



Seattle Economic Indicators

Seattle City Council

Regional Development and Sustainability Committee

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Seattle Economic Indicators

Counting What Matters

The City of Seattle adopted the Seattle Jobs Plan in August, 2010 with a commitment to measure and report on Seattle's economic progress. Beginning with this dashboard, the City will be reporting twice annually in August and February on five key indicators of Seattle's economic health:

- Business income
- Job growth
- Business start-ups and closures
- Educational system performance
- Distribution of income

These indicators will help us measure Seattle's economic performance over time, and focus our attention on the opportunities and challenges along the way.

Over the past year, we've continued to see the impacts of the national recession, with a decline in business income and overall employment. Our residents have weathered these national downward trends better than most cities, with lower unemployment rates. Also, as reflected in our new business start-up rates, Seattle continues to hold a comparative advantage through its diverse, talented and resilient people.

We invite you to visit the Office of Economic Development's website at www.seattle.gov/economicdevelopment for complete statistics of the Seattle Economic Indicators.

August, 2011 Dashboard

1. Business Income	2009	2010	Change
Business income (billions, 2010\$)	\$51.0	\$50.8	↓ 0.4%
2. Job Growth	2009	2010	Change
Employment	473,200	462,200	↓ -2%
Unemployment rate	7.9%	7.8%	↓ 0.1%
3. Business Start-ups and Closures	2009	2010	Change
New business licenses	7,600	7,900	↑ 4%
Total businesses	55,000	55,400	↑ 1%
4. Educational System Performance	2008	2009	Change
Higher education degrees awarded	16,840	17,130	↑ 2%
Seattle educational attainment (% Population with bachelor's degree or higher)	55%	56%	↑ 1%
5. Income Distribution	2008	2009	Change
Household income distribution by income quintile (Each quintile represents 20% of Seattle households)			
0-20%, lowest earning households	3%	3%	↔ 0%
20-40%	8%	9%	↑ 1%
40-60%	13%	15%	↑ 3%
60-80%	23%	24%	↑ 2%
80-100%, highest earning households	54%	48%	↓ -6%

1. Business Income

Exhibit 1-1. Seattle Taxable Business Income by Industry Sector, Select Years (2010\$) (1)

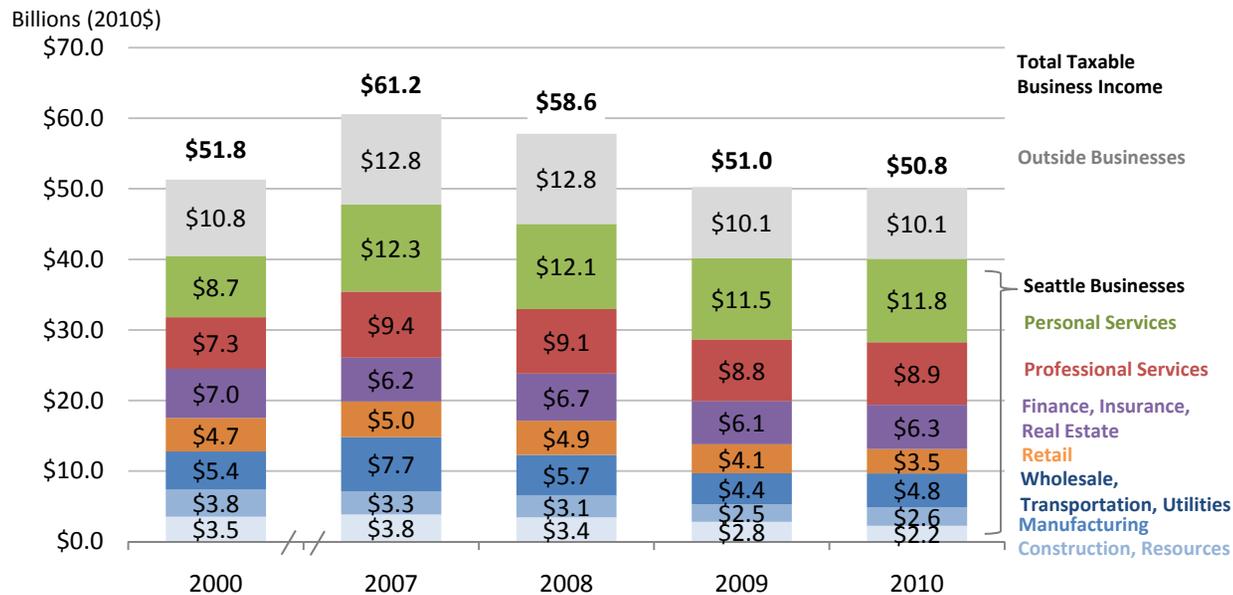


Exhibit 1-2. Seattle Quarterly Taxable Business Income, 2010 and 2011 Q1 (2)



Source: City of Seattle Department of Finance and Administrative Services (July 2011)

Exhibit 1-3. Seattle Taxable Business Income Change by Sector (billions, 2010\$) (3)

Sector	2009	2010	% Change
Cons/Res	\$2.8	\$2.2	-19.8%
Manufacturing	\$2.5	\$2.6	3.3%
WTU	\$4.4	\$4.8	10.3%
Retail	\$4.1	\$3.5	-15.7%
FIRE	\$6.1	\$6.3	2.5%
Prof. Services	\$8.8	\$8.9	1.2%
Pers. Services	\$11.5	\$11.8	2.7%
Small Biz and Other	\$0.8	\$0.7	-12.3%
Outside Biz	\$10.1	\$10.1	-0.1%
Total	\$51.0	\$50.8	-0.4%

Business Income Key Findings

In 2010, businesses generated \$50.8 billion in taxable income in Seattle (Ex. 1-1). 2010 citywide business revenues are 0.4% less than in 2009 after accounting for inflation.

Seattle-based businesses generated nearly \$41 billion in taxable income, or 80% of all business income reported in Seattle. Seattle-based business revenues declined by 0.5% from 2009 to 2010.

Businesses based outside of Seattle reported approximately \$10 billion in taxable income earned from activity and transactions within Seattle. Out-of-town businesses account for approximately 20% of revenues reported in the City.

Preliminary 2011 Q1 income data demonstrates 9.3% income growth from 2010 Q1 (Ex. 1-2).

Sectors with 2010 revenue growth included manufacturing, WTU (wholesale, trade and utilities), FIRE (finance, insurance and real estate) and professional and personal services. (Ex. 1-3).

Definitions:

Cons/Res is construction and resources

WTU is wholesale, transportation and utilities

FIRE is finance, insurance and real estate

Professional services includes information and professional and business services

Personal Services includes health care, private education, leisure and hospitality and other services

Additional notes:

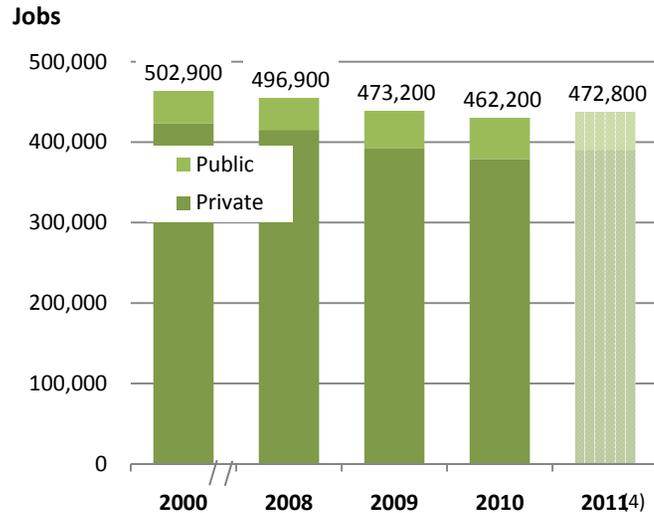
(1) Annual income represents taxable income for all businesses located in Seattle that are subject or exempt from paying B&O taxes. Income data also includes taxable income for businesses located outside the city that pay Seattle B&O taxes.

(2) Quarterly data is controlled to annual taxable income estimates provided by Seattle Dept. of FAS.

(3) Small Biz are Seattle businesses not subject to B&O tax; Outside Biz are businesses located outside Seattle that pay Seattle B&O taxes.

2. Job Growth

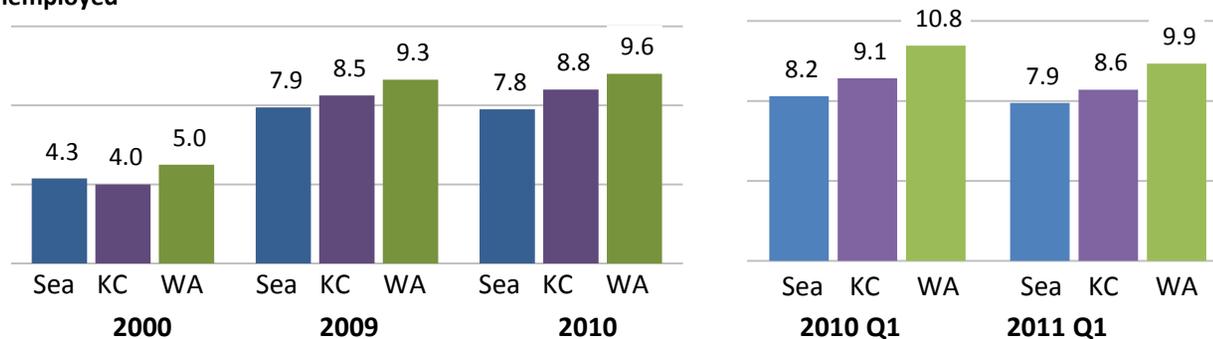
Exhibit 2-1. Seattle Covered Employment, Public and Private Sectors, Select Years (4)



Source: Quarterly Census of Employment of Wages, Puget Sound Regional Council; Current Employment Statistics, Bureau of Labor Statistics (June 2011)

Exhibit 2-3. Seattle, King County and Washington Unemployment Rate, 2000, 2009 and 2010, Quarter 1 2010 and 2011 (6)

% Unemployed



Source: Local Area Unemployment Statistics, Bureau of Labor Statistics (June 2011)

Exhibit 2-2. Job Change by Sector, Seattle (projection) and King County, 2010 – 2011 (5)

Sector	Actual	Actual King Co	Projected Seattle
	Seattle Jobs	% Change	Job Change
Cons/Res	16,700	-5.6%	(930)
Manufacturing	26,400	0.7%	190
WTU	29,200	3.9%	1,150
Retail	36,900	4.8%	1,760
FIRE	32,000	-0.9%	(290)
Prof. Services	92,800	6.3%	5,860
Pers. Services	145,100	2.5%	3,640
Gov	48,500	-0.8%	(380)
Ed	34,600	-1.3%	(430)
Total	462,200	2.5%	10,570

Job Growth Key Findings

Seattle has an estimated 472,800 jobs in 2011, which includes 390,500 private sector jobs and 82,300 public sector jobs (Ex. 2-1; jobs covered by State unemployment insurance). Private sector jobs account for 83% of all Seattle jobs.

King County jobs grew by 2.5% from 2010 to 2011, including private sector job growth of 3.0% and declines in the public sector by 1.0%. Assuming Seattle jobs grew at comparable rates by sector, then Seattle would have added an estimated 11,380 jobs in the private sector and lost 810 jobs in the public sector (Ex. 2-2).

Citywide covered employment declined from a recent peak in March 2008 of 496,900 to a recent low in March 2010 of 462,200, a decline of 7.0%. Estimated jobs in 2011 are 6.0% lower in total from 502,840 in 2000, presented for more historical context.

Additional notes:

(4) Covered employment is for March of the given year. Covered employment consists of employment covered by the Washington Unemployment Insurance Act. Covered employment excludes self-employed workers, proprietors, CEOs, and other non-insured workers. Typically, covered employment has represented 85-90% of total employment

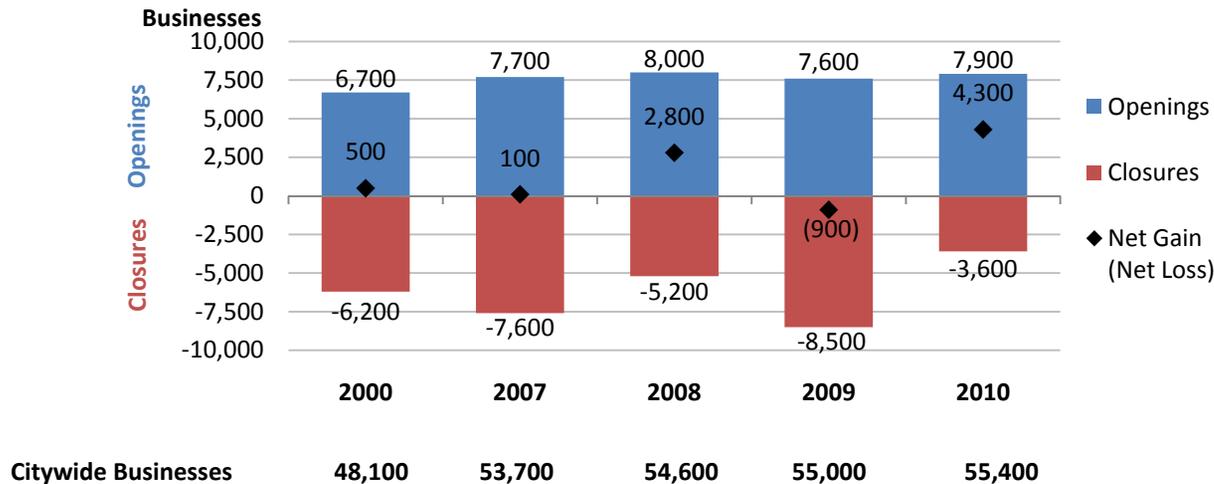
(5) 2011 Seattle employment change is projected using King County Monthly Current Employment Statistics (CES). CES are non-seasonally adjusted and were obtained in June 2011. Projections illustrate Seattle job change if city and county job trends are consistent.

Cons/Res is construction and resources; WTU is wholesale, transportation and utilities; FIRE is finance, insurance and real estate; Professional services includes information and professional and business services, Personal Services includes health care, private education, leisure and hospitality and other services, Gov is government; Ed is public education.

(6) Unemployment rates are non-seasonally adjusted annual and quarterly averages.

3. Business Start-ups and Closures

Exhibit 3-1. Seattle Businesses, Openings and Closures, Select Years (7)



Source: City of Seattle Department of Finance and Administrative Services (July 2011)

Business Start-ups and Closures Key Findings

Approximately 55,400 businesses were located in Seattle at the end of 2010, based on City of Seattle business license records (Ex. 3-1).

In 2010, Seattle reported 7,900 new business openings and 3,600 closures to date. In 2009, 7,600 businesses opened while 8,500 businesses closed.

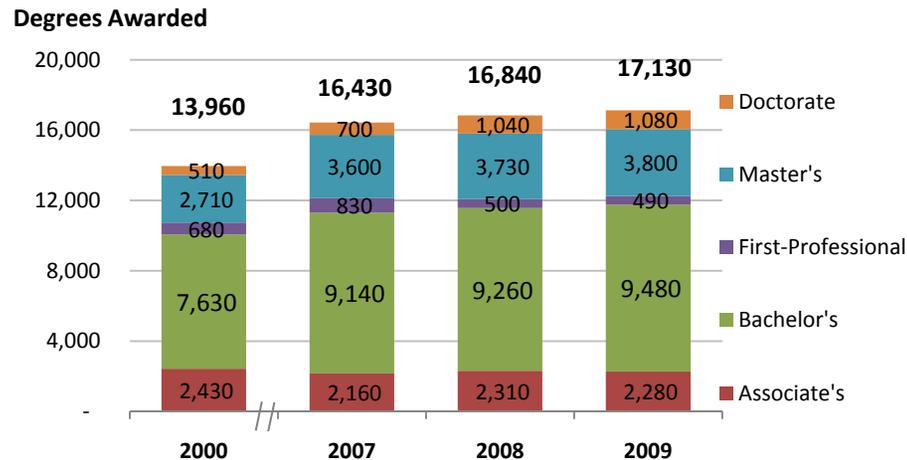
The net total number of citywide businesses grew by 0.7% (400 businesses) from 2009 to 2010 based on current business license records. Seattle has gained 7,300 businesses from 2000 to 2010, a 15% increase.

Additional notes:

(7) Citywide business estimates are based on the total number of businesses with a Seattle address that pay license fees. Historical business license data are continually updated with new information on business closures and openings. All historical estimates are subject to revision as new data becomes available. Note, net change in total businesses varies from the net change in openings and closures for a given year due to data processing limitations.

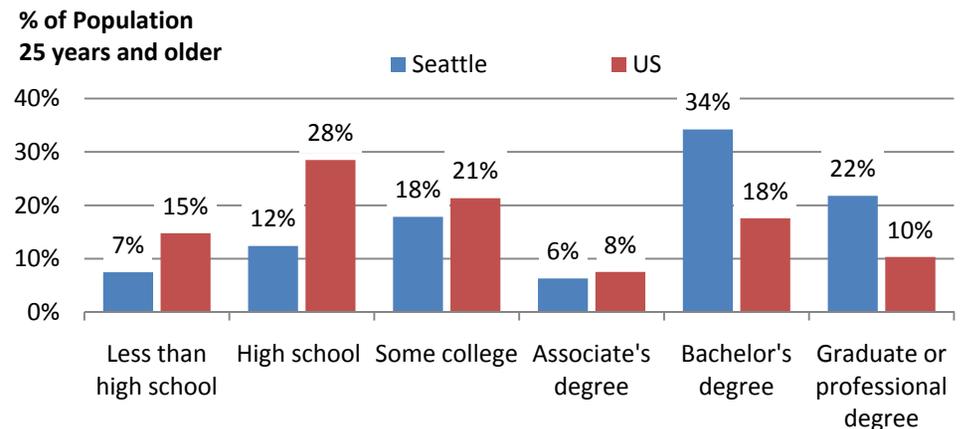
4. Educational System Performance

Exhibit 4-1. Higher Education Degrees Awarded by Seattle Post-Secondary Institutions, Select Years



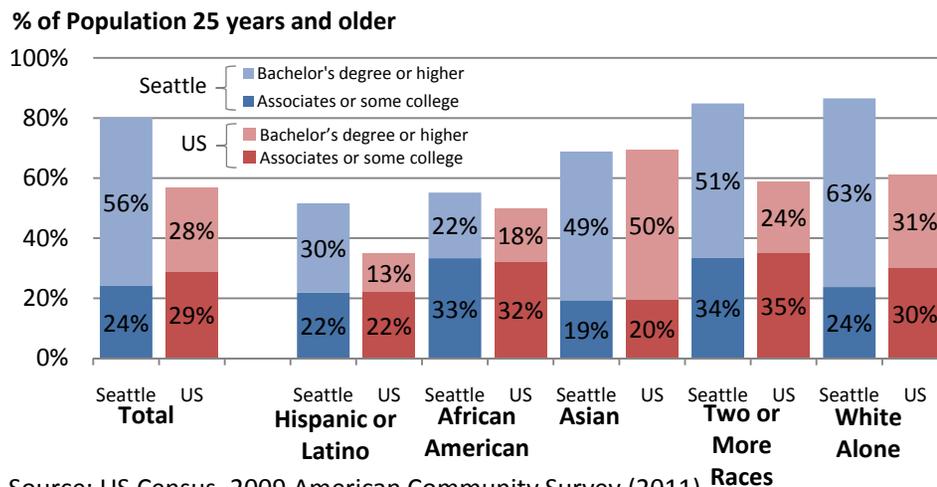
Source: National Center for Education Statistics (2011)

Exhibit 4-2. Seattle and US Educational Attainment, 2009



Source: US Census, 2009 American Community Survey (2011)

Exhibit 4-3. Seattle and US Educational Attainment by Race, 2009 (8)



Source: US Census, 2009 American Community Survey (2011)

Educational System Performance Key Findings

Seattle post-secondary institutions awarded a total of 17,130 degrees in 2009-2010. Seattle institutions awarded 16% more Bachelor's degrees and 125% more Doctorate degrees in 2009-2010 than in 2002-2003 (Ex. 4-1).

Over 55% of Seattle residents 25 years and older have a four year college degree or higher compared to the national average of 28% in 2009 (Ex. 4-2). Seattle residents with a Bachelor's degree earned a median income nearly two times more than residents with a high school diploma in 2009.

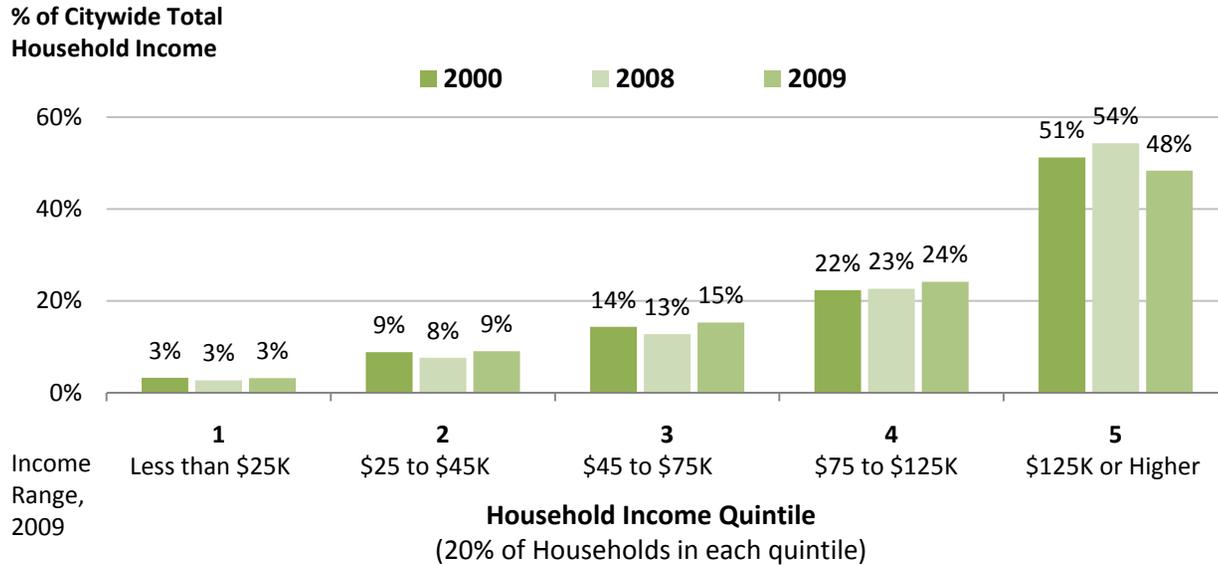
All Seattle population groups exceed the national average for college education attainment. College education includes some college education, associates degrees, bachelor's degree and higher. Four of five Seattle population groups have a higher population percentage with a bachelor's degree or higher than their national counterpart (Ex. 4-3).

Additional notes:

(8) Educational attainment for American Indian, Pacific Islander and Other Races in Seattle was not available in the 2009 American Community Survey

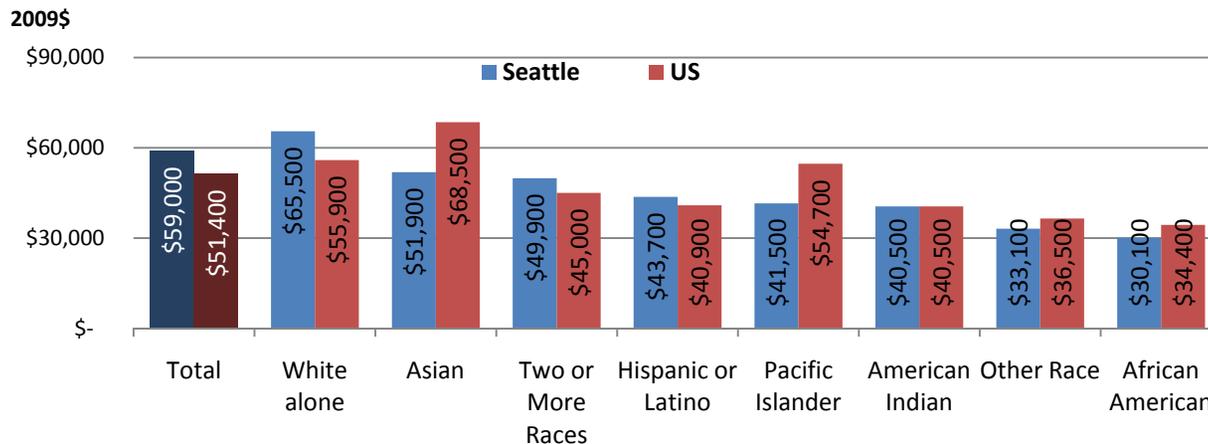
5. Income Distribution

Exhibit 5-1. Seattle Household Income Distribution by Income Quintile , Select Years



Source: 2000 US Census, 2009 American Community Survey (1-year weighted average; 2011)

Exhibit 5-2. Seattle and US Median Household Income by Race, 2009



Source: 2000 US Census, 2009 American Community Survey (5-year weighted average; 2011)

Income Distribution Key Findings

Exhibit 5-1 shows the distribution of household income by income quintile within Seattle for 2000, 2008 and 2009. Each quintile represents 20% of Seattle households. The exhibit illustrates Seattle's "income gap."

The lowest earning quintiles remained unchanged in 2009 from 2000, earning 3% and 9% of all income earned in Seattle.

Income shifted among the upper three quintiles from 2000 to 2009. The top 20% highest income households accounted for approximately 51% of Seattle income in 2000 and 54% in 2008. In 2009, the highest income households accounted for 48% on income, a 3% decrease from 2000 and a 6% decrease from 2008.

Households earning in the third and fourth income quintiles accounted for a greater share of household income in 2009 than in 2000 and 2008. Households with incomes in the fourth quintile (generally \$75,000 to \$125,000 in 2009) account for 24% of Seattle income. Households with incomes in the third quintile (generally \$45,000 to \$75,000 in 2009) account for 15% of income in 2009.

Seattle median income was \$59,000 in 2009, roughly 15% higher than the US median income of \$51,400 (Ex. 5-2). Seattle's income distribution among races follows the U.S. for most races. Notable exceptions include relative lower incomes in Seattle for Asian and Pacific Islander people, compared to U.S. totals.