

# **Washington State Economic Climate Study**



**Economic and Revenue Forecast Council  
September 2004  
Volume IX**

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# Washington State Economic Climate Study

Prepared by the  
Economic and Revenue Forecast Council

September 2004  
Volume IX

**Washington State  
Economic and Revenue Forecast Council**

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**Editor's Note**

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The 1996 Legislature passed Substitute House Bill 2758 creating the Economic Climate Council (ECC). The ECC is responsible for selecting a series of benchmarks that characterize the competitive environment of the state. The benchmarks are indicators of the quality of life, education and skills of the work force, infrastructure, and the costs of doing business.

To ensure public participation, the ECC established an advisory committee of six members to assist in the selection of the benchmarks. The advisory committee, along with staff of the House of Representatives, Senate, Office of Financial Management and other state agencies, including the staff of the Office of the Forecast Council, assisted in the preparation of the first report. The Economic and Revenue Forecast Council continues to function as the ECC. Each year the Office of the Forecast Council updates and publishes the Climate Study. This is the ninth annual Economic Climate Study.

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# Executive Summary

This report updates the State of Washington's Economic Climate Study, last published September 2002. The study provides information about Washington's competitive standing in relation to the other U.S. states. It is based on the premise that, while improving productivity is primarily the domain of Washington's business sector, appropriate state and local policies, particularly those relating to education, public safety, infrastructure, cost of doing business, and the environment, are essential to promote higher standards of living.

The benchmarks considered in this study focus on the four themes specified in the Substitute House Bill 2758, RCW 82.33A: quality of life, education and skills of the workforce, infrastructure, and the cost of doing business. In addition, this study also presents economic performance indicators related to income, employment, population, research and development expenditures, and foreign trade. Overall, forty-one indicators are presented.

## Recent Performance

In this year's climate study, thirty-six of the forty-one benchmarks and indicators were updated. While the state has fared better in past year's climate studies, its overall performance was positive. Of the thirty-four updated benchmarks and indicators that include ranks relative to the other states, Washington's rank improved in fifteen cases, regressed in ten, and stayed the same in nine. Of the thirty-five updated benchmarks and indicators that indicate year-to-year performance, the state improved in twenty cases, worsened in twelve and stayed the same in three. Five indicators and benchmarks were not updated due to the unavailability of updated data at the time of publication.

Though the official nation-wide recession of 2001 lasted only nine months, states everywhere have been dealing with the repercussions of slow growth and unemployment ever since. Washington, with its sizeable aerospace and software sectors, was hit a bit harder than most states. The bursting of the "dot-com" bubble affected the software industry even prior to the beginning of the March 2001 downturn, and just as the national recovery began in November of 2001 (according to the National Bureau of Economic Research), layoffs began in aerospace; losing roughly 24,000 jobs between December of 2001 and 2003.

Even with a tightening fiscal budget, Washington tried to make the best of its situation. Indicators improved for the majority of the economic benchmarks though rankings did not always rise with them. Surprisingly, though nearly all of the quality of life indicators worsened, many of Washington's rankings improved. In addition, educational achievement has progressed, the highway system was improved, and Washington's environment is still highly ranked, with one of the fewest levels of toxins and the highest number of state parks.

The following report is a snapshot of Washington's performance and ranking both compared to other states and itself historically. This analysis begins on page six with a description of each indicator and is then followed by an associated table and chart. Each table ranks the states based on its performance and each chart shows how Washington has fared over history. In each case, the ranking is from best to worst with a rank of one being the best.

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<b>Indicator/Benchmark</b>	<b>Performance</b>	<b>Rank</b>
<b><i>Economic Performance</i></b>		
Total Employment Growth Rate	Improved	Improved
Median Household Income	Improved	Improved
Per Capita Personal Income	Improved	No Change
Per Capita Personal Income Growth Rate	Improved	Worsened
High Wage Industries' Share of Total Employment Growth	Improved	Improved
Annual Earnings Per Job	Improved	No Change
Annual Earnings Per Job Growth Rate	Improved	Improved
Migration Rate	Worsened	Worsened
Foreign Exports	Worsened	No Change
Foreign Exports Excluding Transportation Equipment	Improved	Improved
Per Capita University Research and Development Spending	Improved	Worsened
Per Capita Industry Research and Development Spending	Worsened	Worsened
Per Capita Total Research and Development Spending	No Change	No Change
Unemployment Rate	Worsened	No Change
<b><i>Quality of Life</i></b>		
Homicide	No Change	Worsened
Violent Crime	Improved	Improved
Arrest Rates for Violent Crime	Improved	Improved
Air Quality	No Change	Worsened
Drinking Water	Worsened	Improved
Toxins Released	Improved	Worsened
State Health Index	Worsened	No Change
State Parks and Recreation Areas	Worsened	Improved
State Arts	Worsened	No Change
Public Library Service	Not Updated	Not Updated
Housing Opportunity Index	Not Updated	Not Updated
<b><i>Education and Skills of the Workforce</i></b>		
Fourth Grade Reading	Worsened	Worsened
Fourth Grade Math	Improved	Improved
Tenth Grade WASL Scores	Improved	N/A
Student to Teacher Ratio	Improved	Improved
Education Attainment: Completed Four Years of High School or More	Worsened	Worsened
Education Attainment: Completed Bachelor's Degree or More	Improved	Improved
Total Public Two and Four Year Combined Participation Rate	Not Updated	Not Updated
Value Added per Hour of Labor in Manufacturing	Not Updated	Not Updated
<b><i>Infrastructure</i></b>		
Interstate Miles in Poor Condition	Improved	Improved
Urban Roadway Congestion Index	Improved	Improved
FAA Air Traffic	Worsened	Worsened
<b><i>Cost of Doing Business</i></b>		
State and Local Tax Collections Per \$1,000 Personal Income	Improved	No Change
Unemployment Insurance Costs	Worsened	No Change
Workers' Compensation Premium Costs	Not Updated	Not Updated
Electricity Costs	Improved	Improved
Average Wage by Sector	N/A	N/A

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# **Economic Performance**

# Total Employment Growth Rate

Though the recession of 2001 officially only lasted for nine months, the effects have continued to be seen throughout the following years. Many states continued to display negative growth in employment, unable to overcome the bursting of the “dot-com” bubble. Washington employment, however, managed to bounce back from its two years of contraction in 2003 while the national average employment continued to decline.

Buoyed by growth in the financial activities market, particularly credit intermediation, construction, health services and software production, Washington managed a 0.2 percent gain that ranked 16<sup>th</sup> among states. While 5,300 jobs were gained, the state is still 51,900 short of its 2000 peak. During the same period, national average employment continued to decline at a rate of -0.3 percent. The aerospace industry continued the downward decline it has been experiencing since 1998, when it lost nearly 27,000 jobs before an upswing began in 2000. However, with the 9-11 attacks, production and employment both began another decline and the sector has lost another 11,600 jobs in 2002 and 10,200 jobs in 2003 (annual average employment). A July 2004 announcement by Boeing that the company would hire up to 3,000 Washington workers by the end of the year hopefully signals the end of the current industry downturn.

Chart 1  
Total Employment Growth Rate

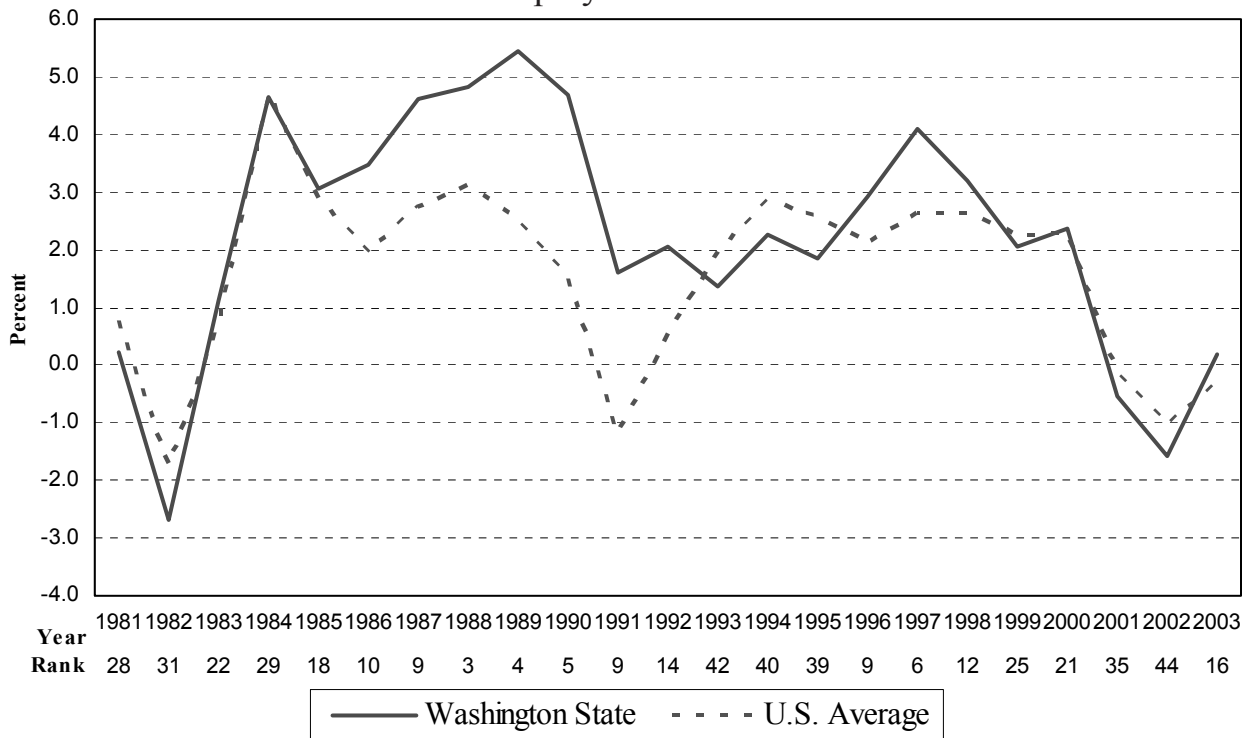


Table 1  
Economic Performance  
**Total Employment Growth Rate**  
(Percent)

	1999	2000	2001	2002	2003	1999-2003
Alabama	1.1	0.6	-1.2	-1.3	-0.5	-0.2
Alaska	1.0	2.2	1.9	2.0	1.6	1.7
Arizona	4.3	3.7	1.0	0.0	1.1	2.0
Arkansas	1.7	1.5	-0.4	-0.6	-0.2	0.4
California	2.9	3.5	0.8	-1.0	-0.3	1.2
Colorado	3.6	3.8	0.6	-1.9	-1.5	0.9
Connecticut	1.6	1.4	-0.7	-1.0	-1.3	0.0
Delaware	3.2	1.7	-0.1	-1.2	-0.2	0.7
Florida	2.9	3.7	1.3	0.1	1.5	1.9
Georgia	3.0	2.5	-0.2	-1.9	-0.3	0.6
Hawaii	0.7	3.0	0.7	0.3	1.9	1.3
Idaho	3.3	3.8	1.5	0.1	0.6	1.9
Illinois	1.0	1.5	-0.8	-1.9	-1.1	-0.3
Indiana	1.8	1.0	-2.2	-1.1	-0.1	-0.1
Iowa	1.8	0.7	-0.9	-1.2	-0.5	0.0
Kansas	1.1	1.3	0.2	-0.9	-1.7	0.0
Kentucky	2.4	1.6	-1.1	-0.8	-0.3	0.4
Louisiana	0.4	1.2	-0.1	-1.0	0.4	0.2
Maine	3.0	2.9	0.8	-0.3	-0.1	1.3
Maryland	2.7	2.7	0.7	0.4	0.2	1.3
Massachusetts	1.8	2.7	0.2	-2.4	-2.0	0.1
Michigan	1.6	2.0	-2.5	-1.7	-1.5	-0.4
Minnesota	2.3	2.4	0.2	-1.0	-0.1	0.8
Mississippi	1.7	0.0	-2.0	-0.6	-0.6	-0.3
Missouri	1.6	0.8	-0.8	-1.2	-0.7	-0.1
Montana	1.9	1.9	1.1	1.1	1.0	1.4
Nebraska	1.9	1.8	0.5	-0.8	-0.2	0.6
Nevada	6.2	4.5	2.4	0.1	3.4	3.3
New Hampshire	2.9	2.7	0.8	-1.4	-0.3	0.9
New Jersey	2.6	2.4	0.1	-0.3	-0.1	0.9
New Mexico	1.4	2.1	1.7	1.2	1.2	1.5
New York	2.7	2.1	-0.5	-1.5	-0.7	0.4
North Carolina	2.6	1.6	-1.0	-1.5	-0.9	0.2
North Dakota	1.4	1.2	0.6	0.0	0.8	0.8
Ohio	1.5	1.1	-1.5	-1.8	-1.0	-0.3
Oklahoma	1.4	1.9	1.0	-1.2	-2.4	0.1
Oregon	1.5	2.0	-0.8	-1.3	-0.7	0.1
Pennsylvania	1.7	1.9	-0.2	-0.7	-0.7	0.4
Rhode Island	1.6	2.4	0.4	0.2	0.9	1.1
South Carolina	2.7	1.6	-1.9	-1.0	0.4	0.3
South Dakota	2.8	1.2	0.2	-0.3	0.2	0.8
Tennessee	1.8	1.6	-1.5	-0.9	0.1	0.2
Texas	2.5	3.0	0.9	-1.0	-0.5	1.0
Utah	2.5	2.6	0.5	-0.7	0.0	1.0
Vermont	2.3	2.4	1.1	-0.9	-0.2	0.9
Virginia	2.8	3.1	0.0	-0.6	0.2	1.1
<b>Washington</b>	<b>2.1</b>	<b>2.4</b>	<b>-0.5</b>	<b>-1.6</b>	<b>0.2</b>	<b>0.5</b>
West Virginia	0.9	1.3	-0.1	-0.3	-0.9	0.2
Wisconsin	2.4	1.8	-0.7	-1.1	-0.1	0.5
Wyoming	2.1	2.7	2.5	1.0	0.8	1.8
U.S. Average	2.3	2.3	-0.1	-1.0	-0.3	0.6
<b>Washington's Rank</b>	<b>25</b>	<b>21</b>	<b>35</b>	<b>44</b>	<b>16</b>	<b>27</b>

U.S. Bureau of Labor Statistics, June 2004. ([www.bls.gov](http://www.bls.gov))

# Median Household Income

A state's median household income is the level of income (before taxes) at which exactly half of that state's households earn more than that amount and half earn less. While it is related to average or per capita household income, an increase in average household income does not necessarily mean that median household income will increase and vice versa. Median income measures offer the advantage over average measures that they are not upwardly biased by the income levels of the highest-income households. Typically, the average or per capita household income of a state is higher than the median.

Median household income estimates for the states are produced annually by the U.S. Bureau of the Census and are published in Money Income in the United States. These estimates are derived from the annual Current Population Survey. As this survey's primary purpose is to arrive at national income and demographic numbers, however, estimates for individual states have substantial margins of error. To minimize these errors, the Census Bureau reports and recommends using two or three year moving averages for state median household income estimates. The resulting margins of error are reported by the Census Bureau and should be taken into account when making year-to-year or state-to-state comparisons. The 90 percent confidence interval for Washington's 2001-2003 median household income estimate is \$851, and the interval for 2000-2002 was \$1,363.

After losing ground over the past few years, Washington's median household income once again began to climb. This year's median income household estimate of \$45,960 was 3.8 percent higher than that of last period's \$44,252. The national average also increased, but at only 1.1 percent. Washington's 5-year average remains well above the national average at \$46,431, earning it 18<sup>th</sup> place. Washington's median household income has been higher than that of the nation for all of the years that the Current Population Survey has reported state estimates.

Chart 2  
Median Household Income

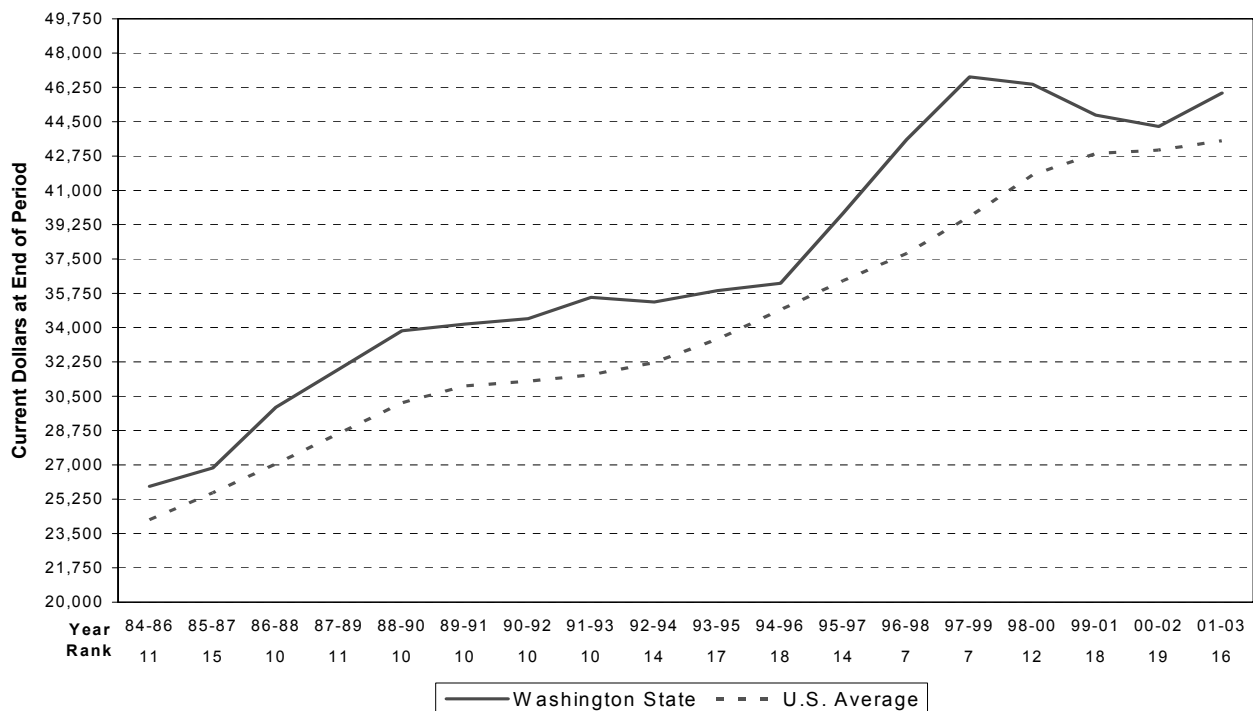


Table 2  
Economic Performance  
**Median Household Income**  
(Current Dollars at End of Period)

	1997-1999	1998-2000	1999-2001	2000-2002	2001-2003	1999-2003*
Alabama	35,478	36,268	36,693	36,771	37,419	36,995
Alaska	51,046	52,492	55,426	55,412	55,143	54,774
Arizona	36,337	39,653	40,965	41,554	42,062	42,625
Arkansas	28,398	30,082	31,798	32,423	33,259	33,319
California	42,262	45,070	47,243	48,113	48,979	49,083
Colorado	46,950	49,216	50,053	49,617	50,224	50,554
Connecticut	47,997	50,647	52,887	53,325	55,004	55,176
Delaware	44,627	47,438	50,301	50,878	50,451	50,964
Florida	35,081	37,305	38,141	38,533	38,572	39,277
Georgia	39,003	41,481	42,508	43,316	43,535	44,094
Hawaii	42,864	45,657	49,232	49,775	49,839	50,044
Idaho	36,023	37,760	38,310	38,613	40,230	40,234
Illinois	44,459	46,649	47,578	45,906	45,607	47,266
Indiana	40,635	41,315	41,921	41,581	42,124	42,734
Iowa	38,047	41,560	42,255	41,827	41,985	43,104
Kansas	37,618	38,393	41,097	42,523	43,622	42,999
Kentucky	35,226	36,826	37,184	37,893	38,161	38,288
Louisiana	33,218	32,500	33,194	33,312	34,307	34,083
Maine	36,459	39,815	38,733	37,654	37,619	39,605
Maryland	50,630	52,846	55,013	55,912	55,213	55,162
Massachusetts	43,697	45,769	49,018	50,587	52,084	51,789
Michigan	43,066	46,034	46,929	45,335	45,176	46,734
Minnesota	46,802	50,088	52,804	54,931	54,480	53,744
Mississippi	30,628	31,963	33,305	32,447	31,887	32,654
Missouri	40,166	44,247	43,884	43,995	43,492	44,599
Montana	31,280	32,553	32,929	33,900	34,375	34,557
Nebraska	37,338	39,029	42,518	43,566	44,357	43,392
Nevada	40,882	43,262	45,493	46,289	46,118	46,491
New Hampshire	44,891	48,029	50,866	53,549	55,166	53,991
New Jersey	50,234	51,739	52,137	53,266	55,221	55,388
New Mexico	31,981	34,035	34,599	35,251	35,265	35,903
New York	38,479	40,822	42,157	42,432	43,160	43,846
North Carolina	37,057	38,413	39,040	38,432	38,096	39,446
North Dakota	32,238	33,769	35,830	36,717	38,212	38,031
Ohio	38,970	41,972	42,631	43,332	43,535	44,264
Oklahoma	33,311	34,020	34,554	35,500	36,733	36,258
Oregon	39,768	41,915	42,704	42,704	42,429	43,362
Pennsylvania	38,938	41,394	42,320	43,577	43,869	44,258
Rhode Island	40,213	43,428	44,825	44,311	45,205	45,347
South Carolina	35,376	36,671	38,362	38,460	38,791	39,045
South Dakota	33,438	35,986	38,407	38,755	39,829	39,353
Tennessee	34,393	35,874	36,542	36,329	37,529	37,621
Texas	37,320	39,296	40,547	40,659	40,934	41,482
Utah	45,257	46,539	48,378	48,537	49,143	48,813
Vermont	39,419	40,908	41,888	41,929	43,212	42,813
Virginia	44,884	47,701	49,085	49,974	52,587	52,150
<b>Washington</b>	<b>46,788</b>	<b>46,412</b>	<b>44,835</b>	<b>44,252</b>	<b>45,960</b>	<b>46,431</b>
West Virginia	28,420	29,217	30,342	30,072	31,210	31,579
Wisconsin	43,055	45,441	46,734	46,351	46,782	47,317
Wyoming	36,039	38,291	40,007	40,499	41,501	41,512
U.S. Average**	39,657	41,789	42,873	43,052	43,527	44,105
<b>Washington's Rank</b>	<b>7</b>	<b>12</b>	<b>18</b>	<b>19</b>	<b>16</b>	<b>18</b>

Source: U.S. Department of Commerce, Bureau of the Census

\*Average of yearly estimates in 2003 dollars

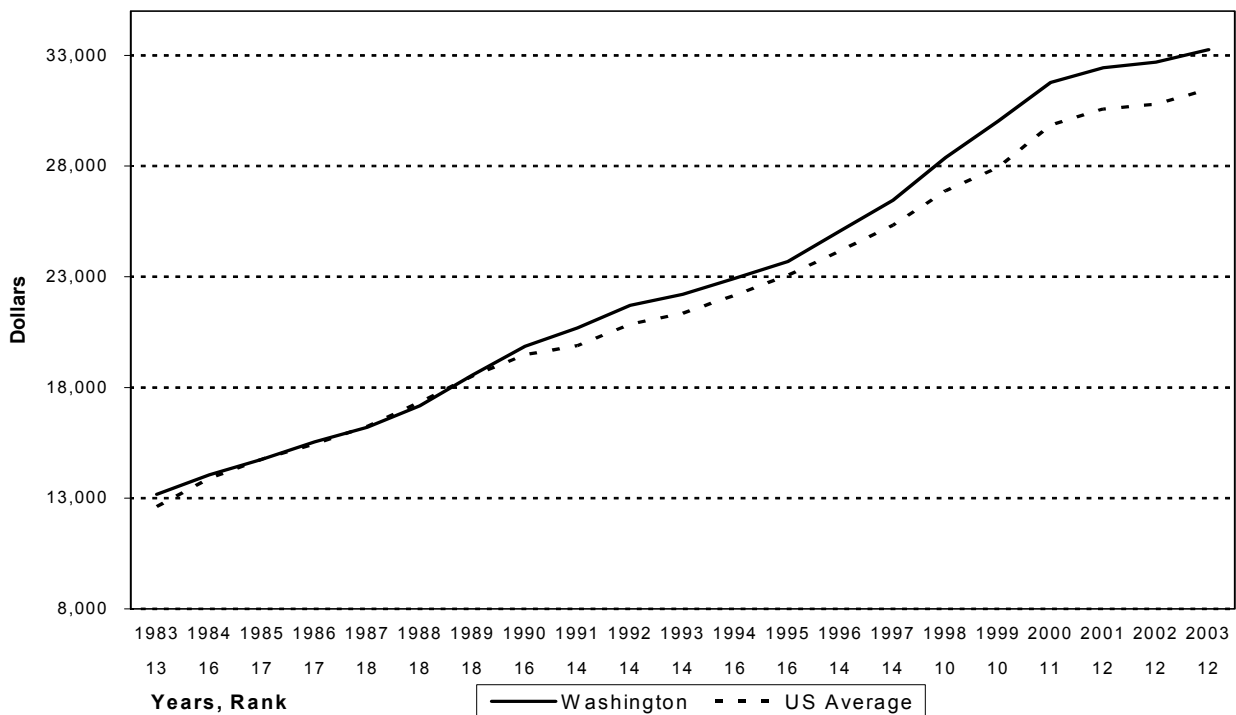
\*\*U.S. average includes the District of Columbia

# Per Capita Personal Income

The Bureau of Economic Analysis defines personal income as the sum of earnings, dividends, interest, rent, and transfer payments. Per capita personal income is derived by dividing the total personal income of a region by its population. In 2003, Washington had a total personal income of \$204.0 billion and a population of 6.13 million, for a per capita personal income of \$33,264. This level of income ranked 12<sup>th</sup> among the states and was well above the national average of \$31,459. Washington has performed well in this measure for the last five years as well, ranking 11<sup>th</sup> during that period.

Most of Washington's personal income derives from earnings, which consists mainly of wages and salaries but also includes proprietor's income and other labor income. In 2003, net earnings by place of residence for Washington residents totaled \$142.7 billion, which accounted for 70.0 percent of total personal income. Income from transfer payments was \$27.8 billion, and income from dividends, interest, and rent was \$33.4 billion. These income sources represented 13.6 and 16.4 percent of total personal income respectively.

Chart 3  
Per Capita Personal Income





**Table 3**  
**Economic Performance**  
**Per Capita Personal Income**  
**(Dollars)**

	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>1999-2003</b>
Alabama	22,722	23,768	24,765	25,374	26,276	24,581
Alaska	28,100	29,863	31,868	32,580	33,254	31,133
Arizona	24,057	25,661	26,189	26,406	26,931	25,849
Arkansas	21,137	21,926	23,118	23,466	24,296	22,789
California	29,828	32,466	32,864	32,831	33,403	32,278
Colorado	30,492	33,371	34,482	34,124	34,510	33,396
Connecticut	38,332	41,495	42,919	42,751	43,292	41,758
Delaware	28,925	30,871	31,955	32,487	33,321	31,512
Florida	26,894	28,511	29,266	29,489	29,972	28,826
Georgia	26,359	27,989	28,724	28,884	29,259	28,243
Hawaii	26,973	28,417	28,603	29,628	30,589	28,842
Idaho	22,786	24,076	25,044	25,287	25,583	24,555
Illinois	30,212	32,187	32,592	32,754	33,205	32,190
Indiana	25,615	27,134	27,492	27,910	28,797	27,390
Iowa	25,118	26,554	27,178	27,905	28,398	27,031
Kansas	26,195	27,694	28,662	28,870	29,545	28,193
Kentucky	22,763	24,414	24,935	25,442	26,352	24,781
Louisiana	22,014	23,080	24,722	25,307	26,038	24,232
Maine	24,484	25,972	27,324	28,030	28,935	26,949
Maryland	31,796	34,257	35,527	36,427	37,424	35,086
Massachusetts	34,227	37,756	38,944	38,913	39,408	37,850
Michigan	28,095	29,553	29,913	30,072	31,196	29,766
Minnesota	30,106	32,018	32,647	33,179	34,039	32,398
Mississippi	20,053	21,007	22,008	22,440	23,343	21,770
Missouri	25,697	27,243	27,897	28,391	29,094	27,664
Montana	21,585	22,932	24,594	24,744	25,775	23,926
Nebraska	26,465	27,627	28,679	28,869	30,331	28,394
Nevada	29,184	30,438	30,901	30,697	31,487	30,541
New Hampshire	30,380	33,398	33,922	34,109	34,703	33,302
New Jersey	35,215	38,372	39,122	39,399	40,002	38,422
New Mexico	21,042	22,134	24,101	24,730	25,502	23,502
New York	32,816	34,900	35,590	35,548	36,296	35,030
North Carolina	25,560	27,071	27,545	27,775	28,301	27,250
North Dakota	23,180	25,109	25,884	26,471	28,521	25,833
Ohio	26,859	28,208	28,607	29,098	29,953	28,545
Oklahoma	22,567	24,410	26,015	25,812	26,567	25,074
Oregon	26,480	28,100	28,451	28,530	28,806	28,073
Pennsylvania	27,937	29,697	30,240	30,835	31,706	30,083
Rhode Island	27,459	29,216	30,434	31,035	31,937	30,016
South Carolina	23,075	24,426	25,046	25,474	26,138	24,832
South Dakota	24,475	25,722	26,847	26,644	28,299	26,397
Tennessee	24,898	26,099	26,879	27,606	28,565	26,809
Texas	26,250	28,313	29,028	28,693	29,076	28,272
Utah	22,393	23,878	24,711	24,898	25,230	24,222
Vermont	25,881	27,680	29,024	29,603	30,534	28,544
Virginia	29,226	31,084	32,483	32,860	33,651	31,861
<b>Washington</b>	<b>30,037</b>	<b>31,780</b>	<b>32,442</b>	<b>32,696</b>	<b>33,264</b>	<b>32,044</b>
West Virginia	20,729	21,901	23,253	23,993	24,672	22,910
Wisconsin	27,135	28,573	29,352	29,987	30,723	29,154
Wyoming	26,536	28,463	30,502	30,892	32,235	29,726
U.S. Average*	27,939	29,847	30,580	30,795	31,459	30,124
<b>Washington's Rank</b>	<b>10</b>	<b>11</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>11</b>

\*The U.S. Average includes Washington D.C., which makes it higher than the 50 State Average

Source: Bureau of Economic Analysis, U.S. Department of Commerce, September 28, 2004

# Per Capita Personal Income Growth Rate

The growth rate of per capita personal income is affected by the growth rate of the components of total personal income as well as the growth rate of population. From 2002 to 2003, Washington total personal income grew by 2.8 percent while population grew at 1.1 percent. As a result, per capita personal income grew by 1.7 percent, which ranked 39<sup>th</sup> among the states. During the same period, U.S. total personal income grew by 3.2 percent while its population grew at 1.0 percent, for a per capita personal income growth rate of 2.2 percent.

From 2002 to 2003, Washington incomes rose on the whole, led in particular by increases in the income from real estate and rental leasing (11.6%) and finance and insurance (11.4%) sectors, as well as by the military (11.3%). However, due to continued negative employment growth the manufacturing sector, its income dropped by 3.4 percent.

Washington's average per capita growth in personal income over the past five years is 3.2 percent, the same as the US average for that period, ranking 33rd among the 50 states.

Chart 4  
Per Capita Personal Income Growth Rate



Table 4  
Economic Performance  
**Per Capita Personal Income Growth Rate**  
(Percent)

	1999	2000	2001	2002	2003	1999-2003
Alabama	3.2	4.6	4.2	2.5	3.6	3.6
Alaska	2.0	6.3	6.7	2.2	2.1	3.9
Arizona	3.6	6.7	2.1	0.8	2.0	3.0
Arkansas	3.2	3.7	5.4	1.5	3.5	3.5
California	5.1	8.8	1.2	-0.1	1.7	3.4
Colorado	5.9	9.4	3.3	-1.0	1.1	3.8
Connecticut	4.1	8.3	3.4	-0.4	1.3	3.3
Delaware	2.4	6.7	3.5	1.7	2.6	3.4
Florida	3.5	6.0	2.6	0.8	1.6	2.9
Georgia	4.3	6.2	2.6	0.6	1.3	3.0
Hawaii	3.2	5.4	0.7	3.6	3.2	3.2
Idaho	4.6	5.7	4.0	1.0	1.2	3.3
Illinois	3.0	6.5	1.3	0.5	1.4	2.5
Indiana	2.9	5.9	1.3	1.5	3.2	3.0
Iowa	1.7	5.7	2.3	2.7	1.8	2.8
Kansas	2.8	5.7	3.5	0.7	2.3	3.0
Kentucky	3.3	7.3	2.1	2.0	3.6	3.7
Louisiana	1.1	4.8	7.1	2.4	2.9	3.7
Maine	3.8	6.1	5.2	2.6	3.2	4.2
Maryland	4.9	7.7	3.7	2.5	2.7	4.3
Massachusetts	5.2	10.3	3.1	-0.1	1.3	4.0
Michigan	4.4	5.2	1.2	0.5	3.7	3.0
Minnesota	3.8	6.4	2.0	1.6	2.6	3.3
Mississippi	2.6	4.8	4.8	2.0	4.0	3.6
Missouri	3.1	6.0	2.4	1.8	2.5	3.2
Montana	2.2	6.2	7.2	0.6	4.2	4.1
Nebraska	3.6	4.4	3.8	0.7	5.1	3.5
Nevada	3.3	4.3	1.5	-0.7	2.6	2.2
New Hampshire	4.2	9.9	1.6	0.6	1.7	3.6
New Jersey	3.2	9.0	2.0	0.7	1.5	3.3
New Mexico	1.9	5.2	8.9	2.6	3.1	4.3
New York	4.0	6.4	2.0	-0.1	2.1	2.9
North Carolina	3.3	5.9	1.8	0.8	1.9	2.7
North Dakota	1.3	8.3	3.1	2.3	7.7	4.6
Ohio	3.2	5.0	1.4	1.7	2.9	2.9
Oklahoma	3.7	8.2	6.6	-0.8	2.9	4.1
Oregon	3.7	6.1	1.2	0.3	1.0	2.5
Pennsylvania	3.6	6.3	1.8	2.0	2.8	3.3
Rhode Island	3.0	6.4	4.2	2.0	2.9	3.7
South Carolina	4.1	5.9	2.5	1.7	2.6	3.4
South Dakota	4.2	5.1	4.4	-0.8	6.2	3.8
Tennessee	3.8	4.8	3.0	2.7	3.5	3.6
Texas	4.2	7.9	2.5	-1.2	1.3	3.0
Utah	3.2	6.6	3.5	0.8	1.3	3.1
Vermont	5.1	7.0	4.9	2.0	3.1	4.4
Virginia	5.2	6.4	4.5	1.2	2.4	3.9
<b>Washington</b>	<b>5.8</b>	<b>5.8</b>	<b>2.1</b>	<b>0.8</b>	<b>1.7</b>	<b>3.2</b>
West Virginia	2.5	5.7	6.2	3.2	2.8	4.1
Wisconsin	3.7	5.3	2.7	2.2	2.5	3.3
Wyoming	6.8	7.3	7.2	1.3	4.3	5.4
U.S. Average*	3.9	6.8	2.5	0.7	2.2	3.2
<b>Washington's Rank</b>	<b>3</b>	<b>33</b>	<b>35</b>	<b>30</b>	<b>39</b>	<b>33</b>

\*The U.S. Average includes Washington D.C.

Source: Bureau of Economic Analysis, U.S. Department of Commerce, September 28, 2004

# High Wage Industries' Share of Total Employment Growth

Though new jobs are always welcome in an economy, one must also pay attention to the amount of income the new jobs generate. This indicator identifies the industries that have higher wages than the national average wage and then measures the percentage of new jobs each year that are represented by those industries in each state.

While this indicator is easy to interpret when jobs of both wage categories are increasing, years in which employment in one or both of the wage categories experiences a decline produces numbers whose meanings are less clear. For example, values greater than 100 percent indicate that lower wage jobs declined while higher wage jobs increased, making the number of new higher-wage jobs greater than the total change in employment for a given year. When the total change is quite small, the value of the measure can become quite large. In contrast, when the number of higher-wage jobs contract in a given year while total employment increases, the measure acquires a negative value. If both wage categories decrease, however, the measure once again acquires a positive value. Years in which this occurred are designated in the table with an asterisk. It should also be noted that the U.S. Bureau of Economic Analysis (BEA) employment statistics that this measure uses are slightly different from the U.S. Bureau of Labor Statistics (BLS) employment statistics reported elsewhere in this publication.

Beginning in 2001, the BEA began reporting wages classified by the North American Industry Classification System (NAICS). Prior to this time, industries were classified by the Standard Industrial Classification (SIC) system. Because of the differences in classification from 2000 to 2001, this measure could not be computed for that period, as some of the change for that period would be the result of reclassification instead of economic growth.

Though the national recession ended in 2001, jobs continued to decline nationwide in 2002. This makes the value of this measure difficult to interpret for that year, with the national value and those of most of the states marked with an asterisk. The period of 2003-2003, however, saw positive overall growth in the BEA employment statistics for Washington and most of the rest of the country, although higher wage employment growth was negative. During this time Washington high wage employment declined less than that of the nation, ranking 29<sup>th</sup> among the states. Overall, for the last five years of this measure the state has performed close to average, with a value close to that of the U.S. as a whole and a ranking of 29<sup>th</sup>.

Chart 5

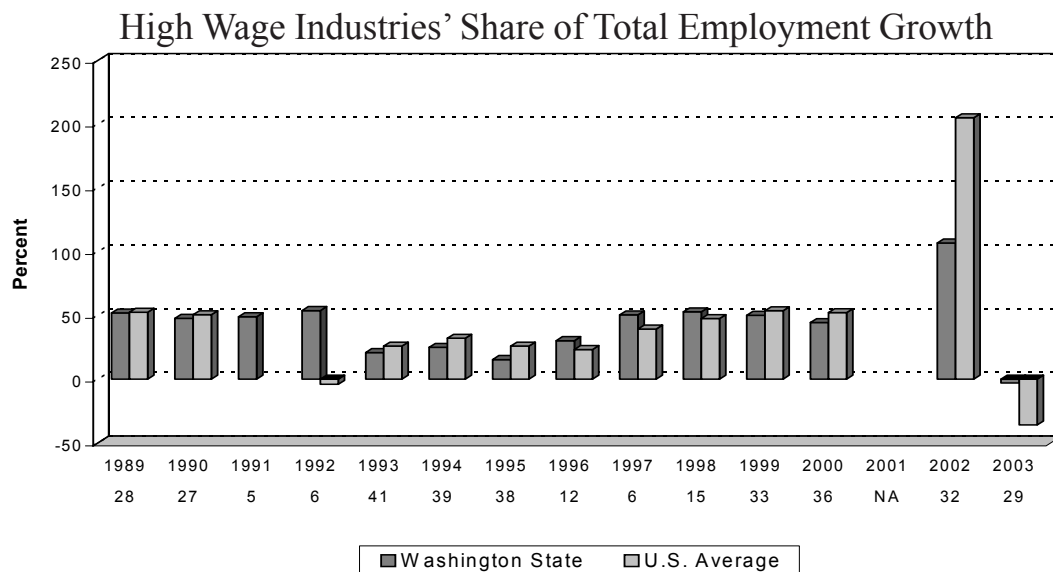


Table 5  
Economic Performance  
**High Wage Industries' Share of Total Employment Growth**  
(Percent)

	1997-98	1998-99	1999-00	2001-02	2002-03	1997-03
Alabama	48.3	66.8	105.6	78.5*	41.9	56.4
Alaska	35.0	-132.5	51.8	30.1	44.3	39.0
Arizona	45.7	54.7	56.6	1.8	30.9	46.8
Arkansas	56.3	61.8	63.7	625.5*	-68.2	52.2
California	42.3	48.0	57.4	296.8*	-43.3	39.2
Colorado	41.2	52.4	46.2	98.3*	97.9*	37.5
Connecticut	48.4	44.8	34.7	282.6*	137.0*	13.9
Delaware	54.8	51.1	39.2	84.1*	-44.3	43.3
Florida	47.9	71.4	57.5	19.5	32.0	52.3
Georgia	55.3	59.6	53.3	111.8*	2.4	51.2
Hawaii	68.3	-3684.6*	47.8	38.1	42.2	54.1
Idaho	42.2	64.7	52.1	2.6	25.8	46.2
Illinois	49.3	48.0	39.4	94.8*	162.1*	11.9
Indiana	41.4	52.1	39.0	92.3*	-10.0	33.5
Iowa	45.5	56.2	56.7	139.1*	-147.9	36.9
Kansas	39.7	70.3	51.6	150.6*	110.2*	20.8
Kentucky	59.6	56.9	68.5	103.8*	32.3	51.7
Louisiana	44.8	-8.8	32.9	565.9*	44.2	28.3
Maine	39.4	45.9	55.4	-34.7	6.6	40.3
Maryland	54.3	54.7	47.9	13.1	31.4	45.5
Massachusetts	38.7	49.3	51.0	115.5*	121.7*	2.8
Michigan	59.5	57.8	50.7	96.4*	114.2*	30.9
Minnesota	39.4	48.3	48.4	457.4*	-126.5	29.6
Mississippi	57.7	27.2	30.6	-143.2	76.2	38.8
Missouri	44.4	52.2	51.1	206.2*	-120.1	32.3
Montana	15.7	82.0	41.8	21.4	46.8	39.7
Nebraska	52.6	40.9	56.1	-134.8*	17.2	58.7
Nevada	40.9	31.5	40.7	72.4	30.4	37.7
New Hampshire	37.4	49.1	57.7	311.7*	4.9	35.0
New Jersey	54.3	51.7	52.3	-479.5	-103.2	32.8
New Mexico	32.0	77.6	60.6	19.4	39.4	43.9
New York	41.6	51.9	52.2	145.2*	-660.6	28.5
North Carolina	65.5	67.2	70.4	102.3*	134.1	66.2
North Dakota	18.5	91.7	80.2	19.1	65.8	51.7
Ohio	46.9	59.6	38.2	86.6*	126.4*	27.6
Oklahoma	59.3	56.8	48.6	78.3*	53.1*	48.7
Oregon	45.3	43.3	54.3	125.9*	-190.7	31.9
Pennsylvania	39.9	43.7	44.0	326.3*	2287.3*	24.2
Rhode Island	22.2	8.8	33.6	-83.0	30.6	17.4
South Carolina	70.4	71.8	84.6	90.8*	38.0	69.9
South Dakota	23.5	57.3	51.2	-81.1	7.7	35.5
Tennessee	47.2	67.0	43.3	149.5*	36.5	47.3
Texas	51.9	42.4	53.7	572.4*	41.2	47.0
Utah	45.9	53.0	51.2	1577.1*	37.1	44.8
Vermont	32.2	63.0	50.1	-658.3	7.9	37.0
Virginia	59.7	71.9	62.0	-959.8	50.7	58.6
<b>Washington</b>	<b>52.8</b>	<b>50.1</b>	<b>44.3</b>	<b>106.8*</b>	<b>-3.0</b>	<b>38.0</b>
West Virginia	31.9	190.6	21.6	582.2*	487.7*	9.9
Wisconsin	55.3	51.0	46.3	208.1*	-33.2	37.4
Wyoming	24.7	112.5	38.1	6.8	60.1	42.8
U.S. Average	47.5	53.7	52.2	205.0*	-36.0	40.8
<b>Washington's Rank</b>	<b>15</b>	<b>33</b>	<b>36</b>	<b>32</b>	<b>29</b>	<b>27</b>

\* Total employment growth rate was negative.

Source: Washington State Office of the Forecast Council based on personal income data provided by the U.S. Department of Commerce, Bureau of Economic Analysis, September 2004.

# Annual Earnings Per Job

The Bureau of Economic Analysis defines earnings as salary income, other labor income, and proprietors' income. Historically, Washington has ranked high in annual earnings per job due to the presence in its economy of large firms in both manufacturing and technology sectors. Washington has ranked in the top ten states for annual earnings per job in the last five years of this benchmark and currently ranks 9<sup>th</sup> in the nation.

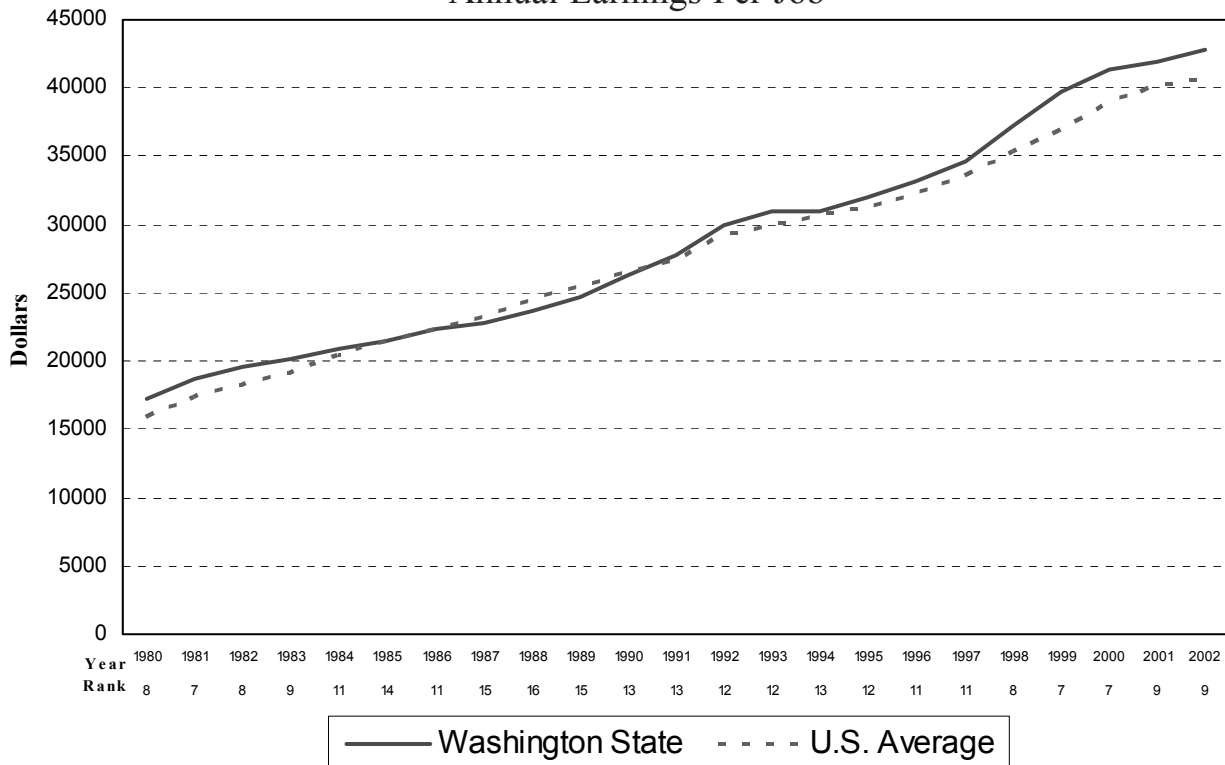
Washington's average annual earnings per job increased to \$42,816 in 2002, up \$866 from 2001 and \$2058 above the national average of \$40,758

## 2002 Annual Earnings Per Job

### Top 10 States

New York	52,252
Connecticut	52,202
New Jersey	50,954
Massachusetts	48,702
California	45,265
Illinois	44,120
Delaware	43,564
Maryland	43,211
<b>Washington</b>	<b>42,816</b>
Michigan	42,347

Chart 6  
Annual Earnings Per Job



**Table 6**  
**Economic Performance**  
**Annual Earnings Per Job**  
**(Dollars)**

	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>1998-2002</b>
Alabama	29,725	30,951	31,856	33,835	34,881	32,250
Alaska	36,253	36,864	37,655	39,962	41,221	38,391
Arizona	31,978	33,474	35,694	36,668	37,374	35,038
Arkansas	26,807	27,982	28,639	30,280	30,741	28,890
California	38,881	41,110	44,539	45,186	45,265	42,996
Colorado	34,189	36,730	39,869	41,332	41,337	38,691
Connecticut	44,884	47,041	50,453	52,155	52,202	49,347
Delaware	36,966	38,682	40,329	42,435	43,564	40,395
Florida	31,066	32,402	33,975	34,815	35,736	33,599
Georgia	34,343	36,213	38,230	39,428	40,046	37,652
Hawaii	32,892	33,868	34,690	35,134	36,759	34,669
Idaho	27,152	28,633	29,766	30,753	31,403	29,541
Illinois	38,718	40,378	42,207	43,546	44,120	41,794
Indiana	31,660	32,725	34,104	35,189	35,953	33,926
Iowa	27,792	28,515	29,645	30,922	31,586	29,692
Kansas	29,013	30,282	31,501	32,560	33,117	31,295
Kentucky	28,989	30,129	31,677	32,832	33,685	31,462
Louisiana	30,053	30,473	31,367	33,098	34,152	31,829
Maine	27,549	28,695	29,500	30,901	31,825	29,694
Maryland	36,410	38,031	40,250	42,034	43,211	39,987
Massachusetts	41,257	43,907	47,806	48,707	48,702	46,076
Michigan	38,122	39,681	41,066	41,569	42,347	40,557
Minnesota	34,101	35,543	37,510	38,732	39,592	37,096
Mississippi	26,567	27,271	28,132	29,495	30,032	28,299
Missouri	31,076	32,291	33,864	34,903	35,619	33,551
Montana	23,935	24,745	25,616	26,805	27,511	25,722
Nebraska	28,933	29,832	30,524	32,063	32,826	30,836
Nevada	35,309	36,423	37,383	37,832	38,798	37,149
New Hampshire	33,204	34,669	37,467	37,988	38,656	36,397
New Jersey	44,960	46,576	49,090	49,983	50,924	48,307
New Mexico	28,291	29,122	30,008	32,569	33,461	30,690
New York	46,937	48,870	51,516	52,481	52,252	50,411
North Carolina	30,974	32,416	34,269	35,452	36,002	33,823
North Dakota	25,789	25,943	27,543	28,144	29,085	27,301
Ohio	33,311	34,531	35,713	36,745	37,628	35,586
Oklahoma	27,722	28,935	30,569	31,912	32,736	30,375
Oregon	31,682	33,295	35,106	35,932	36,396	34,482
Pennsylvania	35,968	37,157	38,457	39,317	40,253	38,230
Rhode Island	33,816	34,757	36,434	37,744	39,039	36,358
South Carolina	28,912	30,285	31,616	32,916	33,664	31,479
South Dakota	25,755	26,511	27,377	28,881	28,666	27,438
Tennessee	31,117	32,462	33,524	35,110	36,233	33,689
Texas	35,434	37,446	39,985	41,550	41,947	39,272
Utah	29,043	30,098	31,531	32,799	33,335	31,361
Vermont	27,477	28,757	30,246	31,454	32,135	30,014
Virginia	34,965	36,885	39,141	41,109	41,834	38,787
<b>Washington</b>	<b>37,245</b>	<b>39,809</b>	<b>41,399</b>	<b>41,950</b>	<b>42,816</b>	<b>40,644</b>
West Virginia	28,305	29,258	30,398	31,932	32,655	30,510
Wisconsin	31,217	32,435	33,486	34,831	35,832	33,560
Wyoming	26,680	28,266	29,545	31,138	31,997	29,525
U.S. Average	35,342	36,973	39,007	40,170	40,758	38,450
<b>Washington's Rank</b>	<b>8</b>	<b>7</b>	<b>7</b>	<b>9</b>	<b>9</b>	<b>7</b>

Source: US Department of Commerce, Bureau of Economic Analysis (www.bea.gov)

# Annual Earnings Per Job Growth Rate

From 2001 to 2002 Washington earnings per job grew at a rate of 2.1 percent. While this rate was below the national average, it was an improvement from the state's performance in the previous year and increased the state's rank from 47<sup>th</sup> to 29<sup>th</sup>. Because of its stellar performance in the late nineties, in which Washington maintained a number 2 ranking for several years, its average growth from 1998-2002 remains above the national average and ranks 9<sup>th</sup> among the states.

Chart 7  
Annual Earnings Per Job Growth Rate

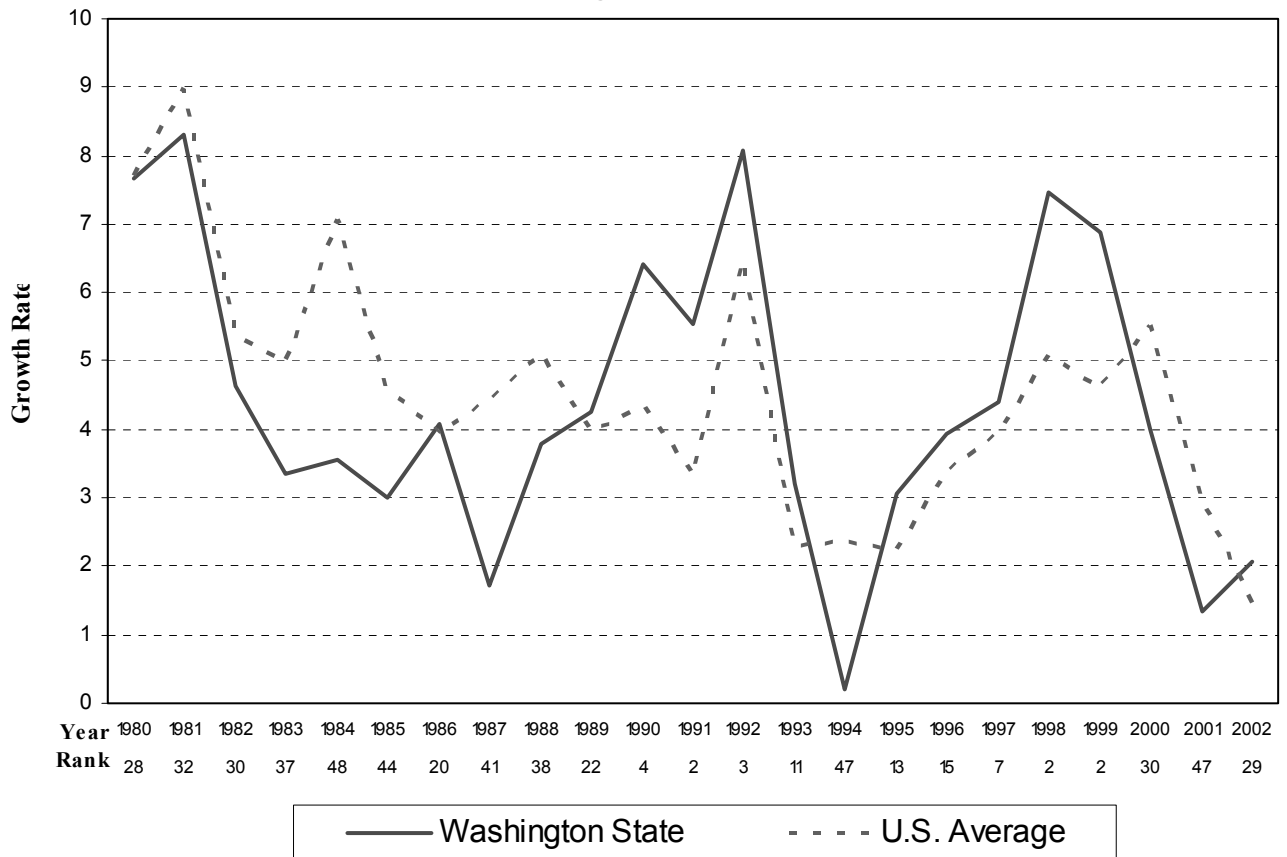




Table 7  
 Economic Performance  
**Annual Earnings Per Job Growth Rate**  
 (Dollars)

	1998	1999	2000	2001	2002	1998-2002
Alabama	3.7	4.1	2.9	6.2	3.1	4.0
Alaska	1.9	1.7	2.1	6.1	3.2	3.0
Arizona	5.7	4.7	6.6	2.7	1.9	4.3
Arkansas	3.6	4.4	2.3	5.7	1.5	3.5
California	4.9	5.7	8.3	1.5	0.2	4.1
Colorado	6.0	7.4	8.5	3.7	0.0	5.1
Connecticut	5.7	4.8	7.3	3.4	0.1	4.2
Delaware	4.5	4.6	4.3	5.2	2.7	4.2
Florida	4.8	4.3	4.9	2.5	2.6	3.8
Georgia	5.4	5.4	5.6	3.1	1.6	4.2
Hawaii	1.6	3.0	2.4	1.3	4.6	2.6
Idaho	3.3	5.5	4.0	3.3	2.1	3.6
Illinois	4.5	4.3	4.5	3.2	1.3	3.6
Indiana	5.3	3.4	4.2	3.2	2.2	3.6
Iowa	2.3	2.6	4.0	4.3	2.1	3.1
Kansas	4.4	4.4	4.0	3.4	1.7	3.6
Kentucky	4.5	3.9	5.1	3.6	2.6	4.0
Louisiana	3.9	1.4	2.9	5.5	3.2	3.4
Maine	3.9	4.2	2.8	4.7	3.0	3.7
Maryland	4.9	4.5	5.8	4.4	2.8	4.5
Massachusetts	5.7	6.4	8.9	1.9	0.0	4.6
Michigan	6.4	4.1	3.5	1.2	1.9	3.4
Minnesota	6.8	4.2	5.5	3.3	2.2	4.4
Mississippi	3.7	2.6	3.2	4.8	1.8	3.2
Missouri	4.4	3.9	4.9	3.1	2.1	3.7
Montana	4.3	3.4	3.5	4.6	2.6	3.7
Nebraska	3.4	3.1	2.3	5.0	2.4	3.2
Nevada	6.0	3.2	2.6	1.2	2.6	3.1
New Hampshire	6.2	4.4	8.1	1.4	1.8	4.4
New Jersey	5.6	3.6	5.4	1.8	1.9	3.6
New Mexico	4.0	2.9	3.0	8.5	2.7	4.2
New York	5.4	4.1	5.4	1.9	-0.4	3.3
North Carolina	4.6	4.7	5.7	3.5	1.6	4.0
North Dakota	10.2	0.6	6.2	2.2	3.3	4.5
Ohio	4.2	3.7	3.4	2.9	2.4	3.3
Oklahoma	3.7	4.4	5.6	4.4	2.6	4.1
Oregon	4.2	5.1	5.4	2.4	1.3	3.7
Pennsylvania	5.3	3.3	3.5	2.2	2.4	3.3
Rhode Island	4.7	2.8	4.8	3.6	3.4	3.9
South Carolina	4.4	4.7	4.4	4.1	2.3	4.0
South Dakota	5.7	2.9	3.3	5.5	-0.7	3.3
Tennessee	4.5	4.3	3.3	4.7	3.2	4.0
Texas	5.9	5.7	6.8	3.9	1.0	4.6
Utah	4.7	3.6	4.8	4.0	1.6	3.7
Vermont	4.3	4.7	5.2	4.0	2.2	4.1
Virginia	5.7	5.5	6.1	5.0	1.8	4.8
<b>Washington</b>	<b>7.5</b>	<b>6.9</b>	<b>4.0</b>	<b>1.3</b>	<b>2.1</b>	<b>4.3</b>
West Virginia	2.6	3.4	3.9	5.0	2.3	3.4
Wisconsin	5.4	3.9	3.2	4.0	2.9	3.9
Wyoming	1.9	5.9	4.5	5.4	2.8	4.1
U.S. Average	4.4	3.3	6.5	2.3	2.4	3.8
<b>WA's rank</b>	<b>2</b>	<b>2</b>	<b>30</b>	<b>47</b>	<b>29</b>	<b>9</b>

Source: US Department of Commerce, Bureau of Economic Analysis ([www.bea.gov](http://www.bea.gov))

# Migration Rate

Washington continues to be a popular destination for international and domestic migration, ranking 9<sup>th</sup> in terms of total migration in 2003. On a per capita basis, the state ranked 19<sup>th</sup>, with a migration rate of 0.5% as compared to the national rate of 0.4%.

2003's total population growth for Washington was 1.05 percent, just above the national average of 1.0 percent. Natural increase accounted for 49.5 percent of growth while 51.1 percent came from migration. Of the state's immigrants, 82.7 percent were international and 17.3 percent were domestic. In the U.S. as a whole, 54.6 percent of population growth came from natural increase and 45.4 percent from international migration.

The U.S. Census Bureau did not release migration data for the year 2000.

Chart 8  
Migration Rate

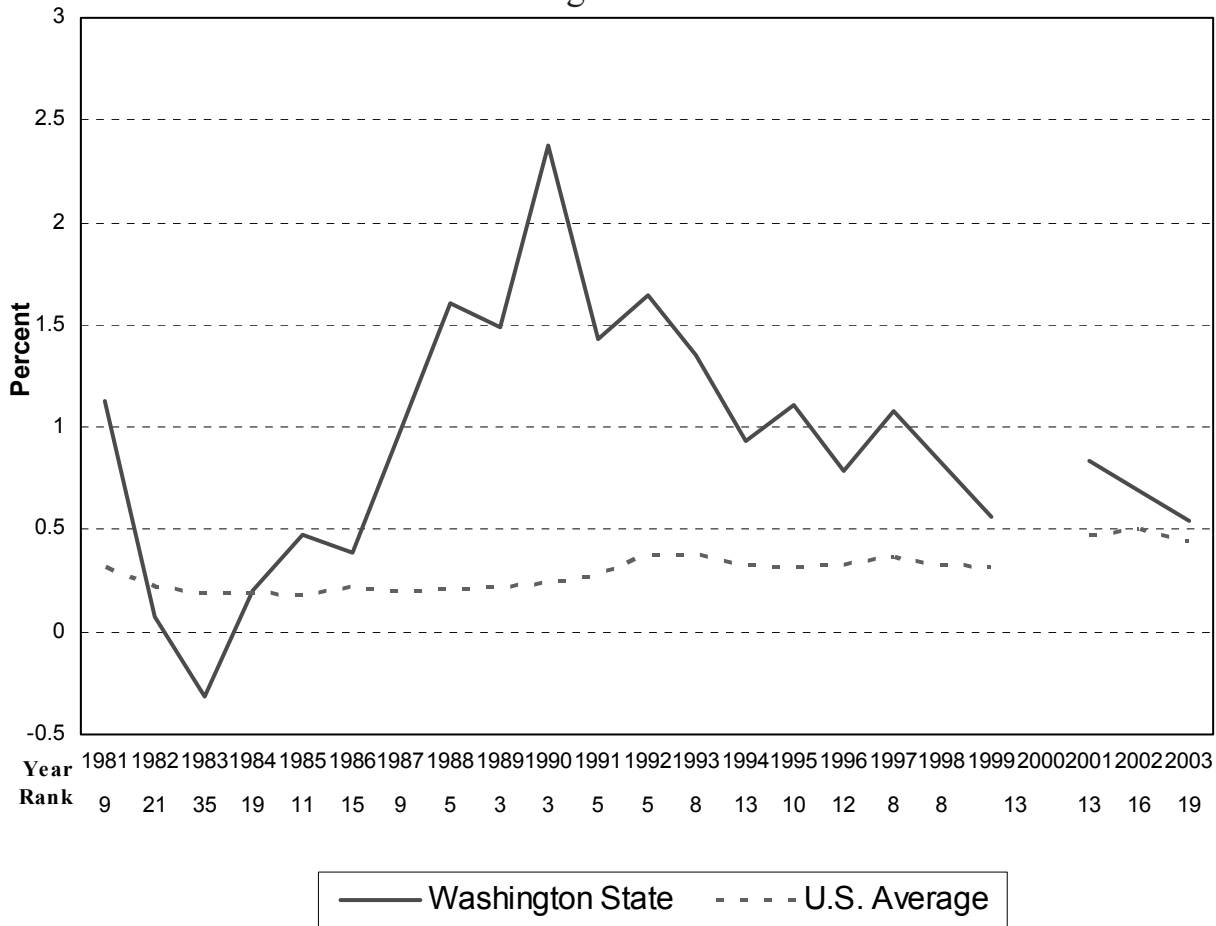


Table 8  
Economic Performance  
**Migration Rate**  
(Percent)\*

	1997	1998	1999	2001	2002	2003
Alabama	0.3	0.3	0.0	0.0	0.0	0.2
Alaska	-0.6	-0.1	-0.5	-0.2	0.4	0.1
Arizona	1.8	1.6	1.5	1.8	2.0	1.8
Arkansas	0.4	0.2	0.1	0.2	0.2	0.4
California	0.4	0.5	0.5	0.8	0.6	0.6
Colorado	1.3	1.2	1.4	1.6	0.9	0.3
Connecticut	-0.4	-0.3	-0.1	0.3	0.4	0.4
Delaware	0.6	0.7	0.7	0.8	0.9	1.0
Florida	1.5	1.3	1.1	1.7	1.8	1.7
Georgia	1.3	1.2	1.2	1.2	1.0	0.8
Hawaii	-0.4	-0.7	-1.3	0.3	0.5	0.6
Idaho	1.1	0.9	0.9	0.8	0.8	1.0
Illinois	-0.2	-0.2	-0.2	0.0	0.0	-0.1
Indiana	0.1	0.1	0.1	0.1	0.1	0.2
Iowa	-0.1	-0.1	0.0	-0.2	-0.1	0.0
Kansas	0.2	0.3	0.0	-0.2	0.0	-0.1
Kentucky	0.3	0.3	0.3	0.1	0.3	0.3
Louisiana	-0.3	-0.4	-0.4	-0.6	-0.3	-0.2
Maine	0.2	0.1	0.3	0.5	0.7	0.8
Maryland	0.1	0.2	0.2	0.8	0.7	0.6
Massachusetts	0.1	0.1	0.1	0.3	0.1	-0.2
Michigan	0.0	-0.1	0.0	0.0	0.0	0.0
Minnesota	0.3	0.3	0.5	0.5	0.2	0.1
Mississippi	0.3	0.2	0.1	-0.2	-0.1	0.0
Missouri	0.4	0.2	0.2	0.2	0.3	0.3
Montana	-0.1	-0.2	0.1	0.0	0.2	0.6
Nebraska	0.0	-0.2	-0.2	-0.1	0.0	0.2
Nevada	4.1	3.2	2.9	3.1	2.8	2.7
New Hampshire	0.7	0.6	0.9	1.2	0.9	0.7
New Jersey	0.1	0.0	0.1	0.4	0.5	0.3
New Mexico	0.1	-0.2	-0.5	-0.2	0.6	0.6
New York	-0.5	-0.5	-0.4	-0.1	-0.1	-0.2
North Carolina	1.1	1.0	0.8	0.9	0.8	0.7
North Dakota	-0.6	-0.8	-1.0	-0.9	-0.6	-0.2
Ohio	-0.2	-0.2	-0.2	-0.2	-0.1	-0.1
Oklahoma	0.3	0.3	0.1	0.0	0.3	0.2
Oregon	1.1	0.7	0.6	0.8	1.0	0.8
Pennsylvania	-0.3	-0.3	-0.2	0.0	0.1	0.2
Rhode Island	-0.4	-0.2	0.0	0.6	0.7	0.5
South Carolina	0.9	0.8	0.7	0.4	0.6	0.7
South Dakota	-0.5	-0.4	-0.1	-0.1	-0.1	0.1
Tennessee	0.8	0.6	0.5	0.4	0.4	0.5
Texas	0.8	0.8	0.7	1.0	0.9	0.7
Utah	0.6	0.1	-0.2	0.1	0.1	0.0
Vermont	0.1	0.1	0.2	0.3	0.4	0.4
Virginia	0.4	0.3	0.6	0.7	0.7	0.8
<b>Washington</b>	<b>1.1</b>	<b>0.8</b>	<b>0.6</b>	<b>0.8</b>	<b>0.7</b>	<b>0.5</b>
West Virginia	-0.2	-0.2	-0.3	-0.3	0.1	0.3
Wisconsin	0.1	0.0	0.1	0.2	0.3	0.3
Wyoming	-0.6	-0.5	-0.6	-0.5	0.6	0.1
U.S. Average*	0.4	0.3	0.3	0.5	0.5	0.4
<b>Washington's Rank</b>	<b>8</b>	<b>8</b>	<b>13</b>	<b>12</b>	<b>16</b>	<b>19</b>

\* The District of Columbia is included in the U.S. average.  
Source: Population Division, U.S. Census Bureau, June 2004.

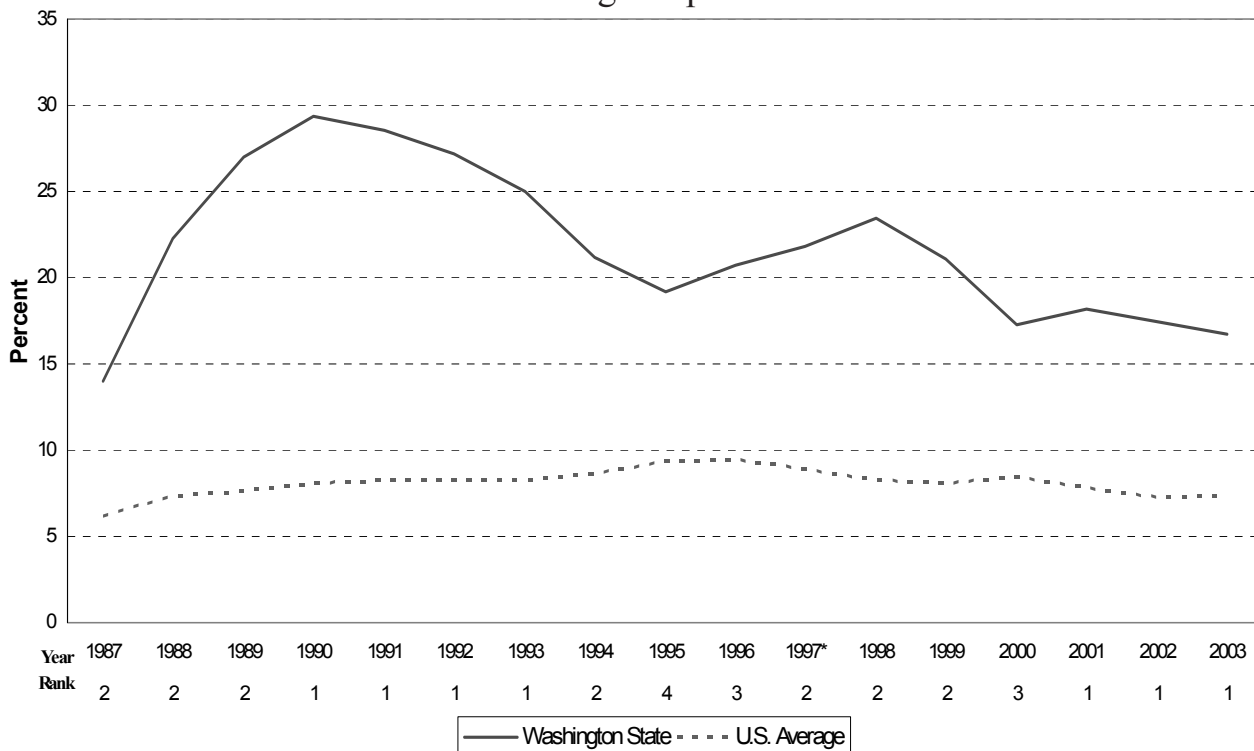
# Foreign Exports Inclusive and Exclusive of Transportation Equipment

In 2003, Washington stayed in 1st among the states in foreign exports as a percent of personal income, with exports equivalent to 16.72 percent of total personal income. The state's average exports as a percent of personal income for the years 1999-2003 was 18.15 percent, ranking 2<sup>nd</sup>, just behind Vermont, but well above the national average of 7.8 percent.

Washington's perennially strong performance in this category is due mainly to the presence of Boeing and PACCAR, two of the world's leading manufacturers of commercial aircraft and trucks respectively. Exports of transportation equipment from these and other Washington manufacturers regularly account for over half of Washington's exports. Excluding exports of these products, Washington's exports were equivalent to 6.72 percent of personal income, still above the national average of 5.97 percent and ranking 10<sup>th</sup> among the states.

It must be noted that the trade data used for this indicator, obtained from the U.S. Bureau of the Census, only includes trade in goods, ignoring trades in service exports which are difficult to track and credit to specific states. Software, one of Washington's main exports, is classified as a service and is therefore not included in this data. As software giant Microsoft contributes greatly to state personal income while its exports are not included in the trade data, the measure of Washington exports as a percent of personal income understates the contribution of trade to Washington's economy. This growing understatement is part of the reason that exports excluding transportation products as a percentage of personal income, as shown in Chart 10, begins to decline in 1997, as this year coincides with the period where Microsoft's contribution to personal income began its greatest growth.

Chart 9  
Foreign Exports



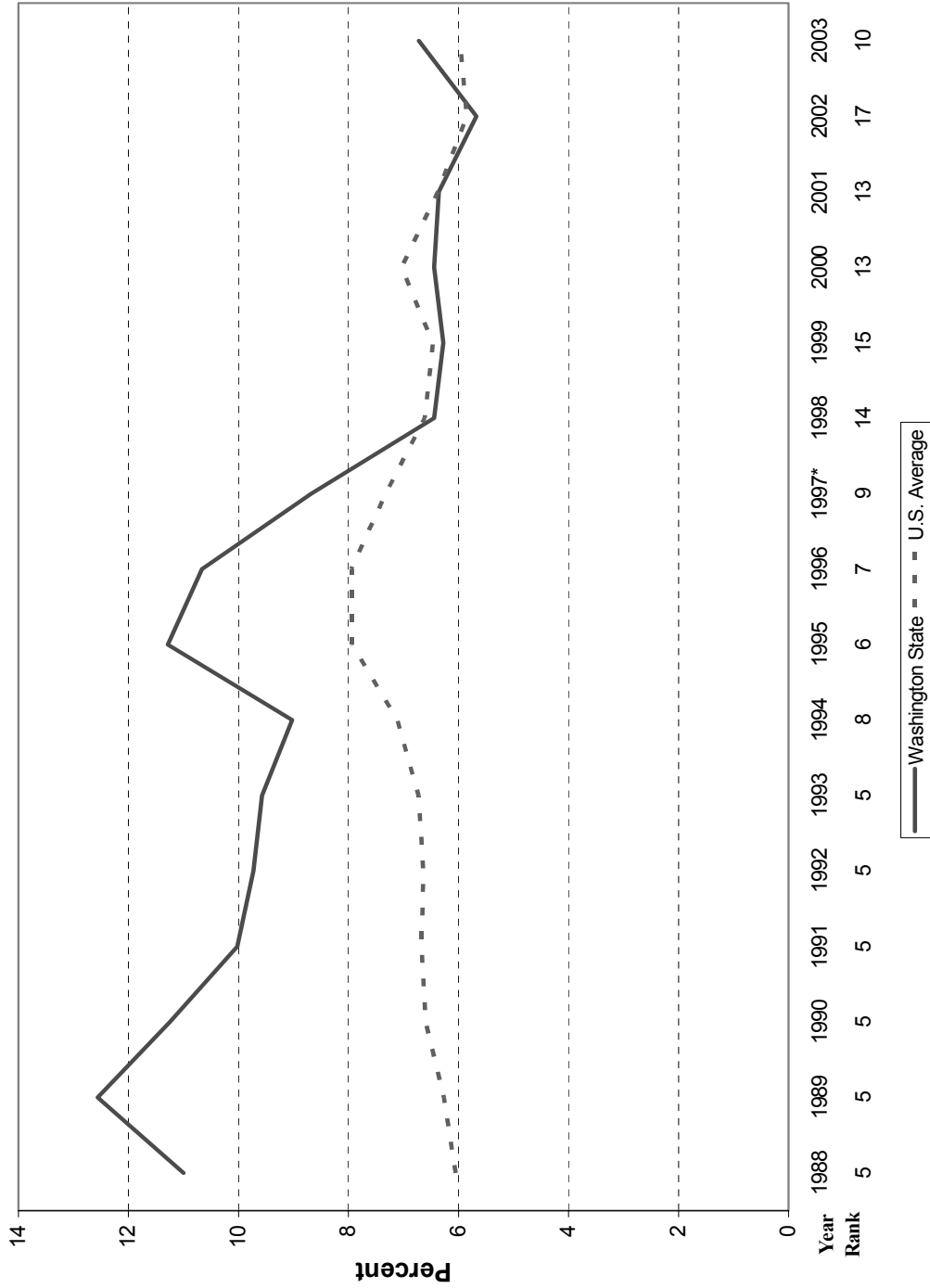
\*Trade data from 1997 to 2002 is coded under the North American Industry Classification System (NAICS).  
Prior data is coded under Standard Industrial Classification (SIC)

Table 9  
 Economic Performance  
**Foreign Exports**  
 (Percent of State Personal Income)

	1999	2000	2001	2002	2003	1999-2003
Alabama	6.17	6.94	6.92	7.33	7.04	6.88
Alaska	14.57	13.10	12.30	12.16	12.57	12.94
Arizona	9.83	10.94	9.11	8.31	8.90	9.42
Arkansas	3.89	4.41	4.75	4.40	4.47	4.39
California	9.84	10.87	9.45	7.96	7.85	9.19
Colorado	4.62	4.61	4.13	3.68	3.92	4.19
Connecticut	5.54	5.69	5.92	5.63	5.41	5.64
Delaware	10.07	8.99	7.75	7.57	7.03	8.28
Florida	5.68	5.83	5.72	4.96	4.82	5.40
Georgia	6.44	6.45	6.11	5.84	6.37	6.24
Hawaii	0.84	1.12	1.04	1.38	0.95	1.06
Idaho	7.58	11.41	6.56	5.85	5.92	7.47
Illinois	7.87	7.82	7.37	6.10	6.21	7.08
Indiana	8.36	9.35	8.52	8.58	9.20	8.80
Iowa	5.61	5.74	5.84	5.72	6.12	5.81
Kansas	6.67	6.96	6.51	6.30	5.58	6.41
Kentucky	9.73	9.79	8.94	10.13	9.93	9.70
Louisiana	15.99	16.23	15.18	15.40	15.67	15.69
Maine	6.56	5.41	5.25	5.49	5.81	5.71
Maryland	2.40	2.54	2.62	2.26	2.40	2.44
Massachusetts	7.74	8.48	7.03	6.62	7.29	7.43
Michigan	11.26	11.56	10.92	11.09	10.74	11.11
Minnesota	6.37	6.48	6.39	6.08	6.46	6.36
Mississippi	3.90	4.57	5.74	4.76	3.79	4.55
Missouri	4.21	4.22	3.88	4.14	4.34	4.16
Montana	2.20	2.61	2.24	1.70	1.52	2.05
Nebraska	4.63	5.28	5.44	4.91	5.09	5.07
Nevada	1.92	2.46	2.25	1.79	2.90	2.27
New Hampshire	5.20	5.75	5.61	4.26	4.32	5.03
New Jersey	5.32	5.86	5.76	5.02	4.82	5.35
New Mexico	8.31	6.02	3.32	2.69	4.86	5.04
New York	6.01	6.44	6.16	5.36	5.58	5.91
North Carolina	7.41	8.24	7.50	6.38	6.82	7.27
North Dakota	4.71	3.91	4.91	5.02	4.61	4.63
Ohio	8.18	8.23	8.29	8.25	8.69	8.33
Oklahoma	3.85	3.70	3.07	2.73	2.84	3.24
Oregon	11.75	11.98	9.08	9.97	9.92	10.54
Pennsylvania	4.72	5.14	4.61	4.03	4.12	4.52
Rhode Island	3.88	3.86	3.96	3.35	3.43	3.69
South Carolina	7.85	8.79	9.87	9.26	10.86	9.33
South Dakota	2.68	3.48	2.95	2.92	3.01	3.01
Tennessee	7.00	7.73	7.34	7.24	7.59	7.38
Texas	15.42	17.71	15.61	15.34	15.21	15.86
Utah	6.41	6.13	6.40	8.07	7.01	6.80
Vermont	25.83	24.46	16.06	13.83	13.80	18.80
Virginia	5.61	5.27	5.00	4.50	4.36	4.95
<b>Washington</b>	<b>21.09</b>	<b>17.24</b>	<b>18.23</b>	<b>17.46</b>	<b>16.72</b>	<b>18.15</b>
West Virginia	5.05	5.63	5.44	5.24	5.39	5.35
Wisconsin	6.74	6.89	6.65	6.56	6.81	6.73
Wyoming	3.54	3.64	3.44	3.63	3.54	3.56
U.S. Average	8.05	8.49	7.83	7.28	7.34	7.80
<b>Washington's Rank</b>	<b>2</b>	<b>3</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>2</b>

Source: U.S. Department of Commerce, Bureau of the Census, Foreign Trade Division, Bureau of Economic Analysis  
 Trade data prepared by Massachusetts Institute for Social and Economic Research, May 2004

Chart 10  
Foreign Exports Excluding Transportation



\*Trade data from 1997 to 2002 is coded under the North American Industry Classification System (NAICS).  
Prior data is coded under Standard Industrial Classification (SIC)

Table 10  
Economic Performance  
**Foreign Exports (Excluding Transportation Equipment)**  
(Percent of State Personal Income)

	1999	2000	2001	2002	2003	1999-2003
Alabama	4.67	5.44	5.18	5.15	4.90	5.07
Alaska	14.42	12.86	12.02	12.02	12.46	12.76
Arizona	8.28	9.21	7.28	6.73	7.47	7.79
Arkansas	3.52	4.03	4.14	3.44	3.67	3.76
California	8.95	10.13	8.70	7.35	7.12	8.45
Colorado	4.42	4.43	3.94	3.51	3.73	4.01
Connecticut	3.55	3.45	3.18	2.85	3.22	3.25
Delaware	8.54	7.62	6.80	6.71	6.34	7.20
Florida	5.00	5.07	4.95	4.23	4.09	4.67
Georgia	5.07	5.37	5.20	4.81	5.14	5.12
Hawaii	0.75	1.00	0.81	0.72	0.71	0.80
Idaho	7.47	11.30	6.50	5.79	5.87	7.39
Illinois	6.38	6.22	5.91	5.33	5.52	5.87
Indiana	5.51	6.25	5.84	5.83	6.23	5.93
Iowa	5.13	5.27	5.43	5.43	5.81	5.42
Kansas	3.75	4.52	4.36	4.18	4.03	4.17
Kentucky	5.87	6.19	5.94	5.87	6.49	6.07
Louisiana	15.49	15.97	14.92	14.76	15.41	15.31
Maine	6.17	5.23	5.02	5.21	5.38	5.40
Maryland	2.00	2.19	2.20	1.80	1.91	2.02
Massachusetts	7.42	8.21	6.85	6.49	7.13	7.22
Michigan	4.54	4.85	4.66	4.66	4.84	4.71
Minnesota	5.95	6.04	5.87	5.46	5.81	5.83
Mississippi	3.69	4.26	4.10	4.57	3.56	4.04
Missouri	3.07	3.16	2.75	2.74	3.02	2.95
Montana	2.14	2.56	2.20	1.66	1.47	2.01
Nebraska	4.23	4.84	4.92	4.50	4.65	4.63
Nevada	1.62	2.25	1.84	1.74	2.82	2.05
New Hampshire	5.06	5.61	5.47	4.08	4.14	4.87
New Jersey	4.78	5.31	5.29	4.56	4.41	4.87
New Mexico	8.17	5.92	3.25	2.56	4.68	4.92
New York	5.39	5.84	5.51	4.70	4.93	5.27
North Carolina	6.93	7.74	7.09	6.01	6.33	6.82
North Dakota	4.08	3.38	4.45	4.69	4.32	4.19
Ohio	5.26	5.40	5.12	4.91	5.04	5.15
Oklahoma	2.87	2.77	2.50	2.18	2.34	2.53
Oregon	10.48	11.08	8.45	9.01	8.85	9.57
Pennsylvania	4.29	4.71	4.20	3.63	3.67	4.10
Rhode Island	3.78	3.75	3.88	3.28	3.38	3.61
South Carolina	6.76	7.28	6.80	6.61	6.87	6.86
South Dakota	2.55	3.38	2.84	2.80	2.89	2.89
Tennessee	5.38	5.99	5.77	5.52	6.13	5.76
Texas	13.36	15.71	13.76	13.65	13.69	14.03
Utah	5.39	4.95	5.33	7.20	6.21	5.82
Vermont	25.38	23.84	15.37	13.33	13.39	18.26
Virginia	4.94	4.78	4.54	4.03	3.77	4.41
<b>Washington</b>	<b>6.27</b>	<b>6.44</b>	<b>6.36</b>	<b>5.67</b>	<b>6.72</b>	<b>6.29</b>
West Virginia	4.92	5.43	5.01	4.70	4.85	4.98
Wisconsin	5.85	6.04	5.94	5.88	5.99	5.94
Wyoming	3.48	3.62	3.43	3.61	3.50	3.53
U.S. Average	6.46	7.03	6.37	5.85	5.97	6.34
<b>Washington's Rank</b>	<b>15</b>	<b>13</b>	<b>13</b>	<b>17</b>	<b>10</b>	<b>13</b>

Source: U.S. Department of Commerce, Bureau of the Census, Foreign Trade Division, Bureau of Economic Analysis  
Trade data prepared by Massachusetts Institute for Social and Economic Research, May 2003

# Per Capita Spending in Research and Development

- Industrial R&D
- University R&D
- Total Per Capita R&D

The amount of research and development activity occurring within a state relative to the size of its population provides a good indication of that state's capacity for innovation. Industrial research and development brings new products and processes for continued growth. University and government research and development can provide basic research to support local technology hubs and can also attract funding from outside of the state.

The Division of Science Resources Studies (SRS) of the National Science Foundation annually compiles surveys of industries, universities, and other agencies into a report titled *National Patterns of Research and Development Resources*. This report indicates the state in which the research and development activity took place regardless of the state of the sponsoring party. The state spending figures for industrial, university, and total research and development spending can be divided by the state populations to derive per capita spending. The most recent year of state spending available is 2002.

In 2002, Washington ranked 23<sup>rd</sup> in per capita university research and development with a spending level of \$123 per capita, slightly below the U.S. average of \$125. For the period 1998-2002 its average rank was 21<sup>st</sup>. In both industry and total 2002 per capita research and development spending, however, the state ranked much higher. Washington's 2002 per capita industrial research and development spending, at \$1414, was over twice as high as the national average of \$633, ranking 4<sup>th</sup> among the states. The state's total 2002 per capita research and development spending, of \$1732 was also much higher than the national average of \$879, ranking 4<sup>th</sup>.

Chart 11  
University Data

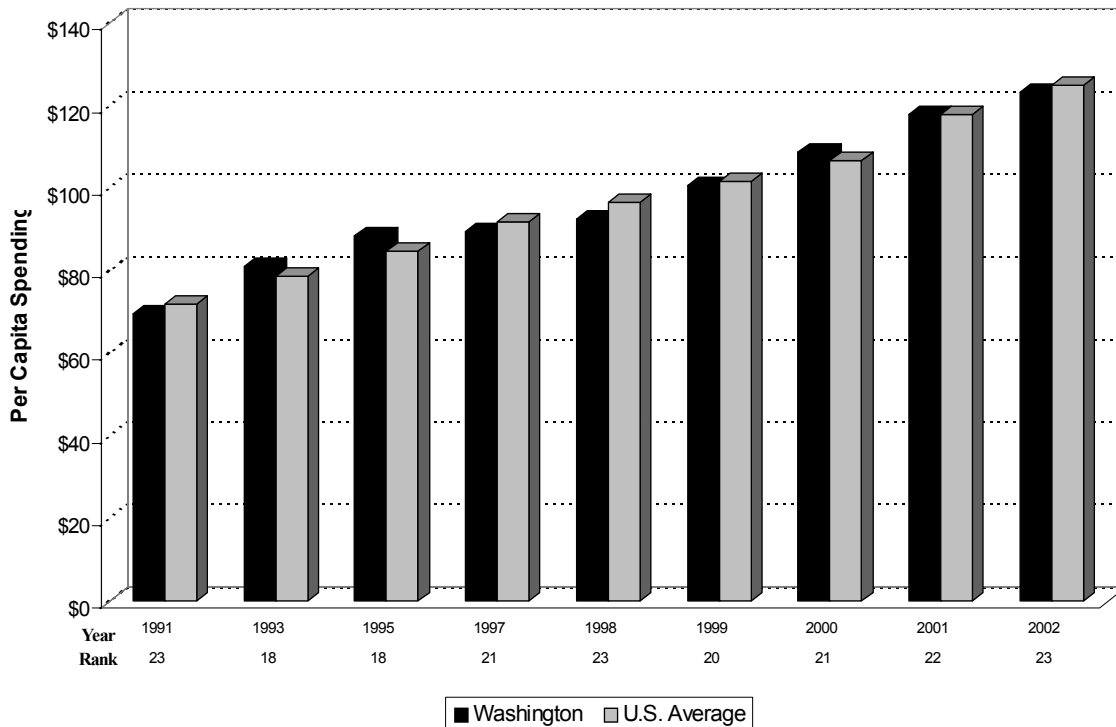




Table 11  
**University Research and Development**  
(Dollars Per Capita)

	1998	1999	2000	2001	2002	1998-2002
Alabama	100	94	96	100	112	100
Alaska	122	150	171	182	200	165
Arizona	83	87	90	94	97	90
Arkansas	44	42	49	52	52	48
California	101	109	119	128	139	119
Colorado	119	120	126	130	143	128
Connecticut	120	123	137	146	155	136
Delaware	95	98	99	100	109	101
Florida	46	50	53	61	65	55
Georgia	102	104	113	118	126	113
Hawaii	122	130	133	128	139	130
Idaho	58	56	57	62	69	61
Illinois	85	89	94	103	114	97
Indiana	71	76	84	96	106	86
Iowa	123	129	143	150	165	142
Kansas	80	88	96	100	110	95
Kentucky	53	68	68	73	81	69
Louisiana	79	84	89	97	108	92
Maine	28	35	45	53	53	43
Maryland	256	264	284	306	344	291
Massachusetts	214	222	234	247	265	236
Michigan	89	93	100	111	123	103
Minnesota	76	77	84	94	100	86
Mississippi	54	57	76	85	99	74
Missouri	88	99	110	121	124	108
Montana	81	94	110	119	134	108
Nebraska	110	120	122	141	154	129
Nevada	45	47	53	55	58	52
New Hampshire	97	104	122	156	173	130
New Jersey	58	62	67	72	80	68
New Mexico	127	124	135	150	158	139
New York	103	109	121	130	145	122
North Carolina	115	127	129	139	153	133
North Dakota	88	96	105	133	167	118
Ohio	71	73	81	88	98	82
Oklahoma	61	69	73	74	81	72
Oregon	92	94	101	105	110	101
Pennsylvania	110	114	126	137	155	128
Rhode Island	109	116	123	135	152	127
South Carolina	63	67	73	89	97	78
South Dakota	34	34	36	43	50	39
Tennessee	62	66	71	74	85	72
Texas	84	89	97	105	116	98
Utah	115	124	137	149	155	136
Vermont	96	107	106	125	146	116
Virginia	71	76	83	85	95	82
<b>Washington</b>	<b>93</b>	<b>101</b>	<b>109</b>	<b>118</b>	<b>123</b>	<b>109</b>
West Virginia	35	36	41	44	54	42
Wisconsin	101	105	123	135	148	122
Wyoming	99	96	87	84	84	90
US average	97	102	107	118	125	110
<b>Washington Rank</b>	<b>23</b>	<b>20</b>	<b>21</b>	<b>22</b>	<b>23</b>	<b>21</b>

Source: The National Science Foundation(www.nsf.gov), 2002.

Chart 12  
Industry Research and Development

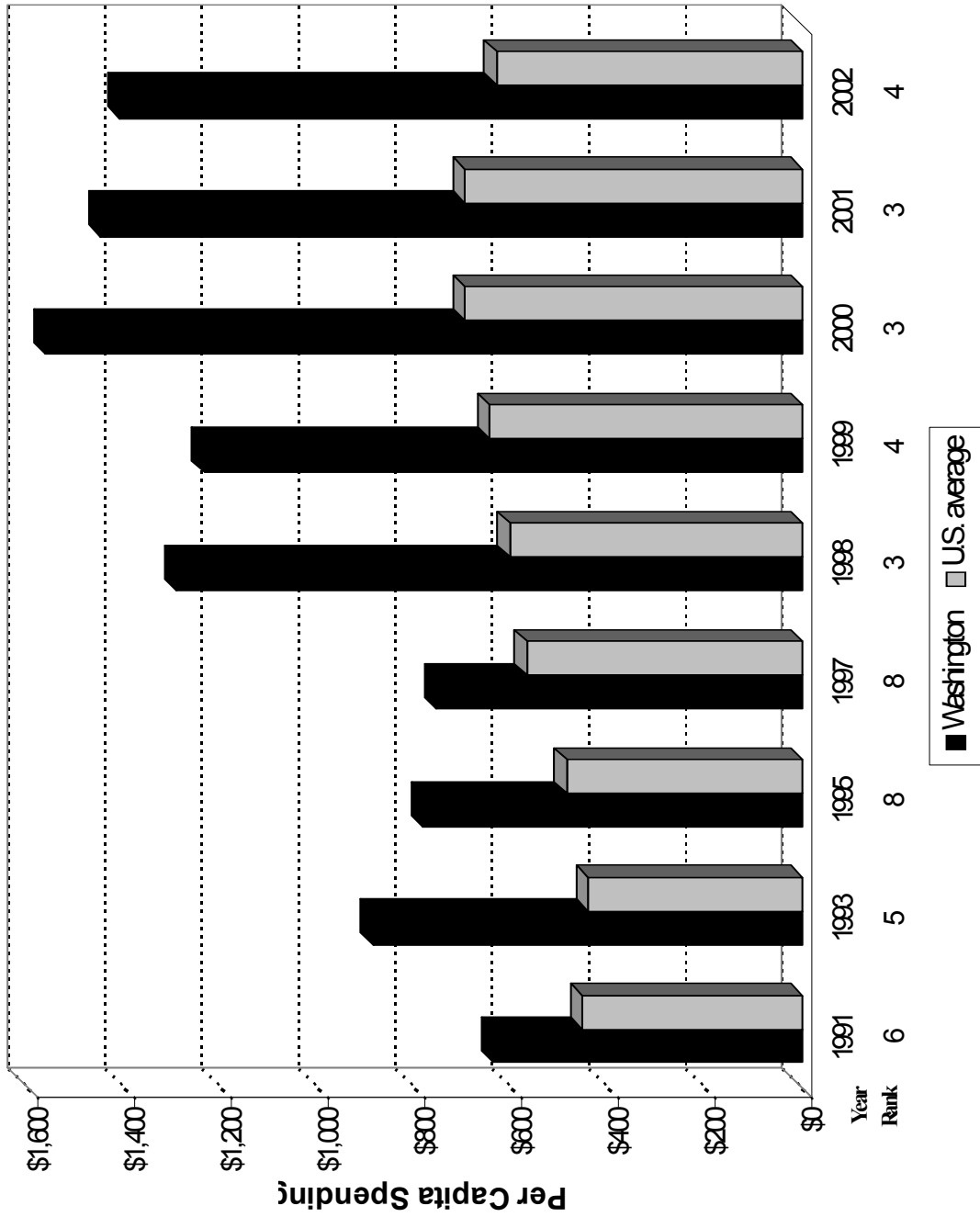


Table 12  
**Industry Research and Development**  
(Dollars Per Capita)

	1998	1999	2000	2001	2002	1998-2002
Alabama	161	126	136	203	189	163
Alaska	D	D	14	107	79	67
Arizona	354	883	473	425	587	544
Arkansas	45	81	102	94	83	81
California	1,078	1,166	1,346	1,172	1,130	1,178
Colorado	866	742	726	698	626	732
Connecticut	925	1,176	1,281	1,368	1,756	1,301
Delaware	3,244	1,627	1,836	1,547	1,509	1,953
Florida	213	171	200	229	222	207
Georgia	184	227	192	228	246	215
Hawaii	14	22	36	76	82	46
Idaho	821	949	1,029	669	740	842
Illinois	562	624	857	659	604	661
Indiana	437	372	438	586	580	483
Iowa	218	192	184	279	257	226
Kansas	481	479	423	482	526	478
Kentucky	107	170	144	156	160	148
Louisiana	23	42	28	71	55	44
Maine	65	111	157	194	193	144
Maryland	335	324	382	685	696	484
Massachusetts	1,691	1,474	1,550	1,762	1,599	1,615
Michigan	1,284	1,790	1,772	1,430	1,350	1,525
Minnesota	690	693	754	876	889	780
Mississippi	26	40	35	77	78	51
Missouri	238	249	338	318	281	285
Montana	92	37	31	77	73	62
Nebraska	55	104	116	179	198	130
Nevada	234	174	123	138	156	165
New Hampshire	984	899	472	1,063	904	865
New Jersey	1,257	1,131	1,430	1,198	1,346	1,272
New Mexico	672	742	636	126	178	471
New York	596	603	555	572	482	562
North Carolina	431	497	454	505	414	460
North Dakota	53	116	80	547	242	208
Ohio	472	575	525	589	545	541
Oklahoma	72	106	96	157	118	110
Oregon	445	454	481	1,429	659	693
Pennsylvania	578	728	641	730	573	650
Rhode Island	1,280	1,215	1,037	1,071	1,048	1,130
South Carolina	177	167	194	227	257	204
South Dakota	7	17	58	115	69	53
Tennessee	366	314	213	262	222	275
Texas	417	483	428	461	493	457
Utah	512	510	436	471	482	482
Vermont	187	526	649	553	464	476
Virginia	392	355	382	411	400	388
<b>Washington</b>	<b>1,296</b>	<b>1,238</b>	<b>1,567</b>	<b>1,451</b>	<b>1,414</b>	<b>1,393</b>
West Virginia	124	119	130	117	147	127
Wisconsin	362	365	369	457	487	408
Wyoming	4	D	14	57	42	29
U.S.	606	647	699	698	633	657
<b>Washington's Rank</b>	<b>3</b>	<b>4</b>	<b>3</b>	<b>3</b>	<b>4</b>	<b>4</b>

Source: The National Science Foundation(www.nsf.gov), 2002.

Chart 13  
Per Capita Total Research and Development

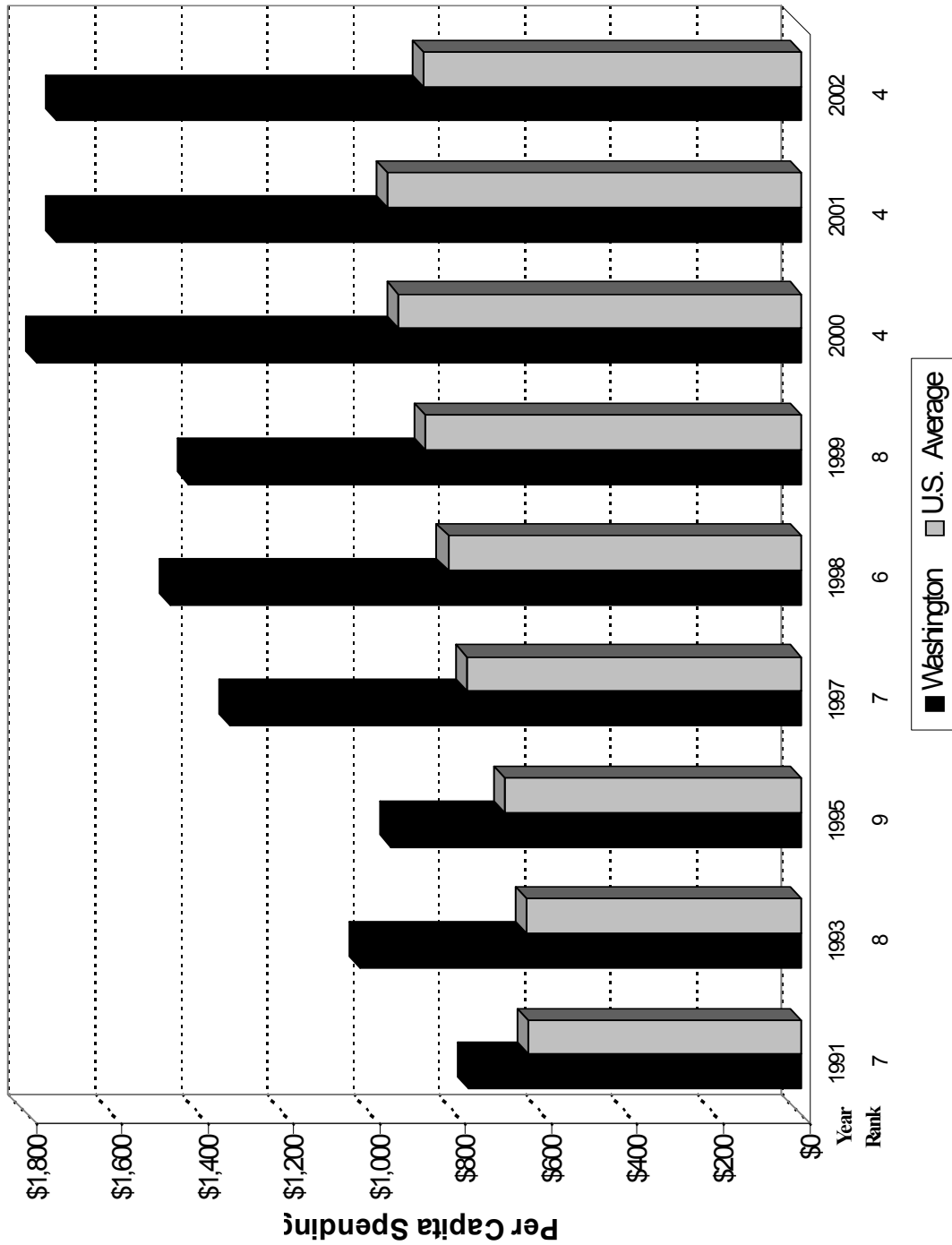


Table 13  
**Total Research and Development**  
(Dollars Per Capita)

	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>1998-2002</b>
Alabama	437	398	389	504	518	449
Alaska	D	243	313	467	478	375
Arizona	475	1,013	601	574	751	683
Arkansas	108	143	170	168	158	149
California	1,331	1,432	1,620	1,477	1,463	1,465
Colorado	1,109	996	978	976	936	999
Connecticut	1,057	1,310	1,433	1,551	1,958	1,462
Delaware	3,348	1,733	1,948	1,653	1,633	2,063
Florida	308	271	290	344	329	308
Georgia	317	368	340	386	460	374
Hawaii	199	223	240	292	366	264
Idaho	900	1,026	1,103	953	1,022	1,001
Illinois	720	786	1,026	839	809	836
Indiana	515	457	534	693	702	580
Iowa	363	344	347	453	458	393
Kansas	571	581	527	593	687	592
Kentucky	162	241	214	234	276	225
Louisiana	122	140	140	185	191	156
Maine	126	177	250	302	331	237
Maryland	1,541	1,539	1,625	2,117	1,654	1,695
Massachusetts	2,134	1,930	2,044	2,299	2,227	2,127
Michigan	1,387	1,899	1,898	1,555	1,501	1,648
Minnesota	793	801	871	1,008	1,045	904
Mississippi	131	168	180	228	241	189
Missouri	338	361	461	453	437	410
Montana	214	188	188	264	260	223
Nebraska	186	245	256	338	383	282
Nevada	308	237	187	211	241	237
New Hampshire	1,111	1,028	625	1,260	1,125	1,030
New Jersey	1,372	1,260	1,557	1,343	1,516	1,410
New Mexico	1,690	1,813	1,694	2,158	2,528	1,977
New York	732	747	713	759	697	730
North Carolina	584	663	624	712	617	640
North Dakota	184	261	227	727	465	373
Ohio	616	713	674	773	728	701
Oklahoma	151	193	191	252	227	203
Oregon	570	582	617	1,569	821	832
Pennsylvania	715	872	801	908	792	818
Rhode Island	1,626	1,587	1,428	1,491	1,532	1,533
South Carolina	252	246	280	356	406	308
South Dakota	80	79	112	186	145	121
Tennessee	449	406	361	462	443	424
Texas	534	605	551	597	653	588
Utah	690	669	607	658	679	661
Vermont	292	643	763	689	646	607
Virginia	715	729	713	771	808	747
<b>Washington</b>	<b>1,467</b>	<b>1,427</b>	<b>1,779</b>	<b>1,732</b>	<b>1,732</b>	<b>1,627</b>
West Virginia	232	242	253	259	301	257
Wisconsin	472	481	501	601	659	543
Wyoming	133	134	123	167	161	144
US	822	875	938	965	879	896
<b>Washington's rank</b>	<b>6</b>	<b>8</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>6</b>

Source: The National Science Foundation(www.nsf.gov), 2002.

# Unemployment Rate

The national unemployment rate continued to increase in 2003, increasing to 6.0 percent from 5.8 percent, reaching its highest point since 1994. Washington also experienced a rise, growing from 7.3 to 7.5 percent, its highest since 1992, ranking 48<sup>th</sup> among the states.

Historically, Washington has nearly always maintained an unemployment rate that was higher than the national average. In the late 1980s, this divergence began to narrow with the reduction of the percentage of workers that were employed by seasonal industries such as agriculture, fishing, forest products and food processing. Beginning in 1998, however, the divergence has widened once again, this time largely attributable to the total loss of over 50,000 aerospace jobs in the periods 1998-2000 and 2001-2003 as well as the large drop in “dot-com” associated jobs in 2000. As the effects of these drops diminish and the aerospace market stabilizes, it is hoped that the divergence between the state’s unemployment rate and that of the nation will once again begin to narrow.

Chart 14  
Unemployment Rate

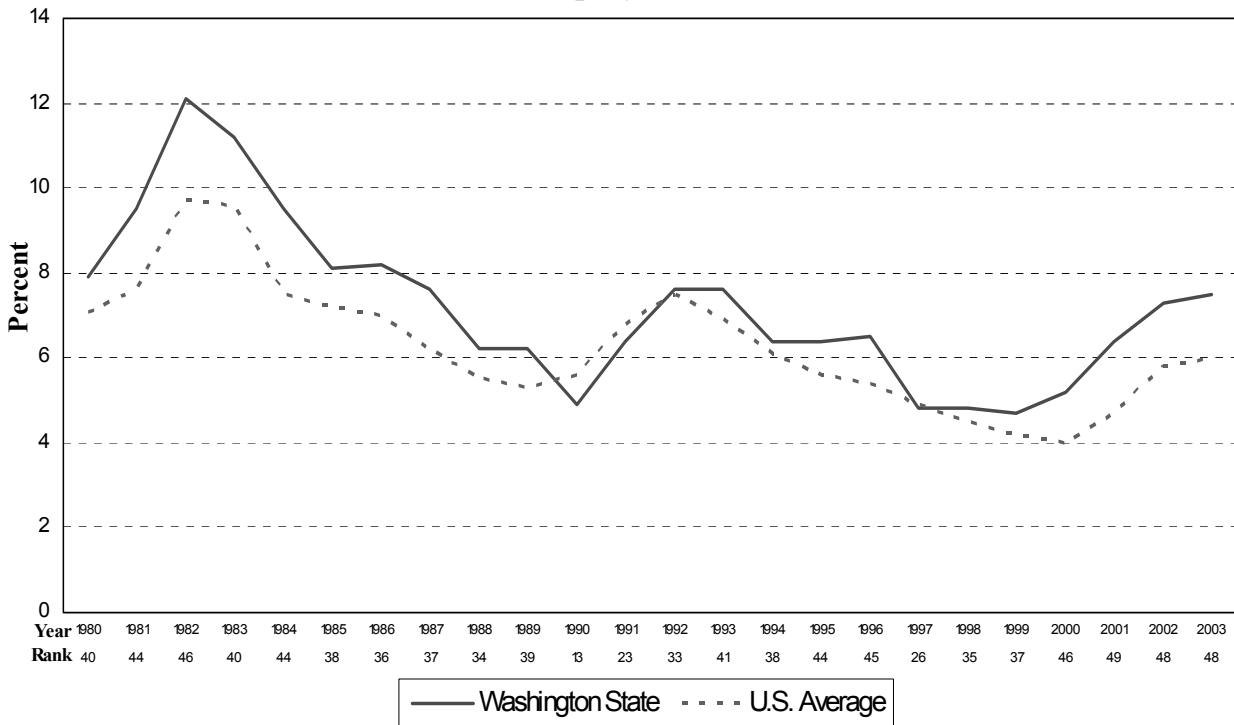


Table 38  
Economic Performance  
**Unemployment Rate**

	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>1999-2003</b>
Alabama	4.8	4.5	5.3	5.9	5.8	5.3
Alaska	6.4	6.7	6.4	7.7	8.0	7.0
Arizona	4.4	4.0	4.7	6.2	5.6	5.0
Arkansas	4.5	4.4	5.0	5.4	6.2	5.1
California	5.2	4.9	5.4	6.7	6.7	5.8
Colorado	2.9	2.8	3.7	5.7	6.0	4.2
Connecticut	3.2	2.2	3.3	4.3	5.5	3.7
Delaware	3.5	3.9	3.4	4.2	4.4	3.9
Florida	3.9	3.6	4.8	5.5	5.1	4.6
Georgia	4.0	3.7	4.0	5.1	4.7	4.3
Hawaii	5.6	4.3	4.6	4.2	4.3	4.6
Idaho	5.2	4.9	5.0	5.8	5.4	5.3
Illinois	4.3	4.3	5.4	6.5	6.7	5.4
Indiana	3.0	3.2	4.4	5.1	5.1	4.2
Iowa	2.5	2.6	3.3	4.0	4.5	3.4
Kansas	3.0	3.7	4.3	5.1	5.4	4.3
Kentucky	4.5	4.1	5.4	5.6	6.2	5.2
Louisiana	5.1	5.4	5.9	6.1	6.6	5.8
Maine	4.1	3.5	3.9	4.4	5.1	4.2
Maryland	3.5	3.8	4.0	4.4	4.5	4.0
Massachusetts	3.2	2.6	3.7	5.3	5.8	4.1
Michigan	3.8	3.5	5.3	6.2	7.3	5.2
Minnesota	2.8	3.3	3.7	4.4	5.0	3.8
Mississippi	5.1	5.6	5.5	6.8	6.3	5.9
Missouri	3.4	3.4	4.7	5.5	5.6	4.5
Montana	5.2	5.0	4.6	4.6	4.7	4.8
Nebraska	2.9	3.0	3.1	3.6	4.0	3.3
Nevada	4.4	4.0	5.3	5.5	5.2	4.9
New Hampshire	2.7	2.8	3.5	4.7	4.3	3.6
New Jersey	4.6	3.7	4.2	5.8	5.9	4.8
New Mexico	5.6	5.0	4.8	5.4	6.4	5.4
New York	5.2	4.6	4.9	6.1	6.3	5.4
North Carolina	3.2	3.6	5.5	6.7	6.5	5.1
North Dakota	3.4	3.0	2.9	4.0	4.0	3.5
Ohio	4.3	4.0	4.2	5.7	6.1	4.9
Oklahoma	3.4	3.1	3.8	4.5	5.7	4.1
Oregon	5.7	4.9	6.3	7.5	8.2	6.5
Pennsylvania	4.4	4.1	4.7	5.7	5.6	4.9
Rhode Island	4.1	4.1	4.7	5.1	5.3	4.7
South Carolina	4.5	3.8	5.3	6.0	6.8	5.3
South Dakota	2.9	2.3	3.4	3.1	3.6	3.1
Tennessee	4.0	3.9	4.4	5.1	5.8	4.6
Texas	4.6	4.2	4.8	6.3	6.8	5.3
Utah	3.7	3.3	4.4	6.1	5.6	4.6
Vermont	3.0	2.9	3.6	3.7	4.6	3.6
Virginia	2.8	2.2	3.4	4.1	4.1	3.3
<b>Washington</b>	<b>4.7</b>	<b>5.2</b>	<b>6.4</b>	<b>7.3</b>	<b>7.5</b>	<b>6.2</b>
West Virginia	6.6	5.5	4.8	6.1	6.1	5.8
Wisconsin	3.0	3.6	4.5	5.5	5.6	4.4
Wyoming	4.9	3.9	3.9	4.2	4.4	4.3
U.S. Average	4.2	4.0	4.7	5.8	6.0	4.9
<b>Washington's Rank</b>	<b>37</b>	<b>46</b>	<b>49</b>	<b>48</b>	<b>48</b>	<b>48</b>

Source: U.S. Department of Labor, Bureau of Labor Statistics. June 2004 (www.bls.gov)

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# Quality of Life

# Homicide Rate, Violent Crime Rate, Arrest Rate for Violent Crimes

Because of former discrepancies including variable reporting methods, crime definitions, multiple reports for different arrests, charges and convictions for a crime, International Association of Chiefs of Police established the Uniform Crime Reporting (UCR) program. The program's primary objective is to generate a reliable set of criminal statistics by mandating specific reporting requirements and criterion for gathering data that ensures consistency and comparability among states. The UCR program is a nationwide, statistical effort of over 17,000 city, county, and state law enforcement agencies.

During 2002, law enforcement agencies active in the UCR Program represented 93.4 percent of the total population as established by the Bureau of the Census. The coverage amounted to 94.3 percent of the United States population in Metropolitan Statistical Areas (MSAs), 89.9 percent of the population in cities outside metropolitan areas, and 89.5 percent in rural counties.

Using this reliable data, the UCR has become an important social indicator on the fluctuations in the level of crime. Specifically, the homicide rate, the violent crime rate (i.e., offenses of murder, non-negligent manslaughter, forcible rape, robbery, and aggravated assault, all of which involve the threat or use of force) and the arrest rate for violent crimes are included because of their seriousness and prevalence in media reporting.

In 2002, Washington's homicide rate, as measured per 100,000 people, stayed at 3.0, but its rank among the states declined one place to 18<sup>th</sup>. The violent crime rate, also measured per 100,000 people, continued to decline from 355 to 345, and increased its rank to 21<sup>st</sup>. Finally the arrest rate for violent crime decreased from 158 to 140, helping Washington to increase its rank to 18<sup>th</sup>. As in all years since UCR statistics began being reported, Washington continues to rank well below the national average in incidences of these categories of crime.

Chart 15  
Homicide Rate

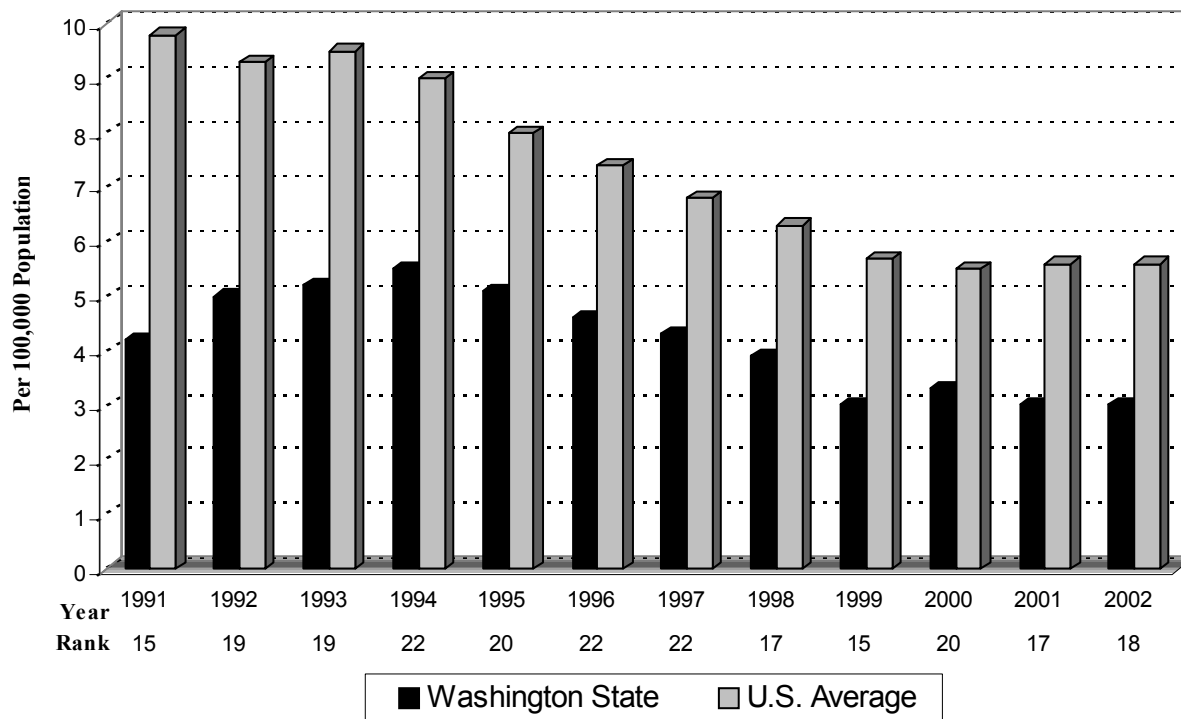


Table 15  
 Quality of Life  
**Homicide Rate**  
 (Per 100,000 Population)

	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>1998-2002</b>
Alabama	8.1	7.9	7.4	8.5	6.8	7.7
Alaska	6.7	8.6	4.3	6.2	5.1	6.2
Arizona	8.1	8.0	7.0	7.5	7.1	7.5
Arkansas	7.9	5.6	6.3	5.5	5.2	6.1
California	6.6	6.0	6.1	6.4	6.8	6.4
Colorado	4.6	4.6	3.1	3.6	4.0	4.0
Connecticut	4.1	3.3	2.9	3.1	2.3	3.1
Delaware	2.8	3.2	3.2	2.9	3.2	3.1
Florida	6.5	5.7	5.6	5.3	5.5	5.7
Georgia	8.1	7.5	8.0	7.1	7.1	7.6
Hawaii	2.0	3.7	2.9	2.6	1.9	2.6
Idaho	2.9	2.0	1.2	2.3	2.7	2.2
Illinois	8.4	7.7	7.2	7.8	7.5	7.7
Indiana	7.7	6.6	5.8	6.7	5.9	6.5
Iowa	1.9	1.5	1.6	1.7	1.5	1.6
Kansas	5.9	6.0	6.3	3.4	2.9	4.9
Kentucky	4.6	0.0	4.8	4.4	4.5	3.7
Louisiana	12.8	10.7	12.5	11.2	13.2	12.1
Maine	2.0	2.2	1.2	1.5	1.1	1.6
Maryland	10.0	9.0	8.1	8.3	9.4	9.0
Massachusetts	2.0	2.0	2.0	2.2	2.7	2.2
Michigan	7.3	7.0	6.7	6.7	6.7	6.9
Minnesota	2.6	2.8	3.1	2.4	2.2	2.6
Mississippi	11.4	7.7	9.0	9.9	9.2	9.4
Missouri	7.3	6.6	6.2	6.6	5.8	6.5
Montana	4.1	2.6	1.8	3.8	1.8	2.8
Nebraska	3.1	3.6	3.7	2.5	2.8	3.1
Nevada	9.7	9.1	6.5	8.6	8.3	8.4
New Hampshire	1.5	1.5	1.8	1.3	0.9	1.4
New Jersey	4.0	3.5	3.4	3.9	3.9	3.7
New Mexico	10.9	9.8	7.4	5.4	8.2	8.3
New York	5.1	5.0	5.0	5.0	4.7	5.0
North Carolina	8.1	7.2	7.0	6.2	6.6	7.0
North Dakota	1.1	1.6	0.6	1.1	0.8	1.0
Ohio	4.0	3.5	3.7	4.0	4.6	4.0
Oklahoma	6.1	6.9	5.3	5.3	4.7	5.7
Oregon	3.8	2.7	2.0	2.4	2.0	2.6
Pennsylvania	5.3	4.9	4.9	5.3	5.1	5.1
Rhode Island	2.4	3.6	4.3	3.7	3.8	3.6
South Carolina	8.0	6.6	5.8	8.1	7.3	7.2
South Dakota	1.4	2.5	0.9	0.9	1.4	1.4
Tennessee	8.5	7.1	7.2	7.4	7.2	7.5
Texas	6.8	6.1	5.9	6.2	6.0	6.2
Utah	3.1	2.1	1.9	2.9	2.0	2.4
Vermont	2.2	2.9	1.5	1.1	2.1	2.0
Virginia	6.2	5.7	5.7	5.1	5.3	5.6
<b>Washington</b>	<b>3.9</b>	<b>3.0</b>	<b>3.3</b>	<b>3.0</b>	<b>3.0</b>	<b>3.2</b>
West Virginia	4.3	4.4	2.5	2.2	3.2	3.3
Wisconsin	3.6	3.4	3.2	3.6	2.8	3.3
Wyoming	4.8	2.3	2.4	1.8	3.0	2.9
U.S. Average	6.3	5.7	5.5	5.6	5.6	5.7
<b>Washington's Rank</b>	<b>17</b>	<b>15</b>	<b>20</b>	<b>17</b>	<b>18</b>	<b>18</b>

Source: U.S. Department of Justice. Federal Bureau of Investigation. Crime in the United States-Uniform Crime Reports: 1991-2002. (www.fbi.gov)  
 NA: Complete arrest data were not available.

Chart 16  
Violent Crime Rate

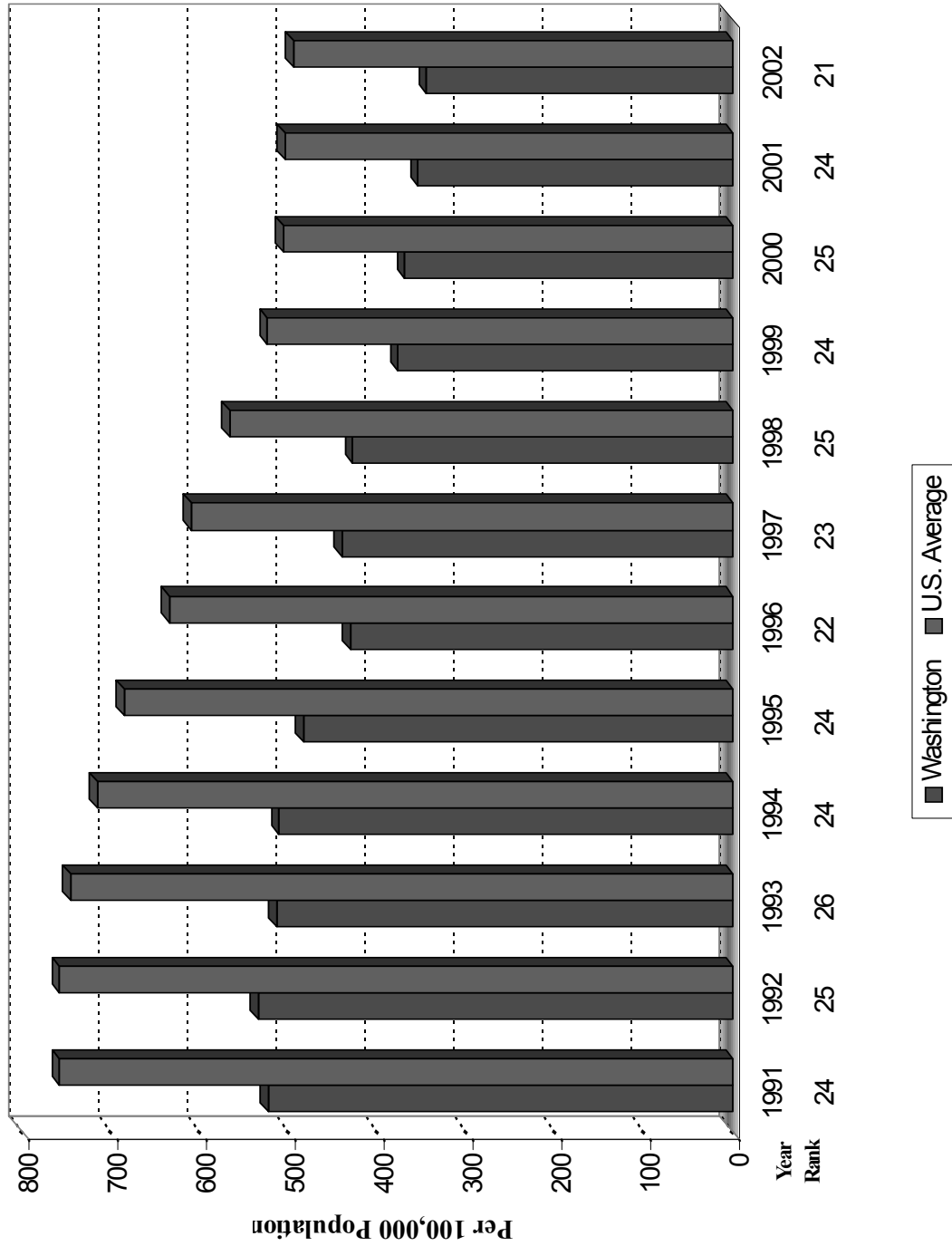


Table 16  
 Quality of Life  
**Violent Crime Rate**  
 (Per 100,000 Population)

	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>1998-2002</b>
Alabama	512	490	486	438	444	474
Alaska	654	632	567	590	563	601
Arizona	578	551	532	540	553	551
Arkansas	490	425	445	452	424	448
California	704	627	622	615	593	632
Colorado	378	341	334	350	352	351
Connecticut	366	346	325	335	311	336
Delaware	762	734	684	611	599	678
Florida	939	854	812	798	770	835
Georgia	573	534	505	496	459	513
Hawaii	247	235	244	254	262	248
Idaho	282	245	253	243	255	256
Illinois	808	733	657	633	621	690
Indiana	431	375	349	371	357	377
Iowa	312	280	266	268	286	282
Kansas	397	383	389	404	377	390
Kentucky	284	301	295	258	279	283
Louisiana	780	733	681	686	662	708
Maine	126	112	110	118	108	115
Maryland	797	743	787	481	770	716
Massachusetts	621	551	476	478	484	522
Michigan	621	575	555	554	540	569
Minnesota	310	274	281	264	268	279
Mississippi	411	349	361	350	343	363
Missouri	556	500	490	541	539	525
Montana	139	207	241	352	352	258
Nebraska	451	430	328	303	314	365
Nevada	644	570	524	589	638	593
New Hampshire	107	97	175	170	161	142
New Jersey	440	412	384	389	375	400
New Mexico	961	835	758	780	740	815
New York	638	589	554	514	496	558
North Carolina	579	542	498	493	470	516
North Dakota	89	67	81	79	78	79
Ohio	363	316	334	351	351	343
Oklahoma	539	508	498	511	503	512
Oregon	420	375	351	307	292	349
Pennsylvania	421	421	420	410	402	415
Rhode Island	312	287	298	309	285	298
South Carolina	903	847	805	815	822	838
South Dakota	154	167	167	154	177	164
Tennessee	715	695	707	744	717	716
Texas	565	560	545	572	579	564
Utah	314	276	256	233	237	263
Vermont	106	114	114	105	107	109
Virginia	326	315	282	291	291	301
<b>Washington</b>	<b>429</b>	<b>377</b>	<b>370</b>	<b>355</b>	<b>345</b>	<b>375</b>
West Virginia	249	351	317	280	234	286
Wisconsin	249	246	237	231	225	238
Wyoming	248	232	267	258	274	256
United States	566	525	506	505	495	519
<b>Washington's Rank</b>	<b>25</b>	<b>24</b>	<b>25</b>	<b>24</b>	<b>21</b>	<b>24</b>

Source: U.S. Department of Justice. Federal Bureau of Investigation. Crime in the United States-Uniform Crime Reports: 1991-2002. ([www.fbi.gov](http://www.fbi.gov))

Chart 17  
Arrest Rates for Violent Crime

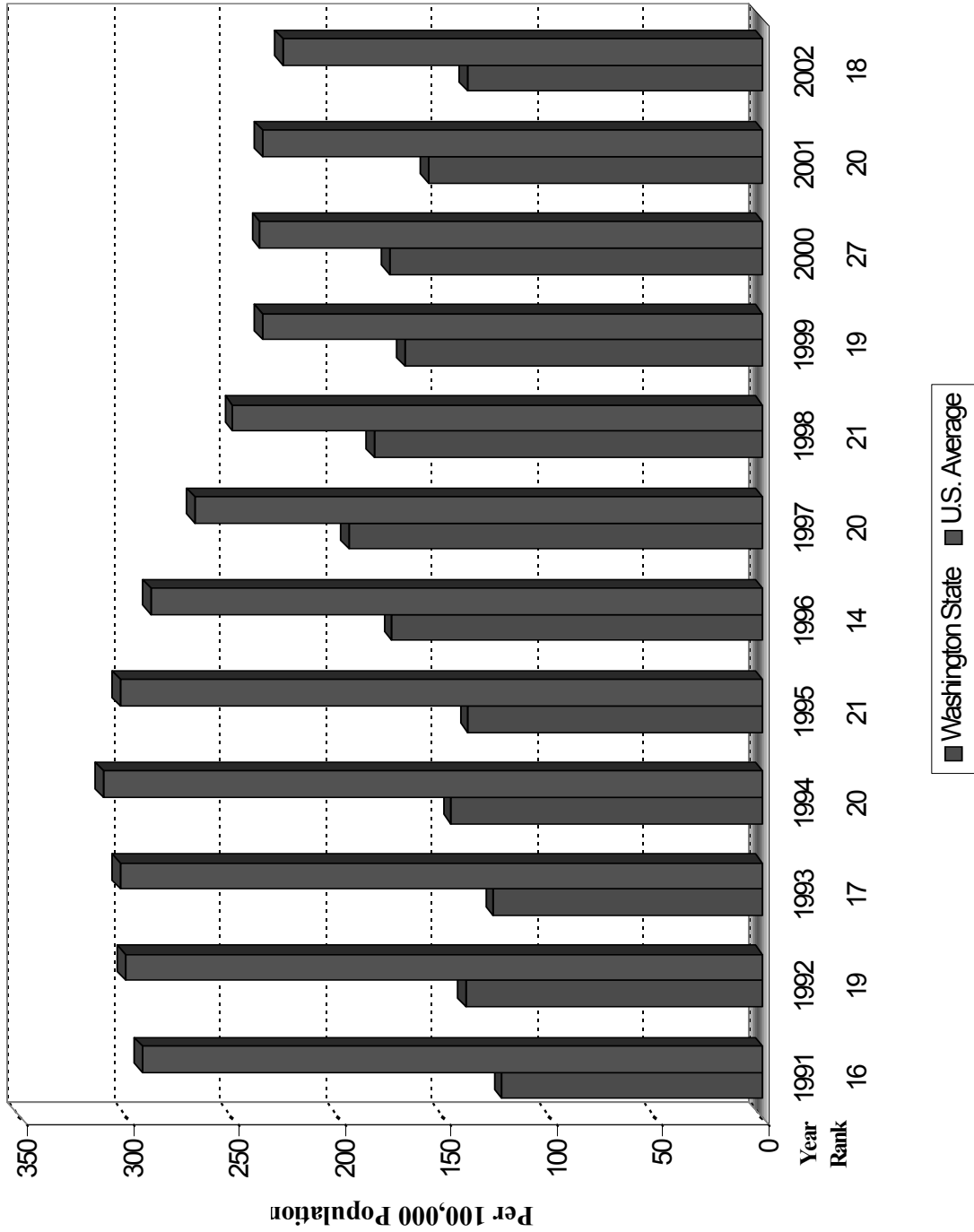


Table 17

## Quality of Life

**Arrest Rates for Violent Crime**

(Per 100,000 Population)

	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>1998-2002</b>
Alabama	196	165	184	169	178	178
Alaska	262	259	211	221	217	234
Arizona	201	177	176	175	175	181
Arkansas	229	225	215	158	207	207
California	434	403	383	387	372	396
Colorado	174	205	159	162	160	172
Connecticut	247	166	176	207	155	190
Delaware	345	384	583	197	179	338
Florida	390	368	344	352	323	356
Georgia	343	173	291	262	269	267
Hawaii	112	107	120	110	120	114
Idaho	129	107	107	102	104	110
Illinois	383	402	360	364	336	369
Indiana	264	268	260	259	254	261
Iowa	153	181	160	139	158	158
Kansas	NA	NA	NA	NA	95	95
Kentucky	451	558	161	317	336	365
Louisiana	376	353	334	336	319	344
Maine	71	NA	71	67	61	68
Maryland	250	156	228	242	173	210
Massachusetts	327	284	281	251	243	277
Michigan	220	213	110	117	188	170
Minnesota	122	139	140	76	89	113
Mississippi	209	189	179	161	156	179
Missouri	332	263	266	282	317	292
Montana	70	140	201	137	131	136
Nebraska	106	91	93	94	85	94
Nevada	222	180	163	197	179	188
New Hampshire	74	60	57	59	63	63
New Jersey	227	203	190	189	184	198
New Mexico	266	254	243	267	254	257
New York	188	178	175	166	177	177
North Carolina	380	357	322	332	315	341
North Dakota	36	35	26	32	28	32
Ohio	208	178	175	173	147	176
Oklahoma	182	NA	173	178	178	178
Oregon	130	109	119	116	95	114
Pennsylvania	226	244	257	240	223	238
Rhode Island	151	121	105	116	120	123
South Carolina	310	334	271	294	297	301
South Dakota	108	99	96	98	94	99
Tennessee	311	258	208	210	228	243
Texas	166	161	153	150	148	156
Utah	117	117	98	79	80	98
Vermont	30	60	58	55	63	53
Virginia	168	159	121	102	100	130
Washington	<b>184</b>	<b>169</b>	<b>176</b>	<b>158</b>	<b>140</b>	<b>165</b>
West Virginia	94	174	148	112	92	124
Wisconsin	NA	NA	NA	359	207	283
Wyoming	123	107	131	127	127	123
U. S. Average	250	236	237	236	227	237
<b>Washington's Rank</b>	<b>21</b>	<b>19</b>	<b>27</b>	<b>20</b>	<b>18</b>	<b>20</b>

\*Violent crimes are offenses of murder, forcible rape, robbery, and aggravated assault.

NA: Complete arrest data were not available.

Source: U.S. Department of Justice. Federal Bureau of Investigation. Crime in the United States-Uniform Crime Reports: 1991-2002 ([www.fbi.gov](http://www.fbi.gov))

# Air Quality

The air quality index measures the percentage of a state’s population living in areas which are deemed to be in “nonattainment” of the National Ambient Air Quality Standards (NAAQS). These standards as defined by the Environmental Protection Agency (EPA) cover carbon monoxide, lead, nitrogen dioxide, ozone, particulate matter, and sulfur dioxide as “criteria pollutants”, all of which have been shown to have adverse effects on the environment and human health. For an area to be reclassified as an “attainment” area, its air must meet the NAAQS standards for three consecutive years.

Nonattainment areas are defined by metropolitan zones which may cover several states. The population for these areas is based upon 2000 census data and the nonattainment area is wholly designated to the primary state (i.e. the New York metropolitan area nonattainment population is put into New York state, although the city enters parts of New Jersey and Connecticut as well).

In 2004, for the fourth year in a row, 6.6 percent of Washington’s population lived in nonattainment areas. After a large drop between 2000 and 2001 due to improvements made in Kent, Tacoma and Seattle, Washington’s level has remained constant. While improvements in other states caused Washington’s 2004 ranking to fall from 26<sup>th</sup> to 27<sup>th</sup>, the percentage of state residents who live in nonattainment areas is far below the national average of 39.3 percent.

Chart 18  
Air Quality

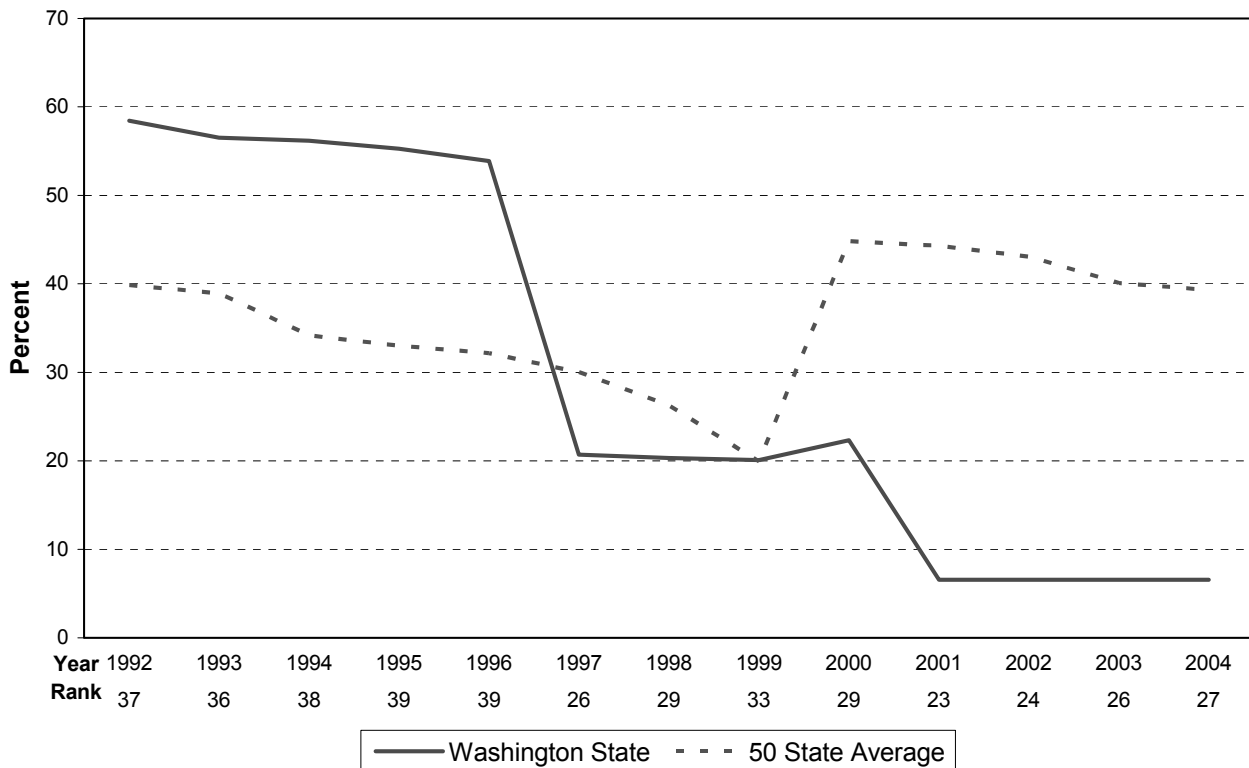




Table 18  
 Quality of Life  
**Air Quality**  
 (Percent of State Population)

	2000	2001	2002	2003	2004	2000-2004
Alabama	18.1	18.1	18.1	18.1	0.0	14.5
Alaska	49.2	49.2	49.2	49.2	39.6	47.3
Arizona	63.9	63.9	63.6	63.6	63.5	63.7
Arkansas	0.0	0.0	0.0	0.0	0.0	0.0
California	93.0	93.0	93.0	83.5	83.5	89.2
Colorado	59.5	59.4	59.4	3.8	0.4	36.5
Connecticut*	74.4	74.4	74.4	74.4	74.4	74.4
Delaware*	20.0	20.0	20.0	20.0	20.0	20.0
Florida	0.0	0.0	0.0	0.0	0.0	0.0
Georgia	45.2	45.2	45.2	45.2	45.2	45.2
Hawaii	0.0	0.0	0.0	0.0	0.0	0.0
Idaho	23.2	23.2	23.2	23.2	9.0	20.4
Illinois*	70.5	70.5	70.5	70.5	70.5	70.5
Indiana*	0.0	0.0	0.0	0.0	0.0	0.0
Iowa	0.0	0.0	0.0	0.0	0.0	0.0
Kansas	0.0	0.0	0.0	0.0	0.0	0.0
Kentucky*	21.9	21.9	0.0	0.0	0.0	8.7
Louisiana	14.2	14.2	14.2	14.2	14.2	14.2
Maine	61.3	61.3	61.3	61.3	61.3	61.3
Maryland*	48.6	48.6	48.6	48.6	48.6	48.6
Massachusetts*	105.5	105.5	105.5	105.5	105.5	105.5
Michigan	1.7	0.0	0.0	0.0	0.0	0.3
Minnesota	7.6	5.8	5.8	0.0	0.0	3.8
Mississippi	0.0	0.0	0.0	0.0	0.0	0.0
Missouri*	44.5	44.5	44.5	0.2	0.0	26.7
Montana	14.4	14.4	14.4	14.4	14.4	14.4
Nebraska	0.1	0.0	0.0	0.0	0.0	0.0
Nevada	85.9	85.9	85.8	85.8	85.8	85.9
New Hampshire*	45.1	45.1	45.1	45.1	45.1	45.1
New Jersey*	4.2	4.2	4.2	4.2	4.2	4.2
New Mexico	2.4	2.4	2.4	2.4	0.7	2.1
New York*	115.6	115.6	115.6	115.6	115.6	115.6
North Carolina	0.0	0.0	0.0	0.0	0.0	0.0
North Dakota	0.0	0.0	0.0	0.0	0.0	0.0
Ohio*	33.6	30.9	28.1	28.1	24.0	28.9
Oklahoma	0.0	0.0	0.0	0.0	0.0	0.0
Oregon	9.3	9.3	9.3	9.3	8.1	9.0
Pennsylvania*	101.6	101.6	85.2	85.2	81.7	91.1
Rhode Island	100.0	100.0	100.0	100.0	100.0	100.0
South Carolina	0.0	0.0	0.0	0.0	0.0	0.0
South Dakota	0.0	0.0	0.0	0.0	0.0	0.0
Tennessee	0.0	0.0	0.0	0.0	0.0	0.0
Texas	49.5	49.5	49.5	49.5	49.5	49.5
Utah	62.0	62.0	62.0	62.0	62.0	62.0
Vermont	0.0	0.0	0.0	0.0	0.0	0.0
Virginia*	0.0	0.0	0.0	0.0	0.0	0.0
<b>Washington</b>	<b>22.3</b>	<b>6.6</b>	<b>6.6</b>	<b>6.6</b>	<b>6.6</b>	<b>9.7</b>
West Virginia*	4.4	4.4	4.4	4.4	4.4	4.4
Wisconsin	39.4	39.4	36.4	36.4	34.3	37.2
Wyoming	3.2	3.2	3.2	3.2	3.2	3.2
50 State Average	44.8	44.3	43.1	40.1	39.3	42.3
<b>Washington's Rank</b>	<b>29</b>	<b>23</b>	<b>24</b>	<b>26</b>	<b>27</b>	<b>25</b>

\*Due to areas that span more than one state, these states may have more or less non-attainment areas than specified but are not documented to avoid double counting.

# Drinking Water

The objective of the Washington State Department of Health Drinking Water Program is to protect the health of the citizens of Washington State by ensuring safe and reliable drinking water. In Washington, 5.2 million residents are served by 4,131 public water systems that must abide by the standards established by the Environmental Protection Agency (EPA) under the federal Safe Drinking Water Act (SDWA). These standards are designed to prevent microbial, chemical and radiological contaminants in drinking water and to assure the protection of public health if contamination does occur. The number of contaminants regulated by the EPA has risen from 23 in 1986 to 91 in 2002 and is expected to surpass 130 by 2010.

The EPA annually reports the number of systems whose water has exceeded the Maximum Contaminant Level (MCL) for any contaminant and the number of people those systems serve. A MCL, according to the EPA, is the highest permissible level for a contaminant to still be safe. In addition, the EPA also calculates the number of systems that have violated a treatment technique, the requirement to have properly operating treatment facilities in order to remove contaminants. The attached table contains EPA data for the years 1999-2003, showing the percentage of each state's population served by a water system subject to the SDWA that violated either a coliform MCL or a surface water treatment technique.

In 2003, 7.9 percent of Washington residents were served by water systems that exceeded the MCL at some point during the year, compared to the U.S. average of 8.2 percent. This improved Washington's rank to 29<sup>th</sup> in the country, up from 35<sup>th</sup> in 2002. The state's average for 1999-2003 .

Chart 19  
Percent of systems violating drinking water standards

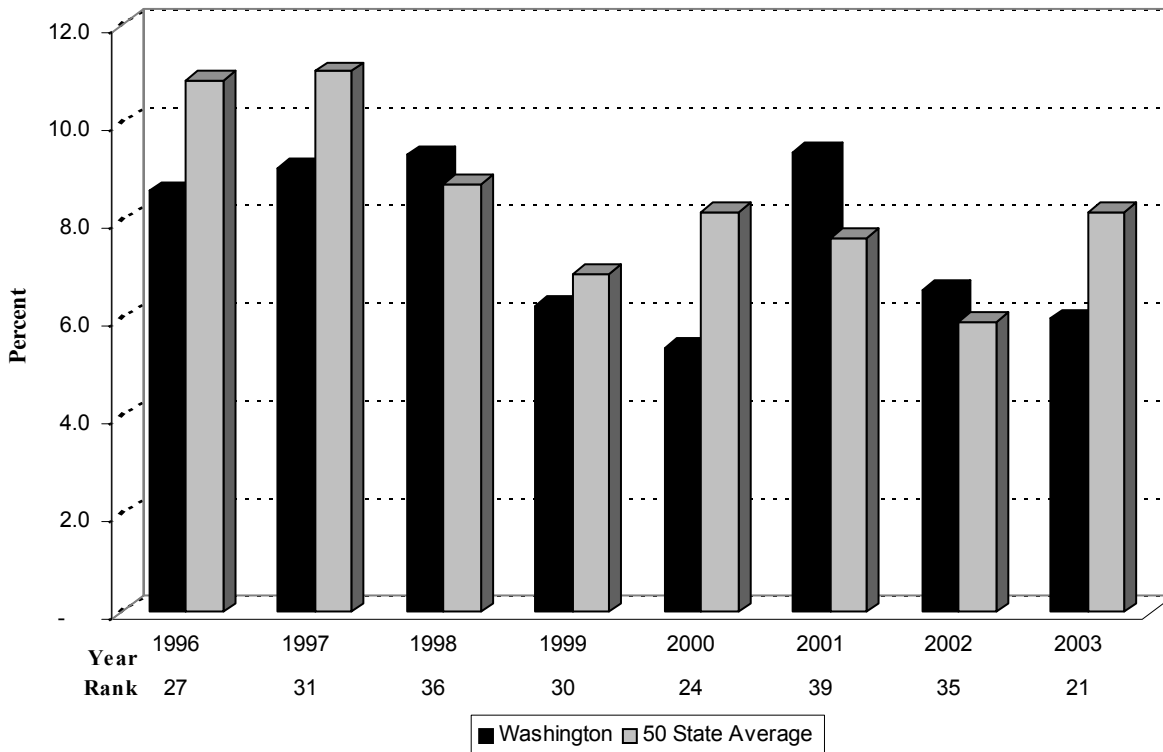


Table 19

## Quality of Life

**Drinking Water Index**

(Percent)\*

	1999	2000	2001	2002	2003	1999-2003
Alabama	2.3	2.0	3.0	2.0	6.0	3.1
Alaska	9.7	14.0	9.0	6.0	8.0	9.3
Arizona	13.8	9.0	5.0	6.0	11.0	9.0
Arkansas	7.2	8.0	10.0	7.0	10.0	8.4
California	1.5	6.0	2.0	0.0	1.0	2.1
Colorado	10.0	10.0	10.0	1.0	11.0	8.4
Connecticut	13.9	2.0	2.0	4.0	2.0	4.8
Delaware	0.4	17.0	8.0	3.0	1.0	5.9
Florida	4.9	4.0	5.0	4.0	9.0	5.4
Georgia	5.8	1.0	2.0	2.0	7.0	3.6
Hawaii	6.3	5.0	9.0	4.0	4.0	5.7
Idaho	9.5	17.0	3.0	8.0	11.0	9.7
Illinois	12.2	9.0	8.0	7.0	7.0	8.6
Indiana	0.9	7.0	5.0	3.0	3.0	3.8
Iowa	5.2	5.0	2.0	2.0	5.0	3.8
Kansas	3.8	5.0	6.0	3.0	11.0	5.8
Kentucky	7.9	3.0	7.0	5.0	5.0	5.6
Louisiana	5.3	6.0	6.0	6.0	10.0	6.7
Maine	5.0	35.0	11.0	13.0	16.0	16.0
Maryland	2.0	1.0	0.0	0.0	2.0	1.0
Massachusetts	36.3	58.0	54.0	15.0	14.0	35.5
Michigan	0.9	2.0	2.0	3.0	1.0	1.8
Minnesota	1.6	1.0	1.0	13.0	2.0	3.7
Mississippi	5.7	9.0	9.0	10.0	5.0	7.7
Missouri	3.3	2.0	4.0	5.0	4.0	3.7
Montana	5.8	4.0	4.0	6.0	7.0	5.4
Nebraska	13.6	19.0	53.0	16.0	19.0	24.1
Nevada	1.9	1.0	0.0	2.0	1.0	1.2
New Hampshire	7.2	8.0	12.0	24.0	9.0	12.0
New Jersey	1.0	15.0	13.0	4.0	12.0	9.0
New Mexico	6.5	7.0	7.0	9.0	6.0	7.1
New York	41.8	12.0	12.0	9.0	52.0	25.4
North Carolina	2.4	3.0	4.0	5.0	5.0	3.9
North Dakota	1.4	4.0	4.0	3.0	10.0	4.5
Ohio	3.4	1.0	12.0	2.0	6.0	4.9
Oklahoma	12.6	6.0	7.0	18.0	30.0	14.7
Oregon	7.3	6.0	7.0	8.0	6.0	6.9
Pennsylvania	2.4	4.0	3.0	3.0	3.0	3.1
Rhode Island	4.9	6.0	0.0	0.0	9.0	4.0
South Carolina	11.8	23.0	13.0	4.0	8.0	12.0
South Dakota	2.0	2.0	2.0	2.0	5.0	2.6
Tennessee	2.9	3.0	3.0	3.0	8.0	4.0
Texas	2.8	2.0	3.0	5.0	3.0	3.2
Utah	3.7	6.0	1.0	5.0	4.0	3.9
Vermont	3.3	7.0	7.0	5.0	7.0	5.9
Virginia	2.6	2.0	2.0	3.0	11.0	4.1
<b>Washington**</b>	<b>6.3</b>	<b>5.4</b>	<b>9.4</b>	<b>6.6</b>	<b>7.9</b>	<b>7.1</b>
West Virginia	6.3	6.0	5.0	7.0	5.0	5.9
Wisconsin	6.6	15.0	15.0	16.0	9.0	12.3
Wyoming	10.0	3.0	2.0	0.0	2.0	3.4
50 State Average***	6.9	8.2	7.7	6.0	8.2	7.4
<b>Washington's Rank</b>	<b>30</b>	<b>24</b>	<b>39</b>	<b>35</b>	<b>29</b>	<b>34</b>

\*Percent of population served by water supply in violation of EPA standards.

\*\* Supplied by the Washington State Department of Health.

\*\*\*The 50 state average is an average of indicators listed. It may differ from the U.S. average.

Source: U.S. Environmental Protection Agency, Community Public Water Systems Compliance Statistics Safe Drinking Water Information System. FY 1996-2003. ([www.epa.gov](http://www.epa.gov))

# Toxins Released

The Toxics Release Inventory (TRI) provides the public with information concerning the amounts of toxic chemical releases from industrial facilities. Under the Emergency Planning and Community Right-to-Know Act of 1986 (EPCRA), the inventory was established with the objective of promoting emergency planning, minimizing the effects of chemical accidents, and providing the public with information on the releases of toxic chemicals in their communities. Each year, facilities that meet certain thresholds must report their releases and other waste management activities for listed toxic chemicals to the EPA and to the state or tribal entity in whose jurisdiction the facility is located. The TRI list for 2002 included 667 chemicals in 30 chemical categories. Each facility submits a TRI reporting form for each TRI chemical it has manufactured, processed, or otherwise used during 2002 in amounts exceeding the thresholds.

Before 1998, only facilities in the manufacturing sector were required to report to TRI. Starting in 1994, federal facilities began to report to TRI and in 1998 seven additional industries were added to the required report list. This is the basis for the dramatic increases in the national average for toxins released in 1998 and beyond. States that housed the newly added reporting industries saw a large jump in toxins released beginning in 1998. Washington never saw a noticeable increase in its TRI reports however because many of these added industries, such as metal and coal mining, are not prevalent in Washington.

In 2002, U.S. industries reported nearly a 22 percent decrease in the toxic level, from 6.1 to 4.7 billion pounds of toxic releases. This figure includes effluent releases directly into the air, water or land, whether it be in on-site or of-site landfills, surface impoundments, land treatment facilities or underground injection wells.

Washington industries reported 21.8 million pounds of toxic releases in 2002, down 8.4 percent from 2001. As some states experienced even more rapid declines in toxic releases, however, Washington's ranking slipped slightly from 5<sup>th</sup> to 9<sup>th</sup>, but its level of releases per square mile still remains far below that of the U.S. average

Chart 20  
Toxins Released

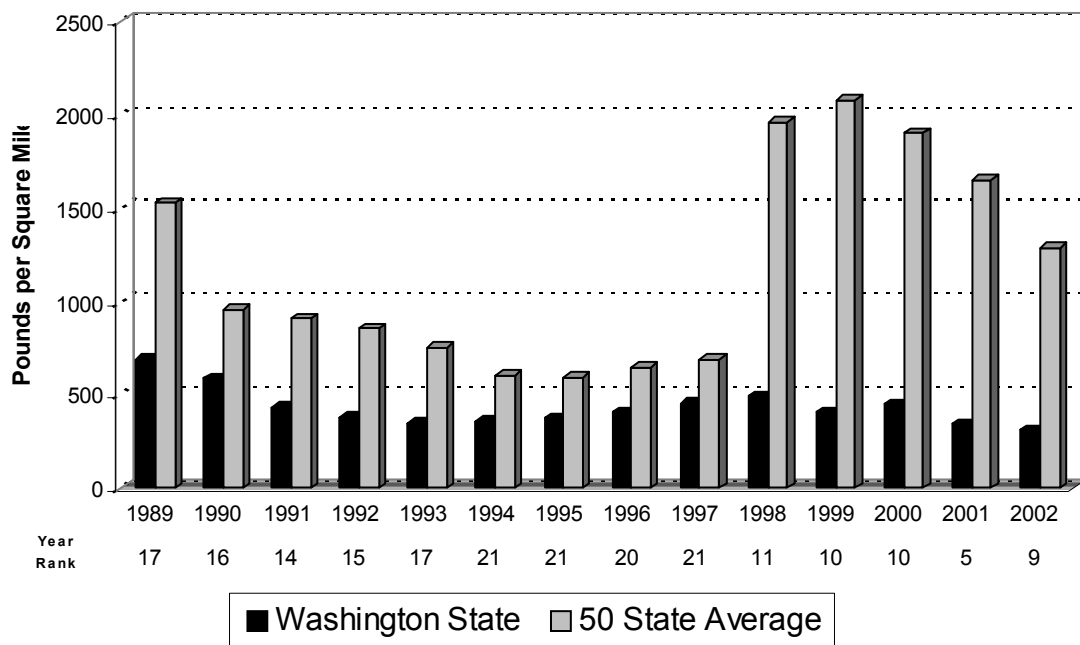


Table 20  
 Quality of Life  
**Toxins Released**  
 Pounds per square miles

	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>1998-2002</b>
Alabama	2,833	2,644	2,884	2,574	2,522	2,691
Alaska	499	704	870	849	891	763
Arizona	9,381	8,450	6,532	5,323	2,888	6,515
Arkansas	734	781	967	828	680	798
California	445	435	476	369	315	408
Colorado	291	251	294	356	251	288
Connecticut	1,797	1,413	1,578	1,760	2,116	1,733
Delaware	5,493	4,748	5,674	5,037	5,071	5,205
Florida	2,450	2,491	2,395	2,054	2,576	2,393
Georgia	1,968	2,152	2,072	1,976	2,206	2,075
Hawaii	559	399	197	475	504	427
Idaho	1,192	1,029	917	900	756	959
Illinois	2,923	2,850	2,596	2,378	2,299	2,609
Indiana	5,203	5,460	5,604	5,644	6,074	5,597
Iowa	871	867	772	673	642	765
Kansas	487	517	466	385	404	452
Kentucky	2,511	2,628	2,510	2,319	2,343	2,462
Louisiana	3,799	3,024	3,112	2,937	2,553	3,085
Maine	289	233	314	317	285	288
Maryland	3,165	3,577	3,675	3,694	3,643	3,551
Massachusetts	1,618	1,285	1,406	1,200	981	1,298
Michigan	1,457	1,471	1,450	1,364	1,392	1,427
Minnesota	372	359	380	384	355	370
Mississippi	1,486	1,570	1,679	1,472	1,278	1,497
Missouri	1,963	1,861	1,879	1,720	1,632	1,811
Montana	840	868	831	445	228	642
Nebraska	275	352	389	345	463	365
Nevada	11,502	10,567	9,119	7,086	4,511	8,557
New Hampshire	761	633	664	513	484	611
New Jersey	3,745	3,808	3,531	7,163	2,865	4,222
New Mexico	2,139	2,157	1,030	870	123	1,264
New York	1,305	1,330	1,121	830	808	1,079
North Carolina	2,533	3,006	2,986	2,804	2,443	2,754
North Dakota	331	335	342	358	357	344
Ohio	7,501	6,764	6,313	5,679	5,664	6,384
Oklahoma	598	530	472	413	426	488
Oregon	568	697	846	387	267	553
Pennsylvania	4,724	5,148	4,937	4,534	3,695	4,608
Rhode Island	1,847	1,130	1,036	892	836	1,148
South Carolina	3,440	2,695	308	2,605	2,562	2,322
South Dakota	289	157	1,029	175	154	361
Tennessee	3,306	3,424	3,864	3,534	3,703	3,566
Texas	1,168	1,174	1,128	1,012	984	1,093
Utah	6,763	13,684	11,259	9,036	2,060	8,560
Vermont	43	67	42	38	38	46
Virginia	1,888	1,904	1,942	1,885	1,913	1,906
<b>Washington</b>	<b>488</b>	<b>403</b>	<b>449</b>	<b>338</b>	<b>310</b>	<b>398</b>
West Virginia	4,285	4,147	4,032	3,307	3,848	3,924
Wisconsin	927	891	758	715	688	796
Wyoming	233	199	216	180	188	203
U.S. Average	1,961	2,081	1,905	1,652	1,286	1,777
<b>Washington's Rank</b>	<b>11</b>	<b>10</b>	<b>10</b>	<b>5</b>	<b>9</b>	<b>9</b>

Source: U.S. Environmental Protection Agency. Office of Pollution Prevention and Toxics.

Toxics Release Inventory Public Data Release Reports: 1989-2003. ([www.epa.gov](http://www.epa.gov))

Source: U.S. Department of Commerce, Economics and Statistics Administration, Statistical Abstract of the United States, 1995.

# State Health Index

The UnitedHealth Group State Health Rankings provide a composite indicator, by state, that measures the relative healthiness of each state and the general health of the population in the United States. Rankings are based on states' performance in five components: lifestyle, access to health care, occupational safety and disability, disease, and mortality. These components are in turn divided into a total of seventeen subcomponents, each contributing to the overall score according to different component weights. To prevent an extreme value from excessively influencing the overall score, the maximum value any state can receive for a component is limited to the national average (which becomes a benchmark of zero) plus or minus two standard deviations. These components are then calculated into the state health index, which is simply the percentage a state is above or below the national average.

Washington lost a bit compared to the national average, but stayed steady in rank, holding at 11<sup>th</sup>, tied with Hawaii. However, it is still among the top ten states in six of the 17 individual measures, including low risk for heart disease, low infant mortality (5.5 per 1,000), and low premature death rate.

Other categories that Washington improved upon were the number of infectious disease cases, which lowered from 20.5 to 18.6 cases per 100,000 and the prevalence of smoking, which decreased from 22.5 to 21.4 percent of the population. Washington has performed very well in the State Health Rankings over the last five years, with an average rank of 12<sup>th</sup> among the states.

Chart 21  
State Health Index

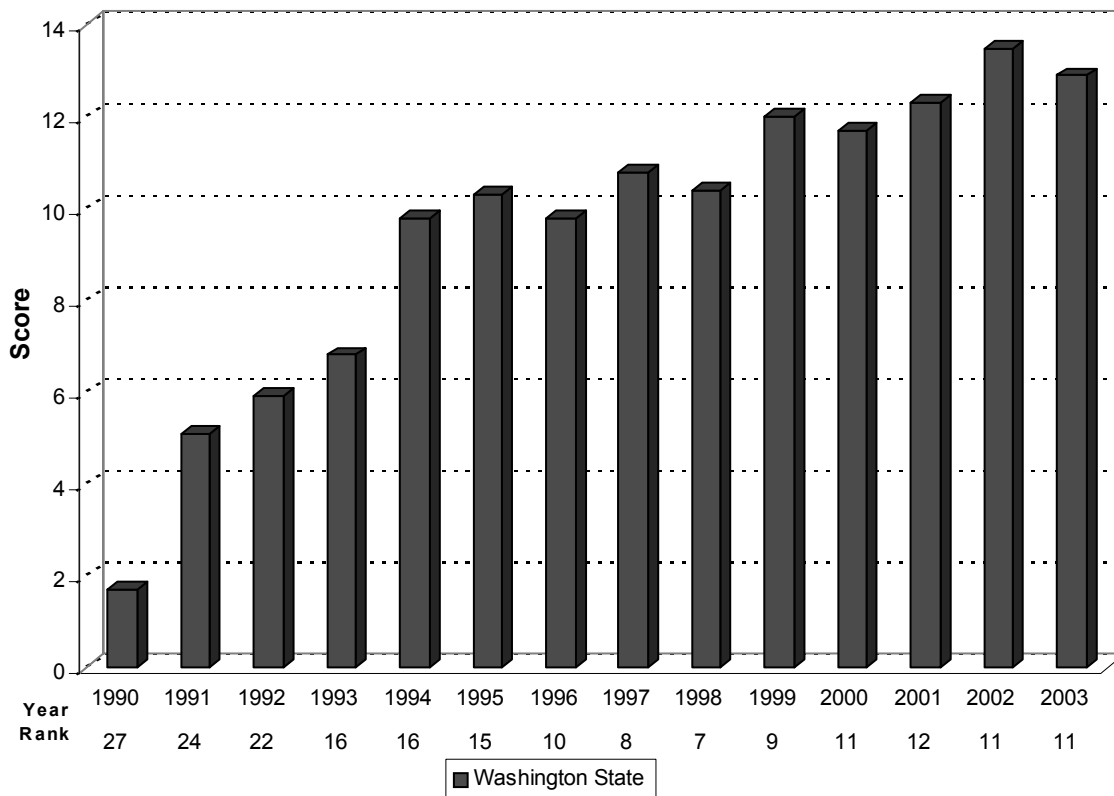


Table 21  
 Quality of Life  
 State Health Index  
 \*Score

	1999	2000	2001	2002	2003	1999-2003
Alabama	-10	-12	-11	-13	-11	-11
Alaska	-2	-2	2	0	-6	-1
Arizona	-7	-6	-4	-4	-2	-5
Arkansas	-19	-14	-9	-15	-14	-14
California	4	4	5	4	6	5
Colorado	14	15	14	15	14	14
Connecticut	13	13	17	17	15	15
Delaware	-8	-5	-6	-4	-3	-5
Florida	-11	-11	-13	-12	-11	-11
Georgia	-4	-5	-5	-9	-8	-6
Hawaii	11	15	14	12	13	13
Idaho	4	4	7	8	9	6
Illinois	2	-1	-2	-1	0	0
Indiana	4	1	5	4	2	3
Iowa	11	11	14	15	15	13
Kansas	5	7	7	7	8	7
Kentucky	-7	-7	-6	-8	-7	-7
Louisiana	-18	-18	-21	-24	-20	-20
Maine	11	12	14	14	14	13
Maryland	1	2	2	1	1	1
Massachusetts	16	16	15	19	16	16
Michigan	0	-1	0	1	2	0
Minnesota	23	22	23	22	24	23
Mississippi	-18	-19	-19	-22	-22	-20
Missouri	-4	-3	-2	-3	-3	-3
Montana	-2	1	2	4	3	2
Nebraska	10	9	9	11	10	10
Nevada	-13	-12	-9	-6	-5	-9
New Hampshire	22	23	20	24	24	23
New Jersey	6	5	7	9	9	7
New Mexico	-9	-9	-8	-10	-8	-9
New York	-5	-4	-3	-3	-1	-3
North Carolina	-4	-4	-4	-5	-5	-4
North Dakota	10	10	11	14	13	12
Ohio	4	2	3	2	2	3
Oklahoma	-10	-11	-8	-13	-12	-11
Oregon	6	7	8	9	9	8
Pennsylvania	3	2	2	4	4	3
Rhode Island	8	7	10	12	12	10
South Carolina	-14	-15	-15	-16	-16	-15
South Dakota	4	6	6	10	12	7
Tennessee	-11	-10	-10	-12	-13	-11
Texas	-4	-5	-5	-6	-4	-5
Utah	15	17	19	18	20	18
Vermont	15	15	15	16	19	16
Virginia	10	9	10	9	7	9
<b>Washington</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>14</b>	<b>13</b>	<b>12</b>
West Virginia	-13	-14	-13	-9	-11	-12
Wisconsin	16	13	12	14	12	13
Wyoming	0	-2	-2	3	6	1
U.S. Average	0	0	0	0	0	0
<b>Washington's Rank</b>	<b>9</b>	<b>11</b>	<b>12</b>	<b>11</b>	<b>11</b>	<b>12</b>

\*Scores reflect the percentage above or below the national average.

Source: UnitedHealth Group, UnitedHealth Group State Health Rankings: 1990-2003, ([www.unitedhealthfoundation.org](http://www.unitedhealthfoundation.org))

# Parks and Recreation Areas

State parks provide areas that enrich the quality of life by providing recreational spaces where people exercise, enjoy the natural environment, and maintain their well being. In addition to the numerous social values generated by state parks, several economic benefits exist. Local economies prosper from the increased demand for gas, food and lodging, and state parks provide both full-time and seasonal employment opportunities. The Washington State Parks and Recreation Commission reports that state parks employ approximately 500 full time employees and 400 seasonal employees.

Washington lays claim to one of the largest and busiest state park systems in the United States. With 260 parks covering more than 260,000 acres, Washington ranks 12<sup>th</sup> among all 50 states in the number of areas as well as acreage managed, but is ranked 4<sup>th</sup> in terms of total number of visitors, with almost 45 million entering last year.

Though this was the lowest number of visitors since 1990, total visits across the U.S. fell, and Washington actually raised its ranking of number of visits per capita to 3<sup>rd</sup>, breaking its eight-year stretch of being ranked 4<sup>th</sup>. Since state park visits per capita began being recorded in 1987, Washington has always placed either 4<sup>th</sup> or 5<sup>th</sup>, this marking the first year that 3<sup>rd</sup> has been achieved. Washington also ranked 5<sup>th</sup> in the number of improved campsites it maintained, 3<sup>rd</sup> in its use of non-fee areas and 9<sup>th</sup> in the use of fee areas.

Chart 22  
State Parks and Recreation Areas

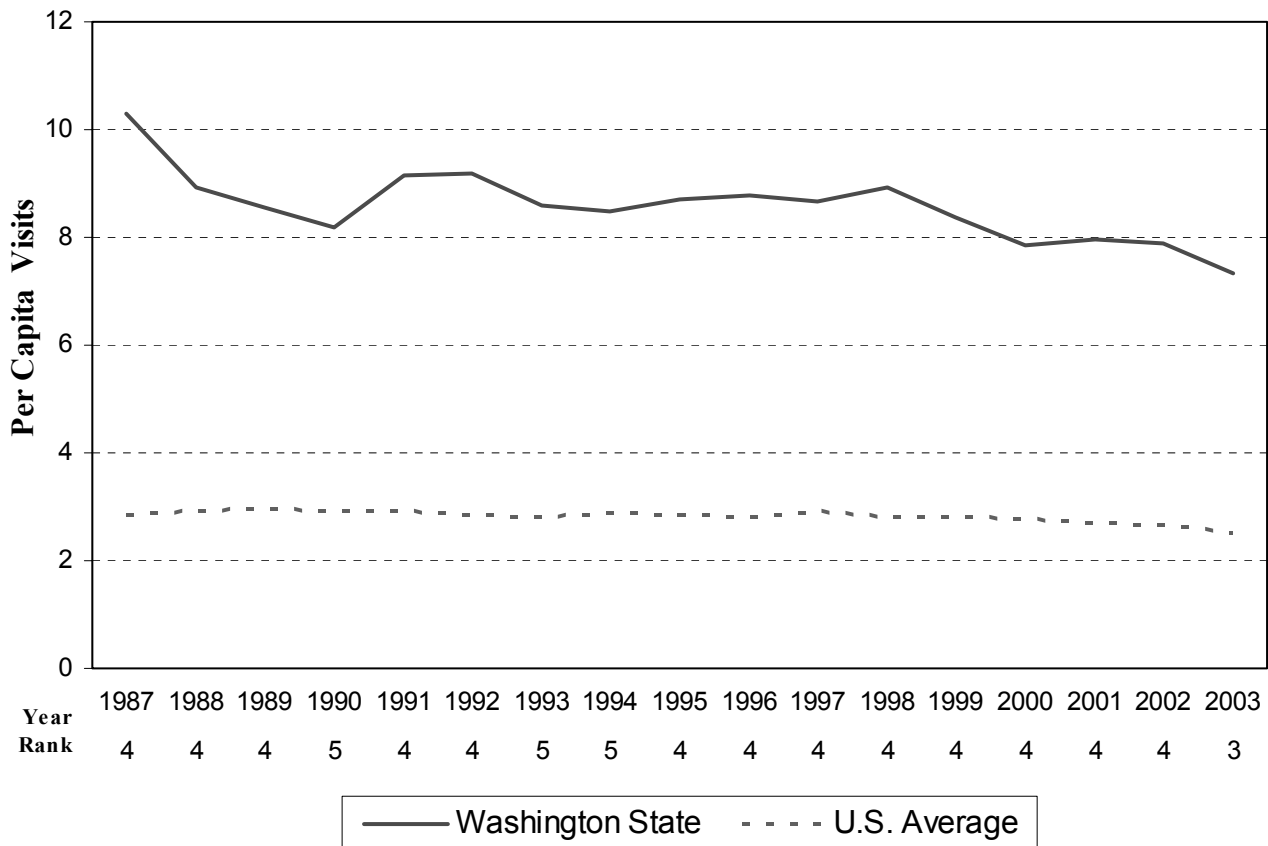




Table 22  
 Quality of Life  
**State Parks and Recreational Areas**  
 (Per Capita Park Visits)

	1999	2000	2001	2002	2003	1999-2003
Alabama	1.4	1.3	1.2	1.2	1.1	1.2
Alaska	6.2	6.2	5.8	5.7	6.6	6.1
Arizona	0.5	0.5	0.5	0.5	0.4	0.4
Arkansas	2.5	2.5	2.9	2.9	3.7	2.9
California	2.3	2.9	2.3	1.0	2.4	2.2
Colorado	2.3	2.4	2.4	2.3	2.5	2.4
Connecticut	2.4	2.2	2.2	2.2	2.0	2.2
Delaware	5.3	5.0	4.0	3.9	6.8	5.0
Florida	1.0	1.0	1.1	1.1	1.1	1.1
Georgia	2.0	2.0	1.8	1.8	1.4	1.8
Hawaii	12.7	15.0	15.2	15.0	3.6	12.3
Idaho	1.9	2.0	1.8	1.8	1.8	1.9
Illinois	3.5	3.6	3.5	3.5	2.9	3.4
Indiana	3.1	3.0	2.9	1.0	2.4	2.5
Iowa	5.1	5.2	5.2	5.2	4.9	5.1
Kansas	2.7	2.7	2.8	2.8	3.0	2.8
Kentucky	1.9	1.9	1.9	1.9	1.9	1.9
Louisiana	0.3	0.4	0.4	0.4	0.5	0.4
Maine	2.0	1.8	1.8	1.8	1.9	1.8
Maryland	2.1	1.9	1.8	3.6	1.9	2.3
Massachusetts	2.2	2.0	1.9	1.9	1.6	1.9
Michigan	2.8	2.8	2.6	2.5	2.2	2.6
Minnesota	1.8	1.7	1.7	1.7	1.5	1.7
Mississippi	1.5	1.5	1.5	1.5	1.1	1.4
Missouri	3.2	3.2	3.2	3.2	3.0	3.2
Montana	1.7	1.5	1.5	1.5	1.7	1.6
Nebraska	5.6	5.6	5.8	5.7	5.6	5.7
Nevada	1.5	1.7	1.6	1.6	1.5	1.6
New Hampshire	3.6	4.1	5.3	5.2	4.2	4.5
New Jersey	1.8	1.8	1.8	1.8	1.7	1.8
New Mexico	2.7	2.5	2.2	2.2	2.1	2.3
New York	3.4	3.1	2.9	1.0	3.0	2.7
North Carolina	1.7	1.5	1.5	1.4	1.6	1.5
North Dakota	1.7	1.7	1.7	1.7	1.8	1.7
Ohio	5.3	4.9	5.2	5.2	5.0	5.1
Oklahoma	4.6	4.7	4.4	4.3	4.1	4.4
Oregon	11.7	11.2	11.4	11.3	11.0	11.3
Pennsylvania	3.0	3.0	3.0	3.0	2.9	3.0
Rhode Island	6.4	5.9	6.0	1.0	6.1	5.1
South Carolina	2.5	2.3	2.2	2.1	1.8	2.2
South Dakota	9.3	9.3	10.0	9.9	11.9	10.1
Tennessee	5.8	5.3	5.0	1.0	4.6	4.3
Texas	1.1	0.9	0.8	0.8	0.8	0.9
Utah	3.3	3.0	2.8	2.7	2.5	2.8
Vermont	1.4	1.2	1.3	1.3	1.1	1.3
Virginia	0.8	0.8	0.8	0.8	0.8	0.8
<b>Washington</b>	<b>8.4</b>	<b>7.9</b>	<b>8.0</b>	<b>7.9</b>	<b>7.3</b>	<b>7.9</b>
West Virginia	4.6	4.4	4.5	4.5	4.6	4.5
Wisconsin	2.7	2.9	3.0	2.9	2.9	2.9
Wyoming	4.5	5.1	4.8	4.8	4.4	4.7
U.S. Average	2.8	2.8	2.7	2.7	2.5	2.7
<b>Washington's Rank</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>3</b>	<b>4</b>

Source: National Association of State Parks Directors. Washington State Parks and Recreation Commission. Annual Information Exchange 1981-2003.

# State Arts

State arts agencies play a major role in making the arts accessible to the public. By supporting special events such as concerts in the park, reduced fares for theaters, operas and orchestras, art festivals, public art programs and the integration of artwork into the renovation and construction of buildings, state arts agencies help to build an educated and cultured community.

Though it is difficult to quantify the exact effectiveness or results of state arts programs and all that goes to create it, this study uses the total revenue collected by state arts agencies to get a sense of how committed a state is to funding the arts. Total state art agency revenue for this study is calculated by using state legislative appropriations, other state funds, federal funds such as the National Endowment for the Arts (NEA), and other non-federal funds received. Though arts agencies are the primary source of funding (85% in Washington), some states also fund the arts through other agencies, such as arts education through the Department of Education, and this funding is not included.

After 2003's spending peak, Washington's funding is down 16 percent to \$0.77, slightly below its long-term average of \$0.80. Washington's decline was accompanied by the rest of the U.S., keeping its ranking at 36<sup>th</sup>.

Chart 23  
State Arts Funding

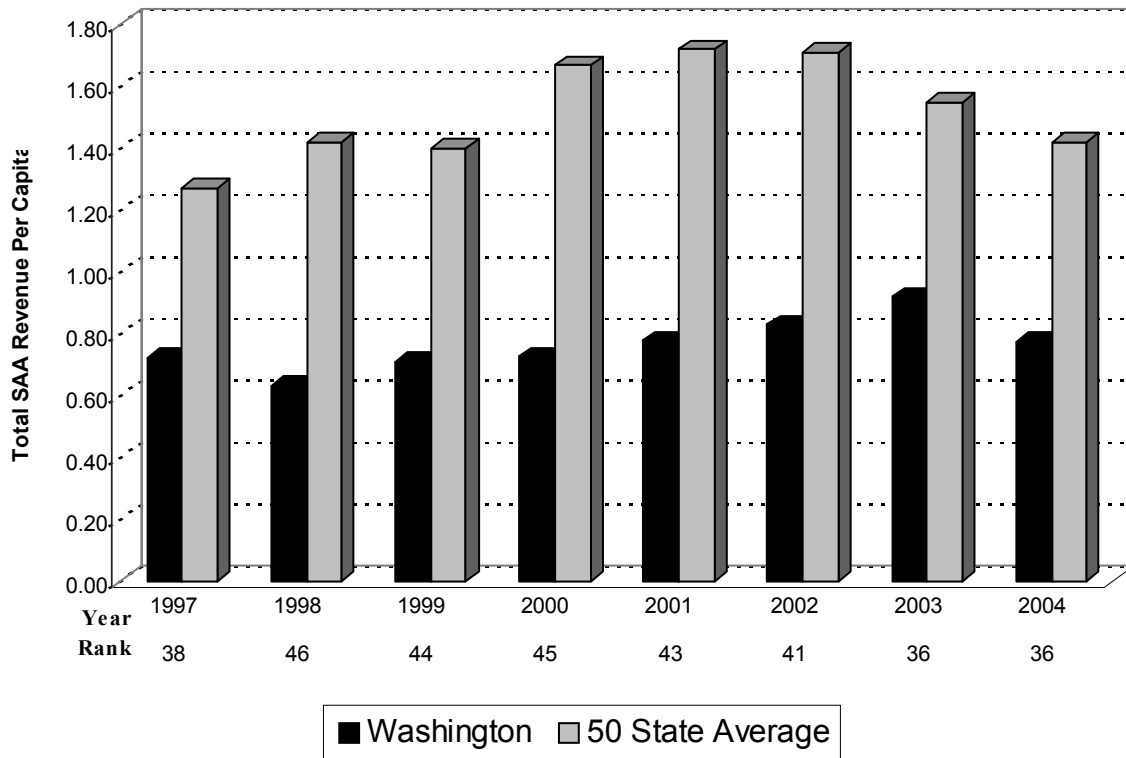


Table 23  
Quality of Life

**State Arts**

Total Per Capita State Arts Agency Revenue\*

(Fiscal Years)	2000	2001	2002	2003	2004	2000-2004
Alabama	1.23	1.51	1.41	1.22	1.16	1.31
Alaska	1.59	1.70	1.65	1.69	1.60	1.65
Arizona	0.94	0.97	0.93	0.89	0.77	0.90
Arkansas	0.95	0.81	0.92	0.75	0.75	0.84
California	1.57	2.03	1.28	0.62	0.09	1.12
Colorado	1.05	0.92	0.81	0.44	0.19	0.68
Connecticut	5.85	6.30	6.54	5.39	4.95	5.81
Delaware	2.80	2.82	2.84	2.83	2.78	2.81
Florida	1.90	2.35	2.04	1.84	0.43	1.71
Georgia	0.70	0.66	0.69	0.60	0.56	0.64
Hawaii	5.75	5.40	5.62	5.31	5.25	5.47
Idaho	1.14	1.13	1.19	1.10	1.07	1.13
Illinois	1.87	1.66	1.68	1.48	1.52	1.64
Indiana	0.73	0.72	0.69	0.65	0.68	0.69
Iowa	0.85	0.92	0.73	0.63	0.66	0.76
Kansas	0.82	0.78	0.80	0.76	0.75	0.78
Kentucky	1.16	1.15	1.12	1.14	1.07	1.13
Louisiana	1.28	1.23	1.30	1.25	1.25	1.26
Maine	1.40	1.02	1.05	1.07	1.10	1.13
Maryland	2.21	2.52	2.67	2.39	2.16	2.39
Massachusetts	3.05	3.03	3.19	1.34	1.35	2.39
Michigan	2.26	2.66	2.76	2.30	1.23	2.24
Minnesota	2.86	2.79	2.85	2.65	2.04	2.64
Mississippi	1.07	1.46	1.43	1.87	2.53	1.67
Missouri	2.22	2.23	1.67	0.74	0.70	1.51
Montana	1.83	1.94	2.04	1.88	1.75	1.89
Nebraska	1.63	1.37	1.30	1.08	1.35	1.35
Nevada	1.14	0.98	0.95	0.98	0.96	1.00
New Hampshire	1.07	0.86	0.97	0.98	1.05	0.99
New Jersey	2.46	2.72	2.77	2.63	2.02	2.52
New Mexico	1.71	1.30	1.34	1.25	1.30	1.38
New York	2.80	3.03	2.75	2.73	2.37	2.73
North Carolina	1.10	1.05	0.86	0.80	0.80	0.92
North Dakota	1.43	1.47	1.64	1.66	1.69	1.58
Ohio	1.55	1.49	1.39	1.23	1.20	1.37
Oklahoma	1.48	1.49	1.55	1.41	1.33	1.45
Oregon	0.60	0.69	0.56	0.47	0.38	0.54
Pennsylvania	1.05	1.20	1.19	1.18	1.19	1.16
Rhode Island	1.54	2.75	2.92	2.96	2.70	2.57
South Carolina	1.63	1.59	1.30	1.29	1.05	1.37
South Dakota	1.38	1.40	1.55	1.62	1.50	1.49
Tennessee	0.88	0.96	0.84	0.95	1.02	0.93
Texas	0.37	0.26	0.30	0.29	0.26	0.30
Utah	1.99	1.86	1.65	1.39	1.37	1.65
Vermont	2.60	2.72	2.56	2.29	2.24	2.48
Virginia	0.71	0.74	0.76	0.66	0.48	0.67
<b>Washington</b>	<b>0.73</b>	<b>0.78</b>	<b>0.83</b>	<b>0.92</b>	<b>0.77</b>	<b>0.80</b>
West Virginia	2.00	2.18	2.61	2.87	2.58	2.45
Wisconsin	0.68	0.57	0.58	0.56	0.51	0.58
Wyoming	2.05	2.00	2.18	2.37	2.69	2.26
U.S. Average	1.67	1.72	1.71	1.55	1.42	1.61
<b>Washington's Rank</b>	<b>45</b>	<b>43</b>	<b>41</b>	<b>36</b>	<b>36</b>	<b>41</b>

\*Though state arts agencies are the primary source for state funding, some states also fund the arts through other agencies, such as such as arts education funding through the Department of Education.

Source: National Assembly of State Arts Agencies, July 2004.

# Public Library Service

(Not Updated Due to Unavailability of Data)

Public libraries contribute to the quality of life by providing a multitude of educational and recreational functions and services. Public libraries serve people of all ages and backgrounds by providing spaces for community meetings and study halls, storing a wealth of information and entertainment in books, and providing computer and Internet access.

The benchmark, total circulation per capita, is used to gauge the quality, magnitude, and availability of public library resources and services. Circulation is the checking out of items (i.e., books, CDs, videos) to the public and is a reliable indicator because most transactions are electronically recorded. This data is collected from every state and the National Center for Educational Statistics (NCES) presents the cumulative form.

Washington has had excellent performance in this arena, with an average state ranking of 5th from the years 1997 to 2001. During that period, the state had an average per capita circulation of 9.7 compared to the national average of 6.5. Washington's 2001 state ranking was 6<sup>th</sup>, with per capita circulation of 9.6 compared to the national average of 6.5.

Chart 24  
Per Capita Circulation

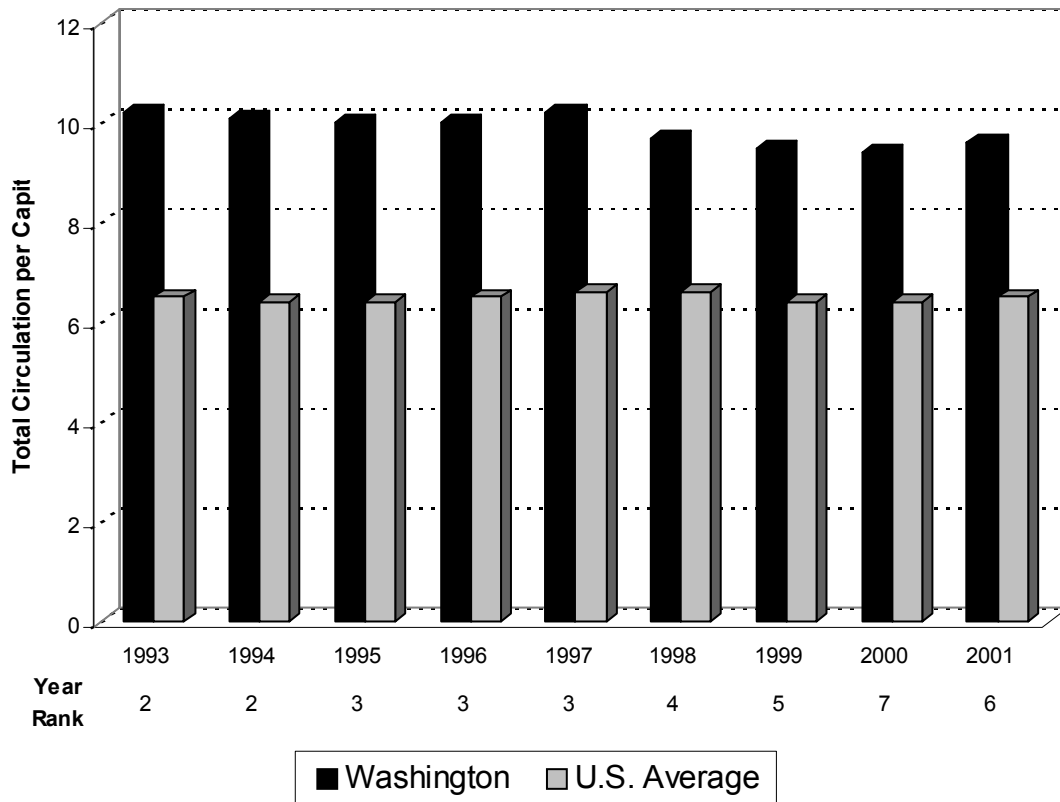


Table 24  
 Quality of Life  
**Public Library Service**  
 (Circulation per Capita)

	1997	1998	1999	2000	2001	1997-2001
Alabama	4.0	4.0	3.6	3.5	3.6	3.7
Alaska	6.1	6.1	6.2	5.8	5.8	6.0
Arizona	6.3	6.2	6.2	6.4	6.5	6.3
Arkansas	4.3	4.0	4.0	4.2	4.1	4.1
California	4.9	5.0	4.9	4.8	5.0	4.9
Colorado	8.8	9.2	9.5	9.5	10.4	9.5
Connecticut	8.6	8.5	8.4	8.5	8.4	8.5
Delaware	5.3	5.5	5.8	6.3	5.8	5.7
Florida	5.1	4.9	4.9	4.7	5.0	4.9
Georgia	4.6	4.5	4.6	4.4	4.6	4.5
Hawaii	6.4	6.5	6.2	5.8	5.6	6.1
Idaho	7.9	7.8	7.8	7.4	7.7	7.7
Illinois	7.9	7.9	7.8	7.7	7.4	7.7
Indiana	11.0	10.9	10.6	11.1	11.1	10.9
Iowa	9.0	9.0	8.5	8.6	8.7	8.8
Kansas	9.8	9.7	9.5	9.6	9.6	9.6
Kentucky	5.4	5.5	5.1	5.1	5.2	5.3
Louisiana	4.4	4.3	4.1	4.0	4.1	4.2
Maine	7.8	7.9	7.2	7.0	6.9	7.4
Maryland	9.2	8.9	8.9	8.9	9.0	9.0
Massachusetts	7.4	7.7	7.5	7.4	7.2	7.4
Michigan	5.5	5.5	5.4	5.5	5.2	5.4
Minnesota	9.5	9.1	8.7	8.9	8.9	9.0
Mississippi	3.3	3.3	3.1	3.1	3.2	3.2
Missouri	8.4	8.6	8.4	8.1	7.6	8.2
Montana	5.9	5.8	5.5	5.5	5.3	5.6
Nebraska	8.0	8.1	7.8	8.0	8.6	8.1
Nevada	5.1	5.0	4.5	4.8	5.1	4.9
New Hampshire	7.6	7.5	7.3	7.2	7.1	7.3
New Jersey	6.1	5.9	5.7	5.5	5.9	5.8
New Mexico	5.4	5.6	5.3	5.2	4.9	5.3
New York	7.4	7.4	7.3	7.3	7.2	7.3
North Carolina	5.8	5.7	5.6	5.6	5.4	5.6
North Dakota	7.2	7.3	7.3	7.2	7.1	7.2
Ohio	12.6	12.5	12.4	12.8	13.8	12.8
Oklahoma	6.0	5.9	5.9	5.9	5.4	5.8
Oregon	10.2	10.2	10.3	11.1	12.2	10.8
Pennsylvania	4.7	4.8	4.7	4.7	4.7	4.7
Rhode Island	6.6	6.6	6.5	6.2	6.3	6.4
South Carolina	4.5	4.5	4.5	4.5	4.5	4.5
South Dakota	9.3	8.9	8.6	7.4	8.0	8.4
Tennessee	4.0	4.0	4.0	3.8	3.9	3.9
Texas	4.4	4.3	4.2	4.3	4.2	4.3
Utah	9.0	9.7	9.8	10.0	11.0	9.9
Vermont	7.4	6.9	7.2	7.2	6.7	7.1
Virginia	7.6	7.6	7.5	7.8	7.9	7.7
<b>Washington</b>	<b>10.2</b>	<b>9.7</b>	<b>9.5</b>	<b>9.4</b>	<b>9.6</b>	<b>9.7</b>
West Virginia	5.3	5.1	4.7	4.6	4.4	4.8
Wisconsin	9.2	9.0	8.8	8.7	9.2	9.0
Wyoming	7.7	7.8	7.8	7.7	7.6	7.7
U.S. Average*	6.6	6.6	6.4	6.4	6.5	6.5
<b>Washington's Rank</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>7</b>	<b>6</b>	<b>5</b>

Source: U.S. Department of Education, National Center for Education Statistics, Public Libraries in the United States: FY 1996-2001.

\*U.S. Average includes Washinton D.C.

# Housing Opportunity Index

(Not updated due to unavailability of data)

The Housing Opportunity Index (HOI), created by the National Association of Home Builders, is a measure of the percentage of new and existing homes sold in an area that a family earning the median income in that area can afford to buy. The index for the first quarter of 2002 was based on an analysis of more than 580,000 completed home sales in 191 metropolitan area markets nationwide. The average HOI for this period was 64.8, up from 56.9 in the first quarter of 2001, indicating that 64.8 percent of the homes sold in these metropolitan areas would be affordable to someone earning the median income for all of the areas.

Seven Washington metropolitan areas are included in the index: Bellingham, Bremerton, Olympia, Spokane, Tacoma, the Tri-Cities, and the Seattle-Bellevue-Everett area. Of these areas, two, Olympia and Spokane, had HOIs above the national average with index values of 64.9 and 66.1, respectively. Spokane had the highest HOI among the included Washington areas while the Tri-Cities had the lowest with a HOI of 54.6. Spokane's HOI ranked 126<sup>th</sup> among the 191 metropolitan areas included in the index, while the Tri-Cities' ranked 155<sup>th</sup>.

Table 25

## Quality of Life

**Housing Opportunity Index**

(First Quarter 2002)

Metropolitan Area	Share of Homes Affordable for Median Income	Family Income (000s)	Median Sales Price (000s)	Affordability Rank
Akron, OH PMSA+	79.9	55.6	109	53
Albany-Schenectady-Troy, NY MSA+	68.5	55.5	132	112
Amarillo, TX MSA*	68.7	44.8	98	111
Anchorage, AK MSA+	75.6	60.5	153	84
Ann Arbor, MI PMSA+	60.2	76.0	190	143
Asheville, NC*	67.2	49.0	127	121
Atlanta, GA MSA#	81.8	71.2	146	34
Atlantic-Cape May, NJ PMSA+	62.4	51.8	138	137
Austin-San Marcos, TX MSA#	67.9	71.1	178	118
Bakersfield, CA MSA+	69.4	40.3	110	107
Baltimore, MD PMSA#	77.4	66.4	143	70
Barnstable-Yarmouth, MA MSA*	36.7	56.5	227	174
Baton Rouge, LA MSA+	81.6	49.2	111	35
Beaumont-Port Arthur, TX MSA+	80.6	46.8	83	44
<b>Bellingham, WA *</b>	<b>59.6</b>	<b>50.2</b>	<b>160</b>	<b>146</b>
Benton Harbor, MI MSA*	70.2	55.1	111	103
Bergen-Passaic, NJ PMSA#	61.5	78.9	227	140
Biloxi-Gulfport-Pascagoula, MS MSA+	71.6	44.4	109	97
Birmingham, AL MSA+	73.4	52.7	134	94
Boise City, ID+	77.7	54.5	131	66
Boston, MA-NH PMSA#	48.2	74.2	257	161
Boulder-Longmont, CO PMSA+	62.4	87.9	255	137
Brazoria, TX PMSA*	65.2	57.1	147	128
<b>Bremerton, WA PMSA*</b>	<b>62.5</b>	<b>51.5</b>	<b>154</b>	<b>136</b>
Buffalo-Niagara Falls, NY MSA#	80.1	50.8	86	50
Burlington, VT MSA*	64.6	57.4	157	130
Canton-Massillon, OH MSA+	83.0	51.9	103	28
Champaign-Urbana, IL MSA*	87.0	59.6	89	12
Charleston, WV+	83.2	45.9	92	26
Charleston-North Charleston, SC MSA+	68.5	49.2	138	112
Charlotte-Gastonia-Rock Hill, NC-SC MSA#	73.7	64.1	153	92
Chicago, IL PMSA#	73.7	75.4	176	92
Chico-Paradise, CA MSA*	40.9	39.2	153	167
Cincinnati, OH-KY-IN PMSA#	83.6	64.3	125	24
Cleveland-Lorain-Elyria, OH PMSA#	79.9	60.0	123	53

\*Denotes population below 250,000; + Denotes population of 250,000 to 1 million;

# Denotes population over 1 million.

"MSA" Metropolitan Statistical Area

"PMSA" Primary Metropolitan Statistical Area

Source: National Association of Home Builders (www.nahb.com), July 2002

Housing Opportunity Index (cont.)				
Metropolitan Area	Share of Homes Affordable for Median Income	Family Income (000s)	Median Sales Price (000s)	Affordability Rank
Colorado Springs, CO MSA+	60.1	56.8	174	144
Columbia, SC MSA+	81.5	56.4	120	37
Columbus, OH MSA#	78.2	63.4	140	63
Dallas, TX PMSA#	70.5	66.5	155	100
Danbury, CT PMSA*	60.6	98.1	270	142
Davenport-Moline-Rock Island, IA-IL MSA+	89.8	53.6	82	7
Dayton-Springfield, OH MSA+	90.0	60.2	101	6
Denver, CO PMSA#	59.6	69.9	208	146
Des Moines, IA+	84.5	66.9	120	21
Detroit, MI PMSA#	67.1	69.9	156	122
Duluth-Superior, MN-WI MSA*	81.1	50.8	109	41
El Paso, TX MSA+	68.8	36.3	86	109
Elkhart-Goshen, IN MSA*	94.9	59.3	111	1
Eugene-Springfield, OR+	38.9	43.8	135	169
Fargo-Moorhead, ND-MN*	94.5	55.9	88	3
Fayetteville, NC+	80.0	43.7	95	52
Flint, MI PMSA+	66.5	55.6	124	125
Fort Collins-Loveland, CO MSA*	57.2	60.8	187	153
Fort Lauderdale, FL PMSA#	70.3	60.2	140	102
Fort Myers-Cape Coral, FL MSA+	74.2	52.1	125	91
Fort Pierce-Port St. Lucie, FL MSA+	78.4	52.4	115	61
Fort Walton Beach, FL MSA*	83.8	50.4	116	23
Fort Worth-Arlington, TX PMSA#	79.7	61.3	127	56
Fresno, CA MSA+	52.1	40.3	134	156
Gainesville, FL MSA*	76.1	48.1	113	80
Galveston-Texas City, TX PMSA*	58.9	52.5	138	149
Goldsboro, NC MSA*	76.4	45.3	108	77
Grand Rapids-Muskegon-Holland, MI MSA#	80.6	61.3	123	44
Greeley, CO PMSA*	41.3	47.9	165	166
Greensboro-Winston-Salem-High Point, NC MSA#	83.2	56.1	125	26
Greenville, NC MSA*	71.6	49.1	110	97
Greenville-Spartanburg-Anderson, SC MSA+	81.5	53.2	116	37
Hagerstown, MD PMSA*	76.6	53.5	129	76
Hamilton-Middletown, OH PMSA+	83.9	62.6	133	22
Harrisburg-Lebanon-Carlisle, PA MSA+	80.4	55.4	116	47
Hartford, CT MSA#	75.8	66.6	146	83
Hattiesburg, MS MSA*	68.5	39.1	100	112
Honolulu, HI MSA+	59.7	62.6	195	145
Houma, LA MSA*	67.1	38.3	111	122
Houston, TX PMSA#	67.8	59.6	138	119

\*Denotes population below 250,000; + Denotes population of 250,000 to 1 million;

# Denotes population over 1 million.

"MSA" Metropolitan Statistical Area

"PMSA" Primary Metropolitan Statistical Area

Source: National Association of Home Builders ([www.nahb.com](http://www.nahb.com)), July 2002



Housing Opportunity Index (cont.)				<b>Median</b>	
		<b>Share of Homes</b>	<b>Family</b>	<b>Sales</b>	
		<b>Affordable for</b>	<b>Income</b>	<b>Price</b>	<b>Affordability</b>
<b>Metropolitan Area</b>		<b>Median Income</b>	<b>(000s)</b>	<b>(000s)</b>	<b>Rank</b>
Indianapolis, IN MSA#		88.6	64.1	125	11
Jackson, MS MSA+		81.3	53.1	110	40
Jacksonville, FL MSA#		77.8	55.6	128	64
Jersey City, NJ PMSA+		45.4	60.1	200	164
Kalamazoo-Battle Creek, MI MSA+		67.0	53.8	116	124
Kansas City, MO-KS MSA#		86.4	64.5	125	13
Knoxville, TN+		77.7	52.0	113	66
Kokomo, IN*		94.8	61.9	99	2
Lafayette, IN*		86.1	58.8	123	14
Lafayette, LA+		62.7	37.4	110	134
Lakeland-Winter Haven, FL MSA+		85.5	47.0	95	17
Lansing-East Lansing, MI MSA+		80.9	60.1	112	42
Las Vegas, NV-AZ MSA#		70.2	54.3	153	103
Lawrence, MA-NH PMSA+		38.1	67.4	260	171
Lexington, KY MSA+		80.6	56.3	123	44
Little Rock-North Little Rock, AR+		77.0	49.7	113	72
Los Angeles-Long Beach, CA PMSA#		34.4	55.1	240	176
Louisville, KY-IN MSA+		77.8	56.3	124	64
Lowell, MA-NH PMSA+		35.6	75.2	300	175
Mansfield, OH MSA*		83.5	49.2	90	25
Medford-Ashland, OR MSA*		29.1	41.9	149	179
Melbourne-Titusville-Palm Bay, FL MSA+		84.9	52.9	106	19
Memphis, TN-AR-MS MSA#		76.1	57.3	126	80
Merced, CA MSA*		33.0	39.4	163	178
Miami, FL PMSA#		58.1	48.2	138	151
Milwaukee-Waukesha, WI PMSA#		76.0	67.2	130	82
Minneapolis-St. Paul, MN-WI MSA#		76.7	76.7	180	74
Mobile, AL+		78.7	45.1	97	58
Modesto, CA+		33.6	46.5	182	177
Muncie, IN*		89.1	48.9	99	9
Naples, FL MSA*		68.8	69.8	178	109
Nashua, NH PMSA*		58.7	71.1	197	150
Nashville, TN MSA#		78.6	61.6	139	59
Nassau-Suffolk, NY PMSA#		74.8	83.0	190	90
New Bedford, MA PMSA*		39.9	47.5	180	168
New Haven-Meriden, CT PMSA+		75.5	65.3	143	86
New London-Norwich, CT-RI MSA+		70.0	58.6	150	105
New Orleans, LA MSA#		69.5	44.0	121	106
New York, NY PMSA#		49.9	62.8	217	159
Newark, NJ PMSA#		62.1	78.7	204	139

\*Denotes population below 250,000; + Denotes population of 250,000 to 1 million;

# Denotes population over 1 million.

“MSA” Metropolitan Statistical Area

“PMSA” Primary Metropolitan Statistical Area

Source: National Association of Home Builders (www.nahb.com), July 2002

Housing Opportunity Index (cont.)

Metropolitan Area	Share of Homes Affordable for Median Income	Family Income (000s)	Median Sales Price (000s)	Affordability Rank
Norfolk-Virginia Beach-Newport News, VA-NC MS	75.5	53.8	125	86
Oakland, CA PMSA#	23.9	74.5	350	182
Ocala, FL MSA*	82.8	41.6	86	29
Oklahoma City, OK MSA#	80.1	46.0	92	50
<b>Olympia, WA PMSA*</b>	<b>64.9</b>	<b>53.0</b>	<b>150</b>	<b>129</b>
Omaha, NE-IA MSA+	82.2	64.4	119	33
Orange County, CA PMSA#	37.7	75.6	315	172
Orlando, FL MSA#	75.5	54.7	134	86
Panama City, FL MSA*	80.2	46.3	109	49
Pensacola, FL MSA+	82.8	45.3	105	29
Peoria-Pekin, IL MSA+	90.8	57.8	85	5
Philadelphia, PA-NJ PMSA#	76.7	63.3	132	74
Phoenix-Mesa, AZ MSA#	75.4	57.9	146	89
Pittsburgh, PA MSA#	69.4	48.9	101	107
Pittsfield, MA MSA*	65.7	50.4	129	127
Portland-Vancouver, OR-WA PMSA#	46.6	57.2	167	163
Portsmouth-Rochester, NH-ME PMSA*	21.5	57.3	240	184
Providence-Fall River-Warwick, RI-MA, MSA#	76.8	54.1	128	73
Provo-Orem, UT MSA+	60.7	50.4	157	141
Pueblo, CO MSA*	64.1	39.4	108	131
Punta Gorda, FL MSA*	80.3	44.9	92	48
Raleigh-Durham-Chapel Hill, NC MSA#	75.6	71.3	162	84
Reading, PA MSA+	79.9	53.3	109	53
Redding, CA MSA*	50.2	39.0	134	158
Reno, NV MSA+	70.8	62.3	170	99
<b>Richland-Kennewick-Pasco, WA, MSA*</b>	<b>54.6</b>	<b>49.5</b>	<b>150</b>	<b>155</b>
Richmond-Petersburg, VA MSA+	79.3	65.9	149	57
Riverside-San Bernardino, CA PMSA#	49.6	50.3	177	160
Rochester, NY MSA#	78.6	54.9	97	59
Rockford, IL MSA+	84.9	59.8	111	19
Rocky Mount, NC MSA*	76.4	48.8	106	77
Sacramento, CA PMSA#	43.7	57.3	218	165
Saginaw-Bay City-Midland, MI MSA+	82.6	55.1	85	32
Salem, OR PMSA+	50.4	46.7	131	157
Salinas, CA MSA+	7.7	53.8	319	191
Salt Lake City-Ogden, UT MSA#	68.3	57.2	154	117
San Antonio, TX MSA#	68.5	46.2	112	112
San Diego, CA MSA#	21.6	60.1	290	183
San Francisco, CA PMSA#	9.2	86.1	525	189
San Jose, CA PMSA#	20.1	96.0	451	185

\*Denotes population below 250,000; + Denotes population of 250,000 to 1 million;

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“MSA” Metropolitan Statistical Area

“PMSA” Primary Metropolitan Statistical Area

Source: National Association of Home Builders (www.nahb.com), July 2002

Housing Opportunity Index (cont.)

Metropolitan Area	Share of Homes Affordable for Median Income	Family Income (000s)	Median Sales Price (000s)	Affordability Rank
San Luis Obispo-Atascadero-Paso Robles, CA MS	13.0	50.3	290	188
Santa Barbara-Santa Maria-Lompoc, CA MSA+	25.2	56.8	272	181
Santa Cruz-Watsonville, CA PMSA*	8.0	69.0	420	190
Santa Fe, NM, MSA*	59.6	63.1	202	146
Santa Rosa, CA PMSA+	15.3	63.4	329	187
Sarasota-Bradenton, FL MSA+	72.6	53.4	134	95
<b>Seattle-Bellevue-Everett, WA PMSA#</b>	<b>63.1</b>	<b>77.9</b>	<b>234</b>	<b>133</b>
South Bend, IN MSA+	80.8	55.7	105	43
<b>Spokane, WA, MSA+</b>	<b>66.1</b>	<b>46.6</b>	<b>125</b>	<b>126</b>
Springfield, IL MSA*	92.6	64.9	90	4
Springfield, MA MSA+	76.4	50.7	122	77
Springfield, MO, MSA+	88.7	49.2	88	10
St. Louis, MO-IL MSA#	77.6	61.4	126	68
Stockton-Lodi, CA MSA+	27.2	47.5	220	180
Syracuse, NY MSA+	82.8	50.3	78	29
<b>Tacoma, WA PMSA+</b>	<b>54.7</b>	<b>52.0</b>	<b>165</b>	<b>154</b>
Tallahassee, FL MSA+	85.1	57.2	122	18
Tampa-St. Petersburg-Clearwater, FL MSA#	77.4	50.5	117	70
Toledo, OH MSA+	81.6	56.7	108	35
Trenton, NJ PMSA+	68.4	74.1	161	116
Tucson, AZ MSA+	70.4	49.2	129	101
Tulsa, OK MSA+	77.5	46.9	104	69
Vallejo-Fairfield-Napa, CA PMSA+	17.9	57.2	271	186
Ventura, CA PMSA+	36.9	74.7	303	173
Vineland-Millville-Bridgeton, NJ PMSA*	85.6	50.2	92	16
Visalia-Tulare-Porterville, CA MSA+	63.6	37.4	110	132
Washington, DC-MD-VA-WV PMSA#	78.3	91.5	200	62
Waterbury, CT PMSA*	62.7	62.2	168	134
West Palm Beach-Boca Raton, FL MSA+	72.6	62.8	147	95
Williamsport, PA MSA*	81.4	41.9	83	39
Wilmington-Newark, DE-MD PMSA+	89.4	75.9	149	8
Worcester, MA-CT PMSA+	57.4	58.4	180	152
Yolo, CA PMSA*	38.9	57.0	221	169
Youngstown-Warren, OH MSA+	85.8	46.4	82	15
Yuba City, CA MSA*	47.2	39.3	140	162
Yuma, AZ MSA*	67.5	36.8	97	120
<b>National</b>	<b>64.8</b>	<b>54.4</b>	<b>160</b>	

\*Denotes population below 250,000; + Denotes population of 250,000 to 1 million;

# Denotes population over 1 million.

“MSA” Metropolitan Statistical Area

“PMSA” Primary Metropolitan Statistical Area

Source: National Association of Home Builders (www.nahb.com), July 2002

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# Education and Skills of the Workforce

# Fourth Grade Reading and Mathematics

The National Assessment of Education Progress (NAEP) program, sponsored by the U.S. Department of Education, is the only testing program that provides valid uniform educational achievement indicators allowing for state comparisons. The NAEP assesses students in grades 4, 8, and 12 in various academic subjects. These subjects include the arts, geography, reading, science, civics, mathematics, U.S. History, and writing. The Washington State Economic Climate Study tracks the average scale score of fourth grade reading and mathematics by state.

Prior to the 2002-03 school year, participation in the NAEP tests was voluntary, with single-subject tests held every two years, alternating subjects every two years. As such, states that either declined to participate or had an insufficient number of participating schools to create a valid average state score are excluded from the state rankings. Washington did not participate in the inaugural 1992 mathematics and reading tests, and had insufficient voluntary participation in the 2000 mathematics test. As of the 2002-03 school year, however, participation in the NAEP test is mandatory due to the provisions of the “No Child Left Behind Act”, which was passed by the Federal Government in 2001. Under the act, the NAEP tests in both reading and mathematics will be given to students in the 4<sup>th</sup> and 8<sup>th</sup> grades every two years, starting in the 2002-03 school year.

NAEP scores can be interpreted using the achievement level thresholds and their corresponding definitions outlined below. Reading achievement is measured with exercises that require students to read material for two different purposes, literary experience and knowledge retention. Last year Washington slipped from 7<sup>th</sup> to 19<sup>th</sup> after reading scores fell three points to 221. Washington’s average since the inception of the test is also 19<sup>th</sup>, with a point total of 219 slightly above the national average of 215.

In the mathematics exam, the skills and content covered include spatial sense, data analysis, statistics, probability, algebra and functions. Washington participated in the mathematics assessment in 1996\* and ranked 17<sup>th</sup> out of 43 participants with a score of 225 and last year improved to 11<sup>th</sup> by gaining 13 points. Washington’s average score for the years it participated is 232, ranking 13<sup>th</sup> among the states.

Chart 26  
Reading Level Proficiency: Grade 4

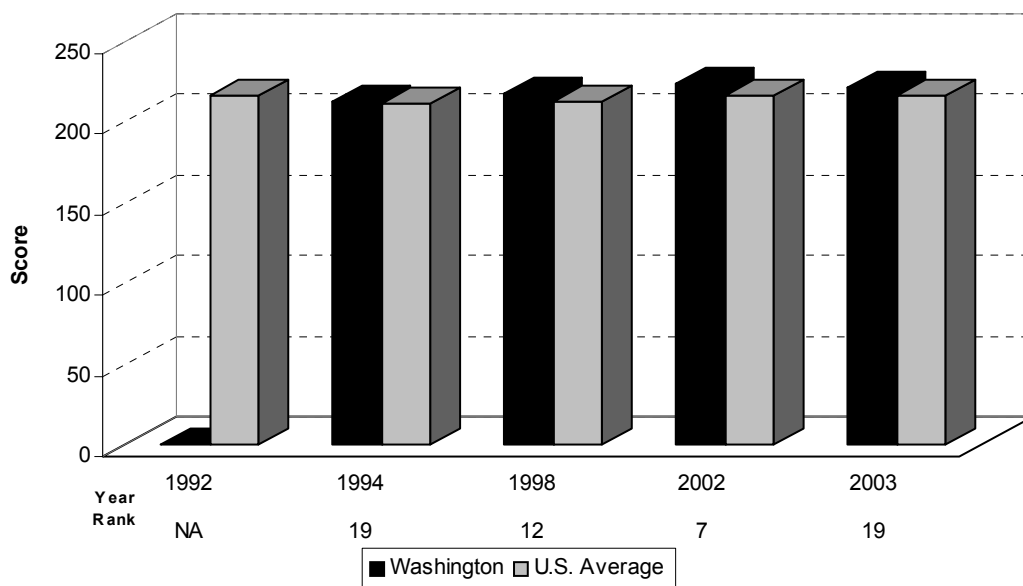


Table 26  
 Education and Skills of the Workforce  
**Grade 4 Public School Students:**  
 Average Reading Scale Scores

	1992	1994	1998	2002	2003	1992-2003
Alabama	207	208	211	207	207	208
Alaska	NA	NA	NA	NA	212	212
Arizona	209	206	206	205	209	207
Arkansas	211	209	209	213	214	211
California	202	197	202	206	206	203
Colorado	217	213	220	NA	224	219
Connecticut	222	222	230	229	228	226
Delaware	213	206	207	224	224	215
Florida	208	205	206	214	218	210
Georgia	212	207	209	215	214	211
Hawaii	203	201	200	208	208	204
Idaho	219	NA	NA	220	218	219
Illinois	NA	NA	NA	NA	216	216
Indiana	221	220	NA	222	220	221
Iowa	225	223	220	223	223	223
Kansas	NA	NA	221	222	220	221
Kentucky	213	212	218	219	219	216
Louisiana	204	197	200	207	205	203
Maine	227	228	225	225	224	226
Maryland	211	210	212	217	219	214
Massachusetts	226	223	223	234	228	227
Michigan	216	NA	216	219	219	218
Minnesota	221	218	219	225	223	221
Mississippi	199	202	203	203	205	202
Missouri	220	217	216	220	222	219
Montana	NA	222	225	224	223	224
Nebraska	221	220	NA	222	221	221
Nevada	NA	NA	206	209	207	207
New Hampshire	228	223	226	NA	228	226
New Jersey	223	219	NA	NA	225	222
New Mexico	211	205	205	208	203	206
New York	215	212	215	222	222	217
North Carolina	212	214	213	222	221	216
North Dakota	226	225	NA	224	222	224
Ohio	217	NA	NA	222	222	220
Oklahoma	220	NA	219	213	214	217
Oregon	NA	NA	212	220	218	217
Pennsylvania	221	215	NA	221	219	219
Rhode Island	217	220	218	220	216	218
South Carolina	210	203	209	214	215	210
South Dakota	NA	NA	NA	NA	222	222
Tennessee	212	213	212	214	212	213
Texas	213	212	214	217	215	214
Utah	220	217	216	222	219	219
Vermont	NA	NA	NA	227	226	227
Virginia	221	213	217	225	223	220
<b>Washington</b>	<b>NA</b>	<b>213</b>	<b>218</b>	<b>224</b>	<b>221</b>	<b>219</b>
West Virginia	216	213	216	219	219	217
Wisconsin	224	224	222	NA	221	223
Wyoming	223	221	218	221	222	221
U.S. Average	216	212	213	217	216	215
<b>Washington's Rank</b>	<b>NA</b>	<b>19</b>	<b>12</b>	<b>7</b>	<b>19</b>	<b>19</b>

NA: State did not participate in the NAEP assessment during this year.

Source: National Center for Education Statistics National Assessment of Educational Progress (NAEP) 1992, 1994, 1998, 2002 and 2003 Reading Assessments

### Grade 4 Mathematics Achievement Levels

**Basic**  
214

Fourth graders performing at the basic level should be able to estimate and use basic facts to perform simple computations with whole numbers; show some understanding of fractions and decimals; and solve some simple real-world problems in all NAEP content areas. Students at this level should be able to use—though not always accurately—four-function calculators, rulers, and geometric shapes. Their written responses are often minimal and presented without supporting information.

**Proficient**  
249

Fourth graders performing at the proficient level should be able to use whole numbers to estimate, compute, and determine whether results are reasonable. They should have a conceptual understanding of fractions and decimals; be able to solve real-world problems in all NAEP content areas; and use four-function calculators, rulers, and geometric shapes appropriately. Students performing at the proficient level should employ problem-solving strategies such as identifying and using appropriate information. Their written solutions should be organized and presented both with supporting information and explanations of how they were achieved.

**Advanced**  
282

Fourth graders performing at the advanced level should be able to solve complex and nonroutine real-world problems in all NAEP content areas. They should display mastery in the use of four-function calculators, rulers, and geometric shapes. They students are expected to draw logical conclusions and justify answers and solution processes by explaining why, as well as how, they were achieved. They should go beyond the obvious in their interpretations and be able to communicate their thoughts clearly and concisely.

### Grade 4 Reading Achievement Levels

**Basic**  
208

Fourth-grade students performing at the Basic level should demonstrate an understanding of the overall meaning of what they read. When reading text appropriate for fourth graders, they should be able to make relatively obvious connections between the text and their own experiences and extend the ideas in the text by making simple inferences.

**Proficient**  
238

Fourth-grade students performing at the Proficient level should be able to demonstrate an overall understanding of the text, providing inferential as well as literal information. When reading text appropriate to fourth grade, they should be able to extend the ideas in the text by making inferences, drawing conclusions, and making connections to their own experiences. The connection between the text and what the student infers should be clear.

**Advanced**  
268

Fourth-grade students performing at the Advanced level should be able to generalize about topics in the reading selection and demonstrate an awareness of how authors compose and use literary devices. When reading text appropriate to fourth grade, they should be able to judge text critically and, in general, give thorough answers that indicate careful thought.

Chart 27  
Mathematics Proficiency: Grade 4

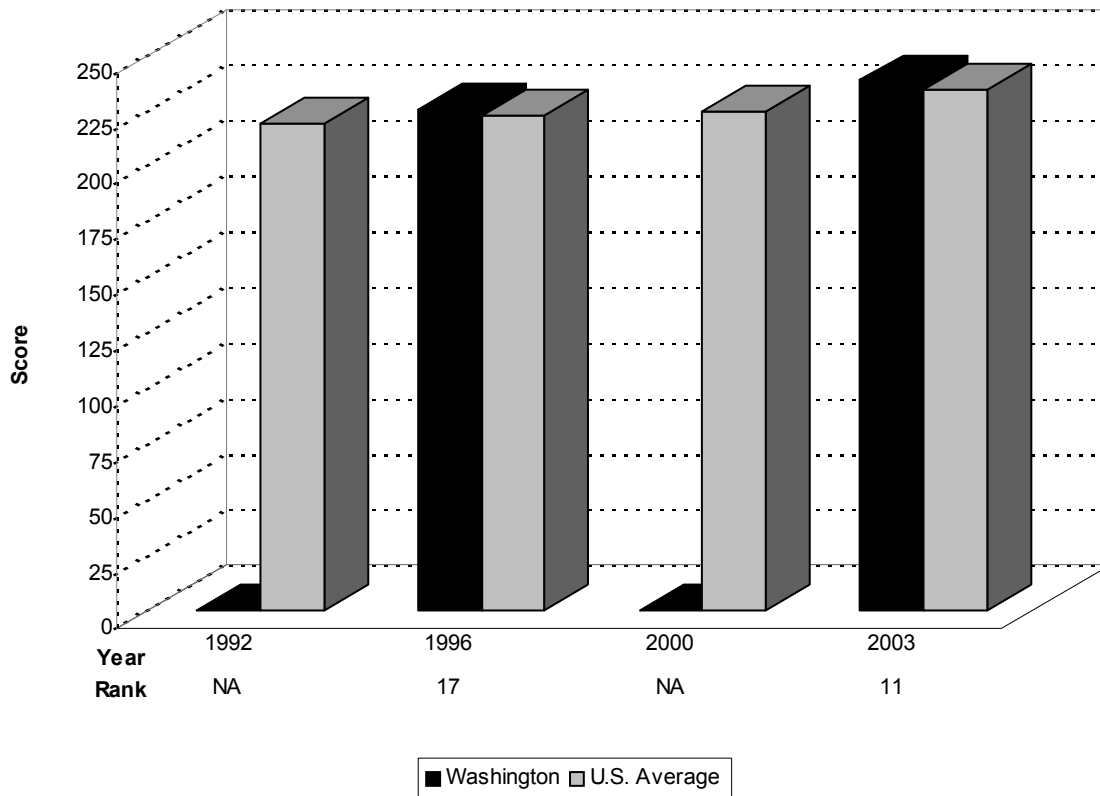




Table 27

## Education and Skills of the Workforce

**Grade 4 Public School Students:**  
Average Mathematics Scale Scores

	1992	1996	2000	2003	1992-2003
Alabama	208	212	217	223	215
Alaska	NA	224	NA	233	229
Arizona	215	218	219	229	220
Arkansas	210	216	216	229	218
California	208	209	213	227	214
Colorado	221	226	NA	235	227
Connecticut	227	232	234	241	234
Delaware	218	215	NA	236	223
Florida	214	216	NA	234	221
Georgia	216	215	219	230	220
Hawaii	214	215	216	227	218
Idaho	NA	NA	224	235	230
Illinois	NA	NA	223	233	228
Indiana	221	229	233	238	230
Iowa	230	229	231	238	232
Kansas	NA	NA	232	242	237
Kentucky	215	220	219	229	221
Louisiana	204	209	218	226	214
Maine	232	232	230	238	233
Maryland	217	221	222	233	223
Massachusetts	227	229	233	242	233
Michigan	220	226	229	236	228
Minnesota	228	232	234	242	234
Mississippi	202	208	211	223	211
Missouri	222	225	228	235	228
Montana	NA	228	228	236	231
Nebraska	225	228	225	236	229
Nevada	NA	218	220	228	222
New Hampshire	NA	NA	NA	243	243
New Jersey	227	227	NA	239	231
New Mexico	213	214	213	223	216
New York	218	223	225	236	226
North Carolina	213	224	230	242	227
North Dakota	229	231	230	238	232
Ohio	NA	NA	230	238	234
Oklahoma	NA	NA	224	229	227
Oregon	NA	223	224	236	228
Pennsylvania	224	226	NA	236	229
Rhode Island	215	220	224	230	222
South Carolina	212	213	220	236	220
South Dakota	NA	NA	NA	237	237
Tennessee	211	219	220	228	220
Texas	218	229	231	237	229
Utah	224	227	227	235	228
Vermont	NA	225	232	242	233
Virginia	221	223	230	239	228
<b>Washington</b>	<b>NA</b>	<b>225</b>	<b>NA</b>	<b>238</b>	<b>232</b>
West Virginia	215	223	223	231	223
Wisconsin	229	231	NA	237	232
Wyoming	225	223	229	241	230
U.S. Average	219	222	224	234	225
<b>Washington's Rank</b>	<b>NA</b>	<b>17</b>	<b>NA</b>	<b>11</b>	<b>13</b>

NA: State did not participate in the NAEP assessment during this year.

Source: National Center for Education Statistics. National Assessment of Education Progress (NAEP) 1992, 1996, 2000, 2003 Mathematics Assessments

# Tenth Grade WASL Scores

The Washington Assessment of Student Learning (WASL) is a statewide assessment designed to measure critical thinking skills and how well students can apply knowledge. Unlike traditional standardized tests, takers are required to answer a variety of types of questions-including multiple choice, short-answer and essay.

The test is designed to measure achievement in meeting the state's Essential Academic Learning Requirements in reading, writing and mathematics in grades 4,7 and 10 and science in grades 5, 8 and 10. The listening test was removed this year. The WASL is administered each spring. Beginning in 2008, high school students will be required to meet the standards it sets in order to graduate.

As the WASL is unique to Washington, test results cannot be compared to those in other states. The results are included here, however, as they provide an indication of Washington's progress in maximizing the number of students who are able to pass the WASL by the tenth grade.

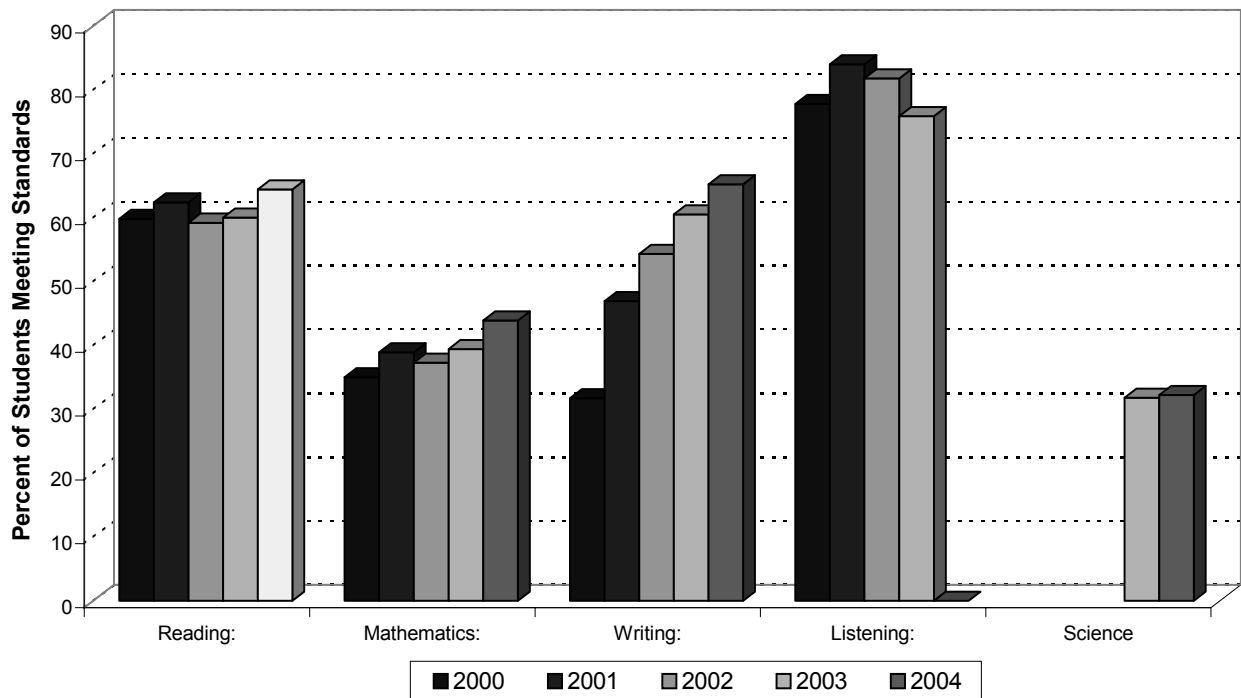
As can be seen in Table 28, 2004 tenth-grade WASL scores showed an improvement in all categories. Of the tenth-graders that took the test, 64.4 percent met the standard in reading, 39.4 percent met the standard in mathematics, 65.2 percent met the standard in writing and 32.2 percent met the standard in science. Participation also improved over last year, with the state meeting participation goals for every grade and student group (defined by ethnicity and income).

Table 28  
 Education and Skills of the Workforce  
**Tenth Grade WASL Test Scores**

	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>
Reading:	51.4	59.8	62.4	59.2	60.0	64.4
Mathematics:	33.0	35.0	38.9	37.3	39.4	43.9
Writing:	41.1	31.7	46.9	54.3	60.5	65.2
Listening:	72.7	77.8	84.0	81.8	75.9	0.0
Science					31.8	32.2

Source: Office of Superintendent of Public Instruction, September 2004 (<http://www.k12.wa.us>)

Chart 28  
 Tenth Grade WASL Scores



# Student to Teacher Ratios

Over the last decade, there has been a nationwide movement to lower the student to teacher ratios in public schools. The success of this movement to date is evident in the steady decline of the national ratio from 17.4 students per teacher in the 1992-93 school year to 15.9 in 2001-02.

To keep pace, Washington has also taken steps to lower its ratio. Passed in November of 2000, Initiatives 728 and 732 sought to reduce class sizes and give teachers an annual cost of living pay increase. Funded by lottery and property tax revenues, over \$400 million dollars flowed into the school system for the purpose of hiring new teachers and expanding school facilities. As a result, class sizes have dropped and Washington's ranking has improved to 46<sup>th</sup>.

Due to state budget difficulties, the governor and legislature suspended the cost of living increases for teachers during the 2003 fiscal year and delayed the increase in property tax revenue diversion to the Student Achievement Account called for by I-728. Though spending did not increase as much as called for by the initiative, the money that the initiative continues to provide to education should help Washington further its improvement in this measure.

Chart 29  
Student Teacher Ratio

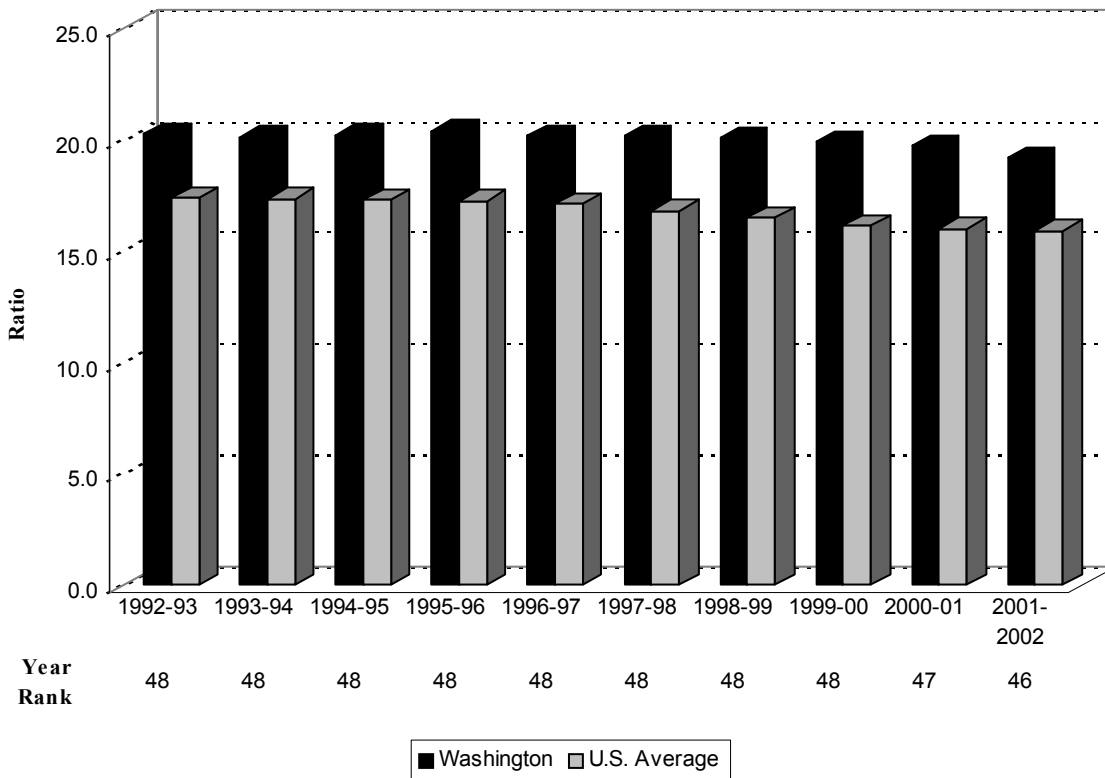


Table 29  
 Education and Skills of the Workforce  
**Pupil to Teacher Ratios in Elementary  
 and Secondary Public Schools**

<b>School Year</b>	<b>1997-98</b>	<b>1998-99</b>	<b>1999-00</b>	<b>2000-01</b>	<b>2001-02</b>	<b>1997-2002</b>
Alabama	16.3	15.7	15.2	15.4	15.8	15.7
Alaska	17.3	16.7	17.1	16.9	16.7	16.9
Arizona	19.8	20.0	19.4	19.8	20.0	19.8
Arkansas	16.9	16.2	14.4	14.1	13.6	15.0
California	21.6	21.0	21.0	20.6	20.5	21.0
Colorado	18.2	17.7	17.4	17.3	16.8	17.5
Connecticut	14.2	14.0	13.9	13.7	13.7	13.9
Delaware	16.3	16.0	15.4	15.3	15.3	15.7
Florida	18.4	18.4	18.3	18.4	18.6	18.4
Georgia	16.2	15.8	15.7	15.9	15.9	15.9
Hawaii	17.8	17.7	17.1	16.9	16.8	17.3
Idaho	18.5	18.2	18.0	17.9	17.8	18.1
Illinois	16.8	16.5	16.2	16.1	16.0	16.3
Indiana	17.2	17.0	16.8	16.7	16.7	16.9
Iowa	15.3	15.2	14.9	14.3	13.9	14.7
Kansas	14.9	14.8	14.3	14.4	14.2	14.5
Kentucky	16.5	16.1	15.4	16.8	16.2	16.2
Louisiana	16.6	16.6	16.6	16.6	14.6	16.2
Maine	13.5	13.2	12.8	12.5	12.3	12.9
Maryland	17.2	16.9	16.6	16.3	16.0	16.6
Massachusetts	14.1	13.8	12.5	14.5	14.1	13.8
Michigan	18.8	18.5	18.0	18.0	17.5	18.1
Minnesota	16.4	16.9	15.2	16.0	16.0	16.1
Mississippi	17.1	16.1	16.3	16.1	15.8	16.3
Missouri	15.0	14.7	14.3	14.1	13.9	14.4
Montana	15.9	15.7	15.2	14.9	14.6	15.2
Nebraska	14.5	14.3	13.9	13.6	13.5	14.0
Nevada	18.5	18.9	18.7	18.6	18.5	18.7
New Hampshire	15.6	15.4	14.7	14.5	14.1	14.9
New Jersey	13.9	13.8	13.4	13.1	12.9	13.4
New Mexico	16.9	16.5	16.4	15.2	14.7	15.9
New York	15.0	14.6	14.3	13.9	13.7	14.3
North Carolina	15.9	15.8	15.6	15.5	15.4	15.6
North Dakota	14.7	14.4	13.8	13.4	13.2	13.9
Ohio	16.7	16.2	15.8	15.5	15.0	15.8
Oklahoma	15.5	15.4	15.1	15.1	14.9	15.2
Oregon	20.1	20.0	19.6	19.4	19.4	19.7
Pennsylvania	16.8	16.4	15.9	15.5	15.4	16.0
Rhode Island	14.5	13.9	14.2	14.8	14.2	14.3
South Carolina	15.6	15.2	14.7	14.9	14.8	15.0
South Dakota	15.3	14.3	14.0	13.7	13.6	14.2
Tennessee	16.5	15.3	15.1	14.9	15.9	15.5
Texas	15.3	15.2	14.9	14.8	14.7	15.0
Utah	22.9	22.4	22.0	21.9	21.8	22.2
Vermont	13.4	12.8	12.3	12.1	11.8	12.5
Virginia	14.7	14.2	14.0	12.5	13.0	13.7
<b>Washington</b>	<b>20.2</b>	<b>20.1</b>	<b>19.9</b>	<b>19.7</b>	<b>19.2</b>	<b>19.8</b>
West Virginia	14.4	14.2	13.8	13.7	14.0	14.0
Wisconsin	15.4	14.4	14.4	14.1	14.4	14.5
Wyoming	14.5	14.2	13.3	13.3	12.5	13.6
U.S. Average	16.8	16.5	16.1	16.0	15.9	16.3
<b>Washington's Rank</b>	<b>48</b>	<b>48</b>	<b>48</b>	<b>47</b>	<b>46</b>	<b>48</b>

Source: U.S. Department of Education, National Center for Education Statistics. Digest of Educational Statistics, 2003, NCES 2001-D. Synder and Charlene M. Hoffman, Washington, DC:2003. ([www.nces.gov](http://www.nces.gov))

# Education Attainment: Completed Four Years of High School or More

The educational attainment level of a population has significant importance on both the individual and societal levels. Individuals who achieve higher levels of education enjoy higher levels of productivity, higher pay, greater job satisfaction and increased leisure time. For a population, education helps with socialization, communication, as well as increased production and tax benefits.

The 2003 Current Population Survey of the U.S. Bureau of the Census found that the average annual wage for a person who did not graduate from high school in the year 2002 was only \$22,463 while that of a person with a high school diploma was \$29,195.

According to the Bureau of Labor Statistics, last year, the unemployment rate for someone in the workforce who had not graduated from high school was 3 percent higher than someone who had obtained a diploma. In 2003, Washington's high school attainment level fell by 1.3 percent, knocking it down to 10<sup>th</sup> in the nation. By the five year average however, Washington still maintains a 90.5 percent attainment rate, ranked 4<sup>th</sup> in the U.S.

Chart 30  
Percent Complete Four Years of High School or More

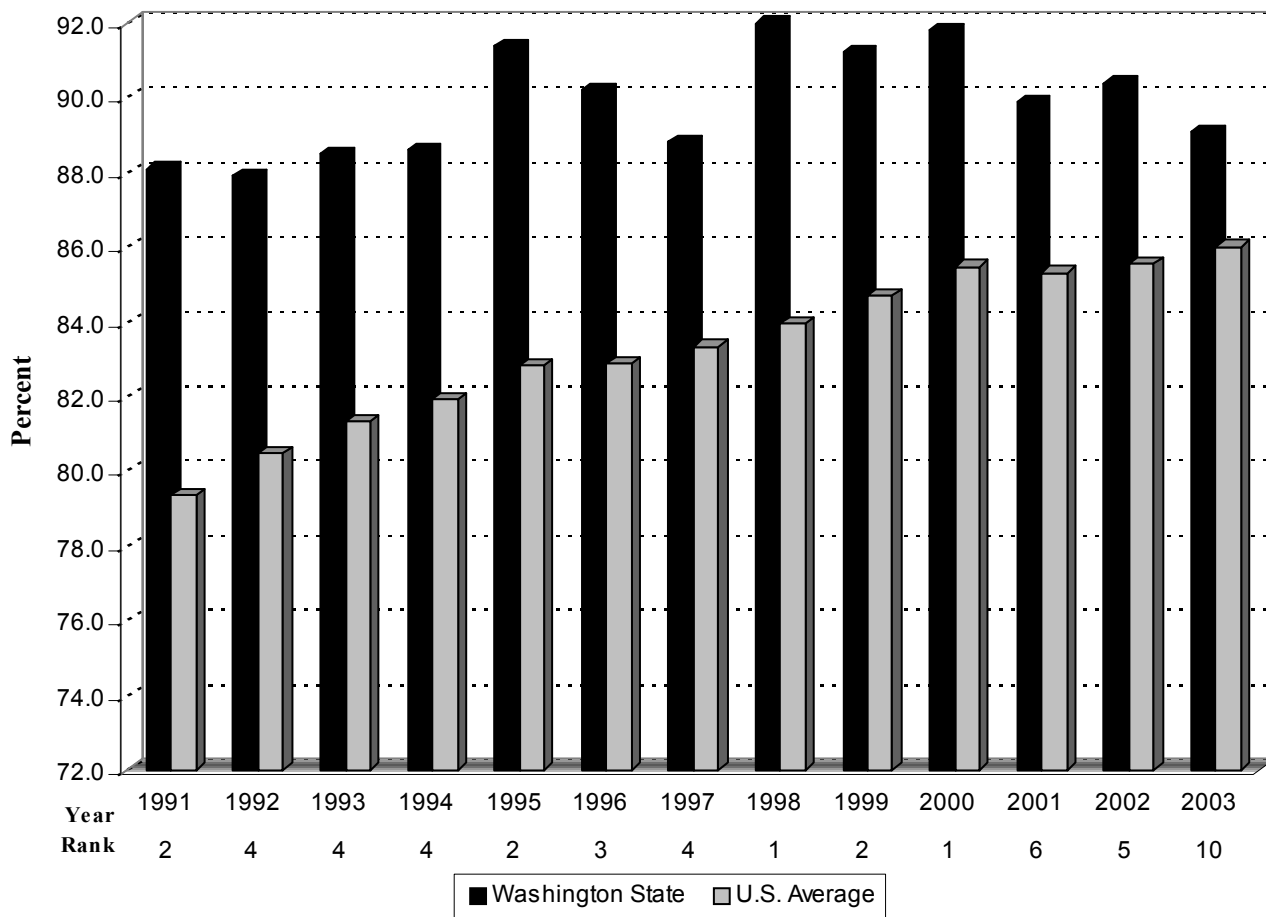


Table 30  
Education and Skills of the Workforce

**Educational Attainment:  
Completed Four Years of High School or More  
(Percent)\***

	1999	2000	2001	2002	2003	1999-2003
Alabama	81.1	77.5	80.2	78.9	79.9	79.5
Alaska	92.8	90.4	91.1	92.2	90.6	91.4
Arizona	83.1	85.1	83.8	84.6	83.8	84.1
Arkansas	78.9	81.7	80.5	81.0	80.9	80.6
California	80.4	81.2	81.0	80.2	81.1	80.8
Colorado	90.4	89.7	88.6	87.6	88.7	89.0
Connecticut	83.7	88.2	87.5	88.0	87.5	87.0
Delaware	84.5	86.1	84.7	88.5	88.7	86.5
Florida	82.8	84.0	84.1	83.3	84.7	83.8
Georgia	80.7	82.6	82.5	82.9	85.1	82.8
Hawaii	88.0	87.4	89.1	87.9	88.5	88.2
Idaho	84.8	86.2	87.3	86.8	88.2	86.7
Illinois	85.4	85.5	86.2	85.9	85.9	85.8
Indiana	82.9	84.6	84.4	85.3	86.4	84.7
Iowa	89.8	89.7	87.8	88.3	89.7	89.1
Kansas	87.6	88.1	87.8	87.5	88.6	87.9
Kentucky	78.2	78.7	79.0	80.8	82.8	79.9
Louisiana	78.3	80.8	81.0	78.8	79.8	79.7
Maine	88.9	89.3	85.4	87.4	86.6	87.5
Maryland	84.7	85.7	88.1	87.5	87.6	86.7
Massachusetts	85.1	85.1	85.7	86.5	87.1	85.9
Michigan	85.5	86.2	86.3	86.5	87.6	86.4
Minnesota	91.1	90.8	92.6	92.2	91.6	91.7
Mississippi	78.0	80.3	81.7	79.1	81.2	80.1
Missouri	85.0	86.6	88.2	88.1	88.3	87.2
Montana	88.8	89.6	90.2	89.7	90.1	89.7
Nebraska	89.3	90.4	89.7	89.8	90.8	90.0
Nevada	86.4	82.8	84.9	85.8	85.6	85.1
New Hampshire	86.5	88.1	89.3	90.2	92.1	89.2
New Jersey	87.4	87.3	86.6	85.9	86.2	86.7
New Mexico	80.9	82.2	81.2	81.6	81.7	81.5
New York	81.9	82.5	83.2	83.7	84.2	83.1
North Carolina	79.8	79.2	80.0	80.1	81.4	80.1
North Dakota	84.9	85.5	87.0	89.0	89.7	87.2
Ohio	86.1	87.0	88.2	87.3	87.2	87.2
Oklahoma	83.5	86.1	85.8	85.1	85.7	85.2
Oregon	86.2	88.1	86.6	87.7	86.9	87.1
Pennsylvania	86.1	85.7	85.9	86.1	86.0	86.0
Rhode Island	80.9	81.3	78.7	80.1	81.0	80.4
South Carolina	78.6	83.0	81.9	80.2	80.8	80.9
South Dakota	88.7	91.8	87.7	89.2	88.7	89.2
Tennessee	79.1	79.9	78.1	80.1	81.0	79.6
Texas	78.2	79.2	78.4	78.1	77.2	78.2
Utah	91.0	90.7	90.0	91.0	89.4	90.4
Vermont	89.3	90.0	86.8	87.4	88.9	88.5
Virginia	87.3	86.6	84.6	86.7	87.8	86.6
<b>Washington</b>	<b>91.2</b>	<b>91.8</b>	<b>89.9</b>	<b>90.4</b>	<b>89.1</b>	<b>90.5</b>
West Virginia	75.1	77.1	79.5	78.5	78.7	77.8
Wisconsin	86.7	86.7	87.0	86.8	88.6	87.2
Wyoming	90.7	90.0	90.2	91.6	90.9	90.7
50 State Average	84.7	85.5	85.3	85.6	86.0	85.4
<b>Washington's Rank</b>	<b>2</b>	<b>1</b>	<b>6</b>	<b>5</b>	<b>10</b>	<b>4</b>

\*Percent of persons 25 years or older who have completed 4 years of high school or more.  
Source: U.S. Department of Commerce, Bureau of the Census, Educational Attainment in the United States: March 1998-2003. ([www.census.gov](http://www.census.gov))

# Education Attainment: Completed Bachelors Degree or More

The 2003 Current Population Survey of the U.S. Bureau of the Census found that while the average annual wage for a person with a high school diploma in the year 2002 was \$29,185, that of a person who held a Bachelor's Degree was \$53,103. In addition, the Bureau of Labor Statistics reported that in 2003, the unemployment rate for someone in the workforce with at least a bachelors degree was 2.4 percent below that of someone with a high school diploma and a third that of someone without one.

In 2003, the percentage of Washington residents of age 25 or older who had achieved a bachelor's degree or more increased from 28.3 percent to 28.8 percent, higher than the U.S. average in both level and rate of growth. This increase resulted in an improvement in rank from 14th to 13th, the same rank as the state's 1999-2003 average.

Chart 31  
Percent of Population Completed Bachelor's Degree or More

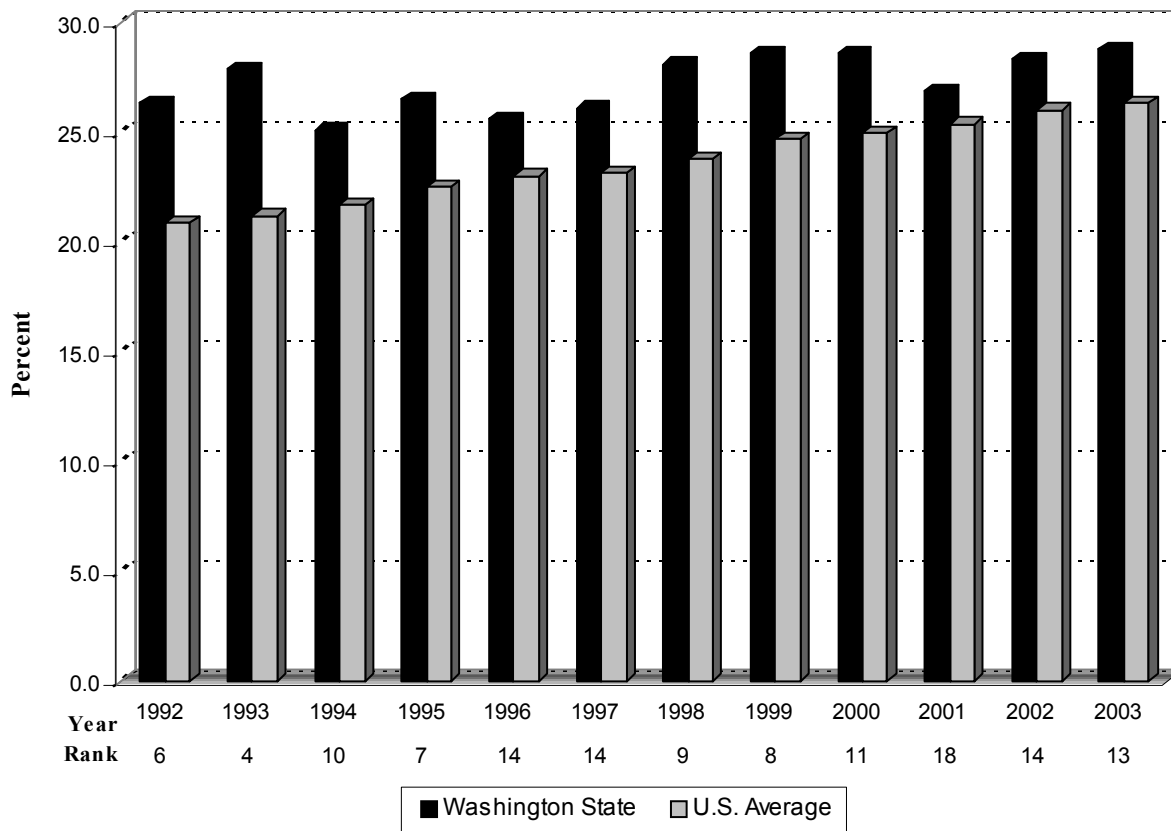




Table 31  
 Education and Skills of the Workforce  
**Educational Attainment: Completed Bachelor's Degree or More**  
 (Percent)\*

	1999	2000	2001	2002	2003	1999-2003
Alabama	21.8	20.4	20.2	22.7	22.7	21.6
Alaska	25.5	28.1	25.7	25.6	24.0	25.8
Arizona	24.2	24.6	24.4	26.3	26.0	25.1
Arkansas	17.3	18.4	18.6	18.3	17.4	18.0
California	27.1	27.5	29.1	27.9	29.8	28.3
Colorado	38.7	34.6	35.2	35.7	36.0	36.0
Connecticut	33.5	31.6	32.4	32.6	33.5	32.7
Delaware	24.0	24.0	28.6	29.5	28.1	26.8
Florida	21.6	22.8	24.6	25.7	25.8	24.1
Georgia	21.5	23.1	24.2	25.0	25.0	23.8
Hawaii	26.2	26.3	27.9	26.8	27.0	26.8
Idaho	20.8	20.0	21.2	20.9	22.5	21.1
Illinois	25.6	27.1	26.7	27.3	28.1	27.0
Indiana	18.4	17.1	21.2	23.7	22.2	20.5
Iowa	21.7	25.5	23.9	23.1	24.6	23.8
Kansas	26.5	27.3	27.9	29.1	31.0	28.4
Kentucky	19.8	20.5	20.4	21.6	21.3	20.7
Louisiana	20.7	22.5	19.7	22.1	22.3	21.5
Maine	22.9	24.1	22.2	23.8	23.7	23.3
Maryland	34.7	32.3	35.7	37.6	37.2	35.5
Massachusetts	31.0	32.7	32.5	34.3	37.6	33.6
Michigan	21.3	23.0	24.0	22.5	23.3	22.8
Minnesota	32.0	31.2	31.4	30.5	32.7	31.6
Mississippi	19.2	18.7	23.3	20.9	19.3	20.3
Missouri	23.0	26.2	25.3	26.7	26.6	25.6
Montana	23.9	23.8	22.8	23.6	24.9	23.8
Nebraska	20.4	24.6	25.7	27.1	26.8	24.9
Nevada	20.2	19.3	20.8	22.1	21.2	20.7
New Hampshire	27.2	30.1	31.6	30.1	34.0	30.6
New Jersey	30.5	30.1	30.7	31.4	33.4	31.2
New Mexico	24.5	23.6	22.0	25.4	23.7	23.8
New York	26.9	28.7	28.9	28.8	29.6	28.6
North Carolina	23.9	23.2	23.1	22.4	23.8	23.3
North Dakota	22.3	22.6	24.4	25.3	25.2	24.0
Ohio	25.5	24.6	24.1	24.5	25.0	24.7
Oklahoma	23.6	22.5	21.1	20.4	24.3	22.4
Oregon	26.8	27.2	27.2	27.1	26.4	26.9
Pennsylvania	23.9	24.3	25.8	26.1	24.8	25.0
Rhode Island	26.9	26.4	27.4	30.1	27.6	27.7
South Carolina	20.9	19.0	23.4	23.3	22.3	21.8
South Dakota	25.6	25.7	23.6	23.6	23.9	24.5
Tennessee	17.7	22.0	21.0	21.5	23.5	21.1
Texas	24.4	23.9	23.8	26.2	24.7	24.6
Utah	27.9	26.4	27.9	26.8	28.4	27.5
Vermont	28.3	28.8	29.0	30.8	31.3	29.6
Virginia	31.6	31.9	30.6	34.6	34.2	32.6
<b>Washington</b>	<b>28.6</b>	<b>28.6</b>	<b>26.9</b>	<b>28.3</b>	<b>28.8</b>	<b>28.2</b>
West Virginia	18.0	15.3	15.8	15.9	15.3	16.1
Wisconsin	23.6	23.8	24.9	24.7	24.1	24.2
Wyoming	22.3	20.6	19.2	19.6	20.7	20.5
U.S. Average	24.7	24.9	25.4	26.0	26.3	25.5
<b>Washington's Rank</b>	<b>8</b>	<b>11</b>	<b>18</b>	<b>14</b>	<b>13</b>	<b>13</b>

Source: U.S. Department of Commerce, Bureau of the Census. Educational Attainment in the United States: March 1998-2003. (www.census.gov)

\* Percent of persons 25 years old and over who have obtained a Bachelor's degree or higher.

# Public Two and Four Year College Combined Participation Rate

(Not updated due to unavailability of data)

Washington, more than most states, relies heavily on the community college system to provide the first two years of a college education. As a result of this, Washington and states with a similar policy have higher than average two-year participation rates and lower than average four-year participation rates. Since two- and four-year participation rates presented separately give a skewed view of Washington's overall participation rate, this report combines the two statistics to produce a participation rate inclusive of two and four-year participants. With this adjustment, states that are more reliant on the community college system can be better compared to other states. Due to the lag of data available on this subject, the most recent study for participation rates is from 1998.

In 1998, Washington had a public two and four year college participation rate of 6.2 percent, which was a decline from 1997 when Washington's rate was at 6.6. Washington's rank also declined in this period from 10<sup>th</sup> in the country, to 15<sup>th</sup>. Even with this decline, Washington's rate remained above the U.S. average of 5.7. Washington's rate of 6.5 percent for the years 1994 through 1998 was also above the national average of 5.8 percent, ranking Washington 12<sup>th</sup> among the states for that period. It is important to note that the data from 1993 to present included students enrolled in five technical colleges. This accounts for the increase from 6.1 to 6.7 percent and improvement in rank from 23<sup>rd</sup> to 14<sup>th</sup> from 1992 to 1993.

Chart 32  
Total Public Two and Four Year Combined Participation Rate

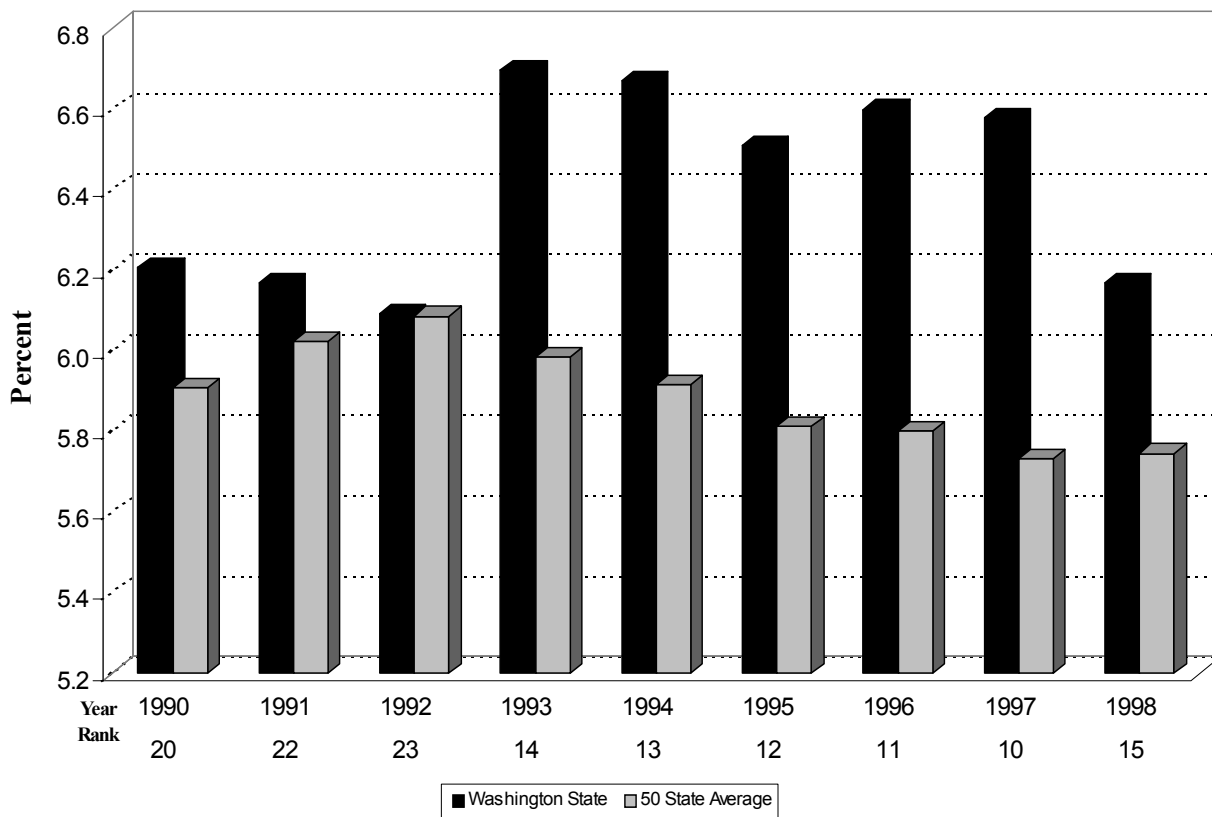


Table 32  
 Education and Skills of the Workforce  
**Total Public Two and Four Year College Combined Participation Rate**  
 (Participation Rate)\*

	1994	1995	1996	1997	1998	1994-1998
Alabama	7.5	6.3	6.0	5.9	5.7	6.3
Alaska	6.5	6.7	6.5	6.2	6.2	6.4
Arizona	8.4	8.3	7.9	7.7	7.8	8.0
Arkansas	4.6	4.7	5.2	5.3	5.5	5.1
California	6.8	6.7	7.0	7.0	7.0	6.9
Colorado	7.7	7.5	7.5	7.5	7.5	7.5
Connecticut	4.1	4.0	3.9	3.8	3.8	3.9
Delaware	6.7	6.6	6.6	6.4	6.5	6.6
Florida	4.9	4.8	5.0	5.1	5.0	5.0
Georgia	4.6	4.6	4.6	4.5	4.4	4.6
Hawaii	5.8	5.6	5.3	5.0	5.1	5.4
Idaho	6.0	5.9	5.8	5.7	5.7	5.8
Illinois	6.2	6.0	6.0	6.0	5.9	6.0
Indiana	5.2	5.1	5.0	5.1	5.1	5.1
Iowa	5.7	5.7	5.8	5.9	5.9	5.8
Kansas	8.0	8.4	8.3	8.4	8.2	8.3
Kentucky	5.2	5.1	5.2	5.1	5.1	5.1
Louisiana	5.6	5.5	5.9	5.9	5.9	5.7
Maine	4.1	4.0	4.0	3.9	4.0	4.0
Maryland	5.9	5.8	5.7	5.6	5.6	5.7
Massachusetts	3.8	3.8	3.7	3.7	3.8	3.7
Michigan	6.6	6.5	6.2	6.2	6.2	6.3
Minnesota	6.7	6.3	6.1	5.8	5.6	6.1
Mississippi	5.5	5.6	5.7	5.9	5.9	5.7
Missouri	4.8	4.7	4.7	4.7	4.8	4.8
Montana	5.5	5.8	5.8	5.8	5.8	5.7
Nebraska	8.0	7.8	8.1	7.2	7.2	7.7
Nevada	5.8	5.8	6.0	5.8	6.1	5.9
New Hampshire	4.1	4.2	4.1	4.0	3.6	4.0
New Jersey	4.5	4.5	4.3	4.2	4.3	4.4
New Mexico	8.2	8.0	8.1	8.1	8.0	8.1
New York	4.4	4.3	4.1	4.1	4.1	4.2
North Carolina	5.6	5.5	5.4	5.3	5.5	5.5
North Dakota	7.7	7.6	7.6	7.2	7.3	7.5
Ohio	5.0	4.9	4.8	4.8	4.9	4.9
Oklahoma	6.7	6.5	6.6	6.5	6.8	6.6
Oregon	6.0	6.0	5.8	5.8	5.8	5.9
Pennsylvania	3.7	3.6	3.7	3.6	3.8	3.7
Rhode Island	5.1	5.1	4.9	4.9	5.0	5.0
South Carolina	5.4	5.3	5.3	5.1	5.2	5.3
South Dakota	5.9	5.6	6.0	6.0	6.3	5.9
Tennessee	4.8	4.8	4.9	4.7	4.8	4.8
Texas	6.3	6.2	6.0	6.0	5.9	6.1
Utah	8.5	8.3	8.3	8.4	8.1	8.3
Vermont	4.6	4.6	4.5	4.5	4.5	4.5
Virginia	5.8	5.8	5.7	5.8	5.9	5.8
<b>Washington</b>	<b>6.7</b>	<b>6.5</b>	<b>6.6</b>	<b>6.6</b>	<b>6.2</b>	<b>6.5</b>
West Virginia	5.4	5.2	5.3	5.3	5.6	5.4
Wisconsin	6.6	6.4	6.3	6.2	6.4	6.4
Wyoming	8.7	8.3	8.4	8.2	8.0	8.3
50 State Average	5.9	5.8	5.8	5.7	5.7	5.8
<b>Washington's Rank</b>	<b>13</b>	<b>12</b>	<b>11</b>	<b>10</b>	<b>15</b>	<b>12</b>

\*Participation rate: Headcount compared to population aged 17 & above.

Source: Integrated Post-Secondary Education Data System. National Center for Education Statistics, U.S. Department of Education. 1990-1995. Higher Education Enrollment Statistics and Projections. June 2003.

# Value Added Per Hour of Labor in Manufacturing

(Not Updated Due to Unavailability of Data)

“Value added” in manufacturing is a measure of the difference between the value of a finished object and the value of the raw materials that went into its production. The total value added of an industry represents the amount of revenue available for payment of wages, rent, taxes, interest, profit, and all other business costs aside from raw materials.

The Annual Survey of Manufactures (ASM), published by the U.S. Census Bureau, provides estimates of worker hours and value added for all manufacturing establishments with one or more paid employee. As it is a sample survey, its estimates possess varying margins of error. To minimize the effects of these errors, the ASM estimates are presented in Table 32 as three-year moving averages. Due to ASM reclassification from the Standard Industrial Code (SIC) to the North American Industry Classification System (NAICS) in 1997, survey estimates prior to that date are not included due to non-comparability.

The amount of value added per hour of labor varies greatly among different industries. Highly automated industries such as semiconductors have very high value added per hour since one person can operate a machine that puts out a large volume of high-value product, while less automated industries such as furniture manufacturing require more labor per dollar of added value. (Highly automated industries, however, also have much higher equipment costs, so high value added does not necessarily imply high profit.) Within a specific industry, however, interstate differences in value added per worker hour may be interpreted as differences in worker productivity between states.

The differences in value-added across industries makes a state’s average value added per worker hour highly dependent upon its particular industry mix. States with a large percentage of high value added industries (such as semiconductors in New Mexico and Arizona) perform very well in this measure, reported as “Non-Weighted” in Table 32. Washington also performs well in this measure, indicating an industry mix of higher-than-average labor productivity.

To minimize the effects of industry mix on estimates of state productivity, the “Weighted” values in Table 32 represent value added per worker hour as if each state had an identical mix of industries. In this case, state worker hours in each of the 21 major NAICS manufacturing groups were adjusted to be identical in proportion to the national average. When measured in this way, Washington’s average value added per worker hour moves to slightly below the national average. This method, however, is still susceptible to error for two main reasons. The first reason is that most states are either totally lacking in several industries or have only one representative of an industry, which makes the data unreportable by the Census due to disclosure laws (though the data is included in the totals). These omissions are treated as an undifferentiated “remainder” industry that can skew a state’s average greatly depending upon what the productivity of the hidden industry is and the proportion of total hours the remainder represents. Alaska is a prime example, with all industries except food products hidden by disclosure laws. The second reason is that there is still a large degree of productivity variation within major NAICS categories. For example, NAICS group 334 includes semiconductor manufacturing along with computer, electronic instrument, and other electronics manufacturing industries with much lower labor productivity than semiconductors. When each state is given the same number of hours in group 334, therefore, those states who have a large percentage of semiconductor worker hours in that group will still record higher-than-average productivity in that group. For this reason, both Arizona and New Mexico still perform above average in the weighted results. Nevertheless, by accounting for most of the industry mix variation, the weighted results can still provide a general idea of where each state lies in the labor productivity spectrum.

Chart 33  
Value Added Per Labor in Manufacturing

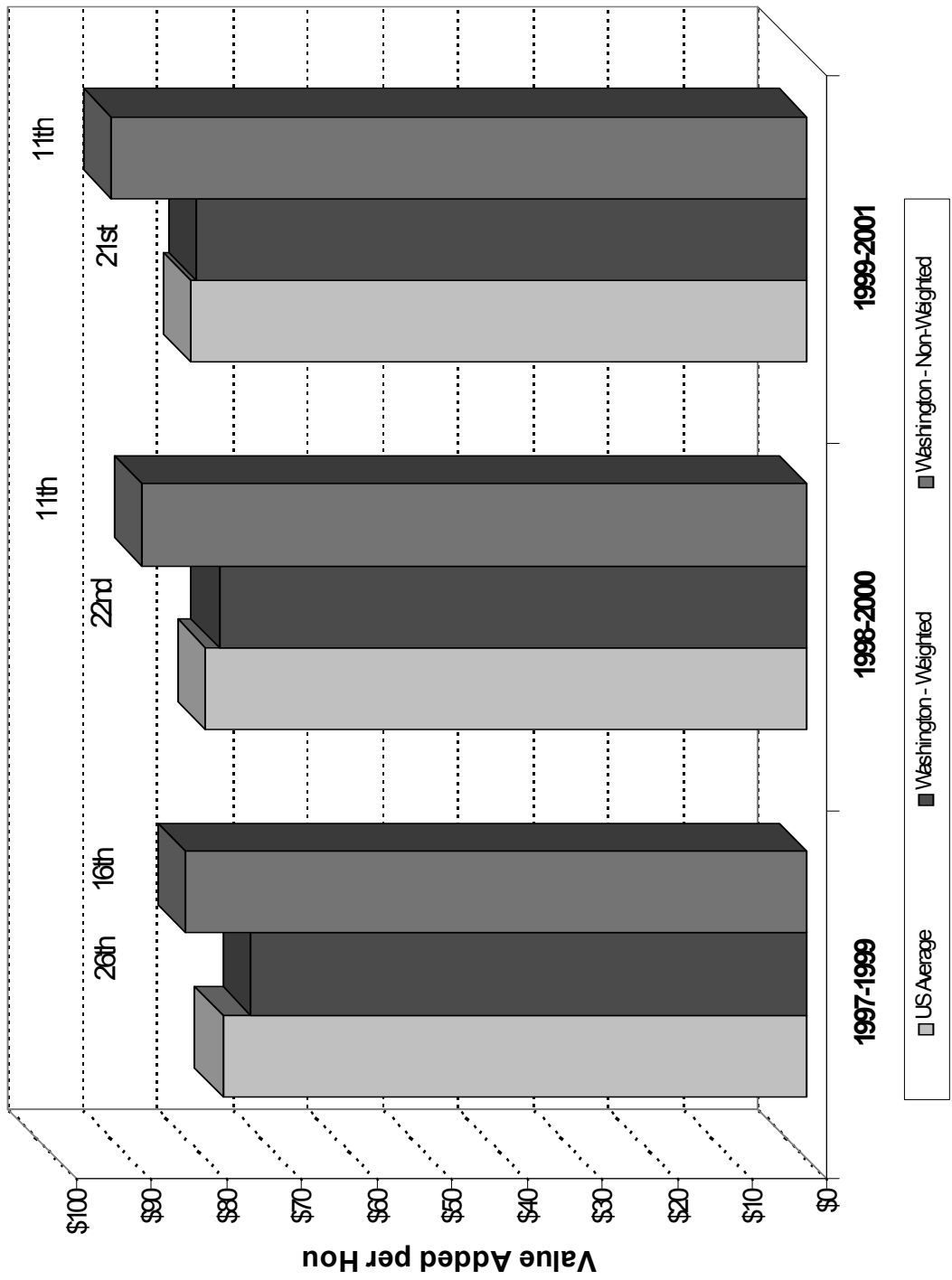


Table 33  
 Education and Skills of the Workforce  
**Value Added per Hour of Labor in Manufacturing**  
 (Three Year Average, Dollars)

	Weighted 1997-1999	Weighted 1998-2000	Weighted 1999-2001	Non-Weighted 1997-1999	Non-Weighted 1998-2000	Non-Weighted 1999-2001
Alabama	57.38	59.12	60.67	54.02	55.60	56.81
Alaska	121.75	114.76	101.36	61.29	59.12	54.30
Arizona	92.80	95.24	101.01	122.02	124.13	128.56
Arkansas	60.54	63.36	64.28	53.90	55.02	55.51
California	81.75	84.59	86.32	89.81	93.79	96.70
Colorado	78.16	78.77	78.92	86.63	86.40	87.21
Connecticut	89.88	92.50	97.98	88.56	90.67	95.30
Delaware	78.60	80.51	88.41	86.26	91.43	104.66
Florida	69.22	69.67	70.15	72.55	73.13	74.37
Georgia	75.23	77.29	79.20	70.89	73.18	75.04
Hawaii	73.68	99.21	103.25	65.59	67.86	66.11
Idaho	71.39	71.40	46.72	74.91	85.34	73.75
Illinois	74.09	76.79	79.87	75.61	78.11	80.87
Indiana	77.34	82.44	86.01	72.40	75.82	78.03
Iowa	79.50	81.12	86.49	77.96	77.83	80.99
Kansas	64.32	68.04	79.39	67.06	67.93	69.85
Kentucky	80.15	77.57	77.37	87.60	82.75	78.13
Louisiana	67.68	67.09	67.94	107.84	108.89	106.30
Maine	58.76	64.19	69.33	58.32	64.61	68.86
Maryland	80.41	81.51	83.64	85.87	86.66	88.83
Massachusetts	79.53	83.21	86.29	90.61	95.25	97.41
Michigan	70.83	71.81	73.46	73.37	74.84	76.47
Minnesota	76.00	78.97	80.82	73.96	77.95	80.25
Mississippi	51.87	52.48	53.33	47.11	47.46	49.07
Missouri	80.30	79.57	82.78	84.66	83.53	80.89
Montana	82.22	78.26	84.39	64.81	62.24	65.45
Nebraska	68.17	69.79	70.92	62.53	64.87	67.06
Nevada	69.16	72.20	74.39	65.44	66.94	67.59
New Hampshire	71.40	72.71	74.87	79.40	75.64	70.37
New Jersey	75.42	79.62	83.51	90.05	93.29	97.59
New Mexico	102.06	93.69	91.81	217.52	197.99	186.18
New York	72.46	75.35	77.47	74.40	78.16	81.17
North Carolina	74.43	76.16	79.78	70.62	74.93	81.13
North Dakota	58.24	61.92	70.13	68.93	71.44	76.21
Ohio	79.64	81.11	81.43	77.54	78.75	78.62
Oklahoma	75.06	74.32	86.79	70.09	70.10	73.62
Oregon	71.48	75.50	76.52	80.81	84.80	83.38
Pennsylvania	76.57	78.77	81.66	74.13	76.49	78.74
Rhode Island	53.88	55.44	57.45	54.48	57.25	60.17
South Carolina	67.08	69.01	71.38	64.41	65.82	68.61
South Dakota	61.22	65.65	66.78	80.32	85.42	81.88
Tennessee	64.75	67.20	72.33	62.48	64.49	67.40
Texas	82.37	83.78	84.66	94.90	94.99	94.83
Utah	68.70	71.41	72.19	70.82	74.55	74.97
Vermont	79.45	84.39	87.39	74.61	79.97	83.59
Virginia	76.79	80.06	83.55	85.43	92.21	100.06
<b>Washington</b>	<b>74.01</b>	<b>78.21</b>	<b>81.18</b>	<b>82.62</b>	<b>88.52</b>	<b>92.62</b>
West Virginia	60.27	62.28	62.47	81.52	80.09	77.42
Wisconsin	71.68	75.39	79.42	68.53	71.49	74.49
Wyoming	69.57	71.68	76.50	83.93	86.01	91.71
U.S.	77.72	80.02	82.03	77.72	80.02	82.03
<b>WA Rank</b>	<b>26</b>	<b>22</b>	<b>21</b>	<b>16</b>	<b>11</b>	<b>11</b>

Source: U.S. Department of Commerce, Census Bureau, *Annual Survey of Manufactures* (data),  
 Office of the Forecast Council (calculations)

# Infrastructure

# Interstate Miles in Poor Condition

Since 1990, the Federal Highway Administration (FHWA) has required states to report on road roughness according to the International Roughness Index (IRI), a set of standard codes dictated by the Highway Performance Monitoring System Field Manual for the Continuing Analytical and Statistical Database. This information is then collected and published in a consistent format in the FHWA's Highway Statistics. On a state level, this information is used as an aid to highway planning, programming, budgeting, forecasting and fiscal management. Maintaining interstate and highway conditions is crucial for ensuring safety, improving efficiency, and allowing fluid movement of people and goods throughout the state.

In 2001, Washington's percentage of interstate miles in poor condition lowered dramatically from 2.0 to 0.6 percent, bettering its ranking to 13<sup>th</sup> in the nation. This also helped to improve its five year average to 1.4 percent, well below the national average of 4.1 and ranked 17<sup>th</sup> in the U.S.

Chart 34  
Percent of Highways in Poor Condition

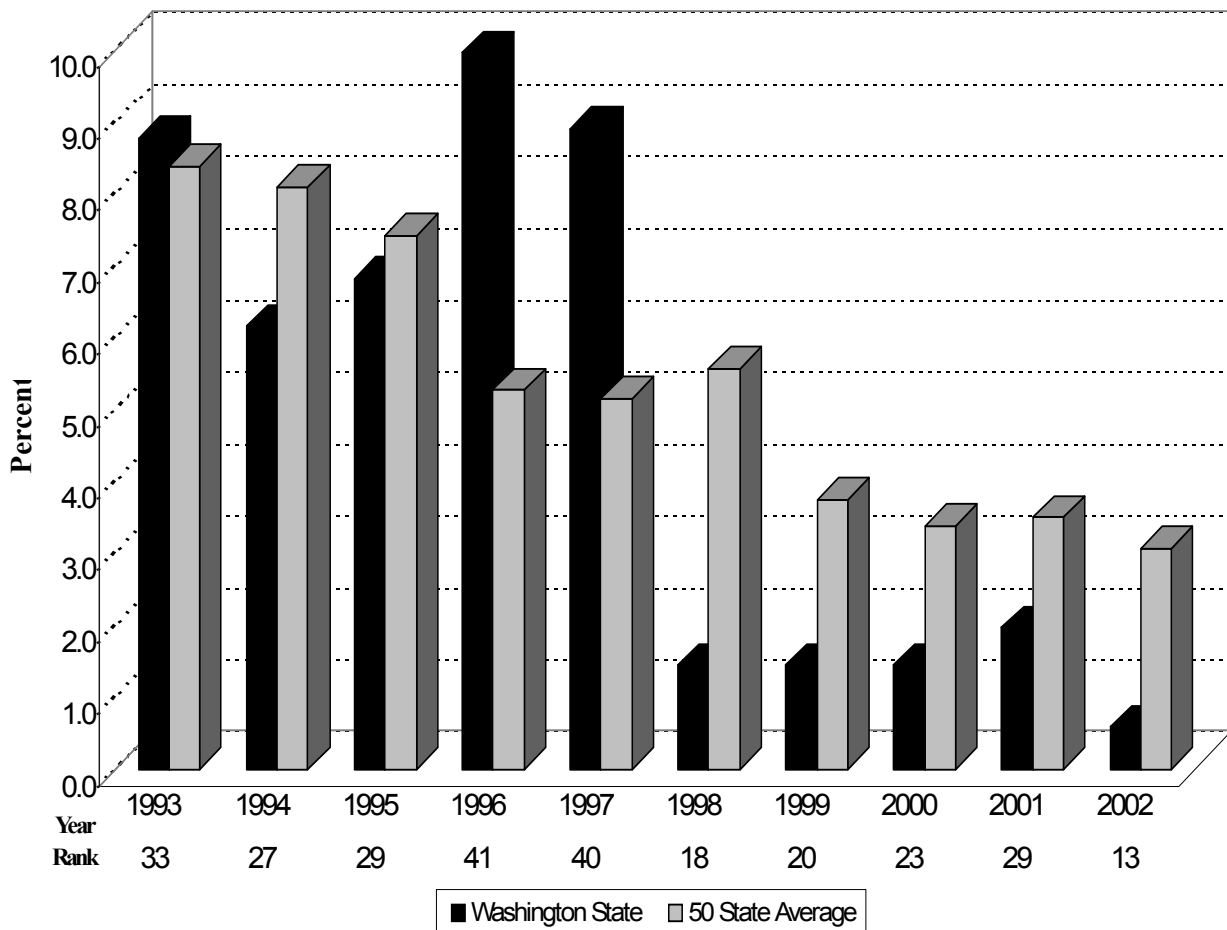




Table 34  
 Infrastructure  
**Interstate Miles in Poor Condition**  
 (Percent)

	1998	1999	2000	2001	2002	1998-2002
Alabama	0.6	1.1	1.1	0.3	0.1	0.6
Alaska	8.0	4.3	0.1	3.0	0.5	3.2
Arizona	1.4	0.2	0.1	0.0	0.8	0.5
Arkansas	39.1	30.7	26.3	27.7	9.6	26.7
California	10.8	10.7	13.6	14.2	6.0	11.1
Colorado	12.7	0.5	0.0	0.1	6.3	3.9
Connecticut	6.3	6.9	5.8	4.6	2.9	5.3
Delaware	29.3	28.2	28.2	28.2	2.9	23.4
Florida	0.0	0.6	0.8	0.0	0.9	0.5
Georgia	0.0	0.2	0.0	0.0	0.1	0.0
Hawaii*	NA	NA	NA	34.5	9.8	22.2
Idaho	1.5	2.1	2.3	2.0	0.8	1.7
Illinois**	NA	2.5	2.3	2.3	3.9	2.7
Indiana	1.1	0.5	0.5	0.4	1.6	0.8
Iowa	2.8	2.8	2.0	2.2	9.8	3.9
Kansas	0.8	0.8	0.2	0.2	0.5	0.5
Kentucky	1.2	2.0	1.6	1.1	0.1	1.2
Louisiana	14.2	12.9	9.3	5.9	9.5	10.3
Maine	0.0	0.0	0.3	0.0	0.3	0.1
Maryland	5.4	4.0	3.9	4.5	2.1	4.0
Massachusetts	0.9	1.4	1.1	1.9	9.3	2.9
Michigan	11.3	7.9	7.8	13.4	7.4	9.6
Minnesota	6.7	0.3	0.0	0.2	0.4	1.5
Mississippi	5.5	4.7	4.7	3.7	3.1	4.3
Missouri	3.8	3.4	4.1	5.6	5.8	4.5
Montana	0.9	1.1	1.1	1.6	0.9	1.1
Nebraska	6.2	2.3	7.7	2.9	7.7	5.4
Nevada	5.3	1.6	1.6	0.4	0.0	1.8
New Hampshire	0.4	0.4	0.0	0.0	3.6	0.9
New Jersey	32.7	7.1	6.6	16.7	5.9	13.8
New Mexico	3.7	5.4	3.7	0.7	1.7	3.0
New York	12.3	16.6	12.0	10.3	4.4	11.1
North Carolina	14.3	6.7	5.5	3.9	6.2	7.3
North Dakota	0.0	0.0	0.0	0.0	0.4	0.1
Ohio	0.3	1.1	0.6	0.6	0.3	0.6
Oklahoma	6.8	7.1	7.1	5.9	5.1	6.4
Oregon	43.1	0.1	0.0	0.1	1.0	8.9
Pennsylvania	1.5	3.5	2.3	2.6	3.8	2.7
Rhode Island	1.5	1.4	1.5	1.4	8.1	2.8
South Carolina	0.4	1.3	0.1	0.1	3.0	1.0
South Dakota	6.4	3.0	3.2	0.3	7.3	4.1
Tennessee	2.5	0.9	0.6	0.7	0.5	1.0
Texas	0.7	0.6	0.8	1.3	1.0	0.9
Utah	3.2	2.0	2.0	4.9	4.4	3.3
Vermont	0.0	2.8	2.2	1.6	6.7	2.6
Virginia	2.1	1.8	0.9	1.0	2.0	1.5
<b>Washington</b>	<b>1.4</b>	<b>1.4</b>	<b>1.4</b>	<b>2.0</b>	<b>0.6</b>	<b>1.4</b>
West Virginia	1.6	5.3	5.3	2.4	3.4	3.6
Wisconsin	3.9	1.5	0.0	0.0	1.7	1.4
Wyoming	0.1	0.2	0.1	0.4	0.2	0.2
U.S. Average	5.6	3.8	3.4	3.5	3.1	3.9
<b>Washington's Rank</b>	<b>18</b>	<b>20</b>	<b>23</b>	<b>29</b>	<b>13</b>	<b>17</b>

\*The FHWA has recently found that between 1993 and 2000, the state of Hawaii did not use the International Roughness Index as an indicator of pavement conditions and instead used a system of measurement not up to FHWA standards. Their source was also unable to be verified and as a result, the FHWA has recalled the figures for Hawaii between 1993 and 2000.

\*\*Illinois has chosen to withhold their 1998 figures.

Source: Highway Statistics, 1993-2002. Table Hm-64, Federal Highway Administration.

# FAA Air Traffic Delays

The FAA's annual Air Traffic Activity and Delay Report provides air traffic information for the 55 largest airports. Air traffic delays can occur at any phase of the flight and are characterized as delays that exceed 15 minutes. For comparison purposes, the report states the number of delays per 1000 operations.

In 2003, the Seattle-Tacoma airport ranked 28<sup>th</sup> among the 55 largest airports with 5.6 delays per 1000 operations, below the national average of 11.3 delays. However, because of large numbers of delays around 2000, the five year airport average is still high at 12.2, below the national average of 15.9 but still ranking it 37<sup>th</sup> in the nation.

Chart 35  
FAA Air Traffic Delays



**Table 35**  
**Infrastructure**  
**FAA Air Traffic Delays**  
**Delays Per 1000 Operations**

	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>1999-2003</b>
Albuquerque	0.4	0.7	0.1	0.1	0.2	0.3
Anchorage	1.2	0.7	1.2	0.9	0.7	0.9
Andrews AFB	1.9	1.3	1.2	0.5	2.4	1.5
Atlanta Hartsfield	36.0	30.9	24.3	33.5	41.2	33.2
Baltimore-Washington	5.2	6.9	5.1	4.4	5.8	5.5
Boston Logan	29.8	47.5	34.5	10.7	10.2	26.5
Bradley International	2.0	3.0	3.8	3.0	1.9	2.7
Charlotte Douglas	2.9	6.0	5.2	7.2	7.5	5.7
Chicago Midway	9.7	11.9	8.1	9.8	15.2	10.9
Chicago O'Hare	54.8	63.3	59.5	57.6	74.3	61.9
Cincinnati Tower	17.6	15.4	10.2	13.7	13.8	14.1
Cleveland Hopkins	10.9	11.4	6.4	7.6	5.7	8.4
Dallas/Ft. Worth	19.3	23.8	22.0	24.1	12.1	20.3
Dayton Cox	1.5	1.2	1.5	2.0	2.4	1.7
Denver Stapleton	2.5	2.2	3.7	2.7	2.6	2.7
Detroit Metro	20.6	17.6	15.5	12.9	9.8	15.3
Fairbanks	0.1	0.1	0.0	0.0	0.1	0.0
Ft. Lauderdale	2.7	3.7	5.3	7.0	13.5	6.5
Honolulu	0.1	0.0	0.1	0.0	0.0	0.1
Houston Hobby	4.4	2.5	4.3	2.9	2.3	3.3
Houston Intercontinental	20.6	28.1	33.0	41.4	33.4	31.3
Indianapolis	0.7	1.0	0.6	0.3	0.4	0.6
Kahului/Maui	0.0	0.0	0.1	0.0	0.0	0.0
Kansas City	1.1	1.1	1.0	0.5	0.2	0.8
Las Vegas McCarran	7.1	8.0	5.4	7.3	13.1	8.2
Los Angeles	13.7	21.9	22.6	5.3	3.5	13.4
Memphis	0.8	0.4	0.9	3.3	3.9	1.9
Miami	8.2	11.3	11.3	8.6	11.8	10.3
Minneapolis-St. Paul	17.2	12.7	14.5	17.2	14.4	15.2
Nashville	0.6	0.6	0.3	0.2	0.5	0.5
New Orleans Morisano	1.1	0.8	0.9	0.3	1.5	0.9
New York Kennedy	38.1	38.8	24.6	25.2	20.9	29.5
New York La Guardia	77.3	155.9	77.0	34.4	47.2	78.3
Newark	78.9	81.2	60.3	33.6	60.0	62.8
Ontario	0.7	1.2	1.8	0.7	1.4	1.2
Orlando	6.3	6.3	4.0	3.3	4.1	4.8
Palm Beach	0.5	2.1	2.0	6.0	9.4	4.0
Philadelphia	30.2	44.5	40.5	35.1	30.6	36.2
Phoenix Sky Harbor	21.1	22.0	15.3	14.7	20.0	18.6
Pittsburgh	2.2	3.8	2.7	2.9	2.0	2.7
Portland	1.5	0.5	0.3	0.4	0.7	0.7
Raleigh-Durham	1.3	2.1	1.5	0.6	1.1	1.3
Salt Lake City	1.9	2.0	2.3	1.3	1.9	1.9
San Antonio	1.2	0.8	0.3	0.3	0.3	0.6
San Diego Lindbergh	3.8	2.5	4.9	3.2	3.8	3.6
San Francisco	48.1	56.9	38.3	35.3	27.8	41.3
San Jose	2.2	5.7	6.3	3.4	1.1	3.7
San Juan	0.6	0.2	0.8	0.1	0.4	0.4
<b>Seattle-Tacoma</b>	<b>18.4</b>	<b>10.4</b>	<b>20.8</b>	<b>6.0</b>	<b>5.6</b>	<b>12.2</b>
St. Louis Lambert	19.2	18.2	18.1	15.4	12.1	16.6
Tampa	2.3	1.6	2.8	2.3	4.8	2.7
Teterboro	17.5	19.0	25.3	21.2	27.6	22.1
Washington Dulles	19.2	19.5	8.0	1.0	16.0	12.7
Washington National	6.6	8.0	10.6	4.7	6.9	7.3
Westchester Co.	2.5	3.5	8.6	6.9	10.4	6.4
U.S. Major Airport Avg.	17.1	20.4	16.7	14.3	11.3	15.9
<b>Seattle-Tacoma Rank*</b>	<b>41</b>	<b>34</b>	<b>43</b>	<b>31</b>	<b>28</b>	<b>37</b>

\* Out of the 55 largest airports

Source: FAA Air Traffic System Management, Air Traffic Activity and Delay Report. December 1990-2003.

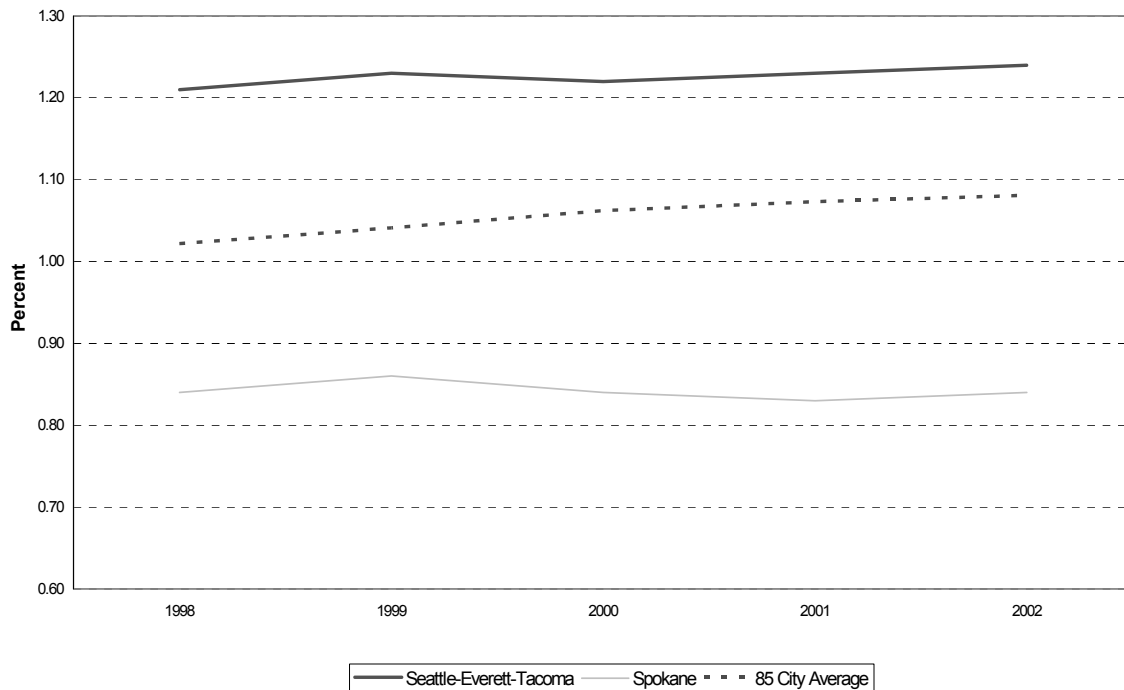
# Urban Roadway Congestion Index

The Urban Roadway Congestion Index (RCI) is a traffic density indicator calculated as a ratio of daily traffic volume to the optimum volume for a given road system. The index is calculated by the Texas Transportation Institute. It includes a sample of 85 urban areas selected to represent the major metropolitan areas within each state (previous releases contained 49 areas with historical data back to 1982; historical data for the 85 cities is only available back to 1998). Ultimately, the RCI measures both the intensity and duration of congestion. An RCI greater than or equal to 1 indicates that congestion exists throughout the area.

Congestion is economically inefficient; it results in increased fuel use and pollution and imposes an opportunity cost: travelers could be more productive if they were not sitting in traffic. The Texas Transportation Institute reports that the average annual delay per person was only 16 hours in 1982 but this increased to an average of more than 46 hours in 2002. The cost of the delays in time and fuel for 2002 was estimated to be 63.2 billion dollars.

In 2002, the Seattle-Everett-Tacoma region had an RCI of 1.24, a number that has steadily been increasing over the years. Its five-year average is 1.22, higher than the national average, ranking it the 16<sup>th</sup> most congested city of those studied. Spokane, the only other Washington city in the survey, fared better with an RCI of only 0.84 and a five-year average of the same value. This ranked the city as the 28<sup>th</sup> least congested of the 85 cities studied.

Chart 36  
Urban Roadway Congestion Index



**Table 36**  
**Infrastructure**  
**Urban Roadway Congestion Index**  
(Values greater than 1 indicate congestion)

	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>1998-2002</b>
Akron OH	0.90	0.90	0.90	0.90	0.88	0.90
Albany-Schenectady NY	0.75	0.75	0.78	0.80	0.81	0.78
Albuquerque NM	1.08	1.08	1.07	1.05	1.02	1.06
Allentown-Bethlehem PA-NJ	1.00	1.00	0.96	0.94	0.95	0.97
Anchorage AK	0.62	0.62	0.62	0.65	0.67	0.64
Atlanta GA	1.28	1.28	1.34	1.34	1.35	1.32
Austin TX	1.03	1.03	1.12	1.16	1.15	1.10
Bakersfield CA	0.76	0.76	0.76	0.77	0.77	0.76
Baltimore MD	1.06	1.06	1.10	1.14	1.20	1.11
Beaumont TX	0.85	0.85	0.84	0.86	0.89	0.86
Birmingham AL	0.96	0.96	0.99	1.00	1.00	0.98
Boston MA-NH-RI	1.27	1.27	1.30	1.31	1.31	1.29
Boulder CO	0.83	0.83	0.83	0.84	0.84	0.83
Bridgeport-Stamford CT-NY	1.11	1.11	1.14	1.17	1.20	1.15
Brownsville TX	0.76	0.76	0.83	0.84	0.84	0.81
Buffalo NY	0.70	0.70	0.76	0.75	0.76	0.73
Cape Coral FL	0.94	0.94	0.96	0.95	1.01	0.96
Charleston-North Charleston SC	0.97	0.97	0.98	0.95	0.97	0.97
Charlotte NC-SC	1.09	1.09	1.15	1.17	1.18	1.14
Chicago IL-IN	1.31	1.31	1.33	1.34	1.38	1.33
Cincinnati OH-KY-IN	1.11	1.11	1.13	1.12	1.12	1.12
Cleveland OH	0.98	0.98	0.97	0.94	0.92	0.96
Colorado Springs CO	0.83	0.83	0.86	0.87	0.86	0.85
Columbia SC	0.79	0.79	0.92	0.83	0.85	0.84
Columbus OH	1.04	1.04	1.02	1.08	1.08	1.05
Corpus Christi TX	0.70	0.70	0.70	0.71	0.71	0.70
Dallas-Fort Worth-Arlington TX	1.05	1.05	1.09	1.10	1.13	1.08
Dayton OH	0.90	0.90	0.91	0.91	0.90	0.90
Denver-Aurora CO	1.18	1.18	1.23	1.28	1.25	1.22
Detroit MI	1.18	1.18	1.23	1.24	1.26	1.22
El Paso TX-NM	0.91	0.91	0.98	0.99	0.97	0.95
Eugene OR	0.87	0.87	0.94	0.92	0.91	0.90
Fresno CA	0.96	0.96	1.00	0.97	0.96	0.97
Grand Rapids MI	0.93	0.93	0.93	0.95	0.98	0.94
Hartford CT	0.89	0.89	0.93	0.95	0.96	0.92
Honolulu HI	1.06	1.06	1.04	1.04	1.03	1.05
Houston TX	1.10	1.10	1.17	1.20	1.22	1.16
Indianapolis IN	1.14	1.14	1.16	1.16	1.13	1.15
Jacksonville FL	1.01	1.01	1.03	1.02	1.03	1.02
Kansas City MO-KS	0.79	0.79	0.83	0.84	0.84	0.82
Laredo TX	0.63	0.63	0.63	0.65	0.65	0.64
Las Vegas NV	1.13	1.13	1.23	1.20	1.21	1.18
Little Rock AR	0.85	0.85	0.86	0.89	0.86	0.86
Los Angeles-Long Beach-Santa Ana CA	1.58	1.58	1.59	1.56	1.57	1.58
Louisville KY-IN	1.08	1.08	1.09	1.08	1.12	1.09
Memphis TN-MS-AR	0.99	0.99	1.00	1.03	1.04	1.01
Miami FL	1.17	1.17	1.26	1.27	1.29	1.23
Milwaukee WI	1.02	1.02	1.10	1.08	1.06	1.06
Minneapolis-St. Paul MN	1.18	1.18	1.22	1.25	1.22	1.21
Nashville-Davidson TN	0.97	0.97	0.98	1.03	1.03	1.00
New Haven CT	0.92	0.92	0.97	1.00	1.03	0.97
New Orleans LA	1.00	1.00	0.97	0.97	1.02	0.99

Table 36  
 Infrastructure  
**Urban Roadway Congestion Index**  
 (Values greater than 1 indicate congestion)

	1998	1999	2000	2001	2002	1998-2002
New York-Newark NY-NJ-CT	1.11	1.11	1.15	1.15	1.16	1.14
Oklahoma City OK	0.86	0.86	0.88	0.87	0.89	0.87
Omaha NE-IA	0.87	0.87	0.90	0.92	0.95	0.90
Orlando FL	1.05	1.05	1.11	1.14	1.13	1.10
Oxnard-Ventura CA	1.19	1.19	1.25	1.29	1.29	1.24
Pensacola FL-AL	0.87	0.87	0.92	0.91	0.91	0.90
Philadelphia PA-NJ-DE-MD	1.05	1.05	1.08	1.10	1.11	1.08
Phoenix AZ	1.16	1.16	1.27	1.29	1.24	1.22
Pittsburgh PA	0.78	0.78	0.77	0.78	0.78	0.78
Portland OR-WA	1.22	1.22	1.26	1.27	1.28	1.25
Providence RI-MA	0.88	0.88	0.93	0.95	0.96	0.92
Raleigh-Durham NC	0.95	0.95	0.98	1.01	0.99	0.98
Richmond VA	0.80	0.80	0.77	0.76	0.79	0.78
Riverside-San Bernardino CA	1.20	1.20	1.26	1.29	1.31	1.25
Rochester NY	0.77	0.77	0.80	0.80	0.80	0.79
Sacramento CA	1.18	1.18	1.25	1.28	1.30	1.24
Salem OR	0.86	0.86	0.87	0.88	0.91	0.88
Salt Lake City UT	1.01	1.01	1.04	1.08	1.14	1.06
San Antonio TX	0.97	0.97	1.05	1.04	1.06	1.02
San Diego CA	1.20	1.20	1.32	1.35	1.29	1.27
San Francisco-Oakland CA	1.37	1.37	1.41	1.38	1.41	1.39
San Jose CA	1.13	1.13	1.34	1.36	1.35	1.26
Sarasota-Bradenton FL	1.05	1.05	1.15	1.15	1.15	1.11
<b>Seattle-Everett-Tacoma WA</b>	<b>1.21</b>	<b>1.21</b>	<b>1.22</b>	<b>1.23</b>	<b>1.24</b>	<b>1.22</b>
<b>Spokane WA</b>	<b>0.84</b>	<b>0.84</b>	<b>0.84</b>	<b>0.83</b>	<b>0.84</b>	<b>0.84</b>
Springfield MA-CT	0.80	0.80	0.83	0.81	0.84	0.82
St. Louis MO-IL	1.07	1.07	1.10	1.08	1.10	1.08
Tampa-St. Petersburg FL	1.11	1.11	1.13	1.16	1.21	1.14
Toledo OH-MI	0.85	0.85	0.89	0.91	0.91	0.88
Tucson AZ	1.04	1.04	1.07	1.09	1.09	1.07
Tulsa OK	0.82	0.82	0.87	0.88	0.82	0.84
Virginia Beach VA	0.96	0.96	0.95	0.97	1.04	0.98
Washington DC-VA-MD	1.29	1.29	1.30	1.34	1.36	1.32
85 City Average	1.02	1.04	1.06	1.07	1.08	1.06
<b>Rank: Spokane</b>	<b>17</b>	<b>18</b>	<b>14</b>	<b>11</b>	<b>11</b>	<b>58</b>
<b>Rank: Seattle-Everett-Tacoma</b>	<b>78</b>	<b>75</b>	<b>67</b>	<b>68</b>	<b>69</b>	<b>70</b>

# Cost of Doing Business

# State and Local Tax Collections Per \$1000 Personal Income

The relative tax position of Washington is of considerable interest to taxpayers and government officials alike. The Census Bureau of the U.S. Department of Commerce annually collects data in order to compare tax burdens across states. Using this figure, tax burdens are then calculated using several different methods; this report compares tax collections per \$1000 personal income. This measure is computed by dividing the total state and local taxes by total state personal income.

As the Census Bureau did not compile state and local tax data for fiscal year 2001, data for that year is unavailable for this report. For fiscal year 2002, Washington collected \$19.5 billion in state and local tax revenues. This corresponds to a state and local tax burden of \$100.90 for each \$1,000 of personal income. This amount is the 19<sup>th</sup> lowest in the nation and is \$3.08 below the national average. In addition, it is the second lowest tax burden in Washington since this measure first began being recorded in the 1960s, the lowest being \$100.45 per \$1,000 personal income in 1981. A large part of this decline can be attributed to the elimination of the state motor vehicle excise tax in January of 2000. While the elimination of this tax only affected tax receipts for half of fiscal 2000, its full impact can be seen in fiscal 2002.

## Initial Incidence of State and local Taxes

The “initial incidence” of a tax refers to the party from whom the tax is collected. Initial incidence does not always indicate who actually bears the tax burden, because taxes initially paid by business may sometimes be recovered in the form of higher prices or lower wages, shifting the tax burden to consumers or workers.

The Washington Department of Revenue estimates that in fiscal year 2003, businesses directly paid 45.1 percent of major state and local taxes, governments paid 4.5 percent and households paid 50.4 percent.

Chart 37  
State and Local Tax Collections per \$1,000 Personal Income

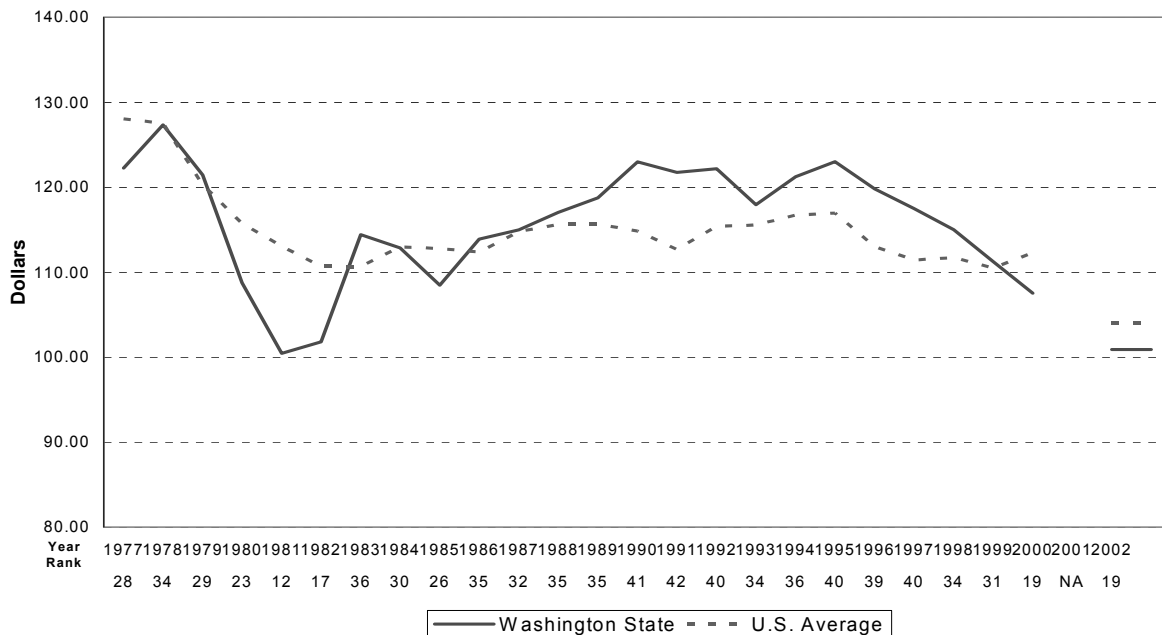




Table 37

## Cost of Doing Business

## State and Local Tax Collections Per \$1,000 Personal Income

(Dollars)

	1997	1998	1999	2000	2002	1997-2002
Alabama	91.24	91.33	91.11	93.65	87.58	90.98
Alaska	153.00	122.29	102.62	132.18	102.76	122.57
Arizona	108.83	106.77	108.65	111.73	104.47	108.09
Arkansas	105.14	106.51	112.62	106.50	104.00	106.95
California	111.42	114.50	113.58	120.39	106.01	113.18
Colorado	100.99	100.87	102.24	103.53	92.30	99.99
Connecticut	125.64	124.52	121.48	120.23	103.56	119.09
Delaware	111.30	118.84	112.34	115.69	107.24	113.08
Florida	100.34	100.50	100.24	100.06	93.74	98.98
Georgia	105.07	106.15	107.74	109.07	100.36	105.68
Hawaii	126.63	125.89	123.01	126.45	120.62	124.52
Idaho	112.48	113.76	112.63	115.43	99.84	110.83
Illinois	106.07	104.66	104.95	107.50	101.31	104.90
Indiana	110.80	105.75	104.70	105.64	100.39	105.46
Iowa	111.22	109.80	107.95	111.09	103.85	108.78
Kansas	112.57	115.74	107.59	108.72	103.66	109.66
Kentucky	113.73	112.84	110.99	111.62	106.22	111.08
Louisiana	109.58	109.02	108.02	109.57	111.26	109.49
Maine	134.47	144.46	139.08	138.64	130.16	137.36
Maryland	105.38	107.86	104.63	110.01	104.42	106.46
Massachusetts	111.63	113.28	108.53	110.36	95.87	107.93
Michigan	111.79	112.75	113.60	114.17	103.83	111.23
Minnesota	128.86	127.69	123.26	123.87	113.14	123.36
Mississippi	109.65	109.73	110.54	110.75	103.92	108.92
Missouri	101.58	101.57	101.56	99.45	96.06	100.04
Montana	113.65	113.78	108.85	110.53	98.05	108.97
Nebraska	113.39	112.36	107.66	109.44	107.71	110.11
Nevada	105.41	100.82	101.79	104.59	101.20	102.76
New Hampshire	91.03	88.39	88.37	88.18	84.65	88.12
New Jersey	111.10	115.10	113.68	113.46	104.20	111.51
New Mexico	127.72	131.39	121.73	126.74	111.45	123.81
New York	142.13	141.92	140.34	141.18	130.79	139.27
North Carolina	105.83	107.40	105.52	106.60	100.17	105.10
North Dakota	116.05	122.02	114.89	119.48	105.19	115.53
Ohio	110.03	110.35	109.86	112.90	110.96	110.82
Oklahoma	107.50	107.17	104.78	106.67	99.53	105.13
Oregon	106.75	100.96	100.19	105.60	90.93	100.89
Pennsylvania	106.62	107.27	107.18	106.56	100.91	105.71
Rhode Island	117.49	117.15	115.56	118.11	113.63	116.39
South Carolina	102.28	103.50	104.75	104.82	95.82	102.23
South Dakota	92.15	97.80	95.06	94.56	90.37	93.99
Tennessee	89.08	90.01	87.99	89.17	83.89	88.03
Texas	101.61	98.71	96.79	96.87	95.49	97.89
Utah	115.91	118.15	116.78	119.50	108.39	115.75
Vermont	123.74	125.08	121.82	121.53	110.60	120.55
Virginia	99.03	100.81	101.64	102.80	95.18	99.89
<b>Washington</b>	<b>117.49</b>	<b>115.00</b>	<b>111.25</b>	<b>107.53</b>	<b>100.90</b>	<b>110.43</b>
West Virginia	114.07	112.30	116.65	116.33	111.68	114.21
Wisconsin	128.22	129.10	127.08	129.44	117.26	126.22
Wyoming	116.93	122.04	113.41	117.74	121.97	118.42
U.S. Average	111.43	111.70	110.48	112.28	103.98	109.97
<b>Washington's Rank</b>	<b>40</b>	<b>34</b>	<b>31</b>	<b>19</b>	<b>19</b>	<b>29</b>

Source: Washington State Department of Revenue. Comparative State/Local Taxes, 1977-2002. ([www.dor.wa.gov](http://www.dor.wa.gov))

# Unemployment Insurance Costs

Unemployment insurance programs are designed to provide economic security against the effects of unemployment by providing temporary compensation to workers who are out of work at no fault of their own.

Unemployment insurance is provided by a combined Federal-State system, primarily financed through a payroll tax on employers. Under this system, the Federal Government sets minimum standards of eligibility and benefits that the states are free to exceed. As a result, there is a wide degree of variation in the eligibility for and benefits paid under the unemployment insurance programs of different states, as well as variation in the number of employers that pay into the programs.

In 2003, Washington again had the second highest unemployment insurance cost as a percent of total wages in the country with an average rate of 1.40 percent, up 15.7 percent from the previous year. The national average rate for 2003 was 0.64 percent. Washington in the past has had one of the most generous unemployment insurance programs in the country in terms of benefits, eligibility and duration. However, during the 2003 legislative session, Second Engrossed Senate Bill 6097 was passed, reforming Washington's Unemployment Compensation system. The reform was enacted to help reduce Unemployment Insurance costs but was also seen as a key component in the legislative package designed to draw the final assembly plant of Boeing's new 7E7 jet to the state.

On the side of employers, 6097 introduced a new approach that aligns taxes with an employer's lay-off history and benefit ratio. Therefore employers who lay off more workers will be in higher brackets. This tax is combined with a separate graduated tax that, though it will follow those same brackets, will vary year to year based upon costs that costs that need to be covered. Both of these taxes will be capped.

For workers, compensation benefits will be reduced from 30 to 26 weeks, at a capped rate of \$496 per week. This rate will not increase until it becomes less than 63 percent of the statewide weekly average wage for the previous year. Before 2004, the rate was set at 70 percent of the weekly average wage and was based upon the two highest paid quarters instead of a year-long average.

Chart 38  
Unemployment Insurance Costs

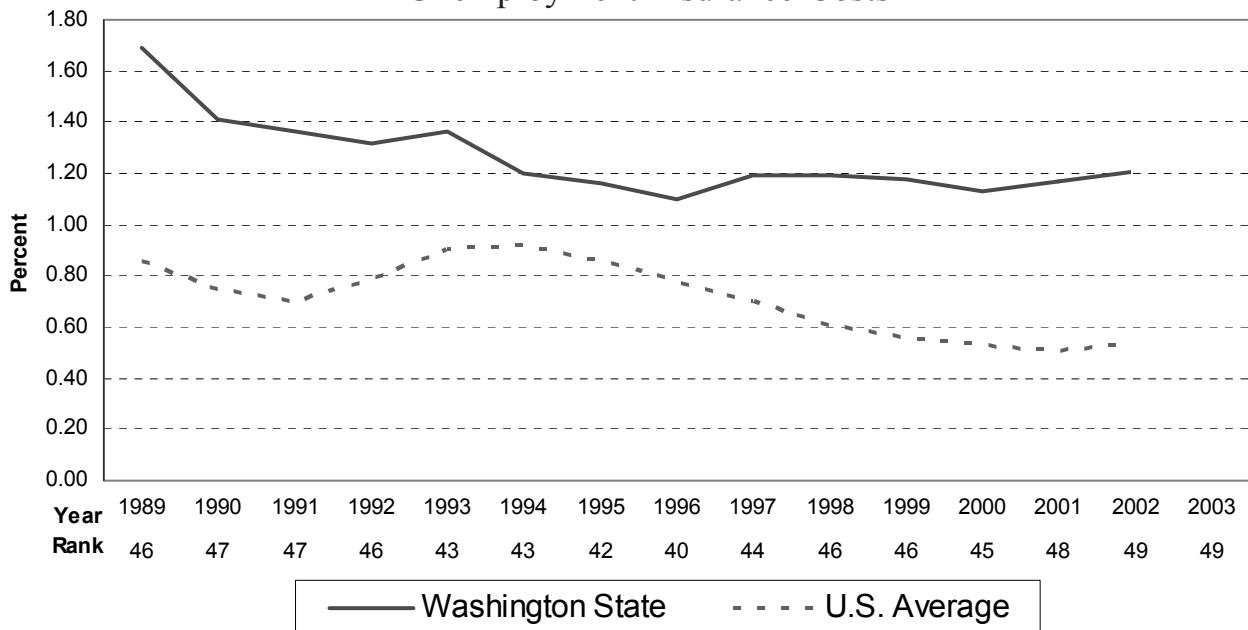


Table 38  
 Cost of Doing Business  
**Unemployment Insurance Costs**  
 (Contributions collected as percent of total wages)

	1999	2000	2001	2002	2003	1999-2003
Alabama	0.36	0.34	0.39	0.41	0.49	0.40
Alaska	1.59	1.75	1.64	1.58	1.49	1.61
Arizona	0.31	0.29	0.23	0.21	0.21	0.25
Arkansas	0.76	0.72	0.65	0.68	0.86	0.73
California	0.57	0.53	0.53	0.51	0.60	0.55
Colorado	0.32	0.27	0.26	0.26	0.31	0.28
Connecticut	0.62	0.49	0.43	0.80	0.87	0.64
Delaware	0.55	0.48	0.41	0.39	0.41	0.45
Florida	0.36	0.22	0.30	0.30	0.35	0.31
Georgia	0.14	0.14	0.14	0.15	0.15	0.14
Hawaii	1.21	1.15	0.79	0.83	1.17	1.03
Idaho	0.77	0.76	0.80	0.82	0.84	0.80
Illinois	0.64	0.57	0.52	0.57	0.72	0.60
Indiana	0.38	0.37	0.27	0.31	0.45	0.36
Iowa	0.51	0.64	0.64	0.66	0.82	0.65
Kansas	0.13	0.43	0.49	0.52	0.65	0.44
Kentucky	0.59	0.59	0.50	0.66	0.67	0.60
Louisiana	0.43	0.38	0.42	0.43	0.44	0.42
Maine	1.10	1.15	1.17	0.76	0.61	0.96
Maryland	0.46	0.40	0.36	0.34	0.36	0.38
Massachusetts	0.72	0.68	0.66	0.67	0.71	0.69
Michigan	0.75	0.73	0.71	0.72	0.84	0.75
Minnesota	0.51	0.46	0.43	0.45	0.66	0.50
Mississippi	0.57	0.50	0.42	0.49	0.51	0.50
Missouri	0.41	0.34	0.34	0.37	0.47	0.39
Montana	0.87	0.70	0.71	0.74	0.74	0.75
Nebraska	0.18	0.23	0.28	0.35	0.45	0.30
Nevada	0.82	0.76	0.76	0.75	0.76	0.77
New Hampshire	0.20	0.20	0.20	0.20	0.25	0.21
New Jersey	0.84	0.87	0.91	0.85	0.76	0.85
New Mexico	0.60	0.60	0.46	0.47	0.51	0.53
New York	0.59	0.65	0.59	0.71	0.82	0.67
North Carolina	0.35	0.28	0.31	0.39	0.75	0.42
North Dakota	0.61	0.69	0.69	0.71	0.84	0.71
Ohio	0.47	0.44	0.42	0.46	0.49	0.46
Oklahoma	0.19	0.15	0.17	0.30	0.49	0.26
Oregon	1.26	1.21	1.06	1.15	1.37	1.21
Pennsylvania	1.01	0.96	0.92	0.92	0.97	0.96
Rhode Island	1.47	1.24	1.14	1.10	1.10	1.21
South Carolina	0.42	0.41	0.39	0.44	0.53	0.44
South Dakota	0.20	0.20	0.19	0.19	0.20	0.20
Tennessee	0.42	0.42	0.40	0.49	0.63	0.47
Texas	0.37	0.37	0.33	0.37	0.61	0.41
Utah	0.34	0.24	0.27	0.29	0.37	0.30
Vermont	0.82	0.75	0.61	0.58	0.57	0.67
Virginia	0.16	0.15	0.15	0.15	0.24	0.17
<b>Washington</b>	<b>1.18</b>	<b>1.13</b>	<b>1.17</b>	<b>1.21</b>	<b>1.40</b>	<b>1.22</b>
West Virginia	0.98	0.97	0.94	0.88	0.86	0.93
Wisconsin	0.67	0.65	0.63	0.63	0.72	0.66
Wyoming	0.70	0.65	0.58	0.39	0.39	0.54
U.S. Average	0.56	0.53	0.51	0.54	0.64	0.56
<b>Washington's Rank</b>	<b>46</b>	<b>45</b>	<b>48</b>	<b>49</b>	<b>49</b>	<b>49</b>

Source: U.S. Department of Labor, Employment, and Training Administration

# Workers' Compensation Premium Costs

(Not updated due to unavailability of data)

The Oregon Department of Consumer & Business Services produces the workers' compensation premium index every two years in order to make a state-by-state comparison of workers' compensation premiums. The premium index is calculated by selecting Oregon's fifty largest business classes as defined by the workers' compensation costs and computing what those compensation claims would cost in other states.

In 2002, Washington's premium costs for the industries examined by the study were \$1.65 per \$100 of payroll, ranking 7<sup>th</sup> among the states. This is the sixth consecutive decline in this measure of Washington's premium costs and is less than half of its level in 1994. Washington's average rate of \$2.30 per \$100 of payroll for the period from 1994 through 2002 ranked 11<sup>th</sup> among the states and was well below that national average of \$3.07.

Washington's compensation system is atypical of other states' systems as employees pay a portion of their industrial premiums into a state fund and the Department of Labor and Industries acts as both the insurer and administrator of the workers' compensation system. Washington's results over the past decade suggest an effective and successful workers' compensation system.

Chart 39  
Workers' Compensation Premium Cost Index

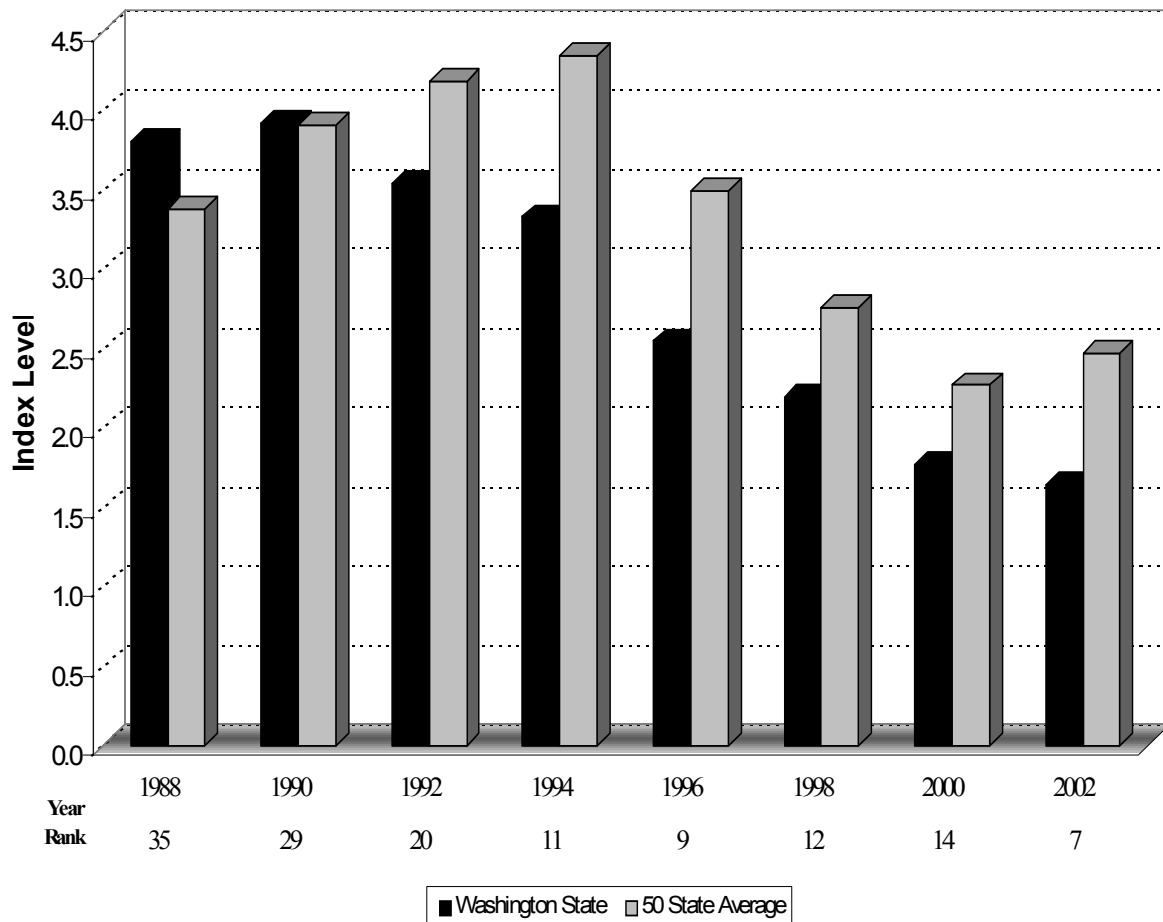


Table 39

## Cost of Doing Business

**Workers' Compensation Premium Costs**

(Dollar amount per \$100 of payroll)

	<b>1994</b>	<b>1996</b>	<b>1998</b>	<b>2000</b>	<b>2002</b>	<b>1994-2002</b>
Alabama	4.78	3.64	3.70	2.56	2.96	3.53
Alaska	3.92	3.41	2.70	2.18	2.87	3.02
Arizona	4.18	3.38	2.60	1.77	1.63	2.71
Arkansas	3.69	3.04	2.29	1.68	1.62	2.46
California	5.04	4.11	4.86	3.34	5.23	4.52
Colorado	5.28	3.34	2.87	2.64	2.73	3.37
Connecticut	5.34	4.64	3.67	2.58	2.90	3.83
Delaware	3.18	3.54	3.20	2.58	3.38	3.18
Florida	5.72	5.26	4.28	4.08	4.50	4.77
Georgia	4.52	4.04	2.95	2.42	2.32	3.25
Hawaii	6.06	5.75	3.24	2.99	3.48	4.30
Idaho	3.88	3.00	2.48	2.11	2.37	2.77
Illinois	5.48	3.77	2.96	2.62	2.73	3.51
Indiana	2.26	1.71	1.55	1.32	1.37	1.64
Iowa	3.47	2.17	1.87	1.66	1.74	2.18
Kansas	3.49	2.64	1.82	1.56	1.84	2.27
Kentucky	5.46	3.77	2.58	2.32	2.87	3.40
Louisiana	6.98	5.47	4.06	3.36	3.19	4.61
Maine	5.87	3.91	2.69	2.52	2.30	3.46
Maryland	3.08	2.23	2.03	1.58	1.84	2.15
Massachusetts	4.98	3.71	3.10	1.77	1.98	3.11
Michigan	4.54	3.05	2.86	2.40	2.25	3.02
Minnesota	5.29	4.03	2.94	2.40	2.60	3.45
Mississippi	3.70	3.30	2.62	2.10	2.21	2.79
Missouri	4.35	3.45	2.65	2.26	2.39	3.02
Montana	6.91	4.71	3.50	2.75	3.04	4.18
Nebraska	3.31	2.04	1.62	1.62	1.93	2.10
Nevada	4.55	3.96	3.86	3.10	3.02	3.70
New Hampshire	4.73	4.13	3.32	2.47	2.85	3.50
New Jersey	3.58	3.20	2.49	2.19	2.25	2.74
New Mexico	5.75	3.55	2.43	1.66	2.01	3.08
New York	5.38	4.90	3.53	3.05	3.13	4.00
North Carolina	3.41	3.05	2.02	1.64	2.17	2.46
North Dakota	2.53	2.34	2.19	1.79	1.24	2.02
Ohio	4.42	4.12	3.12	2.89	2.89	3.49
Oklahoma	4.86	4.65	3.10	2.85	2.82	3.66
Oregon	3.70	3.15	2.27	1.93	2.06	2.62
Pennsylvania	5.02	4.37	2.69	2.31	2.57	3.39
Rhode Island	5.75	4.81	3.74	3.18	3.29	4.15
South Carolina	2.91	2.38	1.47	1.51	1.82	2.02
South Dakota	3.88	3.20	2.31	1.63	1.61	2.53
Tennessee	3.60	3.59	2.79	2.10	2.30	2.88
Texas	5.91	4.19	4.11	3.05	3.29	4.11
Utah	3.62	2.64	1.88	1.58	1.67	2.28
Vermont	4.21	3.60	2.41	1.98	2.45	2.93
Virginia	2.76	1.19	1.74	1.27	1.50	1.69
<b>Washington</b>	<b>3.33</b>	<b>2.55</b>	<b>2.20</b>	<b>1.77</b>	<b>1.65</b>	<b>2.30</b>
West Virginia	2.93	2.91	2.26	2.72	2.53	2.67
Wisconsin	3.17	2.34	2.36	2.01	2.22	2.42
Wyoming	2.84	2.85	2.05	1.75	1.97	2.29
50 State Average*	4.35	3.50	2.76	2.27	2.47	3.07
<b>Washington's Rank</b>	<b>11</b>	<b>9</b>	<b>12</b>	<b>14</b>	<b>7</b>	<b>11</b>

Source: Oregon Workers' Compensation Premium Rate Rankings, Calendar Year 1988, 1990, 1992, 1994, 1996, 1998, 2000, 2002. Research and Analysis Section of the Oregon Department of Consumer and Business Services.

# Electricity Prices

While many large industrial and commercial operations make extensive use of other energy sources such as oil and natural gas, electrical power represents the main energy cost for most businesses. This indicator presents the average price of the commercial and industrial electricity purchases made annually in each state, expressed in cents per Kilowatts hour (kW-hr). To facilitate comparisons between states, in each year, each state is assumed to have had the same ratio of commercial to industrial sales as the U.S.

Due to the state's abundant hydrological resources, Washington long enjoyed some of the lowest electricity prices in the country, ranking either 1<sup>st</sup> or 2<sup>nd</sup> in lowest electricity prices among the states in the years 1990 through 1999. Drought and problems related to California's energy market, however, caused electricity prices to soar from late 2000 through 2002. Though prices across the nation increased by 10.9 percent on average over that time span, prices on the West Coast increased dramatically more than that, 62.9 percent in California, 34.5 percent in Oregon and 26.5 percent in Washington. As the effects of the disruptions diminished around 2003, however, prices on the West Coast began to drop even as national prices rose. After sinking to a ranking of 22<sup>nd</sup> in 2001, in 2003 Washington rose back up to reach 12<sup>th</sup>, with a 5-year average price still ranking 7<sup>th</sup> overall.

Chart 40  
Electricity Prices

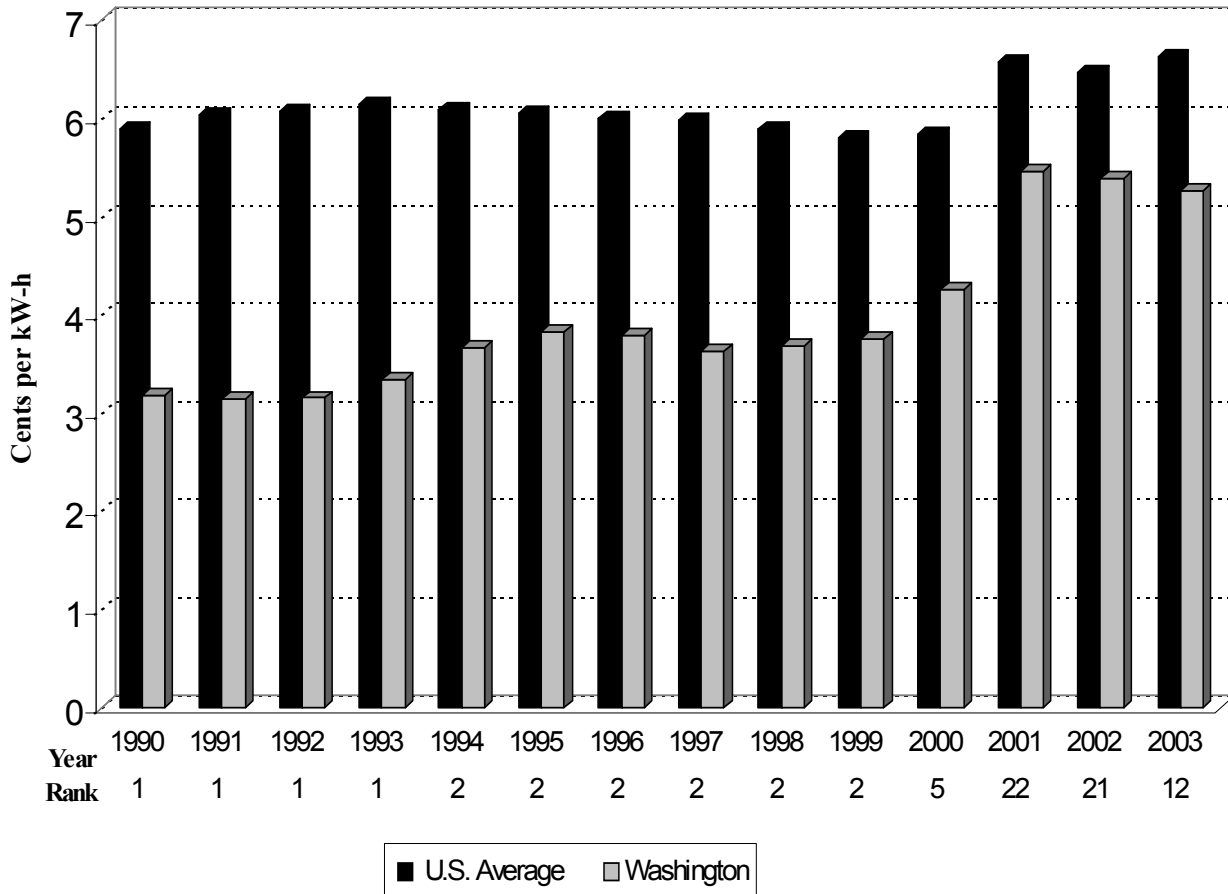


Table 40  
 Cost of Doing Business  
**Electricity Prices**  
 (Weighted Average of Industrial and Commercial Rates, Cents per Kilowatt Hour)

	1999	2000	2001	2002	2003	1999-2003
Alabama	5.14	5.29	5.33	5.32	5.49	5.32
Alaska	8.23	8.65	9.03	8.98	10.72	9.12
Arizona	6.24	6.19	6.41	6.31	6.39	6.31
Arkansas	4.95	5.08	5.40	4.90	4.99	5.06
California	8.57	7.43	11.06	12.11	10.74	9.98
Colorado	4.98	5.03	5.09	5.13	5.83	5.21
Connecticut	8.52	8.29	8.50	8.80	9.00	8.62
Delaware	6.02	5.70	5.73	6.11	5.86	5.88
Florida	5.48	5.58	6.25	5.98	6.34	5.93
Georgia	5.38	5.30	5.57	5.29	5.39	5.39
Hawaii	11.18	13.27	13.00	12.67	13.66	12.76
Idaho	3.45	3.69	4.45	5.07	4.79	4.29
Illinois	6.17	5.68	6.18	6.34	6.52	6.18
Indiana	4.94	4.83	4.95	5.04	5.08	4.97
Iowa	5.14	5.23	5.53	5.40	5.49	5.36
Kansas	5.34	5.37	5.45	5.47	5.61	5.45
Kentucky	4.10	4.03	4.21	4.27	4.40	4.20
Louisiana	5.39	6.17	6.61	5.61	6.53	6.06
Maine	8.41	8.49	9.27	10.83	6.58	8.72
Maryland	5.51	5.34	5.27	5.06	5.92	5.42
Massachusetts	8.31	8.59	9.84	9.53	9.58	9.17
Michigan	6.42	6.49	6.47	6.24	6.09	6.34
Minnesota	5.41	5.39	5.34	5.09	5.30	5.31
Mississippi	5.08	5.36	5.83	5.70	5.88	5.57
Missouri	5.15	5.18	5.24	5.20	5.10	5.18
Montana	4.55	4.41	5.60	5.21	5.54	5.06
Nebraska	4.48	4.51	4.65	4.81	4.98	4.69
Nevada	5.69	5.81	7.56	8.22	8.13	7.08
New Hampshire	10.27	10.26	9.89	9.50	9.89	9.96
New Jersey	8.69	7.68	8.73	8.39	8.49	8.40
New Mexico	5.85	5.87	6.51	5.94	6.25	6.08
New York	7.89	8.58	8.93	9.06	9.40	8.77
North Carolina	5.43	5.50	5.60	5.67	5.70	5.58
North Dakota	5.09	4.97	4.96	4.98	5.05	5.01
Ohio	5.95	6.03	6.40	6.28	6.27	6.19
Oklahoma	4.56	5.19	5.31	4.85	5.71	5.12
Oregon	4.23	4.25	5.04	5.72	5.55	4.96
Pennsylvania	6.52	5.30	7.03	7.11	7.26	6.64
Rhode Island	7.92	9.14	9.88	8.47	9.28	8.94
South Carolina	4.97	4.90	5.28	5.26	5.48	5.18
South Dakota	5.60	5.55	5.51	5.45	5.60	5.54
Tennessee	5.21	5.44	5.41	5.38	5.50	5.39
Texas	5.21	5.64	6.63	5.88	6.71	6.01
Utah	4.30	4.25	4.66	4.78	4.74	4.55
Vermont	8.96	8.96	9.60	9.61	9.69	9.36
Virginia	4.67	4.78	5.05	5.06	5.11	4.93
<b>Washington</b>	<b>3.75</b>	<b>4.26</b>	<b>5.47</b>	<b>5.39</b>	<b>5.27</b>	<b>4.83</b>
West Virginia	4.64	4.61	4.60	4.67	4.89	4.68
Wisconsin	4.86	5.01	5.41	5.56	5.87	5.34
Wyoming	4.28	4.36	4.46	4.70	4.73	4.51
U.S. Average	5.81	5.83	6.58	6.47	6.64	6.27
<b>Washington's Rank</b>	<b>2</b>	<b>5</b>	<b>22</b>	<b>21</b>	<b>12</b>	<b>7</b>

Source: U.S. Energy Information Administration (<http://www.eia.doe.gov>), June 2004

# Average Wage by Sector

The Occupational Employment Statistics (OES) program, produced by the U.S. Department of Labor, Bureau of Labor Statistics, conducts a yearly mail survey designed to produce estimates of employment and wages for specific occupations in states and metropolitan areas. The OES program collects data on wage and salary workers in nonfarm establishments in order to produce employment and wage estimates for over 800 occupations. Data from self-employed persons are not collected and are not included in the estimates.

Under the OES program, occupations are classified under the Standard Occupational Classification (SOC) system. This system includes twenty-two major occupational groups, which can be broken down into 821 specific occupations. State wages for the major groups are presented in Table 41, while wages for the 821 specific occupations can be found at the BLS web site ([www.bls.gov](http://www.bls.gov)).

In eighteen of the twenty-two categories, Washington is ranked within the top ten of national wages, peaking in categories such as “Arts, Design, Entertainment, Sports and Media” and “Protective Services”, but also having high ranks for “Management” and “Architecture and Engineering”.

While information on average state wage levels alone can be useful in some business decisions, care must be taken in using them to analyze actual business costs. This is because the OES survey does not attempt to account for differences in productivity or industry mix between the states. A higher-than-average wage level may simply indicate a larger concentration of high-productivity jobs within an occupational group, or higher productivity levels in the same occupation due to differences in average state levels of capital or training. For example, Washington’s relatively high average wage in Healthcare Practitioners and Technical may be due to a higher-than-average number of higher-paid workers in biotechnology labs rather than having higher paid doctors and nurses. There are also considerable differences in wage levels between different parts of the state, with the highly populated areas affecting the average wage more than more sparsely populated areas that may have lower wages. The specific occupational and metropolitan area data available from the BLS can present a clearer picture of the range of labor costs in the states.

<b>Top Five Highest Wages/Hr Sectors</b>	<b>US Average</b>	<b>Washington Average</b>
Management	34.04	46.55
Legal	33.19	32.24
Computer and Mathematical	29.02	32.14
Architecture and Engineering	27.08	30.83
Business and Financial Operations	24.32	28.31



Table 41  
 Cost of Doing Business  
 Average Wages, 2003  
 (Dollars)

	Management SOC 11-0000	Business and Financial Operations SOC 13-0000	Computer and Mathematical SOC 15-0000	Architecture and Engineering SOC 17-0000	Life, Physical and Social Science SOC 19-0000	Community and Social Services SOC 21-0000
Alabama	34.58	24.19	28.58	27.73	22.54	14.96
Alaska	33.32	26.92	27.02	31.94	25.02	17.81
Arizona	35.67	24.21	27.77	27.27	21.99	15.70
Arkansas	31.53	20.60	22.91	23.07	19.73	13.94
California	46.50	29.39	34.72	32.73	27.56	19.52
Colorado	40.87	27.74	32.33	29.36	25.44	17.75
Connecticut	49.48	31.46	32.44	29.24	30.28	19.66
Delaware	37.43	24.96	32.43	27.12	25.71	17.22
Florida	38.77	25.39	27.11	25.70	22.84	16.37
Georgia	40.44	26.28	29.45	26.72	23.92	17.11
Hawaii	37.31	25.03	27.70	27.93	23.89	18.21
Idaho	29.34	22.31	25.07	28.17	20.31	14.75
Illinois	38.52	26.81	30.13	26.96	23.81	16.86
Indiana	35.39	23.47	25.74	25.36	22.59	15.14
Iowa	33.18	22.03	25.39	24.10	21.04	14.55
Kansas	35.92	24.08	29.08	26.83	24.03	14.53
Kentucky	33.13	22.56	25.31	25.68	20.53	15.44
Louisiana	31.27	21.79	24.87	27.07	24.56	16.16
Maine	31.43	22.56	24.96	25.14	22.51	15.05
Maryland	38.28	27.32	32.96	29.88	29.81	16.72
Massachusetts	43.83	29.67	33.87	31.58	27.71	18.35
Michigan	44.21	27.92	28.61	29.85	23.07	18.17
Minnesota	43.23	26.73	30.34	27.07	26.06	16.54
Mississippi	28.99	20.52	20.66	23.21	20.51	14.39
Missouri	35.95	24.04	28.13	26.08	24.09	15.02
Montana	25.11	20.21	22.48	21.63	19.16	13.89
Nebraska	34.45	23.20	26.52	24.76	21.02	13.23
Nevada	38.74	26.39	25.76	26.97	23.38	19.88
New Hampshire	37.05	25.00	29.61	27.41	23.86	14.77
New Jersey	49.59	29.22	33.94	30.37	29.26	19.41
New Mexico	31.25	21.96	28.04	29.55	26.78	14.61
New York	50.79	30.89	32.65	29.82	28.95	19.01
North Carolina	37.95	25.66	30.70	25.97	24.59	15.26
North Dakota	28.55	21.76	23.45	22.83	19.66	14.11
Ohio	38.80	24.37	27.87	26.98	24.09	17.27
Oklahoma	30.97	21.99	23.07	25.94	22.66	13.80
Oregon	37.54	24.24	27.73	26.96	22.42	17.00
Pennsylvania	36.78	24.76	27.36	26.44	24.69	15.33
Rhode Island	42.13	27.75	28.63	28.59	25.98	17.78
South Carolina	31.46	21.85	23.60	26.34	21.14	14.69
South Dakota	33.82	19.91	20.44	20.65	17.18	14.55
Tennessee	31.94	24.72	26.16	25.71	24.12	14.01
Texas	37.56	26.05	30.60	28.62	26.44	17.16
Utah	33.92	23.18	24.93	25.15	20.96	14.88
Vermont	40.05	25.38	27.82	27.46	22.29	16.04
Virginia	41.13	28.53	30.53	28.88	28.00	17.73
<b>Washington</b>	<b>46.55</b>	<b>28.31</b>	<b>32.14</b>	<b>30.83</b>	<b>26.83</b>	<b>17.16</b>
West Virginia	29.39	20.95	22.44	23.28	21.84	12.63
Wisconsin	36.89	23.48	27.44	26.34	22.45	16.78
Wyoming	28.78	20.98	20.31	25.11	19.60	13.66
U.S. Average	34.04	24.32	29.02	27.08	23.90	16.44
<b>Washington's Rank</b>	<b>4</b>	<b>7</b>	<b>9</b>	<b>4</b>	<b>8</b>	<b>15</b>

Source: "Occupational Employment Statistics," US Department of Commerce, Bureau of Labor Statistics (www.bls.gov), June 2003

Table 41(cont.)  
 Cost of Doing Business  
 Average Wages, 2003  
 (Dollars)

	Legal SOC 23-0000	Education, Training, and Library SOC 25-0000	Arts, Design, Entertainment, Sports, and Media SOC 27-0000	Healthcare Practitioners and Technical SOC 29-0000	Healthcare Support SOC 31-0000	Protective Service SOC 33-0000
Alabama	32.09	16.72	15.33	22.72	9.02	13.34
Alaska	31.69	20.38	16.34	30.29	14.09	17.06
Arizona	33.00	16.45	18.03	27.20	10.69	15.87
Arkansas	26.03	15.84	13.55	21.83	8.84	12.68
California	45.47	22.16	25.52	30.24	12.37	19.78
Colorado	35.10	19.39	21.30	27.46	12.44	18.15
Connecticut	39.40	22.55	22.47	29.83	13.14	17.84
Delaware	33.33	22.61	17.59	29.41	11.79	15.45
Florida	35.77	19.02	17.92	26.18	10.45	15.42
Georgia	32.99	18.55	19.61	25.01	10.24	13.88
Hawaii	27.91	NA	19.83	30.38	12.07	14.11
Idaho	31.86	17.71	13.79	24.34	9.98	14.54
Illinois	42.20	19.58	19.72	23.76	10.86	18.39
Indiana	28.11	17.97	15.52	24.69	10.62	13.54
Iowa	30.50	16.32	14.09	23.30	10.31	15.02
Kansas	30.09	15.59	15.79	22.79	10.09	14.07
Kentucky	27.47	17.27	15.43	23.21	10.03	12.68
Louisiana	28.31	15.86	16.54	22.78	8.30	11.93
Maine	32.18	16.60	16.67	26.70	10.38	13.72
Maryland	30.96	20.60	20.19	30.72	11.91	17.22
Massachusetts	42.11	21.51	22.36	28.84	12.81	18.26
Michigan	36.85	21.15	22.17	27.99	11.25	15.31
Minnesota	36.33	19.12	20.92	26.49	11.69	15.69
Mississippi	25.77	14.57	13.81	20.62	8.73	11.41
Missouri	40.88	16.72	18.06	23.30	9.81	15.02
Montana	26.81	15.87	13.41	21.24	9.55	14.20
Nebraska	34.20	17.41	15.49	23.34	10.21	14.54
Nevada	33.00	19.26	20.14	32.69	12.94	15.71
New Hampshire	30.22	17.29	18.16	27.77	12.05	15.42
New Jersey	43.13	22.01	21.29	30.16	11.68	20.12
New Mexico	25.12	16.07	15.52	26.66	9.96	13.79
New York	47.18	23.60	24.95	30.16	11.74	18.45
North Carolina	30.85	16.66	17.98	25.28	9.99	14.19
North Dakota	24.10	15.21	13.43	22.68	9.64	13.95
Ohio	33.99	19.87	18.05	26.68	10.71	15.98
Oklahoma	30.23	15.09	14.96	23.66	9.37	14.20
Oregon	31.48	18.69	18.56	27.88	11.67	17.04
Pennsylvania	33.47	21.20	19.20	24.82	10.93	15.90
Rhode Island	30.84	21.35	20.09	29.00	11.90	18.09
South Carolina	29.84	17.31	16.68	25.57	9.82	12.98
South Dakota	23.21	15.11	12.66	22.01	9.59	13.40
Tennessee	32.66	16.99	17.07	23.36	10.20	13.19
Texas	39.94	18.11	18.01	26.20	9.85	15.07
Utah	39.61	16.09	16.81	27.45	10.02	14.27
Vermont	27.37	16.73	17.83	27.52	10.89	15.12
Virginia	37.34	19.33	20.84	26.46	10.48	15.62
<b>Washington</b>	<b>32.24</b>	<b>18.71</b>	<b>22.77</b>	<b>28.71</b>	<b>12.31</b>	<b>19.27</b>
West Virginia	23.67	17.30	14.70	22.48	8.60	12.49
Wisconsin	34.67	19.12	17.11	25.70	11.03	15.59
Wyoming	28.41	16.50	12.77	24.36	9.83	15.54
U.S. Average	33.19	18.81	19.12	24.01	10.53	15.64
<b>Washington's Rank</b>	<b>24</b>	<b>20</b>	<b>3</b>	<b>12</b>	<b>7</b>	<b>3</b>

Source: "Occupational Employment Statistics," US Department of Commerce, Bureau of Labor Statistics (www.bls.gov), June 2003

Table 41(cont.)  
 Cost of Doing Business  
 Average Wages, 2003  
 (Dollars)

	Food Preparation and Serving Related SOC 35-0000	Building and Grounds Cleaning and Maintenance SOC 37-0000	Personal Care and Service SOC 39-0000	Sales and Related SOC 41-0000	Office and Administrative Support SOC 43-0000	Farming, Fishing, and Forestry SOC 45-0000
Alabama	7.02	8.57	8.46	13.11	11.93	11.37
Alaska	9.68	11.76	12.20	13.79	15.45	17.08
Arizona	7.66	9.07	11.23	14.08	12.94	7.79
Arkansas	7.24	8.24	7.70	12.32	11.18	10.92
California	9.01	11.02	11.35	16.99	15.02	8.87
Colorado	8.80	10.37	10.61	16.12	14.31	10.71
Connecticut	10.07	12.01	11.98	19.22	15.55	11.49
Delaware	8.90	10.16	10.11	14.41	13.92	12.10
Florida	8.10	9.16	9.53	14.89	12.43	7.68
Georgia	7.78	9.22	11.02	14.34	13.18	9.79
Hawaii	10.28	11.18	11.95	13.35	14.03	10.76
Idaho	7.46	9.17	9.03	12.25	11.98	11.74
Illinois	7.99	10.70	10.76	15.26	13.93	10.77
Indiana	7.86	10.04	9.64	13.58	12.62	10.48
Iowa	7.58	9.51	8.82	12.51	12.16	10.92
Kansas	7.70	9.30	9.20	15.02	12.31	11.49
Kentucky	7.55	9.04	9.80	12.75	12.10	10.07
Louisiana	7.30	7.85	8.10	11.92	11.38	11.91
Maine	8.64	10.05	9.73	13.12	12.53	12.32
Maryland	8.59	10.36	10.25	14.42	14.45	11.05
Massachusetts	10.22	12.07	11.63	16.51	15.46	12.45
Michigan	8.34	11.04	10.40	15.19	13.85	9.67
Minnesota	8.42	10.75	10.51	17.11	14.09	12.42
Mississippi	6.96	8.13	8.87	10.55	11.47	10.71
Missouri	7.92	9.70	11.70	13.64	12.71	10.03
Montana	7.28	8.82	8.47	11.80	11.07	13.19
Nebraska	7.76	9.44	9.31	13.09	12.08	10.22
Nevada	9.19	10.77	10.13	13.84	13.50	13.09
New Hampshire	8.92	10.86	9.84	15.80	13.24	12.20
New Jersey	9.13	11.14	10.85	17.53	14.93	9.17
New Mexico	7.30	8.59	9.08	11.97	11.89	7.06
New York	9.43	12.28	10.91	18.69	15.21	11.61
North Carolina	7.95	9.29	9.73	14.43	12.99	11.18
North Dakota	7.43	8.91	8.54	11.91	11.35	11.03
Ohio	7.94	10.32	9.58	14.49	13.01	11.61
Oklahoma	7.21	8.29	9.37	11.91	11.76	9.60
Oregon	8.85	10.44	10.47	15.51	13.50	13.26
Pennsylvania	8.11	10.13	9.63	13.45	12.98	11.69
Rhode Island	9.00	11.32	10.50	15.10	14.21	10.54
South Carolina	7.58	8.79	9.09	12.29	12.10	10.63
South Dakota	7.39	8.76	8.68	12.37	10.84	10.04
Tennessee	7.60	8.93	9.70	13.66	12.37	10.29
Texas	7.64	8.63	9.39	14.14	12.95	9.00
Utah	8.03	9.40	10.36	13.87	12.36	10.47
Vermont	9.24	10.33	10.03	13.43	12.95	11.70
Virginia	8.13	9.33	10.66	13.97	13.56	11.24
<b>Washington</b>	<b>9.54</b>	<b>11.17</b>	<b>11.90</b>	<b>16.62</b>	<b>14.73</b>	<b>12.30</b>
West Virginia	7.07	8.53	8.19	10.82	11.17	10.77
Wisconsin	8.22	10.22	9.98	14.50	13.11	12.27
Wyoming	7.42	9.20	8.82	11.65	11.45	13.71
U.S. Average	8.04	9.80	10.10	13.91	13.09	9.44
<b>Washington's Rank</b>	<b>5</b>	<b>7</b>	<b>4</b>	<b>6</b>	<b>7</b>	<b>9</b>

Source: "Occupational Employment Statistics," US Department of Commerce, Bureau of Labor Statistics (www.bls.gov), June 2003

Table 41(cont.)  
 Cost of Doing Business  
 Average Wages, 2003  
 (Dollars)

	Construction and Extraction SOC 47-0000	Installation, Maintenance, and Repair SOC 49-0000	Production SOC 51-0000	Transportation and Material Moving SOC 53-0000
Alabama	14.03	15.77	12.86	11.67
Alaska	24.14	22.22	17.70	18.46
Arizona	14.76	16.59	12.69	13.34
Arkansas	13.55	14.86	11.72	12.39
California	19.88	18.69	13.17	13.31
Colorado	17.73	18.33	14.01	14.42
Connecticut	20.62	19.35	15.55	14.27
Delaware	17.28	18.62	14.51	13.56
Florida	13.88	15.71	11.74	11.40
Georgia	15.10	17.24	12.80	13.35
Hawaii	22.25	18.97	13.67	15.95
Idaho	15.10	16.09	12.38	11.83
Illinois	22.19	18.88	13.63	13.61
Indiana	18.52	17.55	14.89	13.48
Iowa	15.85	16.06	13.62	12.88
Kansas	16.14	16.80	14.20	13.22
Kentucky	15.79	16.22	13.92	13.30
Louisiana	14.52	15.79	14.90	12.35
Maine	15.10	16.13	13.72	12.24
Maryland	17.46	17.50	14.23	13.39
Massachusetts	21.99	19.58	15.05	14.05
Michigan	20.59	19.28	17.04	14.72
Minnesota	21.33	18.31	14.67	14.20
Mississippi	13.02	14.40	11.76	11.20
Missouri	19.48	17.04	13.65	13.99
Montana	16.10	15.47	13.02	13.07
Nebraska	15.12	15.95	12.68	13.27
Nevada	19.35	18.24	13.88	13.09
New Hampshire	16.51	17.31	14.07	13.23
New Jersey	22.70	19.99	14.84	13.47
New Mexico	14.29	15.52	12.69	12.44
New York	21.96	18.69	13.88	14.87
North Carolina	14.24	16.53	12.97	12.60
North Dakota	15.60	16.13	13.04	12.97
Ohio	18.48	17.32	14.83	13.08
Oklahoma	14.34	15.38	12.73	12.57
Oregon	19.26	17.88	13.94	13.09
Pennsylvania	18.04	16.94	13.96	13.51
Rhode Island	18.93	17.78	13.15	12.51
South Carolina	13.96	15.81	13.42	11.87
South Dakota	13.17	14.70	11.77	11.59
Tennessee	14.78	16.33	13.22	12.80
Texas	13.96	16.12	13.01	13.11
Utah	15.90	16.90	12.79	13.86
Vermont	14.94	16.44	13.62	13.11
Virginia	15.67	17.41	13.47	12.95
<b>Washington</b>	<b>21.45</b>	<b>19.32</b>	<b>15.21</b>	<b>14.80</b>
West Virginia	15.81	15.50	14.17	12.03
Wisconsin	19.27	17.46	14.54	13.34
Wyoming	16.45	17.70	15.50	14.98
U.S. Average	17.05	16.81	13.27	12.77
<b>Washington's Rank</b>	<b>7</b>	<b>5</b>	<b>5</b>	<b>5</b>

Source: "Occupational Employment Statistics," US Department of Commerce, Bureau of Labor Statistics (www.bls.gov), June 2003

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## **Economic and Revenue Forecast Council**

Bret Bertolin  
Chuck Gusak  
Colin McNamara  
Desiree Monroy  
Eric Swenson

## **Climate Study Work Group Members**

Jack Archer, House Republican Caucus  
Brad Jurkovich, House Democratic Caucus  
Deb Stephens, Office of Trade & Economic Development  
Randy Hodgins, Senate Ways & Means Committee  
Irv Lefberg, Office of Financial Management  
Rick Peterson, Office of Program Research  
Bill Robinson, House Committee on Appropriations  
David Schumacher, Senate Ways & Means Committee  
Sheila Martin  
Phil Bussey  
Greg Pierce

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