we might have grown more here," this executive says. Further, he notes that the Seattle area faces stiff competition within the US. "Think of Northern California, which has two great universities, Stanford and Berkeley, Boston, the Research Triangle, Austin, Southern California. Think about the educational institutions in each of these competing areas."

"The size of the pipe isn't big enough in IT (information technology)."

His point was echoed by an executive with a Pierce County tech firm, who says simply, "the size of the pipe isn't big enough in IT [information technology]."

According to the *Index of Innovation and Technology: Washington State, 2001*, published by the Washington Technology Center[4], "the number of science and technology degrees granted by Washington's 4-year higher education institutions actually declined between 1996 and 1999."

Further, the state ranks just 28th in the number of science and engineering doctorates awarded per million residents.

With a few exceptions, the firms interviewed indicate a general confidence that the public schools, while not performing as well as they must, are headed in the right direction.

"I think they've recognized their shortcomings in education and are doing everything they can to overcome and correct (them)."

A Snohomish County technology firm speaks for most, saying of the public schools, "I think they've recognized their shortcomings in education and are doing everything they can to overcome and correct [them]."

Similarly, another tech spokesperson with experience in the education reform movement evaluates the schools bluntly: "Right now, mediocre, but we're on the right track."

One important dimension emphasized by a technology executive is the need to strengthen science and mathematics education in the K-12 system. He observes that the people he was recruiting wanted to locate in communities with high quality, demanding public schools.

Among the states, Washington fares well in a comparison of educational performance. The Washington Technology Center reports, "more than 90% of Washington residents have completed their secondary education." The Center also notes that Washington students perform well on the Standardized Achievement Test (SAT) required by many colleges, exceeding the national mean test scores in both math and verbal skills.

"Our aggregate test results for new associates are 15% higher than any other site."

In comparison with other states, things do seem better here. A financial services executive reported, "our aggregate test results for new associates are 15% higher than any other site."

Putting the issue in a different perspective, however, a top executive in a multinational technology firm emphasizes that being the best in the country is no longer good enough. Responding to a question about his confidence that the state is producing the kind of educated workforce required, he says, "they aren't, but that can be said of basically all of the fifty states of the US. The technology sector has to go to DC to get the level of visas we need raised. We can't get enough educated students."

Looking beyond the tech sector, where compensation guarantees access to the best and the brightest workforce talent, the challenges continue. A Snohomish County manufacturer says, "anybody you talk to in manufacturing … it's hard to find general workplace skills."

"Anybody you talk to in manufacturing ... it's hard to find general workplace skills."

Better workforce training – both in work habits and on-the-job skills – was mentioned by many businesses, virtually all of which provide training and education for their employees. Manufacturing and technology firms both look to community colleges for labor force training and support.

A manufacturer who has worked with state officials in this area believes that there are too many programs without enough coordination. Another telecom executive agrees that there's "something of a disconnect on workforce preparation," adding that that seems to be the case nationally.

In health care, Washington suffers from the personnel shortage reported nationally. A report by the Washington State Hospital Association and the Association of Washington Public Hospital Districts released October 9 warns of a "growing public-health crisis because of a shortage of health-care workers" in all categories.

For a Thurston County hospital executive, the shortage represents a "huge problem." He says, "We have a person in Ireland right now recruiting nurses. Another just returned from recruiting medical technicians in the Philippines. We don't have the supply here to meet our demand."

Regulation

Many of the firms interviewed express discontent regarding Washington's regulatory environment. For most, the problems they experience arise more from the region's legendary emphasis on process and appeal than from specific regulations. As well, several businesses say they believe regulators exhibit an

anti-business or anti-growth bias, rather than working constructively with firms to find solutions to problems.

Interstate comparisons of regulatory burden challenge researchers. Many regulations are drafted and enforced by local government. Even at the state level, the manner in which regulations are implemented can vary substantially within and between agencies.

A 1999 study by three economists at Clemson University attempted to identify a state's regulatory climate by looking at state policy in a number of areas where policy makers have a choice between relying on market forces or imposing a regulatory standard. Their selection of indicators include such factors as prevailing wage and minimum wage laws, charter school or voucher legislation, workers' compensation, insurance and public utility regulation. The study did not directly address issues of permitting, land use, and the like, but it does provide a reasonable benchmark for interstate comparisons. According to the Clemson study, Washington ranks 45th among the states, on a ranking scheme with "first" being the least regulatory.

"We deal with a number of different agencies on the state and local level. We go to different agencies and find the interpretation varies."

For many of the people we interviewed, the regulations themselves are less problematic than the manner in which they are administered. Businesses, particularly those involved in building development or manufacturing, cite inconsistent interpretation of regulation by different agencies and different levels of government. According to one Thurston County manufacturer, "it's hard to get information that doesn't change. We deal with a number of different agencies on the state and local level. We go to different agencies and find the interpretation varies."

A real estate developer complained that it is often difficult to get regulators to make decisions quickly. This adds unnecessary cost and time to building projects. "You need to be able to get an answer for less than one half million dollars."

Size and sophistication can help. One manufacturer cites the case of an expensive, custom designed piece of equipment that was essential to the manufacturing process. Because it didn't have the standard seal-of-approval, a state inspector disallowed its use, insisting that it be tested. Testing would have destroyed the device. It took a legislative waiver to get the equipment authorized, because no one in the chain of command could overrule the inspector.

"In business, we look for the win-win, the way to say, 'yes.' These folks look for the way to say 'no.' When did we become the enemy?"

An executive with a high tech firm doing business encountered similar obstacles confronting his business in Seattle, having to do with laboratory space. In frustration, he says, "In business, we look for the win-win, the way to say, 'yes.' These folks look for the way to say 'no.' When did we become the enemy?"

An executive with a high tech retailer indicts the process: "Permitting has been a beast. [It] is too democratic. Anybody with a pulse can object. And I'm a good liberal." Nonetheless, she says the firm was able to get through the system, working with a respected development firm. "You do feel that it takes special connections to put it through," she observed.

That viewpoint is buttressed by the experience of a large manufacturer who has not found the regulatory environment to be a major problem, according to a spokesperson.

Why? "We have a well-honed outside counsel, internal folks that can work through the maze, who are known at city halls and permitting desks," he says. "Relationships matter."

One real estate developer observed that, compared to less well capitalized competitors, his firm is better able to bear the high costs imposed by the region's permitting processes, and that this is a major competitive advantage.

Permitting is primarily a local responsibility. A Thurston County business cites the example of two similar projects: One was approved in fewer than eight weeks in Chehalis, the other required thirteen months in Olympia.

"This is molasses."

A developer with statewide operations comments, "we do this all the time and it varies all over the map." For example, he says, "one jurisdiction allows us to submit a home design and they approve it once. Another jurisdiction requires us to submit it each time. It doesn't matter how many times they've already approved it, they'll go through the whole process all over again and take just as much time each time."

That variation helps explain the differing assessments of the process. For a financial services firm recently locating in the region, "It's been fantastic." An executive with the firm says, "We've built three buildings on time and under budget."

Citing the still-nonexistent third runway at SeaTac, however, a transportation executive says, "This is molasses." Opponents have discovered that this is a sequential process, he says, so they'll follow a complaint all the way through the system and turn around at the end of the hearings and launch a new objection.

Correspondingly, a developer with considerable experience in the region notes that the Growth Management Act provides for an appeal to the hearings board, which can overrule local decisions. Use of that mechanism has added hundreds of thousands of dollars to project costs. Besides which, he says, "they already had the ability to drag us through several layers of the courts."

An executive with a large multi-state retail concern says that permitting is tough here, but adds that it's tough everywhere. He singles Seattle out as a particularly difficult city, calling it "almost obstructionist," a view shared by another large employer who cited the city's historical preservation requirements as particularly challenging.

"Some of the regulations do good; others just feel good. Too often, regulations lack scientific basis."

Conflict in regulations can both confound businesses and frustrate the public policy objectives lawmakers seek to achieve. According to a development executive, "growth management has said that we should grow more compactly, but the new [environmental] regulations will not allow it."

Another points out, "There's no one to look at the big picture. If you run all these specific decisions up the ladder, you'd hope someone could exercise leadership to say that a decision in your narrow field may make sense but it isn't good public policy if it will kill the project."

This experience leads businesses to be particularly wary of new regulation. Asked about the greatest threat to his business's future success, one manufacturer answers, "unforeseen changes in policy that requires huge capital investment and has no benefit."

Unsurprisingly in a region with a strong research and development presence, many respondents cite the lack of scientific basis for regulation. Simply, says one, "Some of the regulations do good; others just feel good. Too often, regulations lack scientific basis."

A focus on outcomes, rather than micromanaging process, would go a long way toward improving the picture, says a representative of a tech firm.

Another technology executive identifies proposed privacy and ergonomics legislation as concerns. "Quite intrusive," he says. Although many of the firms already have in place extensive ergonomics programs, they fear the subjectivity and inconsistency associated with new legislation.

Taxation

Washington businesses pay an unusually heavy share of the state and local tax burden. The Washington Technology Center reports that Washington ranks 4th highest in the share of taxes paid by business, and 45th in the share paid by households. A report by the Utah State Tax Commission shows Washington businesses ranking second highest among Western States in taxes paid as share of gross state product.

"The B&O is confiscatory."

Many of the businesses interviewed singled out the state Business and Occupation tax for particular criticism. For technology and start-up firms, the fact that the B&O tax is applied to gross receipts, rather than profits, seems particularly unfair. They note that technology firms often must spend considerable money in research and development before they can bring a product to market. While they may have activities generating cash flow subject to the B&O tax, they are often a long way from profitability.

A Tacoma tech executive says, curtly, "The B&O is confiscatory." A top administrator in health care contends, "The current system operates best on the assumption that you have a stable business base with a growing number of jobs, but that's not the case. We're in an era needing growth and the B&O tax hinders growth."

"From a business perspective it almost feels as if business is bearing the brunt for taxes that cannot be raised elsewhere."

Compounding the tax challenge facing many of these businesses is the state's relative paucity of financial incentives. Although in recent years changes have been made to improve the tax climate for businesses – notably expansion of R&D credits and the machinery and equipment sales tax exemption – Washington does not provide the range of tax breaks available elsewhere.

"There just aren't the level of business incentives that there are in other states," says one technology administrator. "From a business perspective it almost feels as if business is bearing the brunt for taxes that cannot be raised elsewhere."

In the case of one high-tech retailer, that perception has prompted expansion out of the region. "Our COO was just livid at the lack of economic incentives. It's one reason we don't have call centers here anymore. Salaries and cost of living are higher here and there's no subsidization."

Partially countering these assertions, a financial services executive suggests a broader perspective. "When you look at the total, rather than just focusing on the B&O tax, there's not much difference [between the tax burden here and in other states]. We don't have a competitive advantage, but it's not a negative."

Because the B&O does not address profitability, firms in different industries – or differently situated firms in the same industry – will respond to the tax in different ways. For high margin firms, the B&O tax will be less of a burden than for firms with low margins. As well, some profitable businesses may benefit from the B&O tax rather than suffering the high corporate income taxes imposed by other states. Nonetheless, the interviews yielded few B&O champions and many critics.

Some respondents recognize that the tax structure is shaped to an extent by the absence of a personal income tax. Several respondents voice a preference for income taxes, in part because they believe it would relieve business of a

disproportionate share of the tax burden. No one, though, believes the state is likely to move in that direction in the foreseeable future.

Several firms cite the state's high unemployment tax as a particular problem. A spokesman for a large manufacturing firm says the UI tax "does more damage to stable employers than any other tax," calling it "hugely deterrent and unfair."

"There's an apparent indifference to business," says one regional developer, "an attitude that, no matter what government does, business will grow here."

According to the most recent data from the US Department of Labor, UI taxes per employee are the highest in the nation. The tax is a function of the industrial mix in the state, high average weekly benefit amounts relative to other states, and the number of weeks benefits can be collected.

As well, several large employers say the workers' compensation system in Washington is uncommonly expensive. One transportation executive points out that disability benefits for his company are increasing at an "alarming" nine percent annually. A manufacturing spokesman calls the system unfair and duplicative, arguing for a privatized system. A financial services executive says that "study after study shows that you get better premiums with more coverage with competition."

Politics, Public Administration and the Business Environment

"I'm exasperated with the public process in this state and the lack of leadership in driving results. I've never seen such paralysis."

To a remarkable degree, the business leaders interviewed see the business climate as a function of the attitude of political leaders and public administrators toward business growth and development. Many of them believe government takes business for granted, or worse. Of those with that perspective, most believe that public officials are reflecting the views of the general public.

"There's an apparent indifference to business," says one regional developer, "an attitude that, no matter what government does, business will grow here."

Another executive identified as the single greatest threat to future prosperity, "the attitude that the economic boom that's been enjoyed is somehow a right that will last in perpetuity rather than a blessing that may be short-lived. … That smugness is not warranted."

Some attribute the region's acknowledged consensus approach to problem solving to the mistaken belief that business can wait indefinitely for answers.

"Get decisive," says one retail executive. "I'm exasperated with the public process in this state and the lack of leadership in driving results. I've never seen such paralysis."

Underlying many of the issues discussed is the sense political leaders in the Central Puget Sound don't believe they're in competition or, that if they are, that they might lose. Complacency or "smugness" does not mesh well with the sense of urgency many businesses feel.

"(When we reorganized) it's as if the leaders were operating in a space station and looking down at the globe and deciding where's the best place to do business."

Some technology firms volunteer that they believe regional leaders have been extraordinarily responsive, "very pro-business." Some of these are young firms, led by executives who have worked closely with the economic development community and public officials to develop their businesses in the region. And, for many in the state, these firms represent the "right kind" of growth – high wages, minimal land use requirements, relatively small work forces.

On the other hand, as one manufacturer said, "Companies that have been around a long time get taken for granted."

That would be a mistake. A spokesperson for a technology firm that has been around for decades reflects on a recent reorganization in the company in commenting on the region's competitive position.

"People here don't get it," she says. "It's not about Idaho or the Triangle. It's global. We're not isolated. [When we reorganized] it's as if the leaders were operating in a space station and looking down at the globe and deciding where's the best place to do business."

To make the Central Puget Sound region that place, business and political leaders here must be mindful that the competition will only intensify in the months ahead.

Recommendations

It is beyond the scope of this overview to prescribe in detail the steps that must be taken to improve the business climate. From the interviews and a consideration of economic dynamics, however, the EDCs assessed regional economic strengths, weaknesses, opportunities, and threats. (see Appendix II)

Based on that analysis, two separate agendas have been developed.

First, a series of policy recommendations is identified. If these policy objectives are adopted, the region will be better positioned to retain and attract business investment. Some of the recommendations will require legislative action; others are within the domain of local government, state agencies or the public schools. The recommendations establish principles and guidelines that flow directly from the concerns of business executives and economic development professionals.

Second, the EDC executives have embraced an "action and accountability" agenda. Recognizing that policy changes alone will not be sufficient, they have committed themselves to intensifying their retention activity, concentrating on wealth-creating firms with a regional and statewide impact. Within this framework, the most substantial target is Boeing Commercial Airplanes. Washington State must become the most cost effective place for The Boeing Company to manufacture the Sonic Cruiser.

Policy Recommendations

Human Capital

1. Strengthen technology education programs in the state colleges and universities, especially in science and engineering; improve science and math education in the public schools.

2. Maintain the current focus on education reform and accountability in the public schools.

3. Increase the efficiency and effectiveness of current workforce training programs.

Regulation

1. Streamline the regulatory process. Improve inter-agency and intergovernmental coordination, establish firm deadlines for approvals, and provide reasonable limits on the avenues of appeal.

2. Require that regulations are based in science and establish cost-benefit analysis.

3. Emphasize outcomes rather than processes in drafting and implementing regulation.

Infrastructure

1. Establish a revenue and governance plan for addressing the serious transportation problems in the Central Puget Sound.

2. Assure broad-based funding of new infrastructure, recognizing that placing the funding responsibility entirely on new residential and business development imposes an excessive burden while failing to meet identified funding requirements.

3. Assure that existing infrastructure can serve growth by facilitating infill and compact development.

4. Accelerate the development of new energy generation and transmission.

Taxation

1. Assure that any tax increases do not fall disproportionately on business; at least maintain the current balance between household and business tax burdens.

2. Expand the use of tax increment financing to support infrastructure improvements.

3. Evaluate the impact of the B&O tax on start-up businesses, particularly those firms with substantial research and development costs.

4. Benchmark Washington's tax and economic incentives against other states.

EDC Action and Accountability Agenda

1. Aggressively pursue a coordinated strategy to retain and expand major regional businesses. Identify regional impact firms and work to increase their success by working collaboratively to support adequate infrastructure, responsible regulation and competitive tax policy.

2. Communicate on a regular basis with leading firms to determine business needs and share that information with key policy makers, opinion leaders, and economic development professionals.

3. Generate statistical and anecdotal information to increase understanding of the importance of the Central Puget Sound region to the statewide economy. Make the arguments vivid, compelling, and relevant.

4. Identify local government "best practices" to highlight communities demonstrating outstanding performance in permitting, regulation, and tax policy. Establish regional benchmarks and encourage cooperation and standardization among local governments.

5. Support efforts to develop a long-term state-wide economic plan, working with existing organizations like the Washington Economic Development Association and the Office of Trade and Economic Development.

(Endnotes)

[1] "Top 100 Metros for Transportation and Distribution Sites," *Expansion Management,* September 2001. Pages 12-32;

[2] "2001 Urban Mobility Study," Texas Transportation Institute, http://mobility.tamu.edu/

[3]Atkinson, Robert D. and Paul D. Gottlieb, "The Metropolitan New Economy Index," Progressive Policy Institute and the Center for Regional Economic Issues at Case Western Reserve University. April, 2001.

[4]Index of Innovation and Technology, Washington State, 2001," Washington Technology Center. www.watechcenter.org/techindex/

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Appendix I

Companies Interviewed

Advanced TelCom Group, Inc.
Agilent Technologies
Alaska Airlines
Amazon.com
Bsquare Corp.
Business Internet Services
Capital One Financial Corporation
Cingular Wireless
Colliers International
Costco
Eddie Bauer
Fisher Properties, Inc.
HighPoint Solutions
Honeywell
Illuminet
Immunex
Intel Corporation
Microsoft
Miller Brewing Company, Tumwater
Opus Northwest, L.L.C.
Providence St. Peter's Hospital
Puget Sound Energy
Quadrant
Frank Russell Company
Safeco
Seattle Mariners
Simpson Tacoma Kraft Company
Sonus Phamaceuticals, Inc.
The Boeing Company
Tiz's Door Sales
Verizon

Appendix II

SWOT Summary

(As developed September 25, 2001 with representatives of the four EDCs)

Key Strengths

- Human Capital & Innovation: Economic prosperity, wealth creation, educated workforce, key sectors/ clusters (aerospace, biotech, high-tech, telecom), home to leading firms in key industries (Boeing, Microsoft, Immunex, Frank Russell), Microsoft labor pull (pulling talent into the region), local venture capital.
- Quality of Life: Seattle's healthy urban core, physical environment, downtown Bellevue, vibrant neighborhoods.
- Strategic Location: Northwest and Pacific Rim, SeaTac, deep-water ports.
- Other: Research institutions, community colleges, four-year schools; telecommunications infrastructure; "third sector" organizations (WBBA, WEDA, WSA), low-cost energy; absence of income tax, quality of existing infrastructure; room for growth and infill development; utilities.

Key Weaknesses

- Transportation
- Political Leadership: Lack of civic and political leadership; crisis politics and initiative-driven policy; political climate is business-unaware, disconnected; lack of state economic policy; lack of state business recruitment; PR fallout from Boeing headquarters move.
- Business Costs: Lack of economic incentives, tools; regulatory process, state and local permitting; business taxes; housing supply, jobs-housing ratio.
- Education: Higher education, especially science & engineering; K-12 education, civics and economics; education & training quality and focus.
- Other: Seattle-centric (lack of regional awareness); funding and siting problems; lack of broadband availability region-wide; out-of-town corporate ownership; SeaTac's missing third runway; declining timber and manufacturing industries; escalating cost of living and rising health care costs; narrowing regional energy advantage.

Key Threats

- Threats to Key Business Sectors: Boeing's Sonic Cruiser; Microsoft anti-trust case.
- Competition: Increasingly vigorous global and interstate competition; state's tarnished image (Boeing headquarters move, WTO, Mardi Gras); public policy gridlock – no long-term vision of economic strategy; legislation by initiative; lack of public-private partnerships (labeled corporate welfare).
- Infrastructure: Lack of plan to address inadequate infrastructure; SeaTac over capacity (even with third runway); Paine Field not used as commercial airport.
- Emerging Environmental Constraints: Salmon, ESA, national policy affects on Pacific Northwest.
- Other: Declining sales tax revenues; narrowing revenue base for government; aging population; misunderstanding and disconnection by general population and press of politics and the economy; recession; war; regional divide;

Key Opportunities

- ❑ Competitiveness Initiatives: Governor's Council (attention to the issue); political change with elections (listened to more during recession); county executives work well together.
- ❑ Human Capital: K-20 education system; entrepreneurial talent and future leaders; commercialization of technology, high-tech & biotech; technology transfer. UW Tech Institute.
- ❑ Repositioning: Image, perception, repositioning; build public-private partnerships; global trade and development; create a public will – private organization to educate.
- ❑ Clusters: Ability to leverage leading corporations & clusters; new wealth and old wealth.
- ❑ Other: Sonic Cruiser; vacant office space; philanthropic leadership; energy competitiveness advantage; underemployment; Sound Transit and transit-oriented development; more dense development and infill in outlying areas; workforce training; military investment; Congressional delegation.

Implied Actions & Efforts

1. Establish Long-term Economic Plan State-wide
   - ❑ Consistent over time
   - ❑ Find a mechanism to do this
   - ❑ Change Washington's & Puget Sound region's image to rest of the world
   - ❑ Strong communications component to state, eastern Washington and rural western Washington, and to the public.
2. Communication and contact with key firms and clusters
   - ❑ Learn business needs
   - ❑ Create mechanism for sharing information
   - ❑ Leveraging key CEO/opinion leaders
3. Coalition of EDCs to serve key firms
4. Highlight local permitting, "Best Practices" and Benchmarks
5. Generate data and strong arguments for importance of Central Puget Sound's economic strength to health of economy statewide.
   - ❑ Percentage of tax base from Central Puget Sound area by tax
   - ❑ Multipliers with "pictures"
   - ❑ Public relations campaigns
6. Legislative action through WEDA and four Central Puget Sound EDCs
7. Begin legislative educational process
   - ❑ Sell economic and wealth agenda
8. Address culture of regulatory agencies (DOE, L&I) – move to standards (outcomes) rather than process
9. Promote business tax relief for start-up firms

Appendix III

King County Manufacturing

SIC	Industry	2000 Employment	Rank	Change 1990-to-2000	Rank
201	Meat Products	860	32	110	30
202	Dairy Products	320	58	(610)	102
203	Preserved Fruits and Vegetables	350	56	(100)	77
204	Grain Mill Products	620	39	(150)	82
205	Bakery Products	1,770	12	(990)	106
206	Sugar and Confectionery Products	170	70	(160)	83
207	Fats and Oils	80	83	20	43
208	Beverages	850	33	(700)	103
209	Miscellaneous Food and Kindred Products	8,720	2	4,250	1
221	Broadwoven Fabric Mills, Cotton	40	90	(170)	86
225	Knitting Mills	10	100	(20)	56
229	Miscellaneous Textile Goods	10	100	-	48
232	Men's and Boys' Furnishings	1,230	22	100	31
233	Women's and Misses' Outerwear	110	78	(240)	91
234	Women's and Children's Undergarments	-	108	(50)	69
235	Hats, Caps, and Millinery	20	97	(30)	62
236	Girls' and Children's Outerwear	110	78	90	33
237	Fur Goods	-	108	(10)	50
238	Miscellaneous Apparel and Accessories	170	70	140	25
239	Miscellaneous Fabricated Textile Products	1,700	16	400	18
241	Logging	1,630	18	(90)	76
242	Sawmills and Planing Mills	760	37	(560)	101
243	Millwork, Plywood and Structural Members	2,700	10	(460)	100
244	Wood Containers	190	67	(60)	72
245	Wood Buildings and Mobile Homes	410	53	50	35
249	Miscellaneous Wood Products	410	53	(20)	56
251	Household Furniture	300	59	(180)	88
252	Office Furniture	530	48	10	45
253	Public Building and Related Furniture	40	90	(20)	56
254	Partitions and Fixtures	560	45	140	25
259	Miscellaneous Furniture and Fixtures	330	57	50	35
265	Paperboard Containers and Boxes	1,730	15	670	11
267	Miscellaneous Converted Paper Products	990	28	120	27
271	Newspapers	3,060	8	(1,190)	110
272	Periodicals	650	38	180	23
273	Books	1,110	25	690	10
274	Miscellaneous Publishing	930	31	480	15
275	Commercial Printing	4,020	5	(110)	80
276	Manifold Business Forms	620	39	310	19
277	Greeting Cards	30	95	20	43
278	Blankbooks and Bookbinding	610	42	(100)	77
279	Printing Trade Services	980	29	480	15
281	Industrial Inorganic Chemicals	150	72	40	38
283	Drugs	1,680	17	1,250	3
284	Soap, Cleaners, and Toilet Goods	60	87	(160)	83
285	Paints and Allied Products	210	66	(260)	93
286	Industrial Organic Chemicals	20	97	(140)	81
287	Agricultural Chemicals	260	62	200	21
289	Miscellaneous Chemical Products	120	76	(190)	89
295	Asphalt Paving and Roofing Materials	10	100	(20)	56
299	Miscellaneous Products of Petrol and Coal	80	83	40	38
305	Hose and Belting, Gaskets, and Packing	250	65	160	24
306	Fabricated Rubber Products, nec	260	62	10	45
308	Miscellaneous Plastics Products, nec	3,900	6	870	8
311	Leather Tanning and Finishing	10	100	(10)	50
314	Footwear, Except Rubber	-	108	(10)	50
316	Luggage	150	72	(170)	86
317	Handbags and Personal Leather Goods	-	108	(10)	50
322	Glass and Glassware, Pressed Or Blown	490	50	(270)	94
323	Products of Purchased Glass	590	44	220	20
324	Cement, Hydraulic	440	52	120	27

King County Manufacturing

SIC	Industry	2000 Employment	Rank	Change 1990-to-2000	Rank		
325	Structural Clay Products	40	90	(50)	69		
326	Pottery and Related Products	20	97	(20)	56		
327	Concrete, Gypsum, and Plaster Products	950	30	(240)	91		
328	Cut Stone and Stone Products	10	100	(10)	50		
329	Miscellaneous Nonmetallic Mineral Products	40	90	(40)	66		
331	Blast Furnace and Basic Steel Products	480	51	(700)	103		
332	Iron and Steel Foundries	270	61	-	48		
334	Secondary Smelting and Refining Nonferrous Metals		10	100		(40)	66
336	Nonferrous Foundries (Castings)	190	67	(40)	66		
339	Miscellaneous Primary Metal Products	70	85	(50)	69		
341	Metal Cans and Shipping Containers	290	60	(90)	75		
342	Cutlery, Handtools, and Hardware	60	87	(300)	95		
343	Plumbing and Heating, Except Electric	260	62	100	31		
344	Fabricated Structural Metal Products	1,610	19	(1,060)	108		
345	Screw Machine Products, Bolts, etc.	120	76	(160)	83		
346	Metal Forgings and Stampings	1,740	14	1,180	6		
347	Metal Services, nec	810	34	(40)	65		
349	Miscellaneous Fabricated Metal Products	610	42	(370)	96		
351	Engines and Turbines	10	100	(100)	77		
352	Farm and Garden Machinery	-	108	(10)	50		
353	Construction and Related Machinery	1,210	24	(1,010)	107		
354	Metalworking Machinery	770	36	80	34		
355	Special Industry Machinery	550	46	(410)	97		
356	General Industrial Machinery	810	34	580	14		
357	Computer and Office Equipment	510	49	(850)	105		
358	Refrigeration and Service Machinery	620	39	200	21		
359	Industrial Machinery, nec	1,540	21	(410)	97		
361	Electric Distribution Equipment	40	90	(190)	89		
362	Electrical Industrial Apparatus	110	78	(430)	99		
363	Household Appliances	70	85	10	45		
364	Electric Lighting and Wiring Equipment	100	82	50	35		
365	Household Audio and Video Equipment	1,010	27	850	9		
366	Communications Equipment	1,560	20	660	12		
367	Electronic Components and Accessories	3,390	7	1,190	5		
369	Miscellaneous Electrical Equipment and Supplies	380	55	120	27		
371	Motor Vehicles and Equipment	2,990	9	660	12		
372	Aircraft and Parts	41,050	1	(41,480)	113		
373	Ship and Boat Building and Repairing	1,930	11	(2,080)	112		
375	Motorcycles, Bicycles, and Parts	110	78	40	38		
376	Guided Missiles, Space Vehicles, and Parts	1,220	23	470	17		
379	Miscellaneous Transportation Equipment	-	108	(60)	72		
381	Search and Navigation Equipment	550	46	(1,190)	110		
382	Measuring and Controlling Devices	1,030	26	(1,180)	109		
384	Medical Instruments and Supplies	4,850	3	1,210	4		
385	Ophthalmic Goods	130	74	30	41		
386	Photographic Equipment and Supplies	180	69	30	41		
391	Jewelry, Silverware, and Plated Ware	130	74	(70)	74		
393	Musical Instruments	30	95	(30)	62		
394	Toys and Sporting Goods	4,060	4	1,350	2		
395	Pens, Pencils, Office, and Art Supplies	60	87	(20)	56		
396	Costume Jewelry and Notions	10	100	(30)	62		
399	Miscellaneous Manufacturing Industries	1,760	13	980	7		

nec = not elsewhere classified
Source: Economy.com

Pierce County Manufacturing

SIC	Industry	2000 Employment	Rank	Change 1990-to-2000	Rank
201	Meat Products	190	30	(1,230)	85
202	Dairy Products	30	62	(40)	54
203	Preserved Fruits and Vegetables	1,270	5	1,250	3
204	Grain Mill Products	10	70	(110)	65
205	Bakery Products	40	56	(150)	69
206	Sugar and Confectionery Products	80	47	(150)	69
207	Fats and Oils	30	62	(20)	49
209	Miscellaneous Food and Kindred Products	200	28	(510)	80
221	Broadwoven Fabric Mills, Cotton	10	70	-	38
222	Broadwoven Fabric Mills, Manmade	110	38	100	16
226	Textile Finishing, Except Wool	40	56	40	26
227	Carpets and Rugs	10	70	10	34
229	Miscellaneous Textile Goods	10	70	-	38
232	Men's and Boys' Furnishings	700	10	440	6
233	Women's and Misses' Outerwear	220	24	(150)	69
239	Miscellaneous Fabricated Textile Products	110	38	10	34
241	Logging	350	17	(10)	41
242	Sawmills and Planing Mills	2,170	1	360	8
243	Millwork, Plywood and Structural Member	870	7	(930)	84
244	Wood Containers	90	41	(10)	41
245	Wood Buildings and Mobile Homes	110	38	70	21
249	Miscellaneous Wood Products	230	22	(60)	59
251	Household Furniture	90	41	(170)	73
252	Office Furniture	-	81	(70)	61
253	Public Building and Related Furniture	20	68	20	30
254	Partitions and Fixtures	470	16	240	9
259	Miscellaneous Furniture and Fixtures	10	70	(120)	66
262	Paper Mills	570	13	160	13
263	Paperboard Mills	610	11	(120)	66
265	Paperboard Containers and Boxes	170	32	(70)	61
267	Miscellaneous Converted Paper Products	40	56	(130)	68
271	Newspapers	300	19	(870)	83
272	Periodicals	-	81	(20)	49
273	Books	1,960	3	1,950	1
274	Miscellaneous Publishing	50	55	(290)	77
275	Commercial Printing	90	41	(370)	78
279	Printing Trade Services	10	70	(10)	41
281	Industrial Inorganic Chemicals	500	15	(40)	54
284	Soap, Cleaners, and Toilet Goods	20	68	(20)	49
285	Paints and Allied Products	80	47	(20)	49
291	Petroleum Refining	150	33	(210)	76
295	Asphalt Paving and Roofing Materials	210	26	70	21
306	Fabricated Rubber Products, nec	90	41	60	24
308	Miscellaneous Plastics Products, nec	1,740	4	780	5
311	Leather Tanning and Finishing	10	70	10	34
314	Footwear, Except Rubber	40	56	40	26
316	Luggage	70	49	70	21
323	Products Of Purchased Glass	570	13	410	7
325	Structural Clay Products	40	56	-	38
326	Pottery and Related Products	30	62	(10)	41
327	Concrete, Gypsum, and Plaster Products	810	8	(190)	75
328	Cut Stone and Stone Products	30	62	30	29
329	Miscellaneous Nonmetallic Mineral Products	10	70	(50)	57
332	Iron and Steel Foundries	590	12	220	10
333	Primary Smelting and Refining Nonferrous Metals	200	28	(180)	74
336	Nonferrous Foundries (Castings)	180	31	(60)	59
339	Miscellaneous Primary Metal Products	-	81	(10)	41
341	Metal Cans and Shipping Containers	10	70	(10)	41
344	Fabricated Structural Metal Products	770	9	190	12
346	Metal Forgings and Stampings	150	33	80	18
347	Metal Services, nec	90	41	80	18
348	Ordnance and Accessories	10	70	(10)	41
349	Miscellaneous Fabricated Metal Products	220	24	(160)	72
353	Construction and Related Machinery	30	62	(50)	57
354	Metalworking Machinery	350	17	(10)	41

Pierce County Manufacturing

SIC	Industry	2000 Employment	Rank	Change 1990-to-2000	Rank
355	Special Industry Machinery	1,050	6	810	4
356	General Industrial Machinery	-	81	(20)	49
357	Computer and Office Equipment	10	70	10	34
358	Refrigeration and Service Machinery	230	22	110	14
359	Industrial Machinery, nec	270	21	20	30
364	Electric Lighting and Wiring Equipment	210	26	200	11
365	Household Audio and Video Equipment	70	49	40	26
367	Electronic Components and Accessories	300	19	(500)	79
369	Miscellaneous Electrical Equipment and Supplies	30	62	20	30
371	Motor Vehicles and Equipment	60	52	(710)	81
372	Aircraft and Parts	2,050	2	1,860	2
373	Ship and Boat Building and Repairing	140	35	(770)	82
381	Search and Navigation Equipment	60	52	(100)	63
382	Measuring and Controlling Devices	70	49	60	24
384	Medical Instruments and Supplies	90	41	80	18
393	Musical Instruments	120	37	100	16
394	Toys and Sporting Goods	130	36	110	14
395	Pens, Pencils, Office, and Art Supplies	60	52	20	30
396	Costume Jewelry and Notions	-	81	(40)	54
399	Miscellaneous Manufacturing Industries	40	56	(100)	63

nec = not elsewhere classified
Source: Economy.com

Snohomish County Manufacturing

SIC	Industry	2000 Employment	Rank	Change 1990-to-2000	Rank
201	Meat Products	80	49	(250)	84
202	Dairy Products	20	66	20	37
203	Preserved Fruits and Vegetables	240	31	(200)	80
204	Grain Mill Products	30	62	(20)	54
205	Bakery Products	220	32	20	37
206	Sugar and Confectionery Products	10	68	(20)	54
208	Beverages	130	42	90	24
209	Miscellaneous Food and Kindred Products	660	12	440	10
221	Broadwoven Fabric Mills, Cotton	-	81	(70)	69
222	Broadwoven Fabric Mills, Manmade	-	81	(50)	66
223	Broadwoven Fabric Mills, Wool	-	81	(30)	59
226	Textile Finishing, Except Wool	-	81	(30)	59
229	Miscellaneous Textile Goods	-	81	(40)	63
232	Men's and Boys' Furnishings	680	9	620	5
233	Women's and Misses' Outerwear	20	66	(40)	63
238	Miscellaneous Apparel and Accessories	10	68	(20)	54
239	Miscellaneous Fabricated Textile Products	60	52	(120)	74
241	Logging	160	38	(240)	83
242	Sawmills and Planing Mills	1,880	4	250	15
243	Millwork, Plywood and Structural Member	380	22	(570)	87
244	Wood Containers	110	45	30	32
245	Wood Buildings and Mobile Homes	10	68	(20)	54
249	Miscellaneous Wood Products	40	58	(130)	75
251	Household Furniture	330	26	160	20
252	Office Furniture	40	58	(40)	63
254	Partitions and Fixtures	150	40	(90)	73
259	Miscellaneous Furniture and Fixtures	220	32	170	19
265	Paperboard Containers and Boxes	40	58	(190)	79
267	Miscellaneous Converted Paper Products	590	14	(640)	88
271	Newspapers	510	20	(160)	78
272	Periodicals	10	68	(10)	50
273	Books	110	45	(80)	72
274	Miscellaneous Publishing	320	27	(50)	66
275	Commercial Printing	1,260	6	640	4
276	Manifold Business Forms	90	48	10	47
278	Blankbooks and Bookbinding	10	68	10	42
279	Printing Trade Services	10	68	(30)	59
282	Plastics Materials and Synthetics	120	44	80	25
284	Soap, Cleaners, and Toilet Goods	60	52	50	28
285	Paints and Allied Products	10	68	10	42
289	Miscellaneous Chemical Products	170	37	160	20
295	Asphalt Paving and Roofing Materials	160	38	100	23
305	Hose and Belting and Gaskets and Packing	10	68	10	42
306	Fabricated Rubber Products, nec	30	62	30	32
308	Miscellaneous Plastics Products, nec	360	24	20	37
311	Leather Tanning and Finishing	10	68	10	42
316	Luggage	80	49	80	25
321	Flat Glass	680	9	30	32
322	Glass and Glassware, Pressed Or Blown	10	68	(10)	50
323	Products Of Purchased Glass	40	58	(140)	76
326	Pottery and Related Products	570	16	570	6
327	Concrete, Gypsum, and Plaster Products	180	36	20	37
329	Miscellaneous Nonmetallic Mineral Products	30	62	(70)	69
331	Blast Furnace and Basic Steel Products	-	81	(10)	50
332	Iron and Steel Foundries	130	42	10	42
336	Nonferrous Foundries (Castings)	140	41	60	27
342	Cutlery, Handtools, and Hardware	10	68	(30)	59
343	Plumbing and Heating, Except Electric	-	81	(140)	76
344	Fabricated Structural Metal Products	650	13	(70)	69
345	Screw Machine Products, Bolts, etc.	50	56	40	30
347	Metal Services, nec	280	28	40	30
349	Miscellaneous Fabricated Metal Products	360	24	190	17
353	Construction and Related Machinery	190	35	30	32
354	Metalworking Machinery	100	47	(10)	49
355	Special Industry Machinery	70	51	30	32

Snohomish County Manufacturing

SIC	Industry	2000 Employment	Rank	Change 1990-to-2000	Rank
356	General Industrial Machinery	10	68	(370)	85
357	Computer and Office Equipment	5,140	2	5,080	2
358	Refrigeration and Service Machinery	60	52	(10)	50
359	Industrial Machinery, nec	560	18	(200)	80
361	Electric Distribution Equipment	570	16	530	7
362	Electrical Industrial Apparatus	820	8	770	3
364	Electric Lighting and Wiring Equipment	270	29	180	18
365	Household Audio and Video Equipment	680	9	320	13
366	Communications Equipment	590	14	530	7
367	Electronic Components and Accessories	210	34	(400)	86
371	Motor Vehicles and Equipment	550	19	300	14
372	Aircraft and Parts	40,760	1	8,390	1
373	Ship and Boat Building and Repairing	1,800	5	240	16
379	Miscellaneous Transportation Equipment	430	21	410	11
381	Search and Navigation Equipment	1,200	7	400	12
382	Measuring and Controlling Devices	3,210	3	490	9
384	Medical Instruments and Supplies	370	23	160	20
385	Ophthalmic Goods	30	62	(200)	80
386	Photographic Equipment and Supplies	10	68	-	48
387	Watches, Clocks, and Parts	50	56	20	37
394	Toys and Sporting Goods	260	30	50	28
395	Pens, Pencils, Office, and Art Supplies	-	81	(20)	54
399	Miscellaneous Manufacturing Industries	60	52	(50)	66

nec = not elsewhere classified
Source: Economy.com

Thurston County Manufacturing

SIC	Industry	2000 Employment	Rank	Change 1990-to-2000	Rank
202	Dairy Products	100	13	-	19
208	Beverages	650	1	180	3
209	Miscellaneous Food and Kindred Products	210	7	50	10
239	Miscellaneous Fabricated Textile Products	80	15	60	7
241	Logging	540	3	310	1
242	Sawmills and Planing Mills	200	9	(190)	41
243	Millwork, Plywood and Structural Member	440	4	50	10
249	Miscellaneous Wood Products	-	33	(100)	40
251	Household Furniture	30	24	10	17
252	Office Furniture	10	27	10	17
254	Partitions and Fixtures	40	19	20	15
259	Miscellaneous Furniture and Fixtures	40	19	30	13
265	Paperboard Containers and Boxes	350	5	(60)	36
271	Newspapers	240	6	(70)	38
275	Commercial Printing	120	12	(60)	36
278	Blankbooks and Bookbinding	40	19	(50)	34
281	Industrial Inorganic Chemicals	-	33	(400)	43
282	Plastics Materials and Synthetics	-	33	(390)	42
283	Drugs	10	27	(20)	29
284	Soap, Cleaners, and Toilet Goods	-	33	(10)	23
285	Paints and Allied Products	-	33	(40)	33
286	Industrial Organic Chemicals	-	33	(20)	29
287	Agricultural Chemicals	-	33	(10)	23
289	Miscellaneous Chemical Products	-	33	(10)	23
308	Miscellaneous Plastics Products, nec	590	2	290	2
327	Concrete, Gypsum, and Plaster Product	100	13	60	7
341	Metal Cans and Shipping Containers	150	11	(80)	39
342	Cutlery, Handtools, and Hardware	40	19	30	13
343	Plumbing and Heating, Except Electric	-	33	(10)	23
344	Fabricated Structural Metal Products	30	24	(50)	34
348	Ordnance and Accessories	210	7	180	3
353	Construction and Related Machinery	70	16	70	6
359	Industrial Machinery, nec	10	27	(30)	31
367	Electronic Components and Accessories	10	27	-	19
371	Motor Vehicles and Equipment	-	33	(10)	23
372	Aircraft and Parts	50	18	(10)	23
373	Ship and Boat Building and Repairing	20	26	20	15
381	Search and Navigation Equipment	-	33	(30)	31
382	Measuring and Controlling Devices	40	19	40	12
384	Medical Instruments and Supplies	60	17	60	7
385	Ophthalmic Goods	10	27	-	19
391	Jewelry, Silverware, and Plated Ware	10	27	-	19
399	Miscellaneous Manufacturing Industries	180	10	80	5

nec = not elsewhere classified
Source: Economy.com, WRC

King County Services

SIC	Industry	2000 Employment	Rank	Change 1990-to-2000	Rank
701	Hotels and Motels	12,370	7	1,800	20
702	Rooming and Boarding Houses	60	69	30	51
703	Camps and Recreational Vehicle Parks	110	67	(100)	58
704	Organization Hotels Membership	150	63	(140)	59
721	Laundry, Cleaning, and Garment Services	2,990	32	(230)	62
722	Photographic Studios, Portrait	1,090	49	710	29
723	Beauty Shops	4,590	24	780	28
724	Barber Shops	120	66	(30)	53
725	Shoe Repair and Shoeshine Parlors	140	65	60	48
726	Funeral Service and Crematories	600	54	290	39
729	Miscellaneous Personal Services	1,900	38	(200)	61
731	Advertising	3,740	27	1,150	23
732	Consumer Credit Reporting Agencies	1,900	38	680	31
733	Mailing, Reproduction, Stenographic	5,730	20	2,760	14
734	Services To Buildings	8,240	13	3,310	11
735	Miscellaneous Equipment Rental and Leasing	5,140	23	3,410	10
736	Personnel Supply Services	29,970	2	10,760	3
737	Computer and Data Processing Services	54,770	1	43,300	1
738	Miscellaneous Business Services	23,770	3	12,370	2
751	Automotive Rental and Leasing	2,990	32	1,320	22
752	Automobile Parking	1,420	43	690	30
753	Automotive Repair Shops	6,680	18	2,280	16
754	Automotive Services, nec	1,820	40	10	52
762	Electrical Repair Shops	1,210	45	(140)	59
763	Watch, Clock, and Jewelry Repair	40	70	(40)	54
764	Reupholstery and Furniture Repair	150	63	(60)	56
769	Miscellaneous Repair Shops	1,940	37	(810)	69
781	Motion Picture Production and Services	1,560	42	630	35
782	Motion Picture Distribution Services	250	60	140	44
783	Motion Picture Theaters	790	50	(410)	66
784	Video Tape Rental	1,140	46	(80)	57
791	Dance Studios, Schools and Halls	270	59	110	45
792	Theatrical Producers, Bands, and Entertainers	6,460	19	4,150	6
793	Bowling Centers	420	56	(420)	67
794	Commercial Sports	1,140	46	(330)	64
799	Miscellaneous Amusement and Recreational Service	10,280	10	3,270	12
801	Offices and Clinics Of Medical Doctors	16,400	5	2,400	15
802	Offices and Clinics Of Dentists	8,430	12	2,150	17
803	Offices and Clinics Of Osteopathy	200	61	50	50
804	Offices and Clinics Of Other Practitioners	3,430	31	1,130	24
805	Nursing and Personal Care Facilities	9,460	11	920	27
806	Hospitals	22,840	4	3,520	8
807	Medical and Dental Laboratories	2,710	34	650	33
808	Home Health Care Services	1,340	44	(390)	65
809	Miscellaneous Health and Allied Services	3,680	28	110	45
811	Legal Services	11,790	9	1,070	25
821	Elementary and Secondary Schools	4,250	26	1,820	19
822	Private Colleges and Universities	4,270	25	980	26
823	Libraries	280	58	250	40
824	Vocational Schools	3,500	29	1,880	18
829	Schools and Educational Services, nec	5,260	22	3,420	9
832	Individual and Family Services	7,770	16	4,390	5
833	Job Training and Related Services	2,350	35	660	32
835	Child Day Care Services	5,640	21	640	34
836	Residential Care	3,450	30	(740)	68
839	Social Services, nec	1,700	41	550	37
841	Museums and Art Galleries	310	57	(250)	63
842	Aboreta and Botanical Gardens	200	61	170	43
861	Business Associations	760	51	(830)	70
862	Professional Membership Organizations	620	53	230	41
863	Labor Unions	2,240	36	100	47
864	Civic, Social, and Fraternal Associations	8,070	14	1,580	21
865	Political Organizations	70	68	(50)	55
866	Religious Organizations	470	55	60	48

King County Services

SIC	Industry	2000 Employment	Rank	Change 1990-to-2000	Rank
869	Membership Organizations, nec	1,120	48	410	38
871	Engineering and Architectural Services	12,090	8	220	42
872	Accounting, Auditing, and Bookkeeping	7,270	17	2,840	13
873	Research and Testing Services	14,310	6	7,960	4
874	Management and Public Relations	7,840	15	3,580	7
899	Services, nec	720	52	630	35

nec = not elsewhere classified
Source: Economy.com

Pierce County Services

SIC	Industry	2000 Employment	Rank	Change 1990-to-2000	Rank
701	Hotels and Motels	1,470	17	380	19
703	Camps and Recreational Vehicle Parks	10	62	(30)	46
721	Laundry, Cleaning, and Garment Services	810	26	(130)	57
722	Photographic Studios, Portrait	170	45	(20)	42
723	Beauty Shops	1,140	22	(40)	49
724	Barber Shops	60	54	(120)	56
725	Shoe Repair and Shoeshine Parlors	10	62	(20)	42
726	Funeral Service and Crematories	50	55	(100)	55
729	Miscellaneous Personal Services	550	30	310	21
731	Advertising	190	43	110	30
732	Consumer Credit Reporting Agencies	80	51	(90)	54
733	Mailing, Reproduction, Stenographic	420	35	190	26
734	Services to Buildings	1,640	14	(1,060)	65
735	Miscellaneous Equipment Rental and Leasing	550	30	130	28
736	Personnel Supply Services	2,400	8	130	28
737	Computer and Data Processing Services	2,260	10	1,680	3
738	Miscellaneous Business Services	1,340	18	(460)	63
751	Automotive Rental and Leasing	110	50	(40)	49
752	Automobile Parking	10	62	(10)	39
753	Automotive Repair Shops	1,300	20	110	30
754	Automotive Services, nec	730	28	290	22
762	Electrical Repair Shops	660	29	460	16
763	Watch, Clock, and Jewelry Repair	200	41	180	27
764	Reupholstery and Furniture Repair	30	58	(10)	39
769	Miscellaneous Repair Shops	520	33	(50)	52
781	Motion Picture Production and Services	50	55	30	33
783	Motion Picture Theaters	330	36	90	32
784	Video Tape Rental	170	45	(150)	58
791	Dance Studios, Schools and Halls	30	58	(30)	46
792	Theatrical Producers, Bands, and Entertainers	150	47	(220)	60
793	Bowling Centers	550	30	220	25
794	Commercial Sports	70	52	(60)	53
799	Miscellaneous Amusement and Recreational Service	3,790	5	2,080	2
801	Offices and Clinics Of Medical Doctors	4,480	2	930	11
802	Offices and Clinics Of Dentists	2,400	8	950	9
803	Offices and Clinics Of Osteopathy	70	52	30	33
804	Offices and Clinics Of Other Practitioners	1,230	21	530	15
805	Nursing and Personal Care Facilities	2,900	6	(1,000)	64
806	Hospitals	8,130	1	1,540	4
807	Medical and Dental Laboratories	220	39	20	35
808	Home Health Care Services	1,760	13	1,340	5
809	Miscellaneous Health and Allied Services	1,040	24	660	14
811	Legal Services	1,570	15	280	23
821	Elementary and Secondary Schools	1,090	23	720	13
822	Private Colleges and Universities	4,190	4	760	12
823	Libraries	20	61	(40)	49
824	Vocational Schools	240	38	(160)	59
829	Schools and Educational Services, nec	500	34	230	24
832	Individual and Family Services	4,200	3	3,090	1
833	Job Training and Related Services	1,540	16	1,200	6
835	Child Day Care Services	1,840	12	1,010	8
836	Residential Care	2,020	11	950	9
839	Social Services, nec	200	41	(240)	61
841	Museums and Art Galleries	30	58	(20)	42
861	Business Associations	180	44	(30)	46
862	Professional Membership Organizations	40	57	20	35
863	Labor Unions	250	37	(240)	61
864	Civic, Social, and Fraternal Associations	2,680	7	1,070	7
865	Political Organizations	-	66	(20)	42
866	Religious Organizations	120	48	(10)	39
869	Membership Organizations, nec	210	40	-	38
871	Engineering and Architectural Services	1,320	19	320	20
872	Accounting, Auditing, and Bookkeeping	840	25	390	18
873	Research and Testing Services	120	48	(1,110)	66
874	Management and Public Relations	800	27	410	17
899	Services, nec	10	62	10	37

nec = not elsewhere classified
Source: Economy.com

Snohomish County Services

SIC	Industry	2000 Employment	Rank	Change 1990-to-2000	Rank
701	Hotels and Motels	900	22	(50)	62
703	Camps and Recreational Vehicle Parks	10	63	(20)	59
721	Laundry, Cleaning, and Garment Services	700	25	320	21
722	Photographic Studios, Portrait	130	43	(30)	60
723	Beauty Shops	1,060	18	330	20
724	Barber Shops	70	54	40	42
725	Shoe Repair and Shoeshine Parlors	50	58	40	42
726	Funeral Service and Crematories	120	45	50	37
729	Miscellaneous Personal Services	260	36	50	37
731	Advertising	120	45	80	31
732	Consumer Credit Reporting Agencies	220	39	10	51
733	Mailing, Reproduction, Stenographic	440	30	310	23
734	Services To Buildings	1,080	17	370	18
735	Miscellaneous Equipment Rental and Leasing	330	32	(10)	56
736	Personnel Supply Services	4,030	2	2,780	2
737	Computer and Data Processing Services	2,270	6	1,930	3
738	Miscellaneous Business Services	1,440	12	750	10
751	Automotive Rental and Leasing	190	41	50	37
752	Automobile Parking	50	58	50	37
753	Automotive Repair Shops	1,360	14	320	21
754	Automotive Services, nec	530	28	260	25
762	Electrical Repair Shops	280	34	60	34
763	Watch, Clock, and Jewelry Repair	30	62	20	49
764	Reupholstery and Furniture Repair	40	60	(10)	56
769	Miscellaneous Repair Shops	370	31	60	34
781	Motion Picture Production and Services	40	60	40	42
783	Motion Picture Theaters	460	29	310	23
784	Video Tape Rental	270	35	(60)	63
791	Dance Studios, Schools and Halls	90	50	70	32
792	Theatrical Producers, Bands, and Entertainers	1,180	15	1,150	6
793	Bowling Centers	260	36	30	46
794	Commercial Sports	60	56	30	46
799	Theatrical Producers, Bands, and Entertainers	6,550	1	5,420	1
801	Offices and Clinics Of Medical Doctors	3,400	3	1,040	8
802	Offices and Clinics Of Dentists	1,490	11	220	28
803	Offices and Clinics Of Osteopathy	100	48	40	42
804	Offices and Clinics Of Other Practitioners	970	19	490	14
805	Nursing and Personal Care Facilities	2,450	5	20	49
806	Hospitals	2,620	4	640	11
807	Medical and Dental Laboratories	80	52	(40)	61
808	Home Health Care Services	620	27	260	25
809	Miscellaneous Health and Allied Services	820	23	490	14
811	Legal Services	770	24	260	25
821	Elementary and Secondary Schools	130	43	(150)	64
822	Private Colleges and Universities	120	45	60	34
824	Vocational Schools	60	56	(400)	65
829	Schools and Educational Services, nec	690	26	450	16
832	Individual and Family Services	2,210	7	1,670	4
833	Job Training and Related Services	930	21	450	16
835	Child Day Care Services	1,090	16	370	18
836	Residential Care	1,400	13	1,100	7
839	Social Services, nec	250	38	100	30
841	Museums and Art Galleries	10	63	10	51
861	Business Associations	70	54	10	51
862	Professional Membership Organizations	210	40	200	29
863	Labor Unions	310	33	70	32
864	Civic, Social, and Fraternal Associations	1,860	8	600	13
865	Political Organizations	10	63	10	51
866	Religious Organizations	100	48	(10)	55
869	Membership Organizations, nec	80	52	30	46
871	Engineering and Architectural Services	1,820	9	940	9
872	Civic, Social, and Fraternal Associations	950	20	610	12
873	Research and Testing Services	190	41	(10)	56
874	Management and Public Relations	1,530	10	1,290	5
899	Services, nec	90	50	50	37

nec = not elsewhere classified
Source: Economy.com

Thurston County Services

SIC	Industry	2000 Employment	Rank	Change 1990-to-2000	Rank
701	Hotels and Motels	690	11	60	27
703	Camps and Recreational Vehicle Parks	10	54	(10)	44
721	Laundry, Cleaning, and Garment Services	250	24	150	20
722	Photographic Studios, Portrait	20	51	(70)	57
723	Beauty Shops	180	29	-	40
724	Barber Shops	20	51	10	36
725	Shoe Repair and Shoeshine Parlors	-	58	(10)	44
726	Funeral Service and Crematories	30	50	(10)	44
729	Miscellaneous Personal Services	130	34	80	25
731	Advertising	40	45	30	33
732	Consumer Credit Reporting Agencies	10	54	(10)	44
733	Mailing, Reproduction, Stenographic	300	22	250	11
734	Services To Buildings	220	26	30	33
735	Miscellaneous Equipment Rental and Leasing	190	28	140	21
736	Personnel Supply Services	830	7	590	5
737	Computer and Data Processing Services	1,390	6	1,110	2
738	Miscellaneous Business Services	460	15	320	7
751	Automotive Rental and Leasing	70	40	50	31
753	Automotive Repair Shops	510	13	190	16
754	Automotive Services, nec	170	30	120	22
762	Electrical Repair Shops	20	51	(30)	52
764	Reupholstery and Furniture Repair	-	58	(10)	44
769	Miscellaneous Repair Shops	50	42	(30)	52
781	Motion Picture Production and Services	-	58	(60)	55
783	Motion Picture Theaters	40	45	10	36
784	Video Tape Rental	50	42	-	40
791	Dance Studios, Schools and Halls	80	39	60	27
792	Theatrical Producers, Bands, and Entertains	70	40	-	40
793	Bowling Centers	40	45	10	36
799	Miscellaneous Amusement and Recreational Service	520	12	210	13
801	Offices and Clinics Of Medical Doctors	1,610	2	270	10
802	Offices and Clinics Of Dentists	700	9	180	17
803	Theatrical Producers, Bands, and Entertainers	10	54	(10)	44
804	Offices and Clinics Of Other Practitioners	240	25	(80)	58
805	Nursing and Personal Care Facilities	1,410	5	910	3
806	Hospitals	1,720	1	(90)	59
807	Medical and Dental Laboratories	110	37	60	27
808	Home Health Care Services	1,570	4	1,380	1
809	Miscellaneous Health and Allied Services	370	19	290	9
811	Legal Services	430	16	200	15
821	Elementary and Secondary Schools	100	38	(20)	51
822	Private Colleges and Universities	700	9	170	18
824	Vocational Schools	40	45	(40)	54
829	Schools and Educational Services, nec	400	18	300	8
832	Individual and Family Services	420	17	110	23
833	Job Training and Related Services	330	20	210	13
835	Child Day Care Services	490	14	220	12
836	Residential Care	150	33	(180)	60
839	Social Services, nec	130	34	60	27
861	Business Associations	750	8	340	6
862	Professional Membership Organizations	120	36	80	25
863	Labor Unions	300	22	170	18
864	Civic, Social, and Fraternal Associations	1,590	3	870	4
866	Religious Organizations	40	45	(10)	44
869	Membership Organizations, nec	50	42	10	36
871	Engineering and Architectural Services	320	21	30	33
872	Accounting, Auditing, and Bookkeeping	170	30	-	40
873	Research and Testing Services	170	30	110	23
874	Management and Public Relations	210	27	40	32
899	Services, nec	10	54	(60)	55

nec = not elsewhere classified
Source: Economy.com