

Seattle Economic Indicators



Photo: Courtesy of Getty Images



The Seattle Economic Indicators reports current and recent data for the following five economic indicators:

1. Business income
2. Job growth
3. Business start-ups and closures
4. Educational system performance
5. Income distribution

The Seattle Economic Indicators utilizes the most recent data available to report on local economic conditions. The data benchmarks established by the Economic Indicators will inform City leaders for policies, investments and actions, with a continued aim to sustain a business climate that supports quality job creation and sound public policies. Published twice each year, the Economic Indicators will provide a common understanding of Seattle's economy.

The five Indicators are summarized on this page and presented in detail in the following sections.

For more information contact:



City of Seattle Office of Economic Development
loed@seattle.gov
 206.684.8090

City of Seattle Economic Indicators as of April 2012

1. Business Income	2010	2011	Change
Business income (billions, 2010\$)	\$52.1	\$53.8	↑ 3.3%
2. Job Growth	2010	2011	Change
Employment	462,200	469,500	↑ 1.6%
Unemployment rate	8.0%	7.6%	↓ -0.4%
3. Business Start-ups and Closures	2010	2011	Change
New business licenses	7,900	9,100	↑ 15.2%
Total businesses	55,400	55,700	↑ 0.5%
4. Educational Attainment	2009	2010	Change
Higher education degrees awarded	17,130	18,321	↑ 7.0%
Seattle educational attainment (% Population with bachelor's degree or higher)	56.0%	55.9%	— -0.1%
5. Income Distribution	2009	2010	Change
Household income distribution by income quintile (Each quintile represents 20% of Seattle households)			
0-20%, lowest earning households	3.2%	3.1%	— -0.1%
20-40%	9.0%	9.3%	↑ 0.3%
40-60%	15.3%	15.8%	↑ 0.5%
60-80%	24.1%	24.8%	↑ 0.7%
80-100%, highest earning households	48.4%	47.0%	↓ -1.3%

Note: Change reflects relative change for indicators that show actual counts. For percentage indicators (unemployment rate, educational attainment, and income distribution), change represents the subtracted difference of the indicators. "—" indicates very little or no change (criteria for this designation vary by indicator).

1. Business Income

Exhibit 1-1. Seattle Taxable Business Income by Industry Sector, Select Years (2011\$)

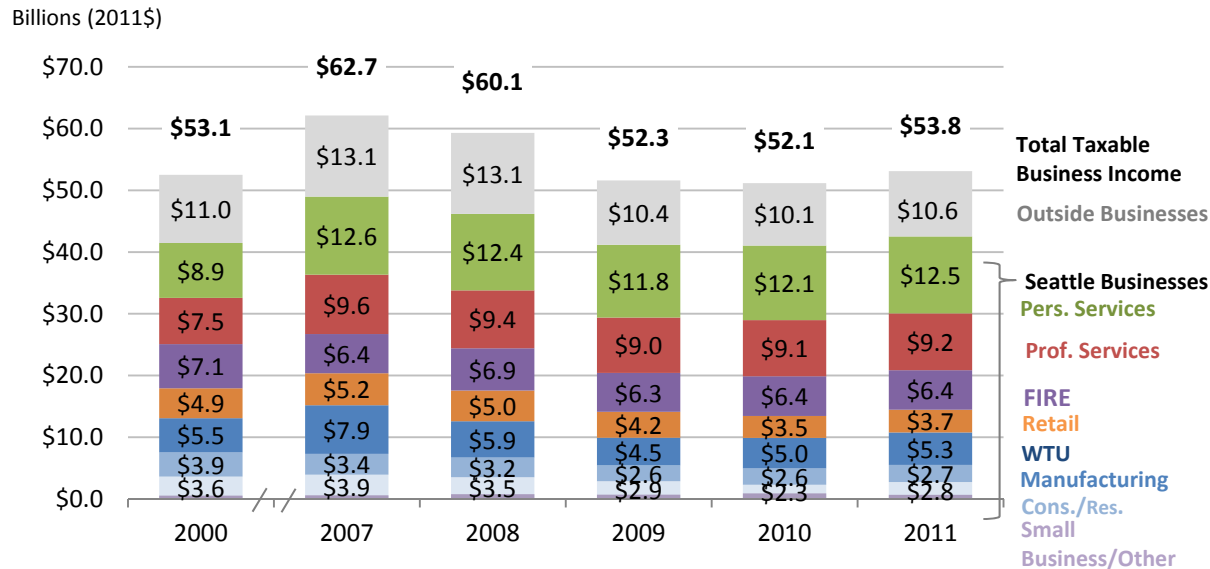


Exhibit 1-2. Seattle Quarterly Taxable Business Income, 2010 Q4 and 2011 (1)

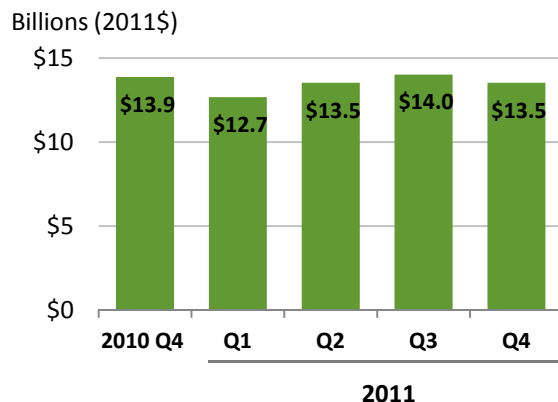


Exhibit 1-3. Seattle Taxable Business Income Change by Sector (billions, 2011\$) (2)

Sector	2010	2011	% Change
Cons/Res	\$2.3	\$2.8	20.0%
Manufacturing	\$2.6	\$2.7	3.8%
WTU	\$5.0	\$5.3	6.5%
Retail	\$3.5	\$3.7	3.6%
FIRE	\$6.4	\$6.4	-0.6%
Prof. Services	\$9.1	\$9.2	1.4%
Pers. Services	\$12.1	\$12.5	3.1%
Small Biz and Other	\$0.9	\$0.7	n/a
Outside Biz	\$10.1	\$10.6	4.7%
Total	\$52.1	\$53.8	3.3%

Business Income Key Findings

In 2011, businesses generated \$53.8 billion in taxable revenues. Citywide taxable business income increased by 2.9% between 2010 and 2011 (Ex. 1-1).

Seattle-based businesses generated \$43.2 billion in taxable income in 2011, 80% of all business income reported in Seattle. Businesses based outside of Seattle reported \$10.6 billion in income earned from activity and transactions within Seattle. Out-of-town businesses account for approximately 20% of revenues reported in the City.

Total business income generated by tax-paying businesses increased by 3.3% in the same period. Sectors with projected 2011 revenue growth include all sectors except FIRE (finance, insurance and real estate).

Definitions:

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

Notes:

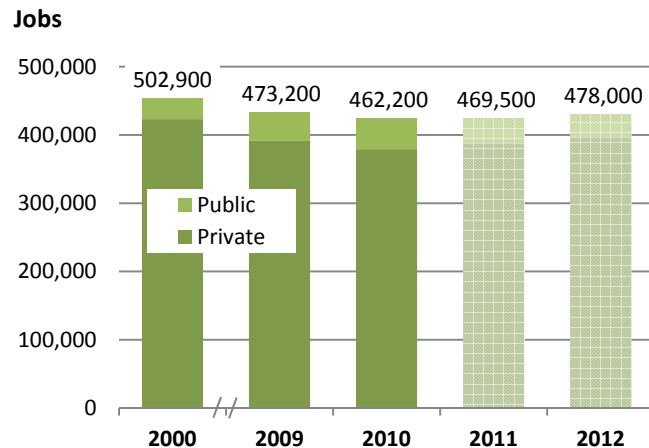
(1) 2010 Q4 data has been revised to reflect new estimates. Quarterly data is controlled to annual taxable income estimates provided by Seattle Department of Finance and Administrative Services.

(2) 2011 Small Business Taxable Income reflects only data collected to date.

Source: City of Seattle Department of Finance and Administrative Services (March 2012)

2. Job Growth

Exhibit 2-1. Seattle Covered Employment, Public and Private Sectors, Select Years (3)



Source: Quarterly Census of Employment of Wages, Puget Sound Regional Council; Current Employment Statistics, Bureau of Labor Statistics (March 2012)

Exhibit 2-2. Job Change by Sector, Seattle (projection) and Seattle Metropolitan Area, 2010 – 2011 (4)

Sector	Actual	Actual MSA	Projected Seattle
	Seattle Jobs	% Change	Job Change
Cons/Res	16,700	-0.8%	(130)
Manufacturing	26,400	9.9%	2,610
WTU	29,200	3.4%	1,000
Retail	36,900	4.3%	1,600
FIRE	32,000	0.4%	130
Prof. Services	92,800	5.1%	4,710
Pers. Services	145,100	5.0%	7,190
Gov	48,500	-3.1%	(1,500)
Ed	34,600	0.3%	110
Total	462,200	2.1%	15,720

Job Growth Key Findings

Seattle covered employment is projected to total 469,500 jobs in March of 2011, which includes 387,500 private sector jobs and 82,000 public sector jobs. Private sector jobs account for 83% of all Seattle jobs.

Projected citywide jobs are up 1.6% from 2010 to 2011, based on Seattle MSA job trends. The private sector is projected to have gained 8,400 jobs, a 2.2% increase.

Citywide covered employment declined from a recent peak in March 2008 of 496,900 to a recent low in March 2010 of 462,200, a decline of 7.0%. For projected 2011 employment, jobs are down 6.0% since 2000 (502,900).

City of Seattle unemployment is 7.0% in 2011 Q4, the latest unemployment figure available. Seattle unemployment is 0.7% lower than the Seattle Metropolitan Area and 1.6% lower than Washington State in 2011 Q4.

Notes:

(3) Covered employment is for March of the given year. Covered employment consists of employment covered by the Washington Unemployment Insurance Act, and excludes self-employed workers, proprietors, CEOs, and other non-insured workers. Typically, covered employment has represented 85-90% of total employment. City employment estimates use PSRC yearly estimates, released in June the following year.

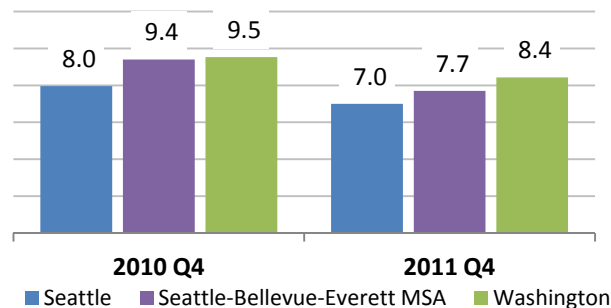
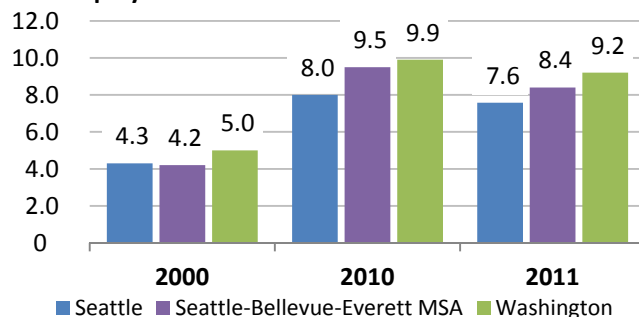
(4) 2011 Seattle employment is projected using Seattle MSA (Seattle-Bellevue-Everett) Monthly Current Employment Statistics. Seattle MSA CES are Non-Seasonally Adjusted and were obtained in March 2012. Projections are subject to revision.

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

Cons/Res is construction and resources; WTU is wholesale, transportation and utilities; FIRE is finance, insurance, and real estate; Gov is government; Ed is education.

Exhibit 2-3. Seattle, Seattle Metropolitan Area, and Washington Unemployment Rate, 2000, 2010 and 2011, Quarter 4 2010 and Quarter 4 2011 (5)

% Unemployment Rate



Source: Local Area Unemployment Statistics, Bureau of Labor Statistics, Not Seasonally Adjusted (March 2012)

3. Business Start-Ups and Closures

Exhibit 3-1. Seattle Businesses, Openings and Closures, Select Years (6)

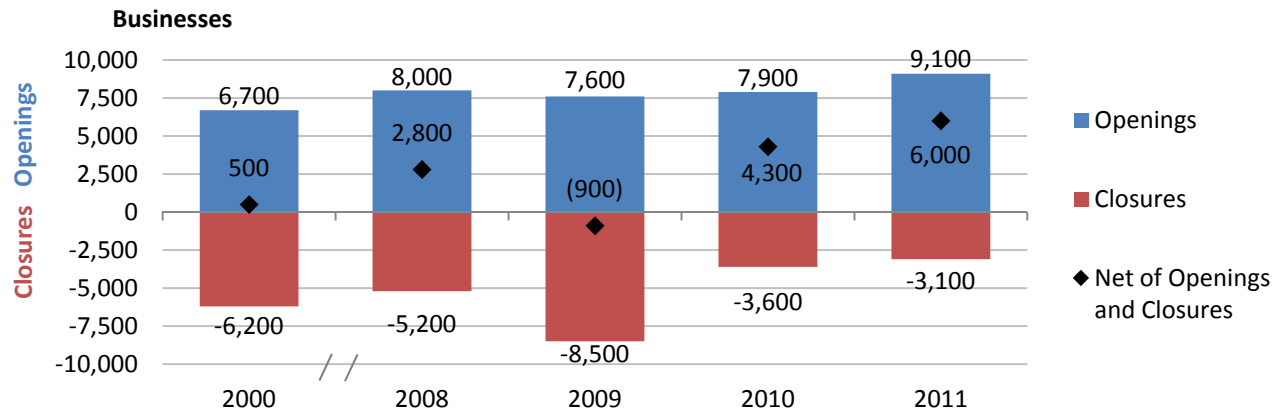


Exhibit 3-2. Annual Average of Paid Seattle Businesses, Select Years

Business Licenses

	2000	2008	2009	2010	2011
Total Business Licenses	48,100	54,600	55,000	55,400	55,700

Source: City of Seattle Department of Finance and Administrative Services (March 2012)

Business Start-ups and Closures Key Findings

In 2011, Seattle reported 9,100 new business licenses, up 15% from 2010. Business closures in 2011 totaled 3,100, down 16% since 2010.

The total net number of citywide businesses increased from 2010 to 2011 by 40% (1,700 businesses) based on current Opening and Closing records. Net license count shows a more modest 0.5% increase (300 licenses).

Approximately 55,700 businesses are located in the City of Seattle, as of December 31st, 2011, based on City of Seattle business license records.

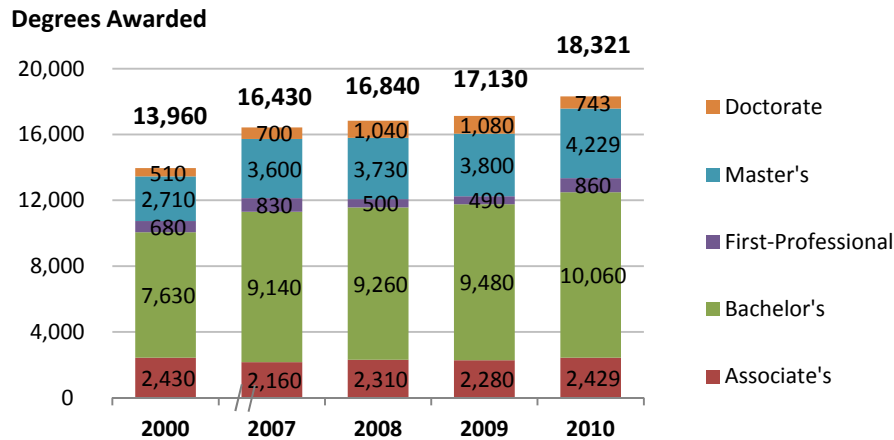
Notes:

(6) Citywide business license estimates are based on the total number of businesses with a Seattle address that have paid license fees within a given year. Openings represent businesses reporting a start date in that year, and closures represent business licenses that have been terminated within a given year. Data for 2012 do not reflect a complete count of licensed businesses, only those that have paid to date. Additionally, data processing lag may attribute a large number of closures in years later than actual close-of-business.

Historical business license data are continually updated with new information on business openings, closures and licensing renewals. All historical estimates are subject to revision as new data become available. Net change in total businesses varies from the net change in openings and closures for a given year due to data limitations, such as lags in reporting and lags in processing license reports.

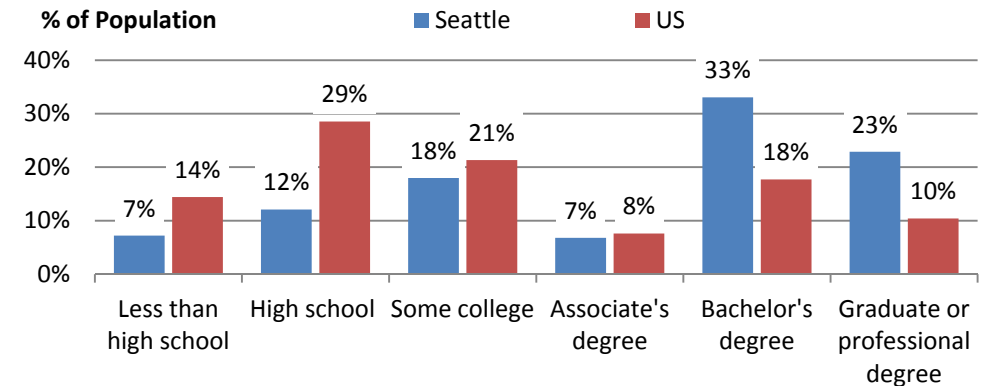
4. Educational Attainment

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



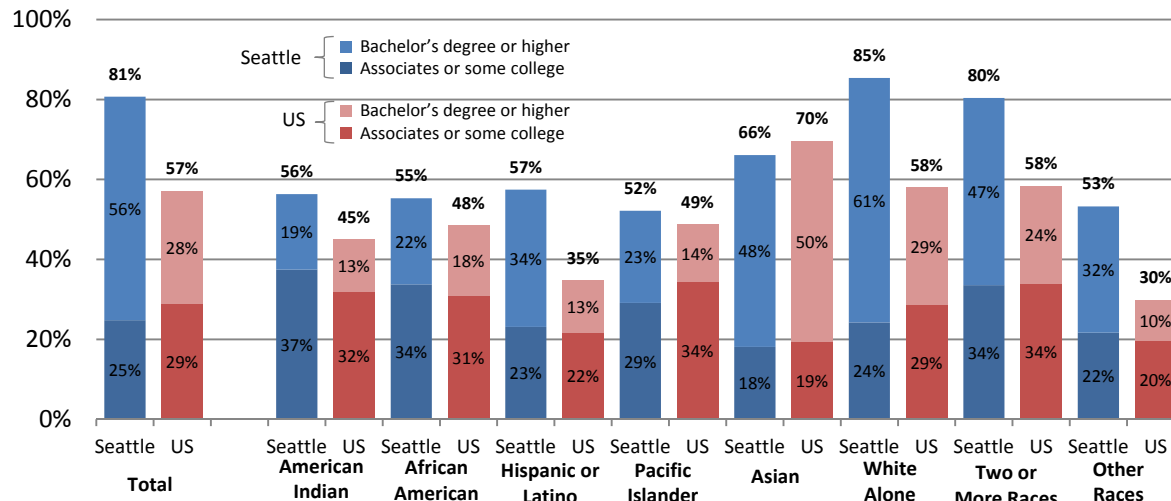
Source: National Center for Education Statistics (2011)

Exhibit 4-2. Seattle and US Educational Attainment, 2010



Source: US Census, 2010 American Community Survey (1-year average; 2011)

Exhibit 4-3. Seattle and US Educational Attainment by Race, 2010



Source: US Census, 2010 American Community Survey (5-year weighted average; 2011)

Educational System Performance Key Findings

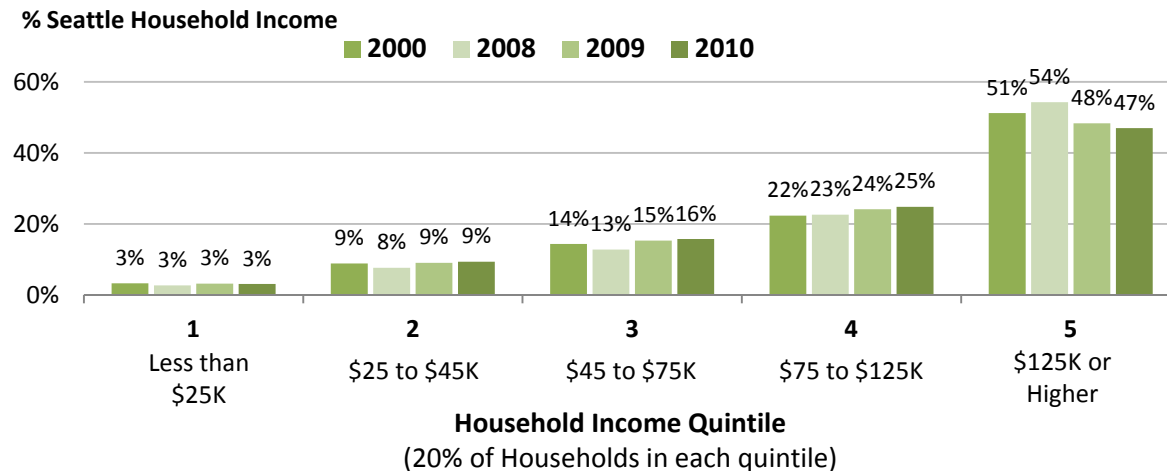
Seattle post-secondary institutions awarded a total of 18,321 degrees in 2010. From 2009 to 2010, Seattle institutions awarded approximately 6% more Bachelor's and Associate's degrees and 11% more Doctorate degrees in 2010 than in 2009 (Ex. 4-1).

Fifty six percent of Seattle residents 25 years and older have a four year college degree or higher compared to the national average of 28% in 2010 (Ex. 4-2).

Two or More Races, American Indians, African Americans, and Pacific Islanders exceed both citywide and national averages for educational attainment of Associate's degree or some college. All Seattle population groups except Asians exceed the national average for educational attainment of a Bachelor's Degree or higher. Minority populations trail the citywide average for a four year college degree or higher (Ex. 4-3).

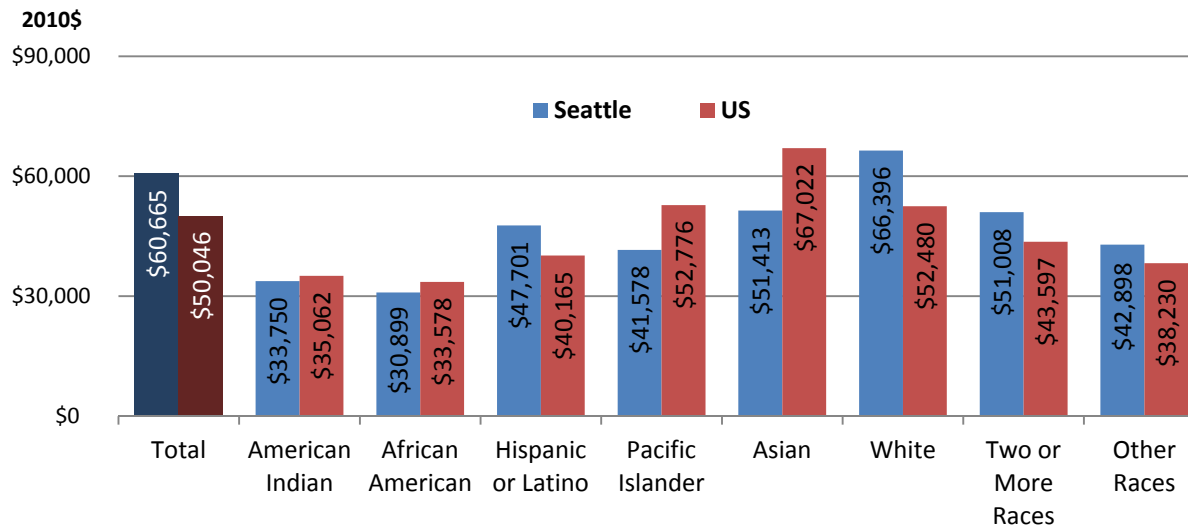
5. Income Distribution

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



Source: 2000 US Census, 2010 American Community Survey (1-year weighted average; 2011)

Exhibit 5-2. Seattle and US Median Household Income by Race, 2010



Source: 2006-2010 American Community Survey (5-year weighted average; 2011)

Income Distribution Key Findings

Exhibit 5-1 shows the distribution of household income by income quintile. Each quintile represents 20% of Seattle households.

Income shifted among the upper three quintiles from 2000 to 2010. In 2000, the top 20% highest income households accounted for approximately 51% of Seattle income. In 2010, the highest income households accounted for 47% of income, with an absolute decrease of 4%. In the 4th income quintile, 2010 households accounted for 25% of Seattle income, 3% higher than in 2000 (Ex. 5-1).

Seattle median household income was \$60,665 in 2010, 20% higher than the US median income of \$50,046. Four of eight population groups in Seattle have higher median incomes than their national counterparts (Ex. 5-2).