

**Washington State Department of Commerce**

# **Growing and Improving Jobs in Washington**

**Rogers Weed**  
Director

**June 27, 2011**



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# Agenda

- State economy update
- What is the state doing about jobs?
  - Short-term
  - Medium-term
  - Long-term





# Commerce Mission: Grow and improve jobs

## Key metrics:

1. Overall job growth and for high, medium and low wage jobs;
2. Income per job, hourly; 3. Growth in income per job; all vs. other states

## Global Priorities

Competitiveness

Education/  
Workforce  
Training

Efficient &  
Effective  
Regulation

Infrastructure  
Investment

## Specific Priorities

Community  
Capacity

Rural Focus

Sector Focus

Small Business

Commerce Strategic Plan available at [www.commerce.wa.gov](http://www.commerce.wa.gov)



# Stock Market Rebounding

## National Stock Indexes



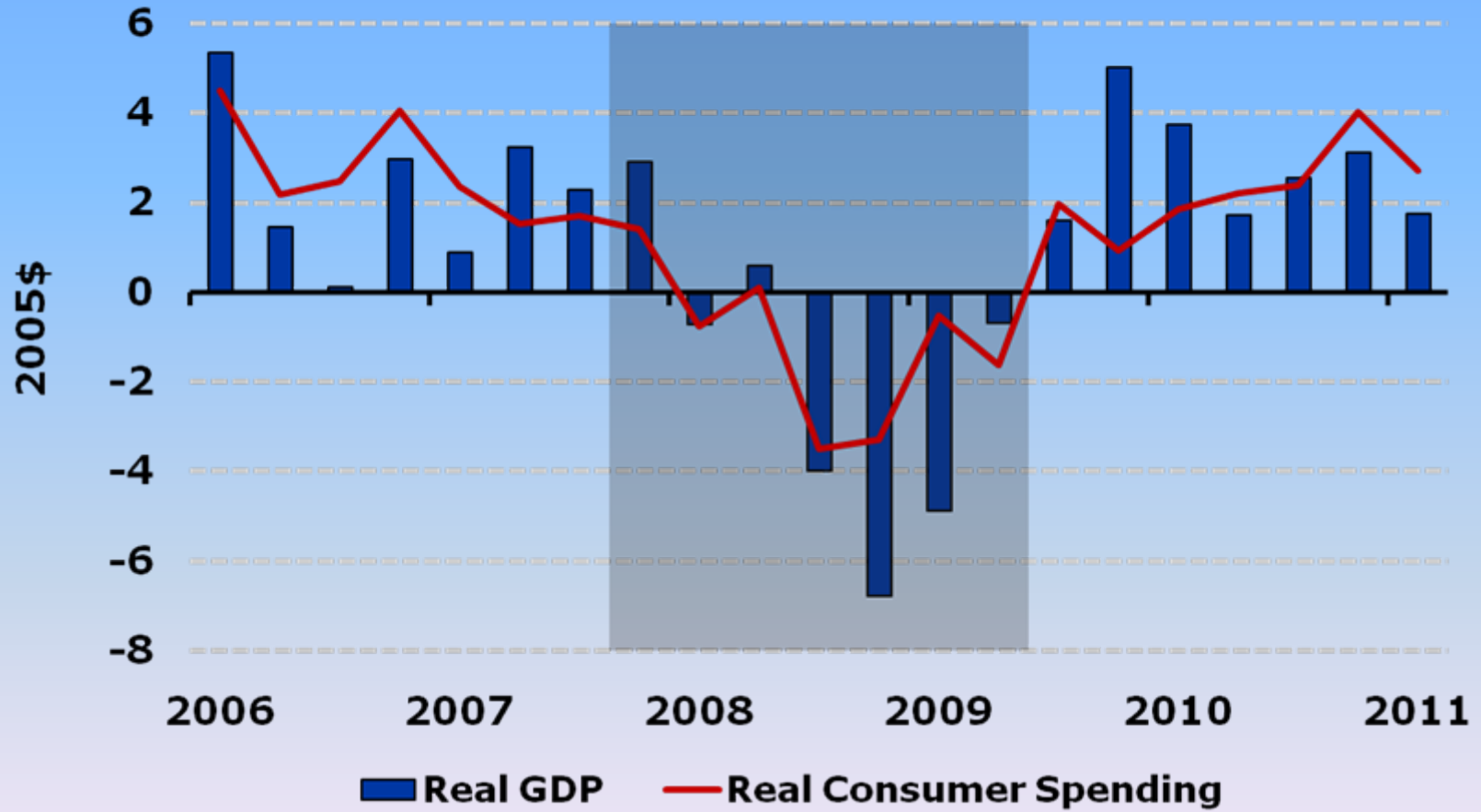
Source: Yahoo! Finance; data through May 2011



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# GDP growth faltered in the first quarter

Percent growth, SAAR



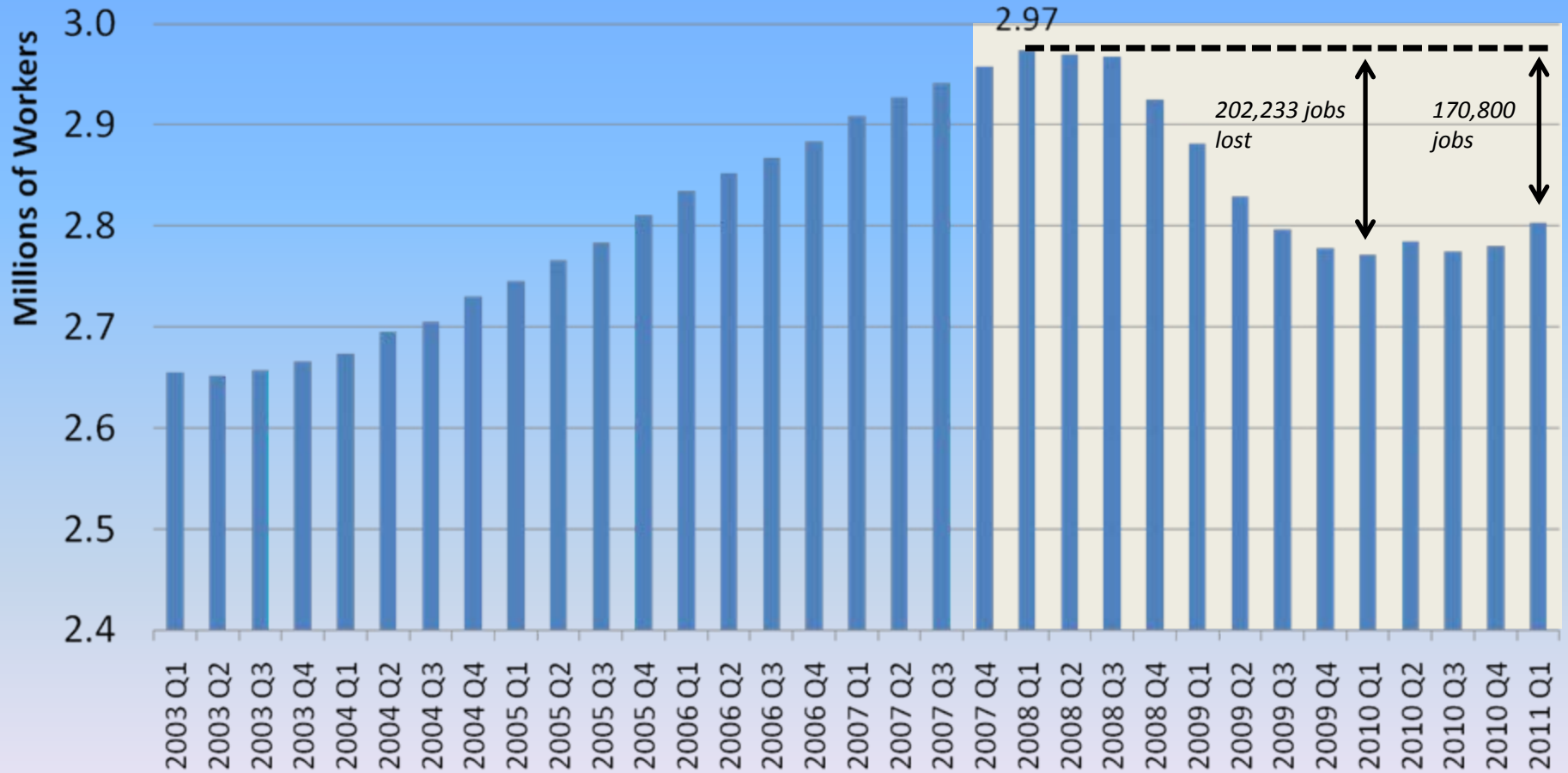
Source: BEA, data through 2011 Q1, first estimate



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# Non-farm Workers, Washington State

Excluding military and sole proprietors



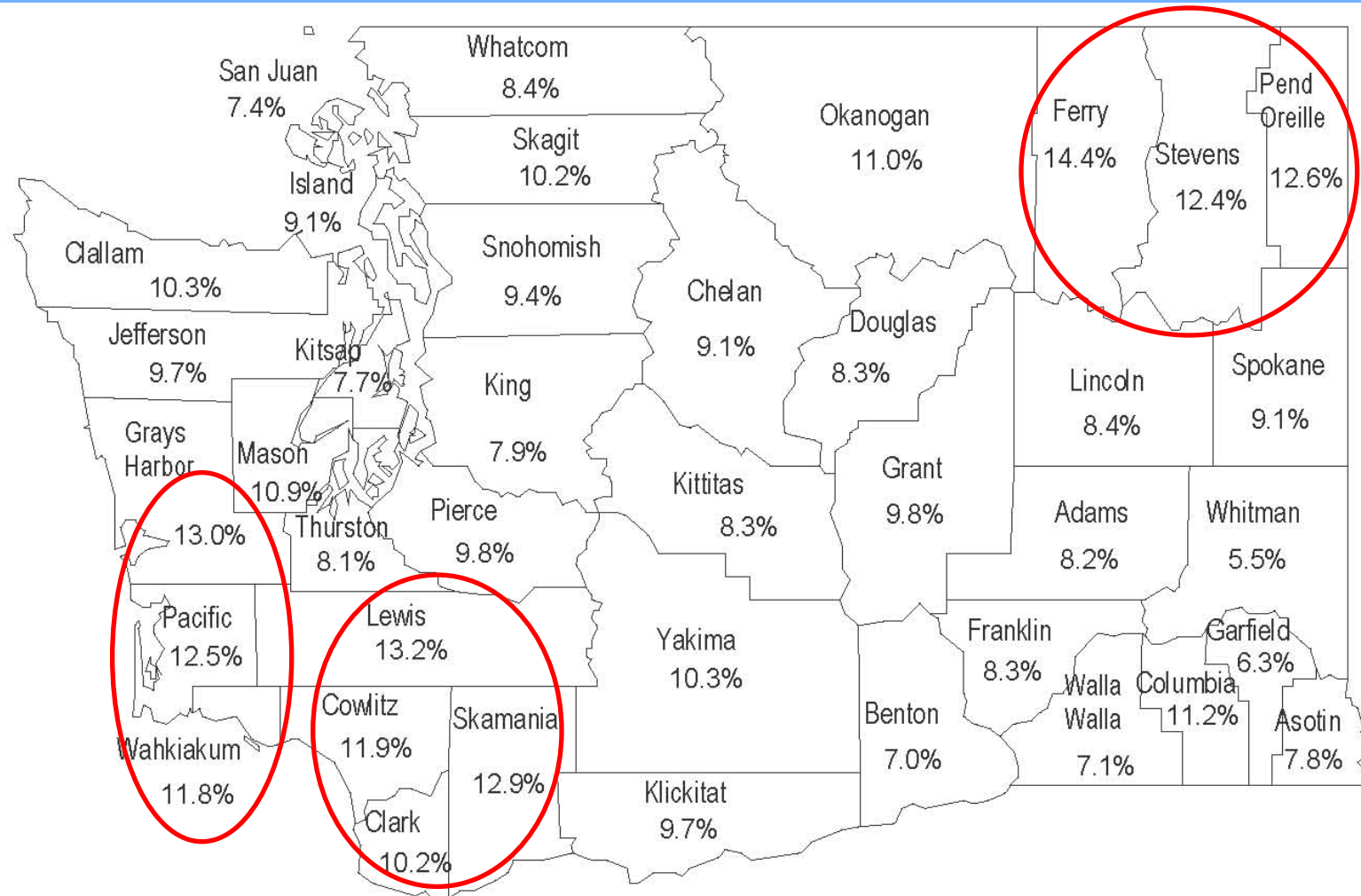
Data source: U.S. Bureau of Labor Statistics, Current Employment Statistics (CES);  
calculations by Washington State Department of Commerce



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# Unemployment Rates by County

## Not seasonally adjusted, April 2011



Source: Washington State Employment Security Department

Statewide unemployment rate in April: 9.1% (down from adjusted April, 2010 of 9.8%)

U.S.: 9.0% (down from Apr 2010 rate 9.8%)



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# Year-over-Year Job Growth

## Competitor states

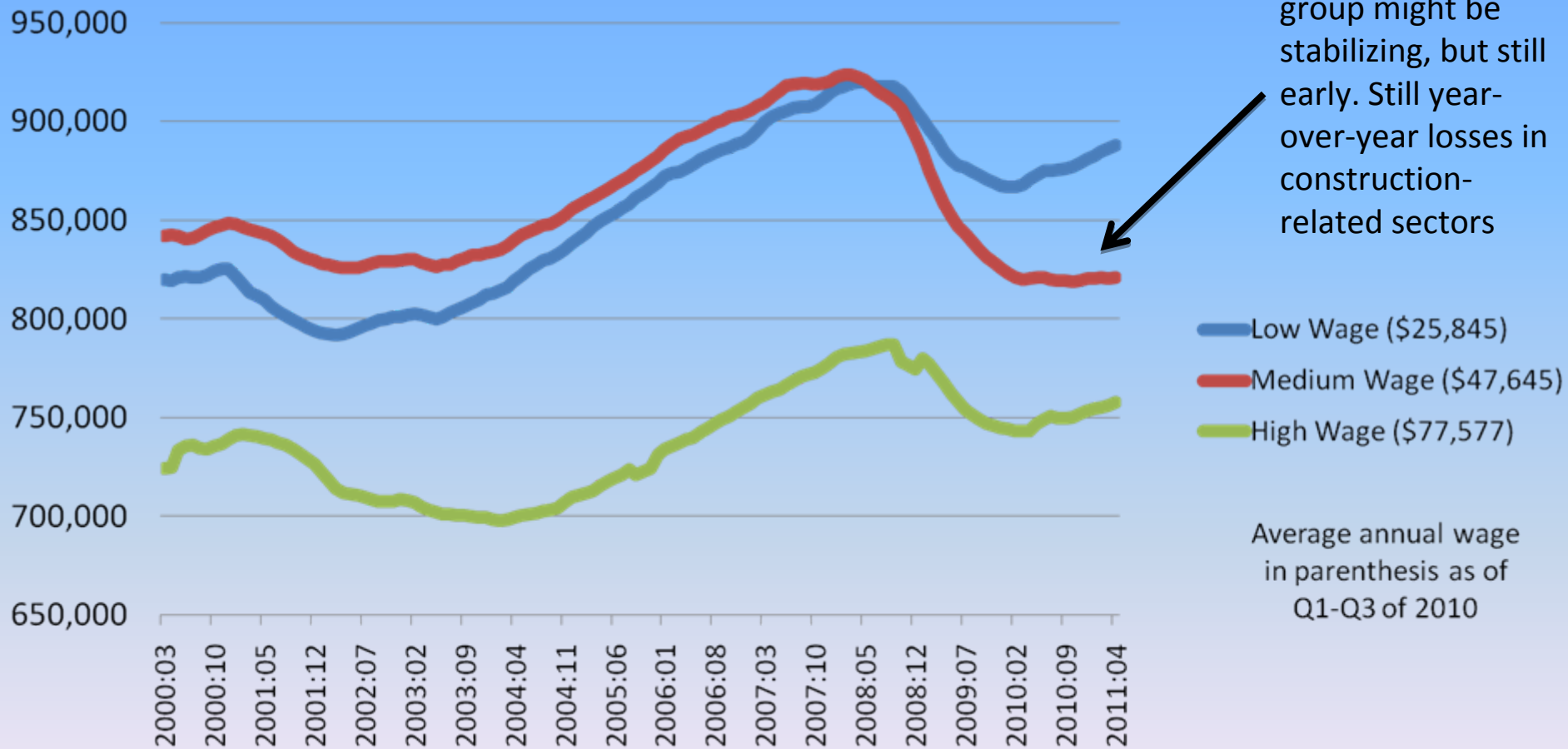
2007 Q4	2008 Q1	2008 Q2	2008 Q3	2008 Q4	2009 Q1	2009 Q2	2009 Q3	2009 Q4	2010 Q1	2010 Q2	2010 Q3	2010 Q4	2011 Q1
TX 3.2%													TX 2.4%
WA 2.6%	TX 3.0%											TX 2.0%	OR 1.7%
CO 2.3%	WA 2.2%	TX 2.4%										MA 1.3%	ID 1.2%
ID 1.8%	CO 2.0%	WA 1.4%										VA 1.1%	CA 1.2%
NC 1.7%	NC 1.3%	CO 1.3%									TX 1.3%	MD 1.1%	WA 1.1%
OR 1.1%	MA 1.0%	MA 0.7%	TX 1.9%								MA 1.1%	WA 1.0%	VA 1.1%
MA 1.0%	OR 0.6%	NC 0.4%	WA 0.9%								NC 0.8%	OR 0.7%	MA 0.8%
VA 0.8%	ID 0.5%	VA 0.3%	CO 0.7%								MD 0.7%	CA 0.3%	MD 0.7%
MD 0.5%	VA 0.5%	MD 0.1%	MA 0.3%								VA 0.7%	NC 0.2%	NC 0.6%
CA 0.4%	MD 0.4%	OR 0.0%	VA 0.1%	TX 0.9%						TX 0.4%	ID 0.3%	ID 0.1%	CO 0.6%
	CA (0.2%)	ID (0.4%)	NC (0.5%)	MA (0.7%)	TX (1.1%)	TX (2.8%)	MD (3.4%)	MD (3.1%)	TX (2.0%)	NC (0.0%)	WA (0.0%)	CO (0.3%)	
		CA (0.4%)	MD (0.5%)	CO (0.7%)	VA (2.5%)	MD (3.1%)	TX (3.7%)	TX (3.5%)	MD (2.1%)	MA (0.1%)	OR (0.3%)		
			OR (0.6%)	VA (0.7%)	MA (2.6%)	VA (3.4%)	VA (3.9%)	VA (3.6%)	VA (2.2%)	MD (0.1%)	CA (0.5%)		
			ID (0.8%)	WA (1.1%)	MD (2.7%)	MA (3.7%)	MA (4.1%)	MA (3.8%)	NC (2.3%)	VA (0.2%)	CO (1.1%)		
			CA (1.5%)	MD (1.2%)	CO (2.8%)	WA (4.5%)	CO (5.5%)	NC (4.5%)	MA (2.3%)	ID (0.5%)			
				NC (2.1%)	WA (3.1%)	CO (4.7%)	WA (5.5%)	WA (4.9%)	ID (2.9%)	WA (1.0%)			
				OR (2.9%)	NC (4.6%)	NC (5.7%)	NC (6.2%)	ID (5.0%)	WA (3.0%)	OR (1.1%)			
				CA (2.9%)	CA (4.8%)	CA (6.3%)	OR (6.9%)	CO (5.0%)	OR (3.2%)	CA (1.8%)			
				ID (3.1%)	ID (5.1%)	OR (6.6%)	CA (6.9%)	OR (5.6%)	CO (3.7%)	CO (2.0%)			
					OR (5.5%)	ID (6.7%)	ID (7.1%)	CA (6.0%)	CA (4.0%)				

Data source: U.S. Bureau of Labor Statistics



# Low, Medium, and High Wage Jobs

3 month moving average (3-mma), through April 2011





# Sectors with Largest Losses

## Q2 2009 to Q2 2010

Wage Group	NAICS Code	Industry Description	Change in Employment (# jobs)	Change in Employment (%)	Contribution to Total (Gross) Job Losses
High Wage	336	Transportation Equipment Manufacturing	-3,300	-3.6%	8.1%
	522	Credit Intermediation and Related Activities	-2,733	-5.9%	6.7%
	423	Merchant Wholesalers, Durable Goods	-2,033	-3.2%	5.0%
	541	Professional, Scientific and Technical Services	-1,267	-0.8%	3.1%
Medium Wage	238	Specialty Trade Contractors	-9,567	-9.3%	23.4%
	236	Construction of Buildings	-4,567	-11.2%	11.2%
	531	Real Estate and Rental Leasing	-2,500	-5.2%	6.1%
	333	Machinery Manufacturing	-1,033	-8.2%	2.5%
Low Wage	722	Food Services and Drinking Places	-2,200	-1.1%	5.4%
	624	Social Assistance	-1,033	-1.7%	2.5%
	446	Clothing and Clothing Accessories Stores	-367	-1.6%	0.9%
	813	Membership Associations and Organizations	-200	-0.4%	0.5%

Note: 2010 Q2 estimates based on preliminary June 2010 data, and is subject to revision.

Data sources: U.S. Bureau of Labor Statistics, Current Employment Statistics (CES); and Quarterly Census of Employment and Wages (QCEW, for wage data) calculations by Washington State Employment Security Department (ESD) and Washington State Department of Commerce



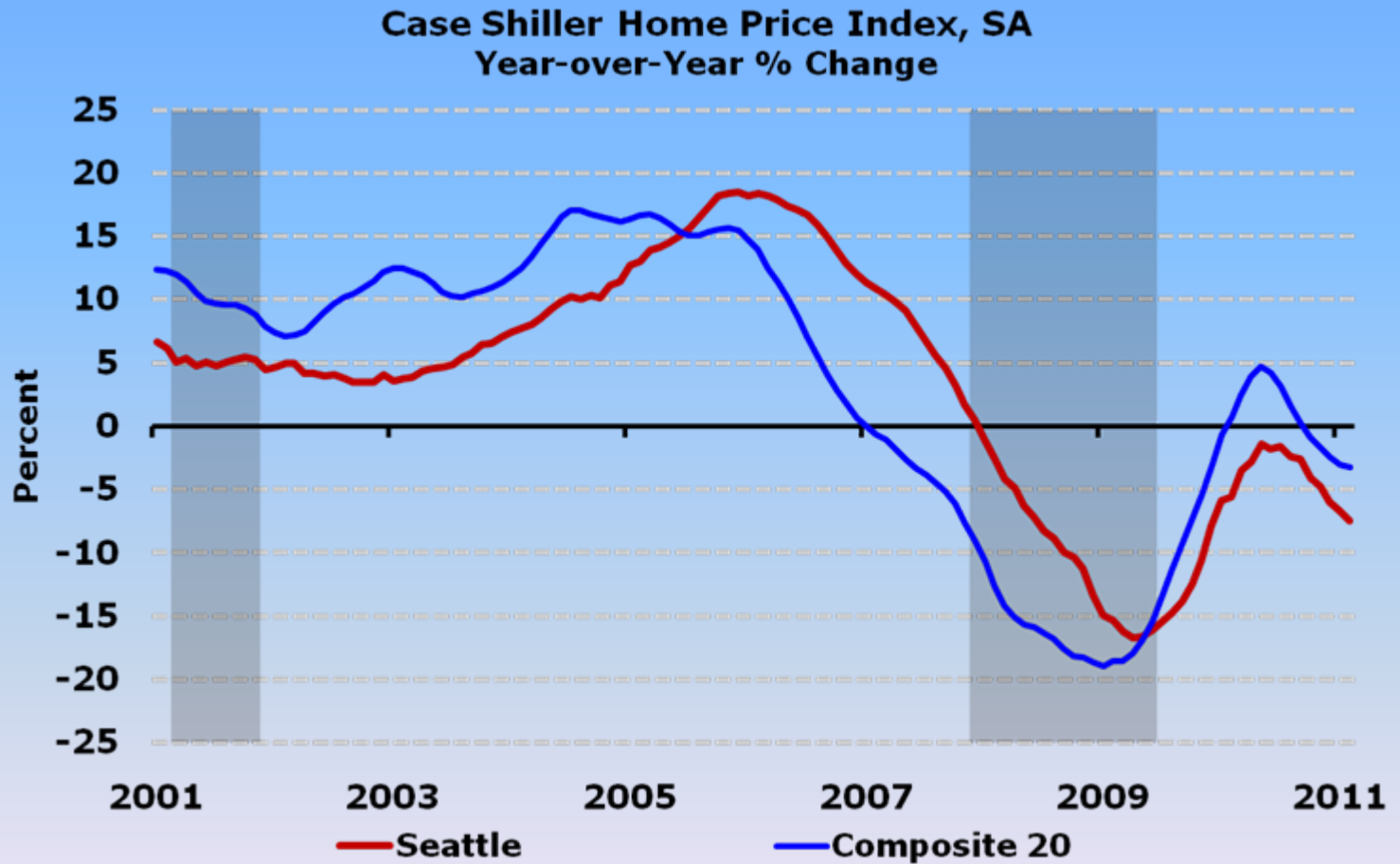
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# Home prices are once again headed down

**Feb. 2011**

**U.S. is  
down  
3.3%**

**Seattle is  
down  
7.4%**



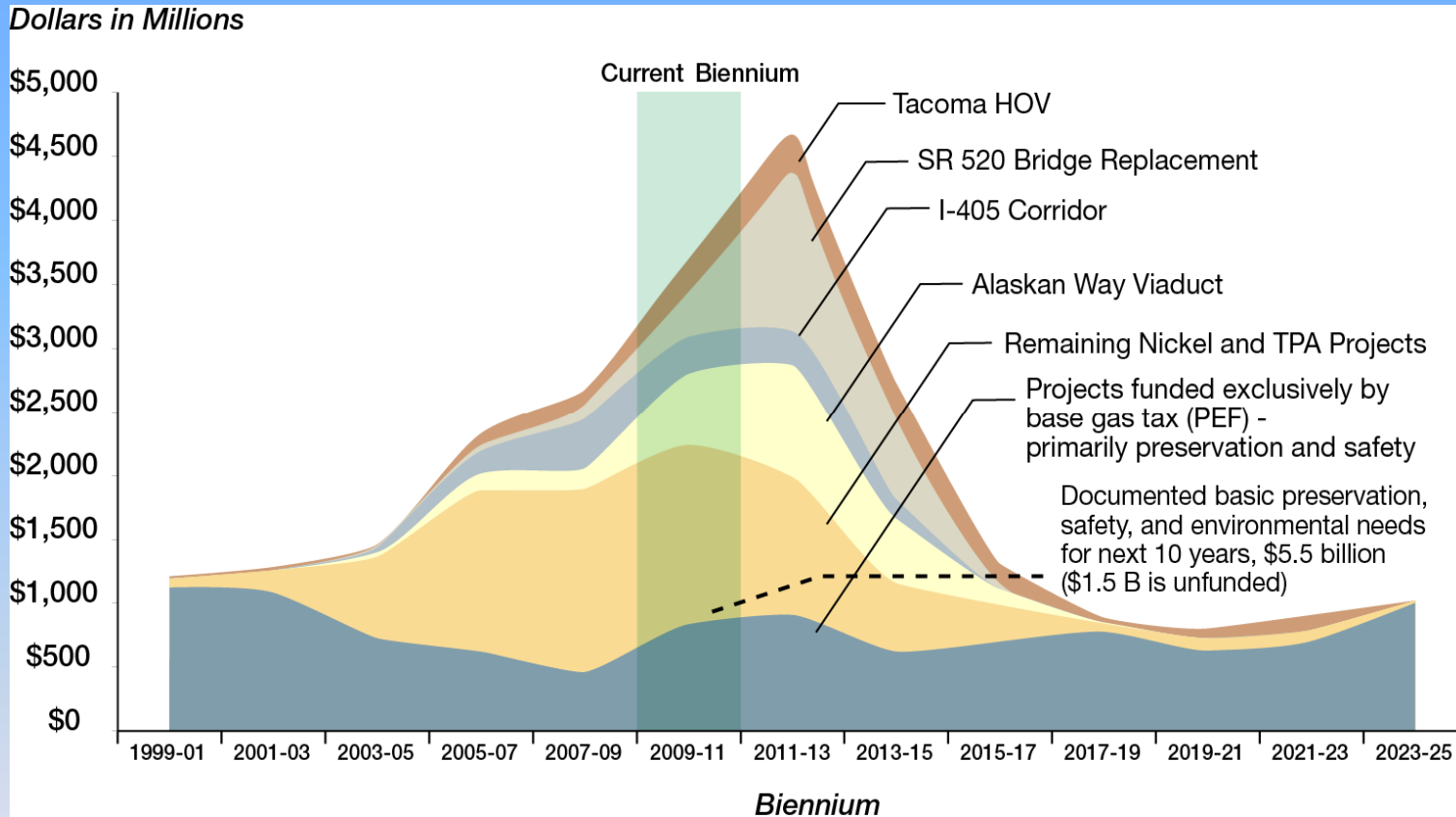
# What is the state doing about jobs?

Short-term (next 6-12 months)

- Capital budget spending
- Implementing Federal Recovery Act spend
- Business climate reform
  - Workers Compensation
  - Unemployment Insurance



# WSDOT highway construction program



74% of highway program dollars are contracted to the private sector.

\$6 B of the \$15.5 B in Nickel and TPA will be delivered through our design-build program.

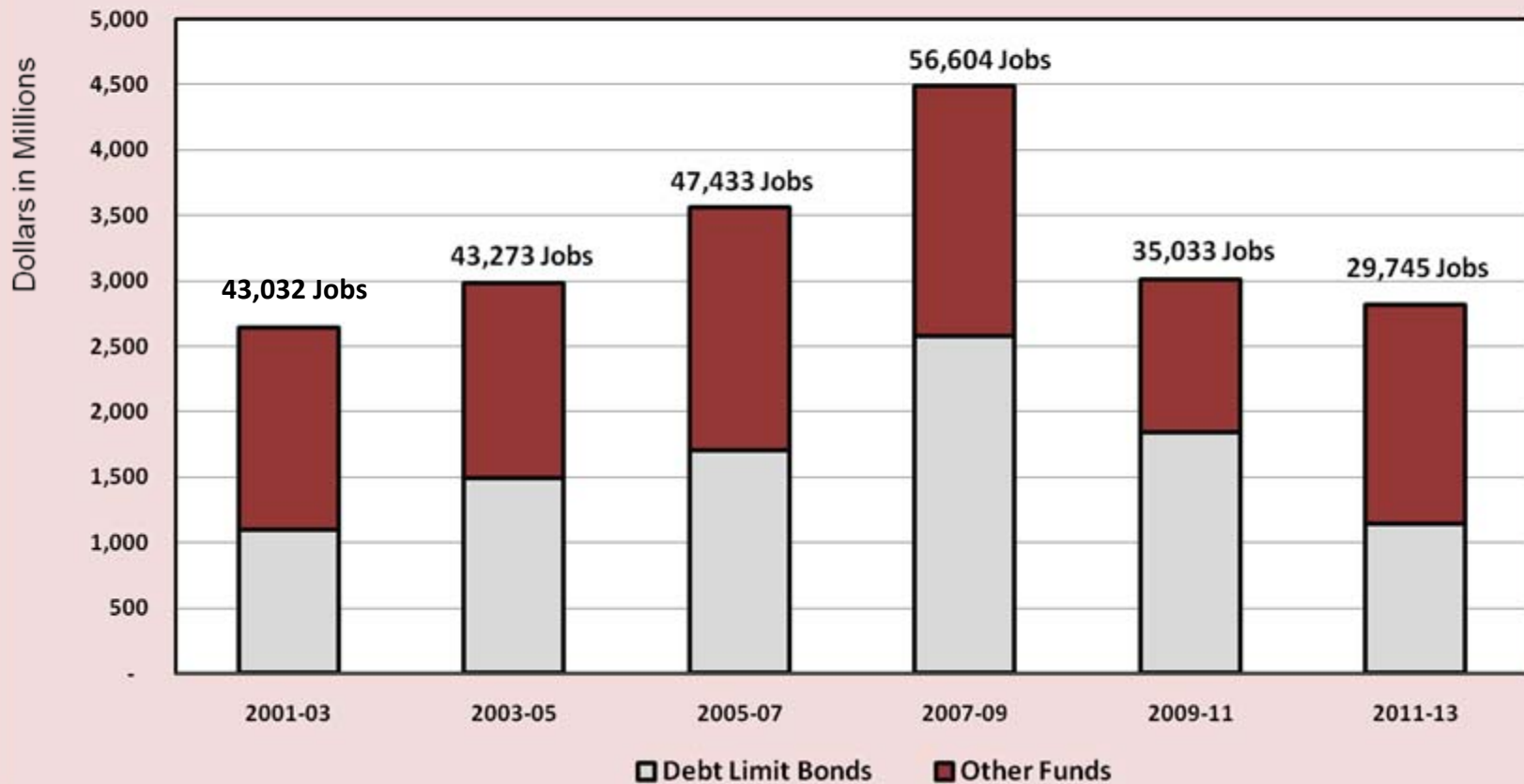
54% of the design effort for Nickel and TPA was delivered by consultants.

- All funds from the 2003 and 2005 gas tax increases are committed.
- 2011 Governor-proposed budget request

# State Capital Budget and Estimated Jobs

## 12-year history

Job figures include direct and indirect construction jobs



# Commerce Capital Programs

## New Appropriations 2009-11 vs. 2011-13

Program	2009-11 Appropriation	2011-13 Appropriation
Housing Trust Fund	\$179,000,000	\$50,000,000
Community Capital Facilities	86,596,000	35,859,000
Jobs Act	50,000,000	
Community Dev. Block Grant	34,830,081	30,666,235
Public Works Trust Fund		324,585,000
Temporary Public Works Grant Program	44,597,000	
Drinking Water Assistance Program	42,131,000	48,000,000
CERB/Other Economic Development	10,753,000	5,000,000
Energy Program	44,045,000	5,500,000
<b>Total New Appropriation</b>	<b>491,952,081</b>	<b>499,610,235</b>



# ARRA: 10,970 jobs created/saved Over \$7.9 billion to Washington



Recovery.wa.gov

Recovery.gov Grants.gov GAO.gov  
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## FOLLOW THE MONEY

How do we follow the money?

About the map

Calculating jobs

DOWNLOAD CENTER

COUNTY PROFILES

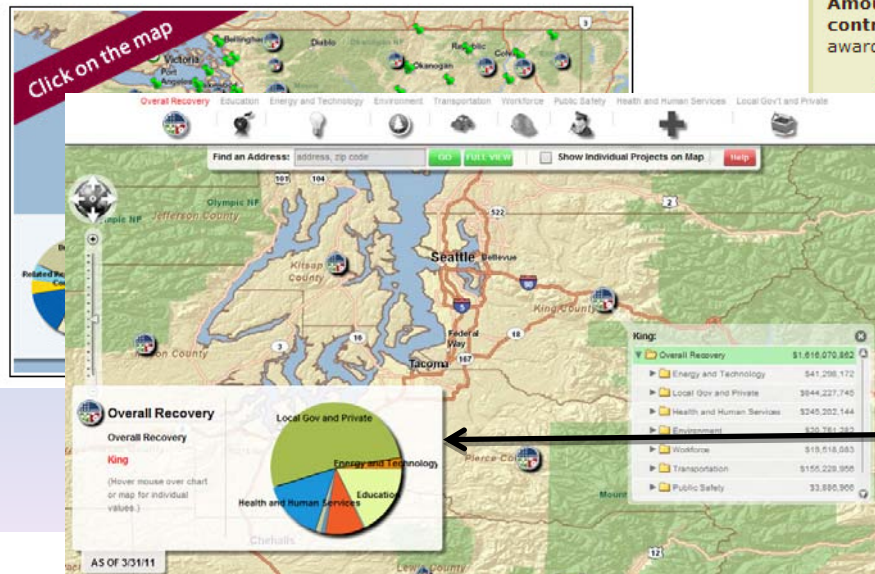
TRANSPORTATION PROJECT  
MAP

STATE AGENCY RECOVERY  
WEBSITES

## REPORTING RESOURCES

## Follow the Money

The map below shows **grant, contract, and loan** data reported by Washington state entities to the federal government for the quarter ending March 31, 2011. For more information on projects in your community, see the [county profiles](#). Common questions are listed below the map.



# of Jobs created/saved in Washington state between 1/1/2011 and 3/31/2011:

**Over 10,970**

As reported on [recovery.gov](#)

Amount of grants, contracts, and loans awarded to Washington:

**Over \$7.9 billion**

As reported on [recovery.gov](#)

Click to pop up investments by County



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# Workers' compensation reform

A more sustainable program for employers and workers

## Statewide provider network

- Focus on highest quality care, treatment options, FY12-15 savings \$164 million

## Centers of occupational health & education

- Expands number of specialized treatment facilities, FY12-15 savings \$55 million

## Washington Stay-at-Work program

- Subsidies for immediate transition or light-duty work, FY12-15 savings \$111M

## Prior disability awards

- Prior awards deducted from pension award, FY12-15 savings \$133M

## Cost of Living adjustments frozen for one year

- Reduces premiums to employers & workers, FY12-15 savings \$124M

## Rainy Day Fund

- Protects employers from huge swings in economy, no fiscal impact

## Structured settlement option

- Choices for eligible workers, reduces future rate increases, FY12-15 savings \$545M

***Estimated Total 3-yr savings: \$1.132B***



# Unemployment Insurance Tax Reduction

- Reduces and caps the shared-cost portion of unemployment taxes in 2011 by drawing down our UI Trust Fund...one of the healthiest in the nation
  - **Reduces 2011 unemployment taxes paid by businesses by \$300 million**
  - Frees up needed cash to retain and hire workers
  - Provides temporary increase in unemployment benefits for out-of-work Washingtonians and flexibility to workers who train for a new job
  - Changes qualify WA to receive \$98 million in federal incentive funds for modernizing our UI system



# What is the state doing about jobs?

Medium-term (~12-36 months)

- State Small Business Credit Initiative
- Washington Technology Center + SIRTI, now *Innovate Washington*
- Washington State Export Initiative
- Higher-Ed/Community College Investments
- Associate Development Orgs/Business Development
- STARS Program
- Innovation Partnership Zones (IPZ)
- Leaning Government



# State Small Business Credit Initiative

~\$20 Million in federal funds leveraged 5-10:1

- Enterprise Cascadia Fund : **\$8-9 million**
    - Targets access to capital for small businesses in underserved communities & Indian Country program
  - W-Fund : **\$5 million**
    - Gap funding for start-ups coming from mostly from in-state research institutions (universities and national lab)
  - Green Canopy Program: **\$4 million**
    - Short-term loans for builders to acquire & renovate single family homes including energy retrofits
  - Capital Access Program: **\$2 million**
    - Loan guarantees will leverage \$40-\$50 million in private lending for higher risk loans
- **Rollout targeted for Fall of this year**



# SBA State Trade Promotion Grant Program

- New Federal grant to help small businesses export
- Commerce applied for a **\$2 million** export grant funded by The Small Business Jobs Act. Targets support to small and disadvantaged businesses
- 3-yr national program with **\$30 million annually** awarded on a competitive basis to individual states to support small business activities such as:
  - Participation in international trade shows and trade missions
  - Individual sales visits to international markets
  - Design of international marketing campaigns
  - Participation in export training workshops
- Grant closed on May 10. Winners will be announced late summer.



# Washington is Open for Business

## Small Business Resources

- [Executive Order 10-05](#): Improving the Way the State Serves Small Business
- **Business process mapping project** – identify pain points for small biz, streamline interaction w/gov't
- **Consolidated Small Business Guide** – *JUNE 30!*
- **State Small Business Liaison Team** – 16 agencies
- **Audit video** helps avoid mistakes and penalties
- [www.business.wa.gov](http://www.business.wa.gov) – One stop for information to plan, start & grow a business; 21 partner agencies
- **Tax incentives:** [www.dor.wa.gov](http://www.dor.wa.gov)



# Office of Minority and Women-Owned Business Enterprises (OMWBE)

- **Linked Deposit Program, with U.S. Bank**
  - Affordable financing for certified minority and women's business enterprises
- **OMWBE Certification**
  - Supporting Gov. Gregoire's Supplier Diversity Initiative helping grow state contracting opportunities
  - More certified firms – growing each quarter!
- **Worked w/Commerce for Export Grant**



# What is the state doing about jobs?

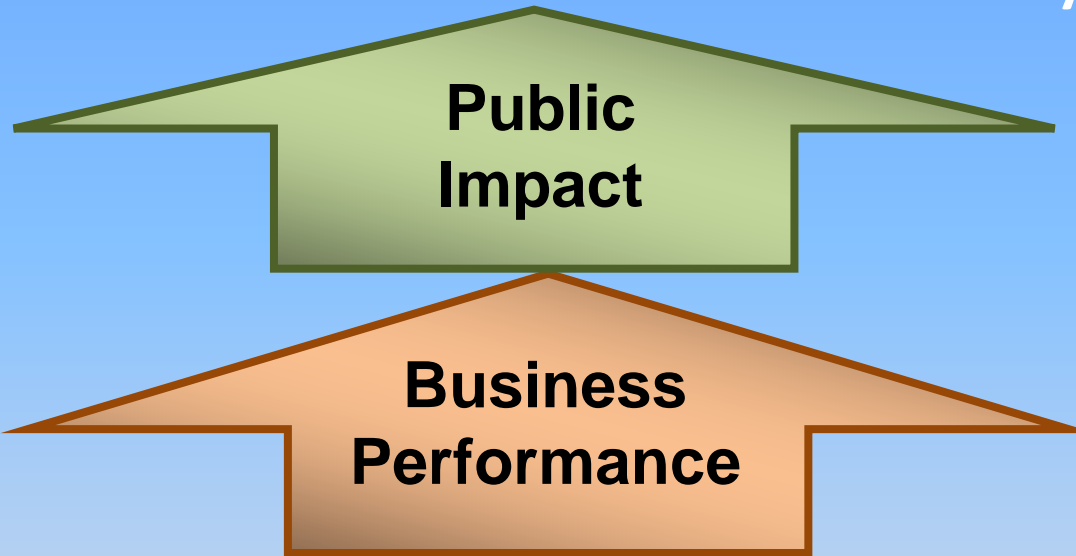
Long-term (36+ Months)

- Early Learning and K-12 Investments
- Washington Economic Development Commission innovation strategy
- Targeting broad trends in WA's favor
  - Rise of Asia
  - Clean energy transition
  - Increasing role of software



# WEDC Innovation Strategy

Goal: Make Washington the most attractive, creative and fertile environment for innovation in the world by 2020  
([www.wedc.wa.gov](http://www.wedc.wa.gov))



**World's Greatest Innovation Ecosystem**

**Talent & Workforce**



**Investment & Entrepreneurship**



**Infrastructure**



Thank You



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