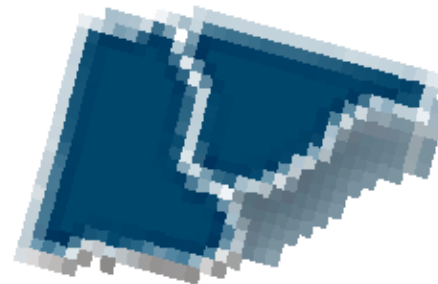


State of Regional Economy

Benton-Franklin Region

13th Annual Tri-Cities Regional Economic Outlook



Ajša Suljić-Labor Economist
Labor Market and Economic Analysis
January 18th, 2012



Employment
Security
Department
WASHINGTON STATE

Great Recession Impacts

- ▶ 2008-bursting of housing bubble, credit market freeze, falling home values, 50 % plunge in the stock market, rising unemployment
- ▶ Consumer confidence down, consumer spending slowed, housing construction declined, state and local tax revenue shortfalls.
- ▶ 2009-stimulus funding to stabilize the housing market and credit markets as well as boost the economy



Post Great Recession

- ▶ 2010-Majority Party change at the Capital Hill, Congress pushing to balance the federal budget, economic activity in a virtual stop
- ▶ 2011-Federal budget cuts for defense spending, gas prices rising, Japan earthquake and minimal government spending slowed the economic recovery
- ▶ This resulted in the nation's long-term credit rating downgrade, another fall in stock market, and decline in consumer confidence



Recent happenings

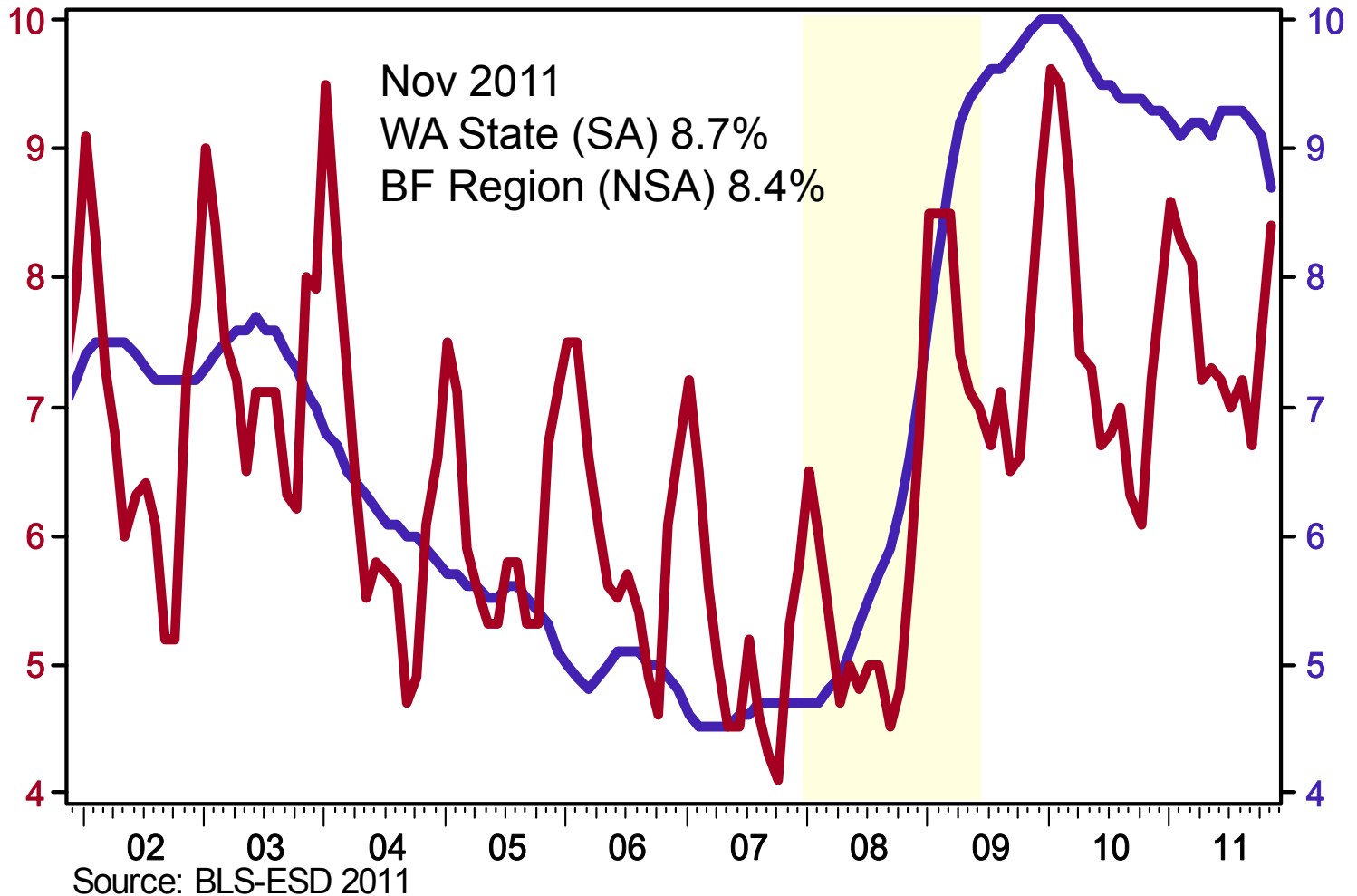
- ▶ Late 2011-3rd quarter GDP up by 2.4 percent (better-then expected), increase in consumer spending, and home prices are stabilizing and in some cases rising
- ▶ Record low mortgage rates and better consumer confidence
- ▶ National and state employment is growing and unemployment rates dropped below 9 percent.



Unemployment Trends

← WDA 11 Benton-Franklin Unemployment Rate

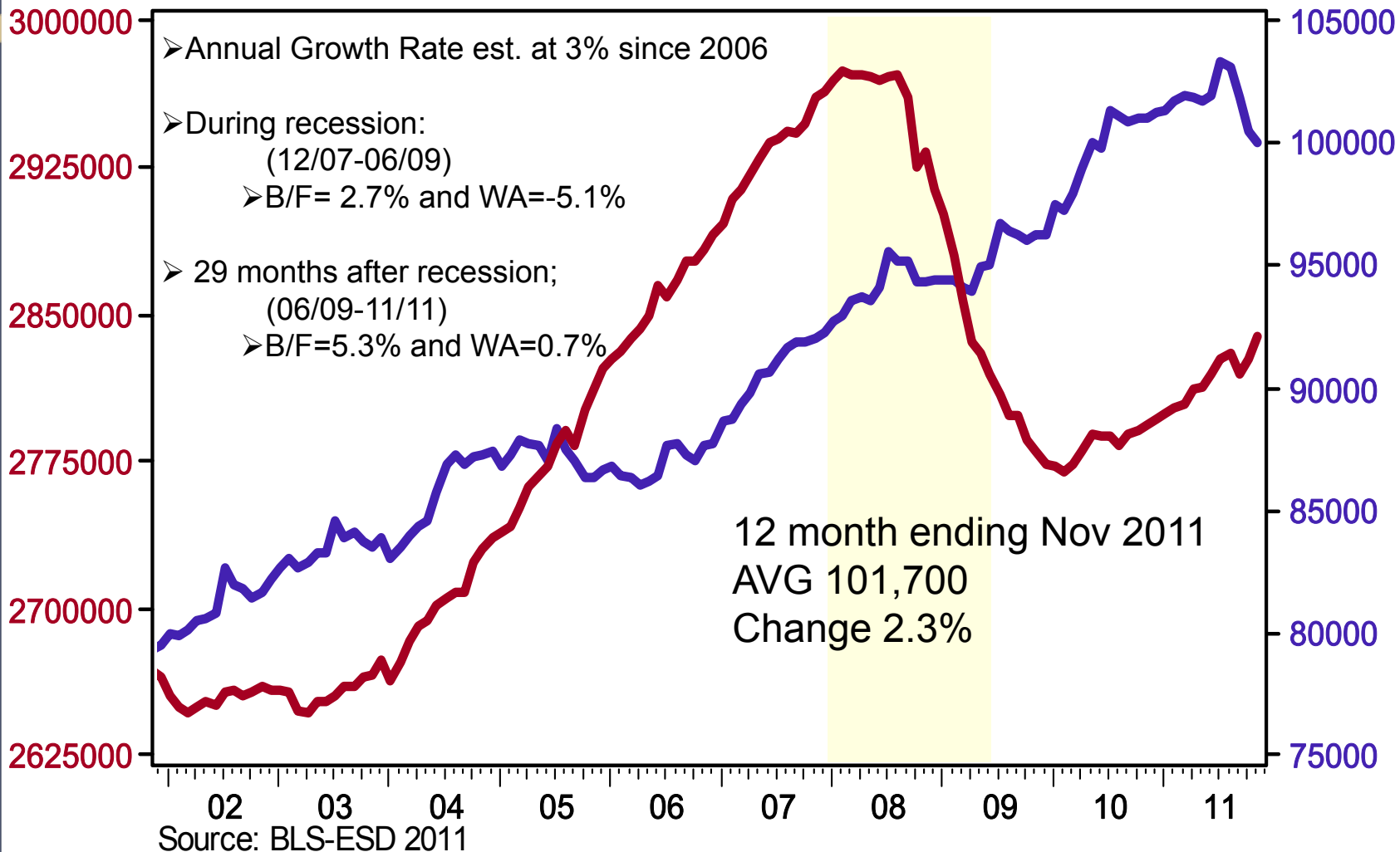
Washington State Unemployment Rate, SA →



Employment Trends

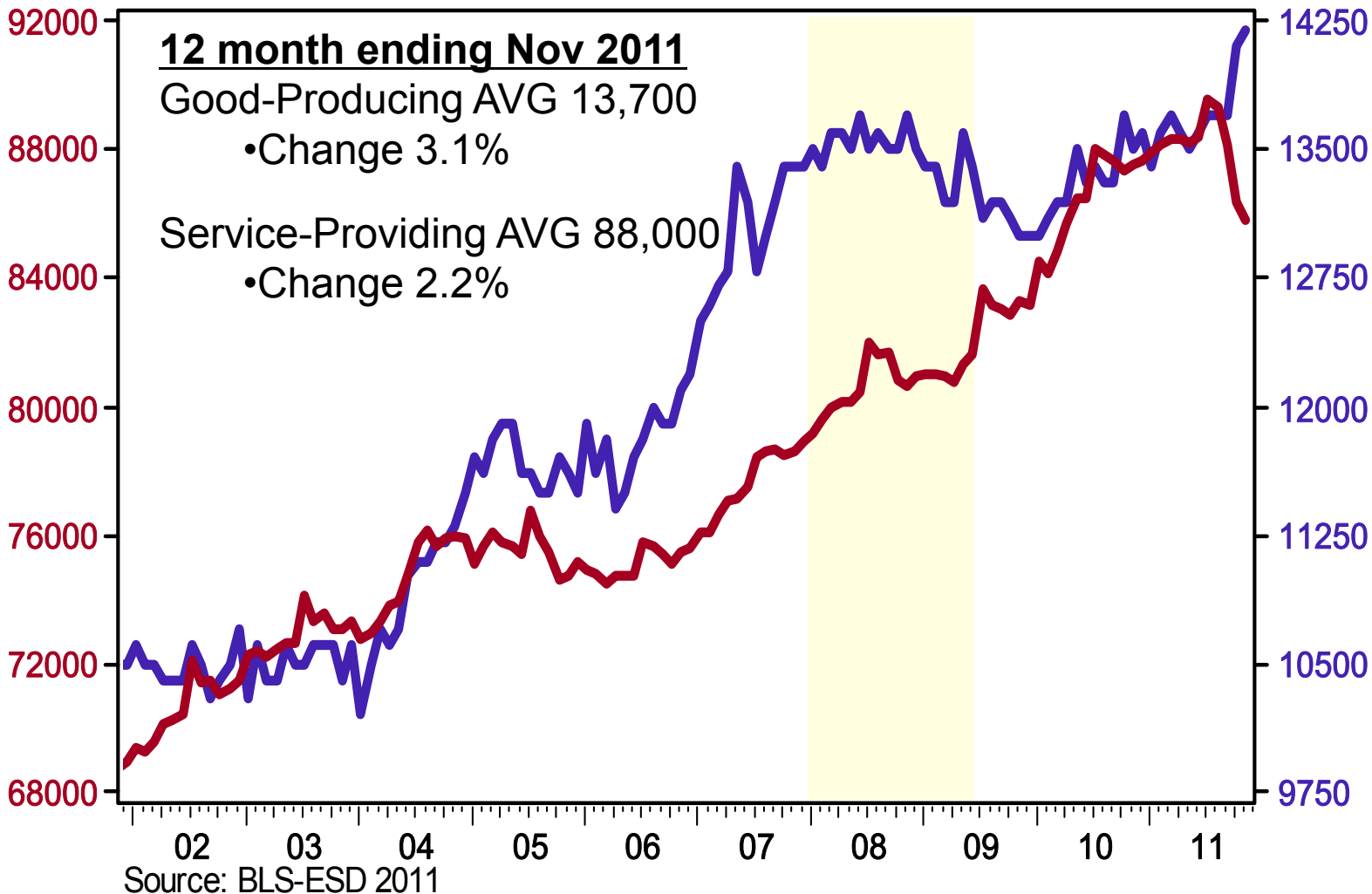
← All Employees: Total Nonfarm, Washington SA

All Employees: Total Nonfarm, Kennewick-Richland-Pasco MSA → SA

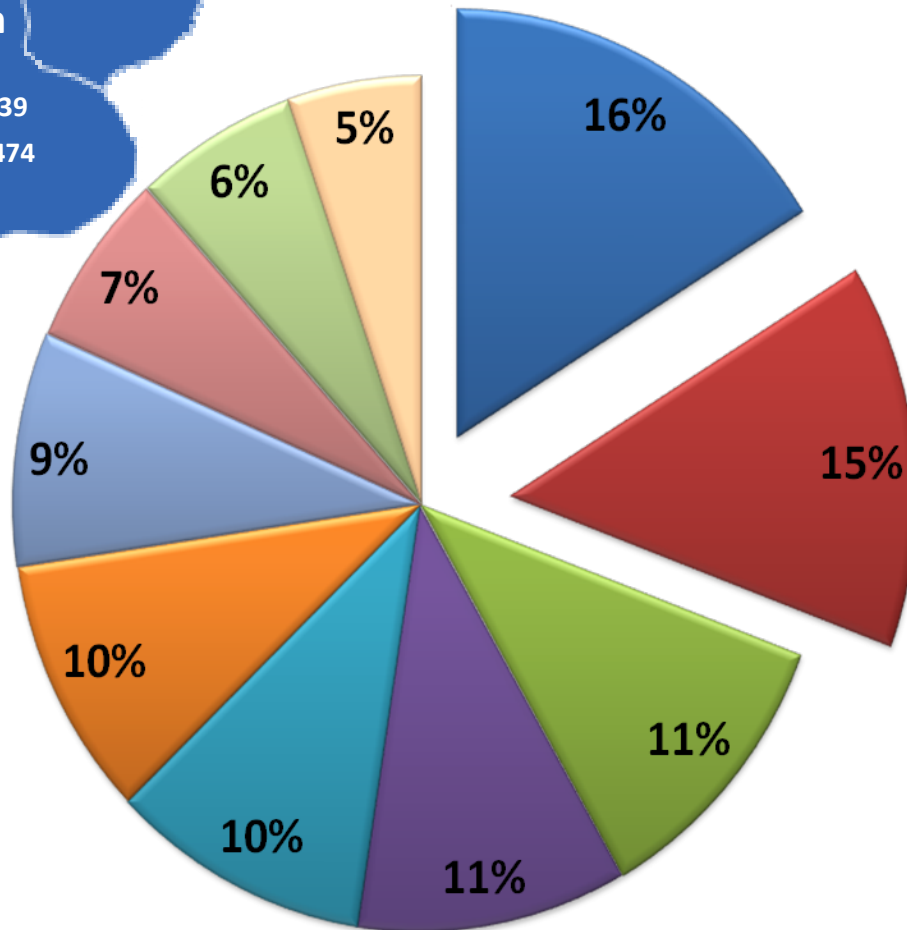
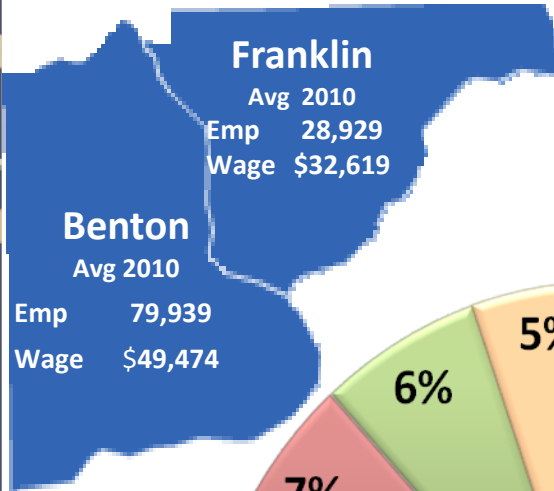


Employment Trends con

← All Employees: Service-Providing, Kennewick-Richland-Pasco MSA SA
→ All Employees: Goods-Producing, Kennewick-Richland-Pasco MSA SA



Industry Employment Share

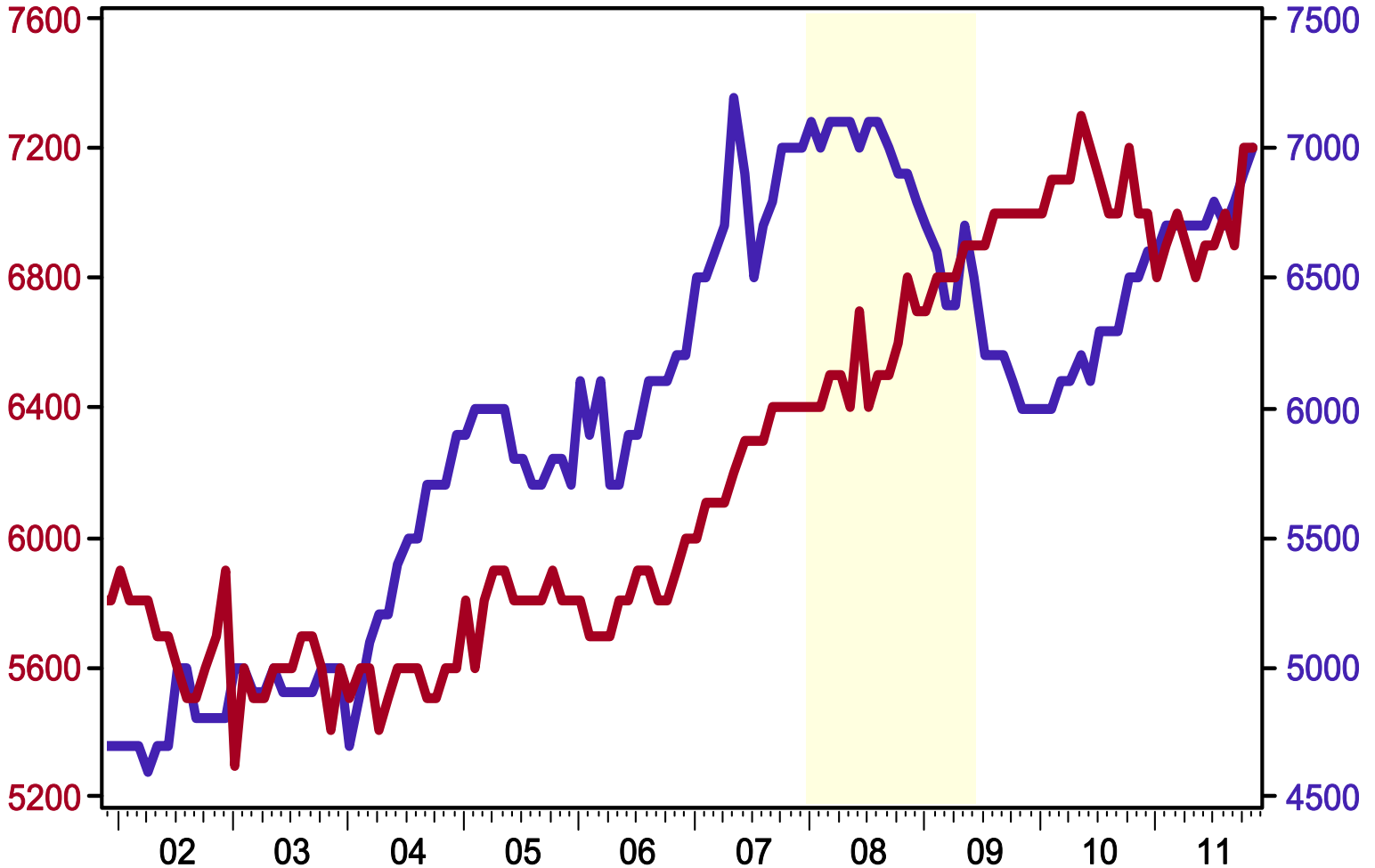


- Public administration
- All other industries (private industries not listed individually)
- Professional, scientific and technical services
- Administrative support and waste mgmt. and remediation services
- Retail trade
- Agriculture, forestry, fishing and hunting
- Health care and social assistance
- Accommodation and food services
- Manufacturing
- Construction

Source: Employment Security Dept/LMEA; QCEW Avg. 2010; BLS

Employment Trends con

← All Employees: Manufacturing, Kennewick-Richland-Pasco MSA SA
All Employees: Nat Resources/Mining/Construct, Kennewick-Richland-Pasco MSA → SA



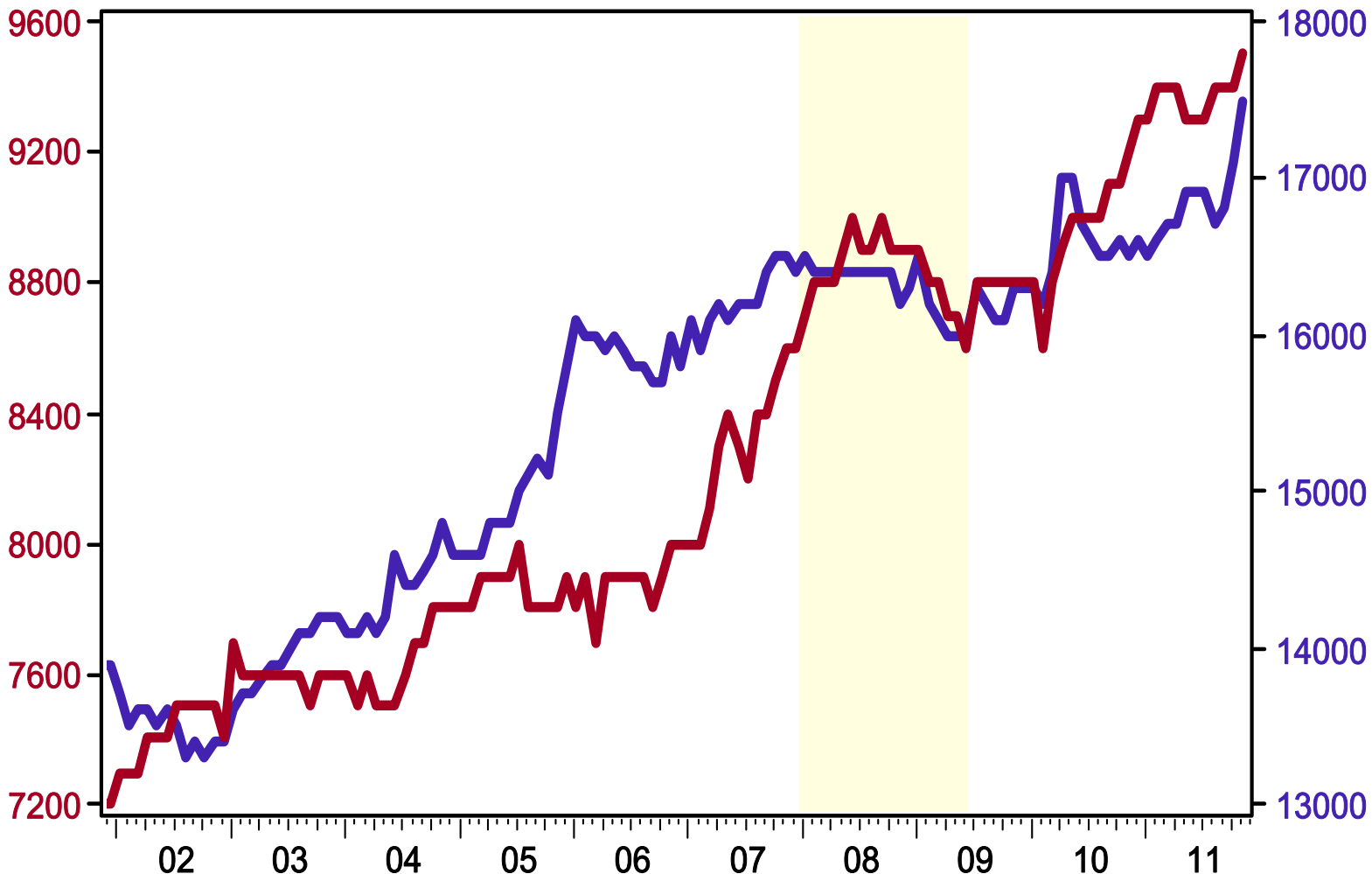
Source: BLS-ESD 2011



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Employment Trends con

← All Employees: Leisure & Hospitality, Kennewick-Richland-Pasco MSA SA
All Employees: Trade/Transportation/Utilities, Kennewick-Richland-Pasco MSA → SA



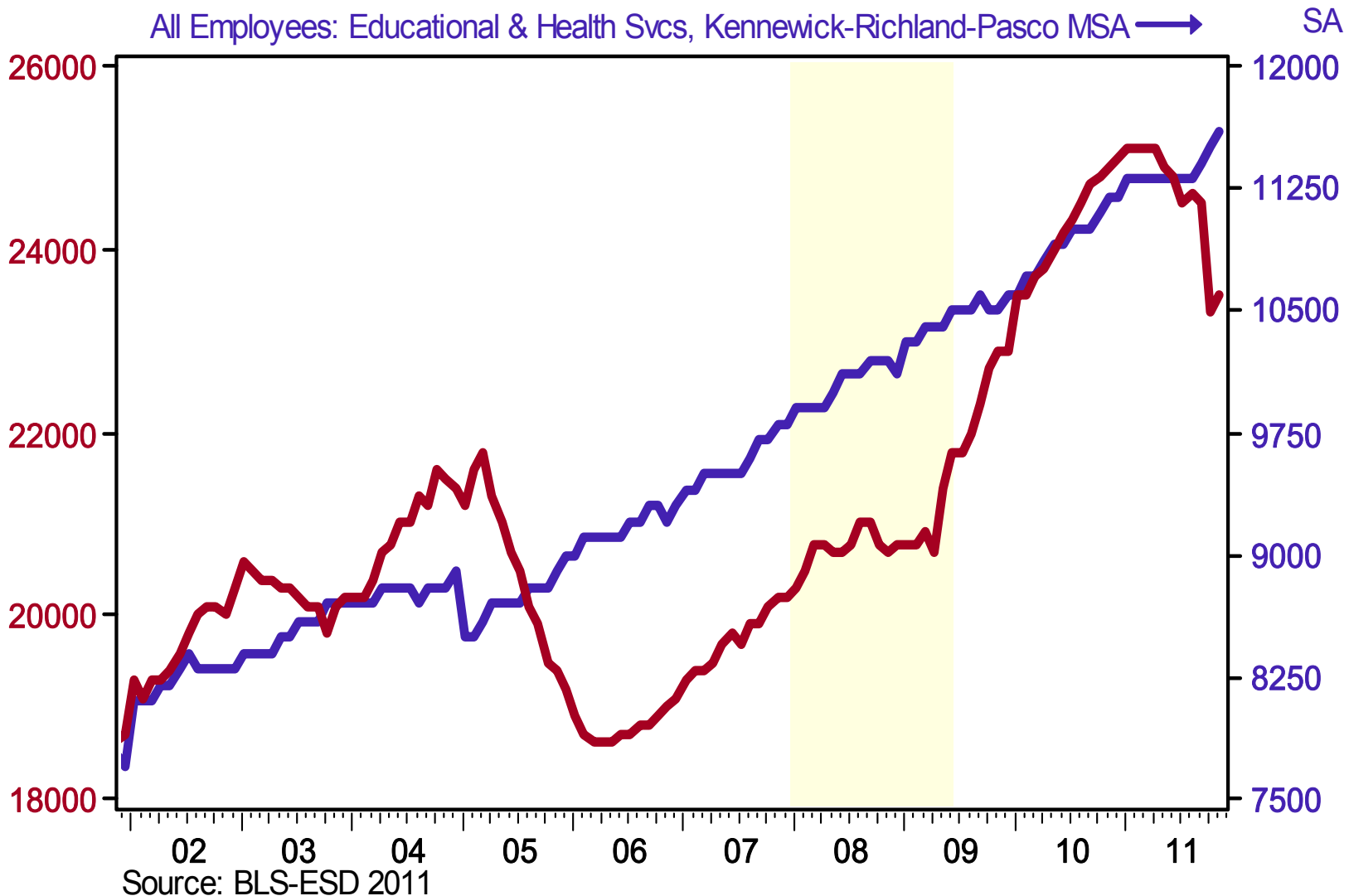
Source: BLS-ESD 2011



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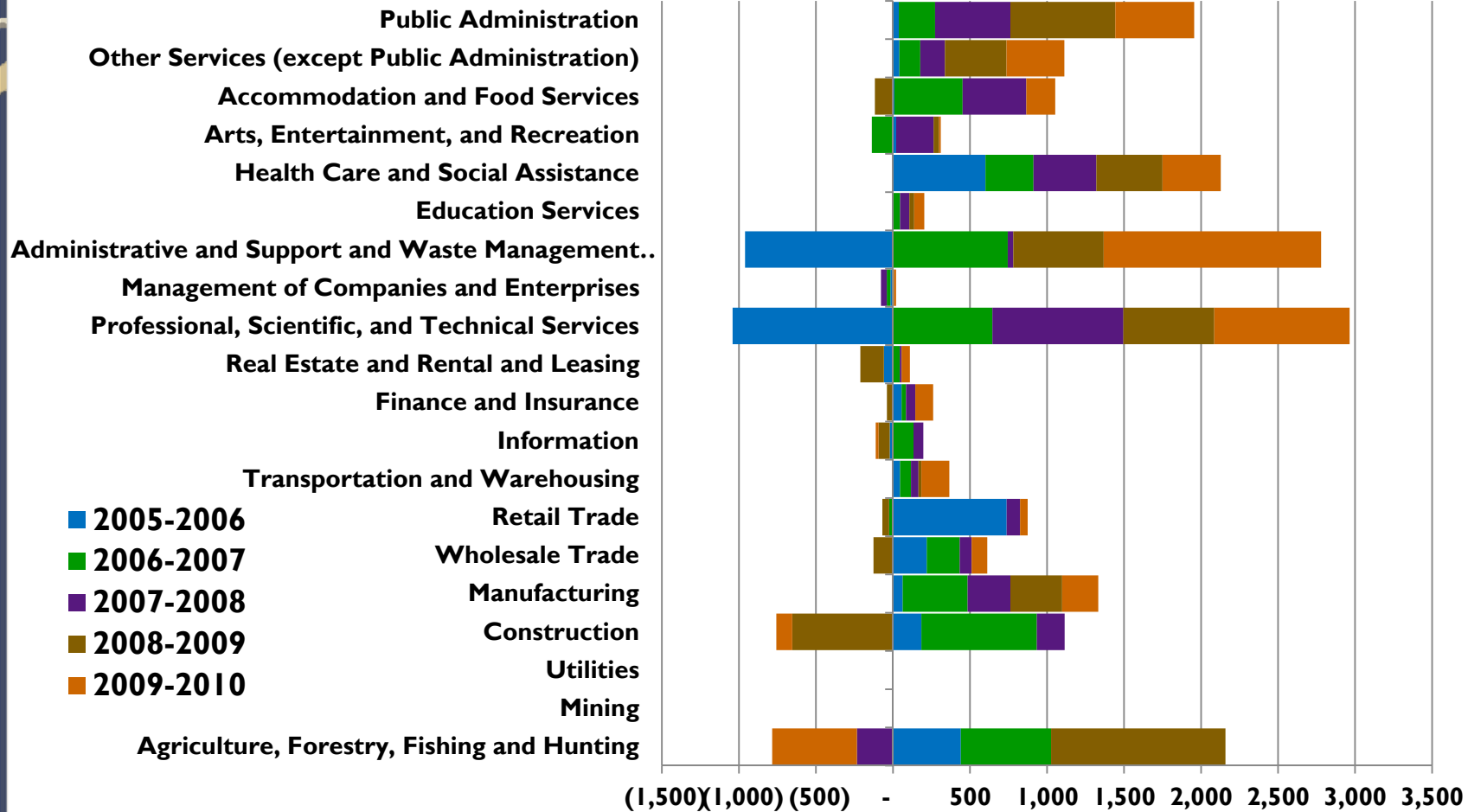
Employment Trends con

← All Employees: Professional & Business Svcs, Kennewick-Richland-Pasco MSA
→ All Employees: Educational & Health Svcs, Kennewick-Richland-Pasco MSA



Industry Employment Changes by year

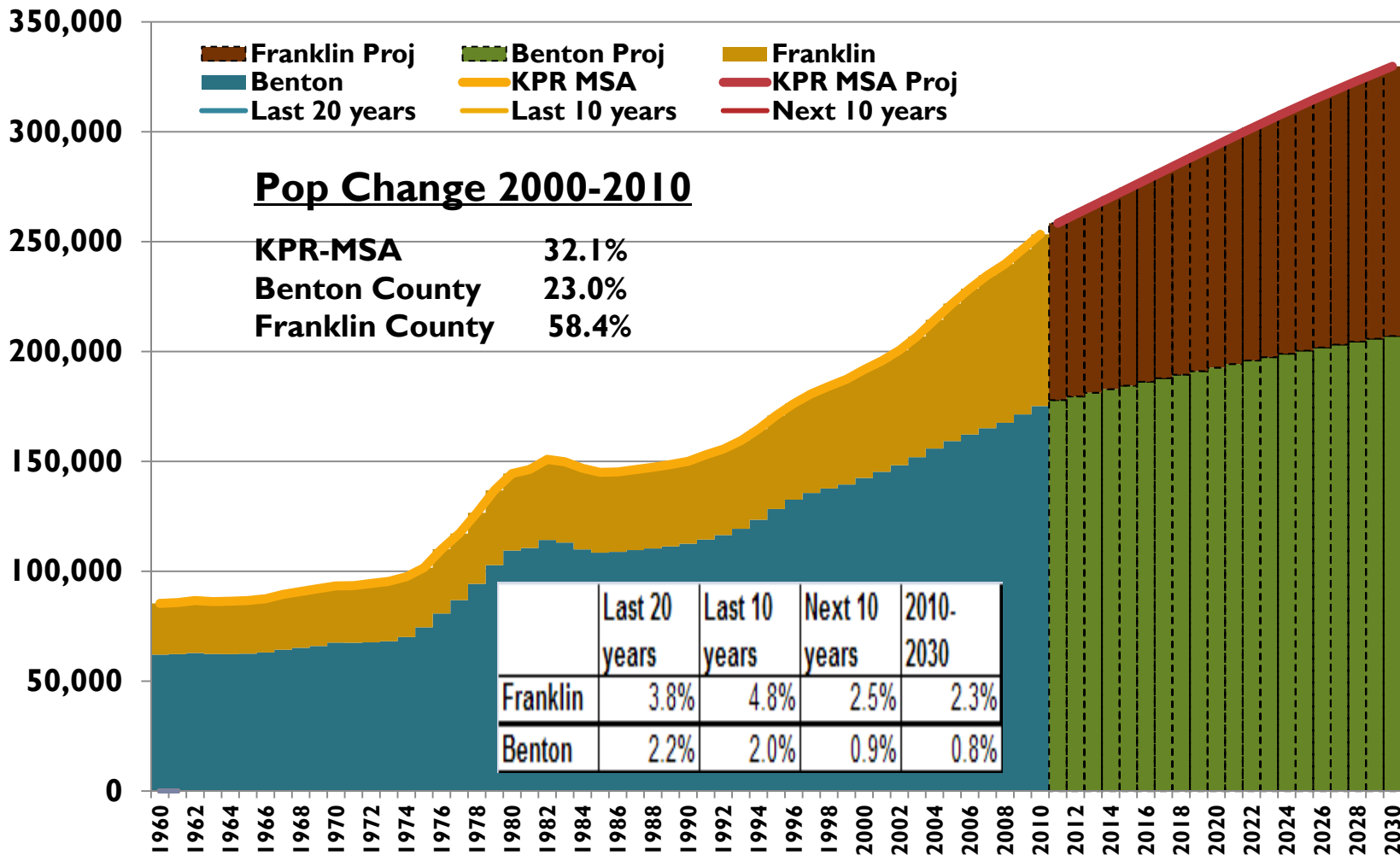
Avg Annual
Employment 2010
108,867



Source: Employment Security Dept/LMEA; QCEW Avg. 2010; BLS

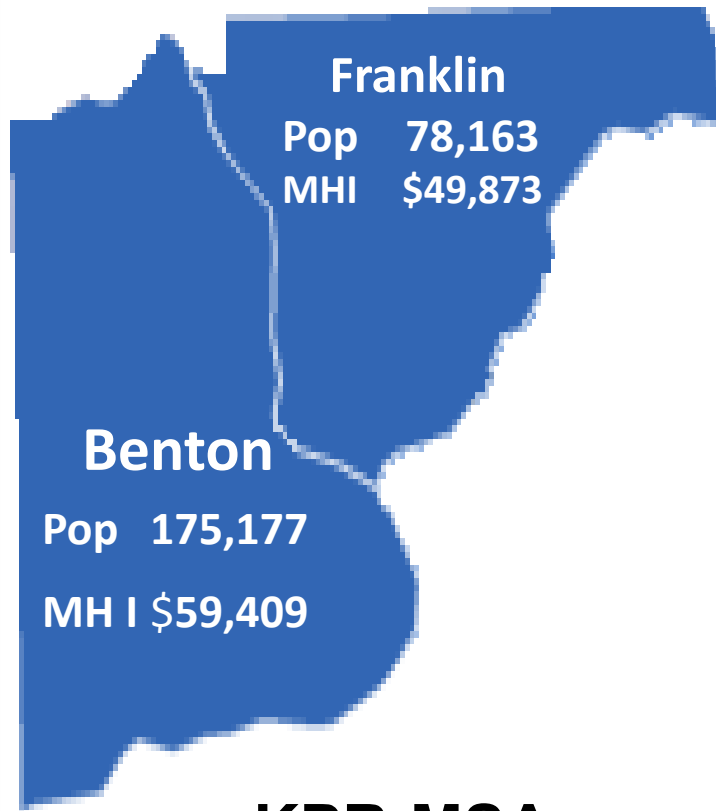
Benton-Franklin Population

Population 2010
253,340



Source: US CENSUS and WA OFM

Benton-Franklin Poverty and Income



KPR-MSA
MHI \$56,407
PV Rate 15.1%

Poverty Rate: Total Population						
	2000	2006	2007	2008	2009	2010
U.S.	13.2%	13.3%	13.0%	13.3%	14.3%	15.3%
State	11.3%	11.8%	11.4%	11.4%	12.3%	13.4%
Franklin	19.2%	24.9%	16.0%	20.4%	18.4%	20.1%
Benton	10.3%	13.9%	11.0%	14.8%	11.0%	12.9%
Poverty Rate: Children (<18 years old)						
	2000	2006	2007	2008	2009	2010
U.S.	16.1%	18.3%	18.0%	18.3%	20.0%	21.6%
State	13.7%	15.4%	15.0%	14.4%	16.2%	18.2%
Franklin	26.2%	37.2%	21.8%	26.8%	25.6%	24.2%
Benton	14.8%	22.2%	14.5%	23.0%	19.2%	19.2%

Source: US Census, ACS data set

Source: US Census (MHI- Medium Household Income)

Outlook...

- ▶ Population is expected to continue growing for the next 30 years.
- ▶ Employment in general is expected to grow on average 2.4% a year through 2014 and then slow down to 1.6% growth through 2019
- ▶ Industries that will be leading growth
 - ▶ Health Care and Social Assistance
 - ▶ Manufacturing
 - ▶ Educational Services





Thank You

**For Any Questions or Comments
About Labor Market Information
Contact**

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