

# Bellevue Economic Profile

---

---

## Wages and Income

### Introduction

Wages and income are key indicators of how the economy is performing in sustaining and enhancing people's economic quality of life. Wages make up the majority of income for most households with at least one wage earner and represent a very important measure of people's living standards and economic opportunity. Trends in wages and income are also linked to the cycles in the underlying economy and the strength of the labor market. Poverty rates indicate the proportion of residents in a community who have incomes so low that they are severely economically disadvantaged.

**The chapter begins by looking at trends in regional wages with a focus on King County.** Like the employment data in the last chapter, the wage information in this chapter comes mostly from the covered employment dataset. Wages are reported in this dataset based on jobs, and are thus linked to the place in which a person works. Because city-level wage statistics are not published as part of this dataset, King County data provide the most relevant information available for this profile. King County also comprises the larger labor market in which most Bellevue residents work. While most of the wage analysis in this chapter looks at *average* wages, parts of the analysis examine the *distribution* of wages. **The second part of the wages discussion in this chapter links the industry wage data for King County with job data for Bellevue to characterize Bellevue's industry mix by likely wage level.** This analysis is also used to gain insights into whether industry sectors in which there has been growing employment in Bellevue tend also to be those that pay high wages.

While information on wages is typically linked to the places people *work*, data on income are reported based on the places people *live*. **The section in this chapter on income begins with a look at trends in total and per capita income in King County between 1995 and 2002,** and briefly compares county trends to those at the regional, state, and national levels. **The most recent information on income specific to Bellevue residents comes from the 2000 census, so this chapter also covers these findings in some detail.** Relevant findings from other, more recent national surveys by the Census Bureau are presented at the end of the chapter.

Unless otherwise stated, dollar figures presented in this chapter are adjusted for inflation. The analyses rely on information that has been compiled from a variety of datasets, many of which cover different time periods. Therefore, the year to which wages is indexed to adjust for inflation and the specific index used to adjust for inflation vary depending on the source.

## **KEY FINDINGS AND IMPLICATIONS—Wages and Income**

### **Wages**

#### **Average Wages**

Average wages for covered jobs in King County and the Puget Sound region have been sensitive to economic cycles but have increased substantially over the long run. Average wages both in the county and larger region reached a recent peak in 2000. In 2003, the annual average wage in King County was about \$48,976 in 2003 dollars, which was almost \$1,000 shy of the inflation-adjusted pre-recession year 2000 average. Findings on wages refer to those associated with jobs covered by unemployment insurance unless otherwise specified.

Average wages in King County have historically been and continue to be higher than average wages in the region as a whole. Average wages also increased more steeply in King County than in the region during the period of rapid economic growth in the late 1990s, a period in which both employment and inflation-adjusted wages posted substantial increases.

Of all major sectors, the FIRES sector (the sector containing Finance, Insurance, Real Estate, and other Services) posted the largest gains in average wages between 1995 and 2001 in King County and the larger Puget Sound region.

- Regional and county wage growth in the FIRES sector was largely due to wage and employment increases in the Business Services subsector. The Business Services subsector includes several key information technology industries such as computer programming services and prepackaged software development. These industry groups have been among the fastest growing and best paying FIRES industries.
- Given Bellevue's high concentration of jobs in the FIRES sector and in computer related industries in particular, average wages paid by employers in Bellevue are likely higher than average wages paid in King County. Given that FIRES and High-Technology jobs also increased as shares of Bellevue employment, average wages here also likely experienced strong growth between 1995 and 2001.

#### **Distribution of Wages**

Between 1990 and 2002 in King County there was an increase in the number of jobs in the higher ranges of the wage scale and a decrease in the number of covered jobs in the lowest ranges of the wage scale. This is consistent with the upward trend in the county's average wage, and reflects the general growth of prosperity of the county. While jobs across the wage spectrum saw at least some real increases in wages after adjusting for inflation, higher-wage jobs—especially those at the top—benefited the most. Between 1990 and 2002 the average hourly wage for the highest-paying 10 percent of jobs increased by 72 percent while the median wage increased by 22 percent.

Bellevue residents with higher incomes also likely saw greater rates of growth in their incomes than did others in Bellevue, as suggested by the fact that Bellevue's per capita income grew faster than the city's median income between the last two decennial censuses.

While King County's overall average wage provided a living wage to earners in many family types, according to the *Northwest Job Gap Study*, which was recently published by the Northwest Federation of Community Organizations, average wages in some industries paid below even the living wage for a single working adult.<sup>1</sup> (Per the study, a living wage is one that allows families to meet their basic needs and provides them some ability to deal with emergencies and plan ahead.) King County's median wage, which is lower than the county's average wage, was also insufficient in 2002 to support some families with one wage earner and two children. While incomes and wages are, on the whole, higher for Bellevue residents than for residents in the balance of King County, some significant proportion of family households in Bellevue also have earnings equating to less than a living wage. The proportion of families in Bellevue with less than a living wage is likely relatively small; yet it is likely several percentage points higher than the 3.8 percent of Bellevue families that the 2000 census indicated had incomes below poverty level.

### ***Earning Patterns & Employment Trends by Wage Level in Bellevue***

According to the 2000 census, overall median earnings per worker in 1999 were almost \$35,000 for workers residing in Bellevue compared to about \$30,000 for workers residing in King County.

Among industry subsectors that have a large presence in Bellevue and that also grew rapidly between 1995 and 2002, there were more jobs in *high-wage* and *moderate-wage* subsectors than in low-wage subsectors. Most of the subsectors that have both grown rapidly in Bellevue and that pay high wages are in the FIRES sector. Rapidly growing, high-wage industry subsectors in Bellevue have included the following: Business Services (FIRES), Engineering (FIRES), Accounting and Management (FIRES), Security, Commodity Brokers and Services (FIRES), and Communications (WTCU). Counted together these subsectors represented 25,230 Bellevue jobs in 2002.

The high-wage Business Services subsector added the most jobs in Bellevue between 1995 and 2002 and was the best paying of all Bellevue's large industry subsectors.

The FIRES sector and High-Technology cluster comprise larger shares of employment in Bellevue than in King County. The large increase in wages seen in these industry categories in the late 1990s would likely have had a greater impact on wages in Bellevue than in King County.

- The High-Technology cluster (which mostly contains High-Tech jobs in the FIRES' Businesses Services subsector, but also some Communications and Manufacturing jobs) represented 16 percent of Bellevue's employment compared to 10 percent of King County's employment.

### **Income**

In 1995, per capita personal income started out significantly higher in King County compared with the rest of the Puget Sound region, and especially compared with Washington state and the nation as a whole. The acceleration of growth in per capita personal income in the late 1990s was also quite a bit sharper in King County due largely to the tech boom being concentrated in King County. However, per capita incomes in King County also fell more steeply once the recent recession took hold. This is a pattern that also likely affected Bellevue.

Forecasts suggest that total and per capita income has begun to increase and that 2005 and 2006 will see relatively strong gains in income, although these gains will not be of the same magnitude enjoyed during the boom of the late 1990s. Along with emerging positive signals coming from recent data on King County's

economy, regional forecasts suggest that incomes of King County's residents—and likely also Bellevue residents—have also begun to increase and are poised to rise further in 2005 and 2006.

Taxable retail sales have recently begun growing again on an inflation-adjusted basis in both King County and Bellevue as noted in the profile's chapter on Major Employers and Business Patterns. In the *Puget Sound Economic Forecaster*, Conway and Pedersen Economics, Inc. project that growth in personal income, along with decreasing unemployment and household growth, will drive retail sales to continue growing at higher rates than inflation through 2006. This growth will benefit retailers in Bellevue as well as the larger region.

While information from the 2000 census is now several years old, it provides the most recent data available at the city level, and provides insight into how income levels in Bellevue compare with other geographies. The 2000 census showed that within King County in 1999, cities on the Eastside, including Bellevue, generally had higher earnings and incomes along with lower poverty rate.

- Bellevue's 1999 median household income as measured in the 2000 census was significantly higher than that in King County, the state, and particularly the nation as a whole.
- A relatively large proportion (just over one-third) of Bellevue's households had incomes of \$100,000 or more, but about half as many had incomes of less than \$25,000.

**Bellevue's retailers benefit from the relatively higher incomes of local residents and those in surrounding areas.** Bellevue's concentration jobs in professional and business services help provide higher wages in the city, which in turn help drive retail sales as well.

In 1999, 5.7 percent of individuals and 3.8 percent of families in Bellevue had incomes below the federal poverty level. However, in cities that have a relatively high cost of living, such as Bellevue and Seattle, poverty rates likely underestimate proportions of individuals and families facing economic and associated hardships. This underlines the need for local economic development strategies to continue to include a focus on growing the economy in ways that increase the likelihood that all workers and residents in Bellevue will earn living wages.

## Wages

As noted in the introduction, wages, along with other sources of compensation such as benefits, are key indicators of the quality of the jobs an economy generates.

### County and Regional Wage Trends

This section examines trends in average wages in the Puget Sound region with a focus on recent wage trends in King County. This includes looking at overall annual wages as well as average wages by industry sector and subsector. The discussion then turns to look at the distribution of wages in King County and whether gains have accrued across the wage spectrum. Trends in median hourly wages are also included because median wages represent a closer approximation of typical wages than do average wages.

The information below on wages is from the Quarterly Census of Employment and Wages (QCEW) program data series. This is also the source for the covered employment data presented in the chapter on Employment.<sup>2</sup> The QCEW data are reported based on place of work and refer to jobs rather than persons as the unit of analysis.

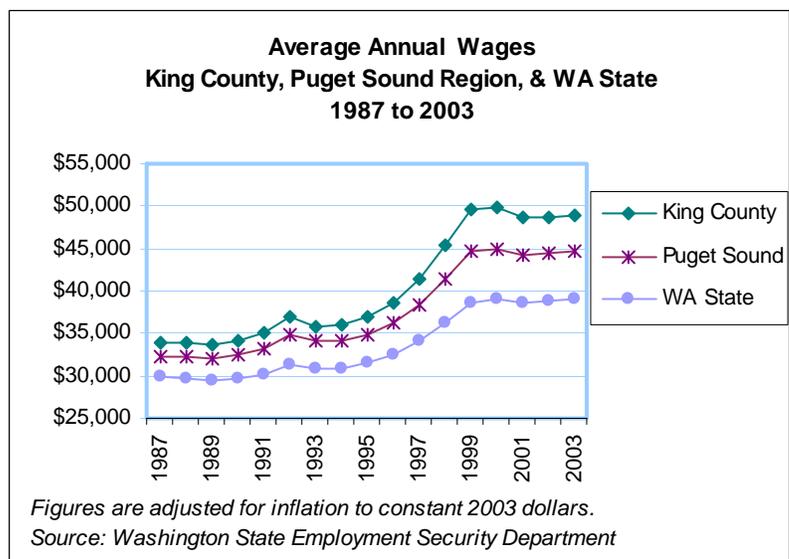
#### Trends in Average Wages

Average annual wages are calculated by dividing the average number of employees across all months in a year by total wages paid to employees during that year. While they are one of the most frequently used wage statistics, average annual wages need to be interpreted with caution.<sup>3</sup> The annual average wage figures from the QCEW are not adjusted for the number of hours worked and tend to be significantly lower in industries with high proportions of part-time workers. Differences in average wages can result from differences in the number of hours worked in addition to differences in hourly compensation. Also, average wages do not indicate how wages are *distributed*. It is also important to keep in mind that average wage figures within a specific sector can be skewed upward—and sometimes dramatically so—by the relatively high wages associated some jobs.

#### Historical Average Wages 1987 to 2003

The chart to the right shows annual average wages and yearly changes in average wages in King County, the Puget Sound region, and Washington State between 1987 and 2003. Figures are adjusted for inflation and are given in 2003 constant dollars, with inflation adjustments based on the U.S. Personal Consumption Expenditure deflator.

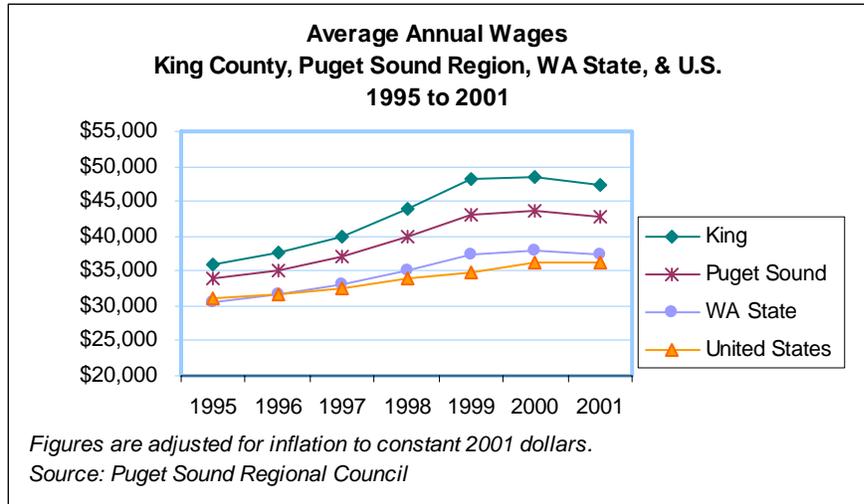
**Average wages have been sensitive to economic cycles, and have fallen slightly for brief periods, but have increased substantially over the long run. Annual average wages in King County, the region, and the state**



**peaked in 2000.** The average wage in King County was \$49,843 in 2000. Wages then decreased slightly from 2000 to 2001 in the county as well as in the region and state generally due to the effects of the nationwide recession in 2001. Since 2001, wages have increased slightly in King County and also at the regional and state levels. Between 2001 and 2003, the average annual wage in King County increased from \$48,707 to \$48,976, which is, however, still almost \$1,000 shy of the pre-recession year 2000 average.

**Trends in Average Wages between 1995 and 2001**

This subsection summarizes average annual wages between 1995 and 2001 based on covered employment wages. This is the time period that provides the longest stretch of trend data available that allows analysis of wage levels by industry sector. (This is because the year 2001 is the last for which wage data were reported based on the Standard Industrial Classification system for coding business types.)<sup>4</sup> Included in this discussion is a look at the business sectors that paid the



highest average wages and the sectors that have experienced the greatest growth in wages from 1995 and 2001. To allow for comparison, wages are adjusted for inflation and are shown in 2001 constant dollars.

**Average wages in the region and in King County in particular, began at a higher level and increased during the late 1990s at faster rates than did average wages in the rest of the state and nation as a whole.**

After increasing at a rapid pace during several years in the late 1990s, wages in King County decreased somewhat between 2000 and 2001. Still, King County’s average wage advantage relative to the nation’s as a whole was significantly wider in 2001 than it was in 1995. In 1995 King County’s average wage was 14 percent higher than the nation’s but by 2001 it was 23 percent higher. The table on the next page provides more detail on trends in annual average wages between 1995 and 2001 in King County, the region, state and nation.

Average Annual Wages King County, Puget Sound Region, Washington State, and U.S. 1995 to 2001						
	Ave. Wages for Selected Years 1995 to 2001			Change		
	1995	2000	2001	Total Change 1995 to 2001	Total Percentage Change 1995 to 2001	Average Annual Percentage Change
King County	\$35,947	\$48,443	\$47,187	\$11,240	31%	4.6%
Puget Sound Region	\$33,856	\$43,668	\$42,863	\$9,007	27%	4.0%
Washington State	\$30,605	\$37,947	\$37,457	\$6,852	22%	3.4%
United States	\$31,059	\$36,160	\$36,159	\$5,100	16%	2.6%
King County (without Business Services)	\$34,932	\$41,552	\$41,577	\$6,645	19%	2.9%

*Figures are adjusted for inflation to constant 2001 dollars.  
Source: Puget Sound Regional Council*

As stated previously, covered employment wage data are not available at the city level, so it is not possible to identify the average wage for employees in Bellevue workplaces. However, the 2000 census indicated that Bellevue residents typically had higher median earnings and incomes than did residents in the county as a whole, as described further later in this chapter.<sup>5</sup> **Based on census findings, it is likely that the average wage of jobs held by Bellevue residents was also somewhat higher than the \$47,187 average wage seen for jobs at the county level in 2001.**

**Wages in the Business Services subsector, which includes many computer related industries such as computer programming services and prepackaged software development, have strongly influenced wages in King County.** (The SIC-based Business Services subsector is made up of a wide range of businesses that provide business services, not elsewhere classified, on a contract or fee basis. The subsector includes several other business types in addition to the computer related industries noted. Other examples of industry categories within the Business Services subsector include Advertising Agencies, Credit Reporting and Collection Agencies, Employment Agencies, Photocopying Services, and Building Maintenance services. While some of the industries within Business Services are not high-paying, the computer and software related parts of this subsector represent a large percentage of employment and dominate overall wages in this subsector in King County.)

Within King County, Business Services represented 11 percent of average annual employment in 2001 and—given that this subsector has such a high average wage—21 percent of total wages earned by covered workers that year. The last row of the preceding table shows trends in King County when the Business Services subsector is removed.

**Of all major sectors, the FIRES sector posted the largest percentage and absolute gains in average wages between 1995 and 2001 in both the county and region as a whole. This was largely due to wage and employment increases in the high-wage Business Services subsector.** In King County, the FIRES sector went from being the second to lowest paying sector of the six major sectors to the highest paying sector.

Additional insights regarding wage trends can be gleaned from seeing wages at a finer level of industry detail. **The following table provides additional details on industry subsectors with above-average wages and 2,000 or more employees in King County.** The second half of this chapter contains an analysis that combines county level wage data with Bellevue employment trends so that some insight can also be gained into likely wage trends for Bellevue jobs.

Industry Subsectors with 2,000 or More Employees and High (Above-Average*) Wages King County					
SIC	Description	Average Covered Employment in King County in 2001	Average Annual Wage in 2001	% Change 1995 to 2001	
				Change in Employment	Change in Average Annual Wage
Cons./Res.					
16	Heavy Construction Contractors	5,632	\$52,365	11%	12%
Manufacturing					
24	Lumber & Wood Prod, excl. Furn.	5,492	\$63,494	-13%	32%
28	Chemicals and Allied Products	2,406	\$86,327	28%	81%
36	Electronic Equip., excl. Computer	7,364	\$47,747	37%	31%
37	Transportation Equipment	58,937	\$65,099	2%	13%
38	Instruments and Related Products	7,071	\$59,815	32%	18%
WTCU					
44	Water Transportation	5,660	\$57,727	-5%	14%
47	Transportation Services	8,782	\$50,375	0%	50%
48	Communications	23,771	\$71,327	56%	24%
49	Electric, Gas & Sanitary Services	3,988	\$56,538	11%	15%
50	Wholesale Trade – Durable Goods	46,836	\$56,807	5%	29%
FIRES					
60	Depository Institutions	17,919	\$50,000	9%	31%
61	Nondepository Credit Institutions	5,729	\$72,078	29%	54%
62	Security, Commod. Brokers & Svcs.	6,690	\$92,591	79%	16%
63	Insurance Carriers	16,078	\$53,184	7%	19%
64	Insurance Agents, Brokers & Svcs.	7,811	\$54,743	2%	19%
67	Holding & Oth. Investment Offices	2,347	\$82,585	62%	15%
73	Business Services	121,599	\$94,452	65%	97%
81	Legal Services	11,274	\$62,404	15%	34%
87	Engineering, Accounting & Mgt.	42,474	\$55,320	50%	24%
TOTAL for all employment in all sectors (regardless of size of sector and wage level)		1,015,185	\$47,390	24%	33%

*\*The average annual wage in King County for all covered employment was \$47,390 in 2001, according to information downloaded from the Washington State Employment Security Department. This is slightly different than the \$47,187 figure cited in the table in the previous page due to slight adjustments made by the department.*

*Figures are adjusted for inflation to constant 2001 dollars.*

*Sources: Puget Sound Regional Council; Washington State Employment Security Department*

Between 1995 and 2001, the *total* wages paid by employers to covered employees in King County increased by 64 percent from about 26 billion dollars to approximately 48 billion dollars. Subsectors that contributed over 2.0 percent of *total* wage gains in the county, along with their share of total wage gain, are:

- Special Trade Contractors (Construction/Resources): 3.5%
- Transportation Equipment (Manufacturing): 2.8%
- Communications (WTCU): 4.3%
- Wholesale Trade - Durable (WTCU): 3.7%
- Eating and Drinking Places (Retail): 2.9%
- Miscellaneous Retail (Retail): 2.3%
- **Business Services (FIRES): 42.3%**
- Health Services (FIRES): 3.1%
- Engineering, Acct. & Mgt. (FIRES): 5.8%

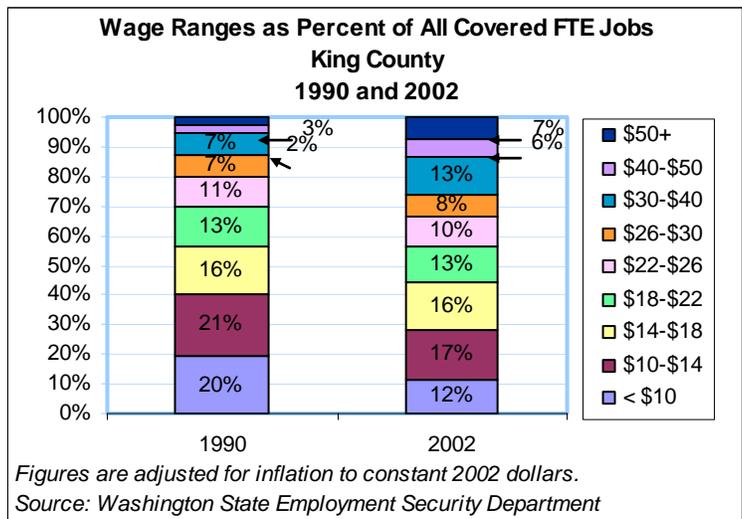
The industries above are important engines of economic growth in the county. Most of these industries were characterized by having some combination of large numbers of employees *and/or* high wages. They also had large *increases* in wages *and/or* numbers of jobs. However, only one subsector—Business Services, *which was responsible for 42.3 percent of growth in total wages paid*—was characterized by a combination of all four of these conditions.

Press reports from the late spring and early summer of 2005 have been indicating that many of the new jobs that have been added to the state’s economy since the recession’s end are not as high-wage as the jobs created during the boom of the late 1990s. However, per the *Seattle Times*, regional economists have indicated their opinions that this likely is more related to the economic cycle than due to a permanent shift in the economy.<sup>6</sup>

### Trends in King County Wage Distribution: 1990 to 2002

This section looks at wages based on hourly ranges and percentiles to provide insights into the *distribution* of wages across employees that cannot be obtained by looking at average wages.<sup>7</sup> The hourly wage figures in this section are based on conversion into full-time equivalent (FTE) jobs. All figures in this section have been adjusted for inflation and reflect 2002 constant dollars.

The chart to the right shows the 1990 and 2002 distributions of covered FTE jobs in King County based on wage ranges. In 1990, only 1 in 5 jobs earned \$26 or more hourly; by 2000, slightly more than one-third of jobs (34 percent) earned such wages. Despite increasing as a share of jobs, jobs in the \$40+ wage ranges still made up a fairly small (13 percent) share of jobs overall in 2002.



The table on the following page shows that between 1990 and 2002 the number of jobs in the two categories paying less than \$14 per hour decreased, while the number of jobs in all categories paying more than \$14 per hour increased. Percentage increases were larger in wage ranges exceeding \$26 per hour with

the very highest rates of increase (of around 200 percent) accruing to jobs in the \$40 to \$50 and \$50+ per hour ranges.

Number of Covered Jobs (FTE) by Wage Range King County 1990 and 2002									
	< \$10	\$10-\$14	\$14-\$18	\$18-\$22	\$22-\$26	\$26-\$30	\$30-\$40	\$40-\$50	\$50+
1990	140,279	149,529	114,411	96,406	75,691	50,611	53,894	17,360	20,641
2002	100,953	144,079	135,583	108,559	82,926	65,531	110,746	52,342	62,109
Change in Number of Jobs 1990 to 2002	(39,326)	(5,449)	21,172	12,153	7,235	14,920	56,851	34,982	41,468
% Change in Number of Jobs 1990 to 2002	-28%	-4%	19%	13%	10%	29%	105%	202%	201%
			% Change for \$14-\$26 = 14%						
<i>Figures are adjusted for inflation to constant 2002 dollars. Source: Washington State Employment Security Department</i>									

The increase in jobs paying in the higher ranges and decrease in jobs paying in the lower ranges are consistent with the upward trend in the county’s average wage. However, the disproportionately large wage increases at the high end of the spectrum indicates that job holders did not benefit equally from the shift to higher paying jobs.

While jobs across the wage spectrum saw at least some real increases in wages, higher-wage jobs, especially those at the top, benefited the most. The average hourly wage for the highest-paying 10 percent of jobs increased by 72 percent between 1990 and 2002, while the median wage increased by 22 percent. Interestingly, the highest paying 10 percent of jobs was the only decile group of jobs that saw a decrease in average hourly wages after 2000. (Both median wages and wages in all decile groups except the highest 10 percent continued to register gains in 2001 and again in 2002.) This suggests that the recent decrease in the overall average wage for King County, which was discussed in the first section of this chapter, has been primarily a result of the average wage falling among the mostly highly compensated.

Median wages have been significantly lower than average wages in King County. In 2002, the median hourly wage was \$19.76.<sup>8</sup> This was 28 percent lower than the \$27.53 average hourly wage earned that year. This year 2002 gap between the median and average hourly wage is higher than the 19 percent difference that existed in 1990, which is another indicator that wage gains have been concentrated among high earners.

**“Living Wages” in King County**

One key question in looking at wages in this area is whether jobs in King County and Bellevue pay a living wage. The recently published *Northwest Job Gap Study* estimated what a living wage would have been in 2002 for several family structures.<sup>9</sup> They defined a living wage as “a wage that allows families to meet their basic needs without public assistance and provides them some ability to deal with emergencies and plan ahead.” To the right is a table of living wages estimated for Washington State’s high-cost areas including King County. These estimates assume full-time, year round employment.

Living Wage in King County 2002	
Single adult	\$22,630
Single adult with one child	\$34,986
Single adult with two children	\$47,216
Two adults (one working) with two children	\$43,160
Two adults (both working) with two children	\$60,195 (combined earnings)
Source: 2004 Northwest Job Gap Study	

In King County, the average wage for covered jobs in 2002 was about \$48,000 (with an average work week for all covered jobs of 32 hours). **King County’s average wage is higher than the living wage threshold for all of the family types listed above, including a single adult with two children for whom childcare has to be paid. However, average King County wages in some retail, social service, and personal services industries were below what would even be a living wage for a single working adult.**

Also, as noted in the previous section, the overall average wage in King County is significantly higher than the median wage, due to the effect of high-wages earned in some jobs (especially software and other computer-related jobs). The *median* hourly wage was about \$19.76, which even if earned full-time would be about \$41,000 annually. **King County’s median hourly wage, even when earned full-time, is less than a living wage in many one-earner family households**, including those with two children and a single parent (who has to pay for child care) or with two adults (one working and one staying at home).

The decennial census has indicated that earnings of Bellevue residents tend to be higher than earnings in King County as a whole.<sup>10</sup> However, compared with most King County communities beyond the Eastside, Bellevue also tends to have higher housing costs<sup>11</sup>—and probably also higher child care costs.<sup>12</sup> **It is likely that some significant proportion of family households in Bellevue** (at least several percentage points above the 3.8 percent in Bellevue living below the official poverty threshold in 1999) **have earnings equating to less than a living wage. This is particularly likely to be the case for single-parent households** (whose poverty rates also tend to be higher than other households), and likely also applies to some households with dual-earners in low-wage sectors.

**The persistent presence of low incomes among some residents presents a variety of economic development challenges.** Low incomes limit people’s access to education and other resources that they need to work as productively as possible in the local economy. Low incomes also constrain people’s ability to fuel the economy with demand for goods and services, which affects the overall consumer spending levels responsible for the majority of growth in the economy.

**Forecasts for Employment Growth by Wage Group: 2002 to 2012**

The Washington State Employment Security Department has prepared forecasts of employment growth for the period between 2002 and 2012 and has identified the wage cohorts that are likely to increase most rapidly during this period. The forecasts for King County predict significantly faster growth in the numbers of jobs **paying in the under-\$20,000 range and in the \$80,001 to \$100,000 range and significantly slower growth than average in the jobs paying in the middle (\$30,000 to \$60,001) range.** However, the overall make up of jobs by wage groupings is not likely to shift significantly from the current situation in which about 44 percent of jobs pay in this range.<sup>13</sup>

**Employment Trends by Wage Level in Bellevue**

As previously noted, the *employment* statistics that the Quarterly Census of Employment and Wages (QCEW) program produces are available down to the city level of detail, but the *wage* statistics are only available down to the county level. As a result, one cannot look directly at wages for jobs located in Bellevue. This section attempts to provide insights into likely wage trends in Bellevue by linking recent data available on covered employment trends for industry sectors in Bellevue with the most recent county-level average annual wages for covered jobs in these sectors. The most recent employment figures available for Bellevue at the time of analysis are from 2002 while the wage information for King County is from 2001.

This analysis characterizes the composition of Bellevue’s jobs by likely wage level to identify whether industry types that have been growing in Bellevue tend to be those that pay high wages. While the correspondence between wages and wage levels paid in the county and Bellevue is imperfect, industry sectors that tend to pay well at the county-level probably also generally pay well in Bellevue.

**Wage Levels in Major Industry Sectors**

The FIRES sector comprises a larger proportion of employment in Bellevue than in King County, as the table to the right indicates. Thus, the dramatic increase in wages in this sector in the late 1990s would be expected to have had a greater impact on wages in Bellevue than King County. As indicated previously, one of the main contributors to the increase in FIRES wages and also wages overall in the County was the rise of the high-paying Business Services subsector within the FIRES sector.

The WTCU sector, which also has had high and increasing average wages between 1995 and 2001, also represents a

Major Sectors and Share of Covered Employment Bellevue and King County March 2002		
	Share of BELLEVUE Employment	Share of County Employment
Construction & Resources (Moderate-wage)	4.8%	5.6%
<b>FIRES (High-wage)</b>	<b><u>49.4%</u></b>	<b><u>39.1%</u></b>
<b>Manufacturing (High-wage)</b>	<b><u>6.2%</u></b>	<b><u>11.7%</u></b>
Retail (Low-wage)	17.5%	16.4%
<b>WTCU (High-wage)</b>	<b><u>15.1%</u></b>	<b><u>13.3%</u></b>
Education & Government (Moderate-wage)	6.9%	<u>13.9%</u>

*High-wage = above average annual King County wage of \$47,390.  
Low-wage = less than 60% of average wage or less than \$28,434.  
Moderate Wage = 60%-100% of average.  
Industry sectors with high wages are shown in bold green.  
Significantly higher employment shares are underlined.  
Sources: Puget Sound Regional Council; Washington State Employment Security Department*

**larger share of Bellevue's employment than King County's employment.** In Bellevue, Communications industries—particularly those related to wireless telecommunications—drove employment increases in the WTCU sector. On the other hand, the high-wage Manufacturing sector (which did not see as large of a wage increase between 1995 and 2001) represents a lower percentage of overall covered employment in King County than in Bellevue.

### **Wage Levels in Industry Subsectors**

The following analysis attempts to provide more insight into likely wage levels in Bellevue by looking at the industry *subsector* level. The employment information shown at this level of detail is from a custom query conducted by the Puget Sound Regional Council (PSRC) on the covered employment database it maintains.<sup>14</sup>

**The following analysis indicates that even though overall average wages in the county—and most likely also in Bellevue—increased between 1995 and 2002, large and fast growing industries in Bellevue have comprised a mix of high, moderate, and low paying industries.** The same is true of industries that have been adding employment (but at less than the overall rate of growth), and also of industries that have been shedding jobs. The table on the next page highlights industry subsectors with employment growth above Bellevue's overall employment growth of 17 percent by showing these in bold type (which also appears purple when this report is viewed in color). These subsectors have employment which has increased as a percentage share of Bellevue's covered employment.

**One of the interesting findings apparent from the following table is that in addition to being the subsector that added the most jobs in Bellevue between 1995 and 2002, the Businesses Services subsector (which includes many computer and software industries), also had the highest annual average wage in 2001 of all Bellevue's large business subsectors, at \$94,452.** This is also the subsector that posted the largest increase in annual average wages, both in absolute and percentage terms. The annual average wage in the Business Services subsector went up by \$46,493 or 96.9 percent. (This was likely partly related to the fact that the share of the subsector comprised of jobs in well-paying Software and Computer Related industries increased, as well as due to an increase in the wages paid in these high-demand industries.)

A mix of other industry subsectors also had higher than average wage *increases* between 1995 and 2001. These include some low- and moderate-wage retail subsectors (Eating and Drinking Places, Miscellaneous Retail, and General Merchandise subsectors, which had wage increases of between 33 percent and 51 percent), the moderate-wage Real Estate subsector (with an increase of 37.0 percent), and the high-wage Non-depository Credit Institutions subsector (with an increase of 53.6 percent).

<b>Covered Employment in Bellevue by Industry Subsector                      With Wage Data for King County                      (Private Industry Subsectors with 1,000 or More Employees in Bellevue)</b>						
SIC Category	Description	Covered Jobs 2002	% Change in Jobs 1995 to 2002*	Average Annual Wages in King County 2001	% Change in Annual Wage 1995 to 2001	Wage Level (High, Moderate or Low)
<b>Const./Res.</b>						
15	General Building Contractors	2,301	-17%	\$46,641	23.3%	Mod W
17	Special Trade Contractors	1,851	13%	\$42,393	18.7%	Mod W
<b>Manufacturing</b>						
37	Transportation Equipment	3,283	-7%	\$65,099	13.3%	High W
<b>WTCU</b>						
<b>48</b>	<b>Communications</b>	<b>4,957</b>	<b>36%</b>	<b>\$71,327</b>	<b>23.6%</b>	<b>High W</b>
49	Electric, Gas and Sanitary Services	1,101	-3%	\$56,538	15.0%	High W
50	Wholesale Trade – Durable Goods	5,189	-6%	\$56,807	29.2%	High W
51	Wholesale Trade – Nondurable Goods	2,092	-17%	\$47,304	18.5%	Mod W
<b>Retail</b>						
53	General Merchandise Stores	1,231	-16%	\$31,781	33.1%	Mod W
54	Food Stores	3,222	6%	\$25,104	15.7%	Low W
<b>55</b>	<b>Automot. Dealers &amp; Serv. Stations</b>	<b>2,204</b>	<b>37%</b>	<b>\$37,837</b>	<b>21.0%</b>	<b>Mod W</b>
56	Apparel and Accessory Stores	1,894	4%	\$27,941	20.4%	Low W
57	Furniture and Home Furnishings	1,629	6%	\$30,427	12.7%	Mod W
58	Eating and Drinking Places	4,997	3%	\$18,002	41.8%	Low W
<b>59</b>	<b>Miscellaneous Retail</b>	<b>2,656</b>	<b>22%</b>	<b>\$28,840</b>	<b>51.3%</b>	<b>Mod W</b>
<b>FIRES</b>						
60	Depository Institutions	1,154	-18%	\$50,000	31.5%	High W
61	Non-depository Credit Institutions	2,127	9%	\$72,078	53.6%	High W
<b>62</b>	<b>Security, Commod. Brokers &amp; Srvcs.</b>	<b>1,144</b>	<b>61%</b>	<b>\$92,591</b>	<b>15.7%</b>	<b>High W</b>
63	Insurance Carriers	1,075	-32%	\$53,184	19.2%	High W
64	Insurance Agents, Brokers & Srvcs.	1,110	2%	\$54,743	19.3%	High W
<b>65</b>	<b>Real Estate</b>	<b>4,258</b>	<b>35%</b>	<b>\$37,236</b>	<b>37.0%</b>	<b>Mod W</b>
70	Hotels and Other Lodging Places	1,196	-27%	\$21,437	15.7%	Low W
<b>72</b>	<b>Personal Services</b>	<b>1,871</b>	<b>65%</b>	<b>\$22,340</b>	<b>26.7%</b>	<b>Low W</b>
<b>73</b>	<b>Business Services</b>	<b>2,335</b>	<b>44%</b>	<b>\$94,452</b>	<b>96.9%</b>	<b>High W</b>
79	Amusement and Recreation Services	1,528	3%	\$31,320	20.4%	Mod W
<b>80</b>	<b>Health Services</b>	<b>6,538</b>	<b>30%</b>	<b>\$38,912</b>	<b>17.0%</b>	<b>Mod W</b>
<b>82</b>	<b>Educational Services</b>	<b>1,877</b>	<b>109%</b>	<b>\$30,788</b>	<b>18.3%</b>	<b>Mod W</b>
<b>83</b>	<b>Social Services</b>	<b>1,849</b>	<b>76%</b>	<b>\$21,798</b>	<b>21.3%</b>	<b>Low W</b>
<b>87</b>	<b>Engineering, Accounting &amp; Mgt.</b>	<b>6,794</b>	<b>18%</b>	<b>\$55,320</b>	<b>24.2%</b>	<b>High W</b>

*\*Industry subsectors with employment growth rates above Bellevue's overall 17 percent growth rate are shown in bold purple.*  
 ^High-wage = above average annual King County wage of \$47,390, Low-wage = less than 60% of average wage (low wage = less than \$28,434), Mod-wage (Moderate Wage) = 60-100% of average.  
 Wage figures are adjusted for inflation to constant 2001 dollars.  
 Sources: Puget Sound Regional Council; Washington State Employment Security Department

Following is a separate table that organizes the information in a different way. The table lists large Bellevue industry subsectors with high-wage, moderate-wage, and low-wage jobs based on the rate at which their employment in Bellevue grew between 1995 and 2002.

<b>Subsector Wage Levels</b> <b>By Rate of Employment Growth in Bellevue 1995 to 2002</b> <b>(Private Industry Subsectors with 1,000 or More Bellevue Employees)</b>			
	<b>High-Wage</b> <i>Above Average Wage</i>	<b>Moderate-Wage</b> <i>From 60% to 100% of Average Wage</i>	<b>Low-Wage</b> <i>Less than 60% of Average Wage</i>
<b>Rapid Employment Growth</b> <i>(Higher than Bellevue's overall employment growth rate of 17%)</i>	<ul style="list-style-type: none"> <li>• Communications (WTCU)</li> <li>• Business Services (FIRES)</li> <li>• Engineering, Accounting and Management (FIRES)</li> <li>• Security, Commodity Brokers and Services (FIRES)</li> </ul> <p><i>Together, these industry subsectors represented 25,230 jobs in 2002 and a job gain of 6,541 between 1995 and 2002.</i></p>	<ul style="list-style-type: none"> <li>• Miscellaneous Retail (Retail)</li> <li>• Automotive Dealers &amp; Service Stations (Retail)</li> <li>• Health Services (FIRES)</li> <li>• Real Estate (FIRES)</li> <li>• Educational Services (FIRES)</li> </ul>	<ul style="list-style-type: none"> <li>• Personal Services (FIRES)</li> <li>• Social Services (FIRES)</li> </ul> <p><i>Together these industry subsectors represented 3,720 jobs in 2002 and a job gain of 1,535 between 1995 and 2002.</i></p>
<b>Moderate Employment Growth</b> <i>(Employment Growth, but at Lower than Overall Rate)</i>	<ul style="list-style-type: none"> <li>• Non-Depository Credit Institutions (FIRES)</li> <li>• Insurance Agents, Brokers and Services (FIRES)</li> </ul>	<ul style="list-style-type: none"> <li>• Special Trade Contractors (Const./Res.)</li> <li>• Furniture and Home Furnishings (Retail)</li> <li>• Amusement and Recreational Services (FIRES)</li> </ul>	<ul style="list-style-type: none"> <li>• Eating and Drinking Places (Retail)</li> <li>• Food Stores (Retail)</li> <li>• Apparel and Accessory Stores (Retail)</li> </ul>
<b>Employment Decline</b>	<ul style="list-style-type: none"> <li>• Transportation Equipment (Manufacturing)</li> <li>• Wholesale Trade – Durable Goods (WTCU)</li> <li>• Depository Institutions (FIRES)</li> <li>• Insurance Carriers (FIRES)</li> </ul> <p><i>Together, these industry subsectors represented 10,701 jobs in 2002 and a job loss of 1,343 between 1995 and 2002.</i></p>	<ul style="list-style-type: none"> <li>• General Building Contractors (Const./Res.)</li> <li>• Wholesale Trade – Non-durable Goods (WTCU)</li> <li>• General Merchandise Stores (Retail)</li> </ul>	<ul style="list-style-type: none"> <li>• Hotels and Other Lodging Places (FIRES)</li> </ul> <p><i>This industry subsector represented 1,196 jobs in 2002 and a job loss of 450 between 1995 and 2002.</i></p>
<p><i>Sources: Puget Sound Regional Council; Washington State Employment Security Department</i></p>			

Within the ranks of industry subsectors that have a substantial presence in Bellevue and that also grew rapidly between 1995 and 2002, there were more subsectors—and also more jobs—in the high-wage category and also in the moderate-wage category than in the low-wage category. This is partly a reflection of the fact that industries paying low-wage jobs make up a relatively small proportion overall of Bellevue's large industry sectors.

**Most of the large sectors in Bellevue that added employment and also pay high wages are in the FIRES group. Bellevue's rapidly growing high-wage industries were in Communications (WTCU); Business Services (FIRES); Engineering (FIRES), Accounting and Management (FIRES); and Security, Commodity Brokers and Services (FIRES). Counted together, these large, high paying and rapidly growing industries represented 25,230 Bellevue jobs in 2002. These same industries together added 6,541 jobs to Bellevue's economy between 1995 and 2002.**

However, some rapidly growing FIRES industries tend to pay moderate or low wages: Real Estate, Health Services, and Educational Services paid moderate wages, while Personal Services and Social Services paid low wages.<sup>15</sup> In addition to comprising the majority of fast growing sector, FIRES industries are also found in the low and moderate growth categories.

**Retail industries tended, for the most part, to be in the moderate- to rapid-growth categories, but in the low- to moderate-wage categories.** Most other industries in the moderate growth category were moderate- to high-wage FIRES categories.

More of the declining industries are in the high-wage category than are in the moderate or low-wage category. Industries that are high-paying but whose employment declined in Bellevue include Transportation Equipment (Manufacturing group of industries), durable Wholesale Trade industries (WTCU), Depository Institutions (FIRES) and Insurance Carriers (FIRES). These industries combined accounted for 10,701 of Bellevue's jobs in 2002, which is a decline of 1,343 compared to the number of jobs in these industries in 1995.

The Hotels and Other Lodging Places industry was the only low-wage industry in Bellevue that declined in employment between 1995 and 2002. Again, this is partly a reflection of the relatively small proportion of large industries in Bellevue that are low-paying.

It is also interesting to look at wage levels in the subsectors that tend to have higher concentrations of jobs in Bellevue relative to their concentrations in King County as a whole. (See upper portion of the table to the right.)

**In Bellevue, the Business Services subsector made up a slightly higher percentage of employment than it did in the county as a whole (12 percent in Bellevue v. 10 percent in the county). Given this, the high wages that generally characterize the Business Services subsector may influence total wages paid in Bellevue even more strongly than they do in the county generally.) Other high-wage industry subsectors that made up a somewhat bigger percentage of employment in Bellevue than in the county are Communications (WTCU), Engineering (FIRES), Nondepository Credit Institutions (FIRES), and Accounting and Management (FIRES).**

The high-wage Transportation Equipment subsector (Manufacturing) includes

aerospace manufacturing as well as the manufacturing of other types of transportation equipment such as cars, trucks, and ships. This subsector contributed over 3 percent of Bellevue’s covered jobs. However, the proportion of jobs that the subsector contributed is higher in the county than in Bellevue.

**Wage Levels in High-Technology Cluster**

King County jobs in the High-Tech cluster of industries generally had 2001 average annual wages that were substantially higher than the overall county’s average wage of \$47,390. At \$99,791, the average wage in the High-Tech cluster as a whole was over twice that of the county’s average wage. Within the High-Tech cluster, the Software industry had the highest average annual wage at \$174,986, followed by Telecommunications at \$ 75,325 and Computer Related at \$74,037.

As noted previously, **the well-paid High-Technology cluster represents a substantially higher percentage of Bellevue’s employment than it represents of King County’s employment.** In 2002 in Bellevue, almost 16 percent of jobs were in this cluster; in King County the share was about 10 percent. The three highest-wage industries within the High-Tech cluster noted above also each represent a greater share of Bellevue employment than King County employment.

Subsectors for Which Share of Covered Employment is Higher or Lower in Bellevue than in King County March 2002			
		Share of BELLEVUE Jobs	Share of County Jobs
<b>Share of employment <u>higher</u> in Bellevue:</b>			
48	Communications (WTCU) <i>High-wage</i>	4.8%	2.0%
61	Nondepository Credit Institutions (FIRES) <i>High-Wage</i>	2.1%	0.5%
65	Real Estate (FIRES) <i>Moderate-wage</i>	4.2%	1.6%
73	Business Services (FIRES) <i>High-wage</i>	12.0%	10.0%
87	Engineering, Accounting & Management (FIRES) <i>High-wage</i>	6.6%	3.7%
<b>Share of employment <u>lower</u> in Bellevue:</b>			
37	Transportation Equipment (Manufacturing) <i>High-wage</i>	3.2%	4.9%
45	Transportation by Air (WTCU) <i>Moderate-wage</i>	0.1%	1.8%
Sectors listed in this table are those for which share of employment is >1.5 percentage points higher or lower in Bellevue than in King County. Sources: Puget Sound Regional Council; Washington State Employment Security Department			

## **Income**

The estimates of total and per capita income compiled by the United States Bureau of Economic Analysis (BEA) are some of the most-commonly used income statistics. However, these statistics are available only down to the county level. This section on income and poverty begins by summarizing trends in total and per capita personal income in King County between 1995 and 2002, and briefly compares trends in King County to those at the regional, state, and national level. Forecasts predicting income gains at the regional level are also noted later in this section.

While income data are not available from the BEA for Bellevue, city-specific information on residents' incomes and poverty rates is available from the national decennial census, the most recent of which was conducted in 2000. This section summarizes income and related findings from the last two decennial censuses, and compares incomes in Bellevue to incomes elsewhere in the region. (More information on economic characteristics for Bellevue's population is available in the City of Bellevue's *Census 2000 Report*.<sup>16</sup>) Finally, this chapter discusses state and national trends in income-related measures based on more recent findings from another more frequently administered Census Bureau survey.

### **Trends in Total Personal Income and Per Capita Personal Income**

The federal Bureau of Economic Analysis (BEA) derives per capita income by dividing the total personal income estimate for a specific geography by the population within that geography. Total personal income is an aggregate measure that combines net earnings received from work; income from transfer payments (such e.g., Social Security, unemployment insurance, and Medicare), and income from investments. Trends in total personal income can reflect changes in a variety of economic conditions including population, employment, wage levels, governmental policies, and rates of return on investments. **Total personal income is one of the most useful indicators of consumers' overall purchasing power and provides useful information for tracking both local and national economic trends.**

**As an average, per capita income indicates the income each resident in an area would have if total personal income in the area were divided into equal portions.** Income figures presented in this analysis have been adjusted for inflation (based on the GDP implicit price deflator for personal consumption expenditures) and are shown in 2002 constant dollars.

**While per capita is a key indicator of the standard of living of an area's residents, it has some shortcomings as a measure.** In the same way that average wages do not take into account the distribution of wages, per capita income does not reflect the distribution of income and tends to be skewed upward by very high incomes received by a relatively small number of people. In addition, per capita income and other measures of annual income flows do not include people's previously accumulated wealth.

### **Total Personal Income**

**Trends in total personal income, like trends in employment discussed in the first chapter of the profile, reveal that the economy has been more dynamic in King County than in the Puget Sound region, state and nation as a whole.** King County's personal income grew more between 1995 and 2000 than it did in these larger geographies. However, total personal income trends also indicate that the recession also hit King County harder. After reaching its recent peak in 2000, total personal income in King County fell by 2.4 percent by 2001 and another 0.6 percent by 2002. By contrast total personal income in

the Puget Sound region as a whole only decreased very slightly between 2000 and 2001 and then resumed a very gradual upward course between 2001 and 2002. In the state and nation as a whole, growth total personal income slowed, but did not turn negative between 2000 and 2002.

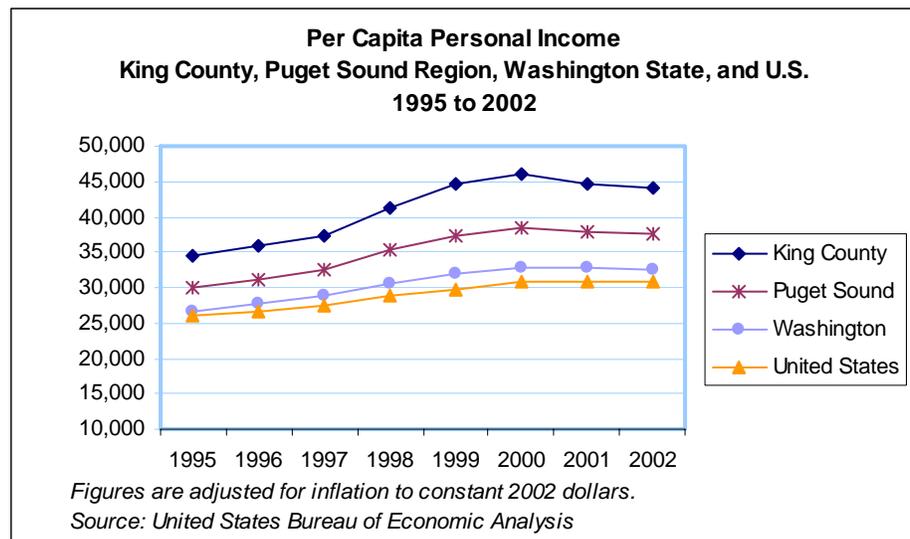
Figures for 2003 are not available for geographic levels below the state, but at both the national and state levels, total personal income increased by about 1 percent after inflation between 2002 and 2003. The most recent available quarterly data (for the second quarter of 2004) reveal the fastest pace of total personal income increase in more than three years, with Washington State having the largest percentage increase of all states.<sup>17</sup>

### Per Capita Personal Income

Per capita personal income was \$44,135 in King County in 2002. This represents an inflation-adjusted real increase of 27.6 percent, or about \$9,500 per year (expressed in 2002 dollars), over that in 1995.

**Between 1995 and 2002, per capita personal income followed a similar path to total personal income, rising moderately, then very rapidly in the late 1990s and peaking in 2000.**

In 1995, per capita personal income started out significantly higher in King County compared with the rest of the Puget Sound, and especially compared with Washington State and the nation as a whole. The acceleration of growth in per capita personal income in the late 1990s was also quite a bit sharper in King County than in the region and other broader geographies. This relates largely to the technology boom which—on a regional basis—was centered in King County, and the considerable increase in incomes that accompanied this boom.



While per capita personal incomes in King County also fell more steeply once the recession took hold, the gap between per capita incomes in King County and the Puget Sound as a whole—and especially the gaps between King County and the state and nation—remained wider in 2002 than they had been in 1995.

Per Capita Personal Income King County, Puget Sound, Washington State & Nation 1995 to 2002								
Per Capita Personal Income, Thousands of Dollars								
	1995	1996	1997	1998	1999	2000	2001	2002
King County	\$34,590	\$36,036	\$37,245	\$41,209	\$44,749	\$45,961	\$44,522	\$44,135
Puget Sound	\$30,098	\$31,263	\$32,666	\$35,224	\$37,313	\$38,435	\$37,820	\$37,591
Washington	\$26,755	\$27,721	\$28,765	\$30,587	\$31,838	\$32,870	\$32,711	\$32,638
United States	\$26,062	\$26,728	\$27,547	\$28,970	\$29,614	\$30,871	\$30,943	\$30,906
Annual % Change in Per Capita Income								
	1995-1996	1996-1997	1997-1998	1998-1999	1999-2000	2000-2001	2001-2002	1995-2002
King County	4.18%	3.36%	10.64%	8.59%	2.71%	-3.13%	-0.87%	27.59%
Puget Sound	3.87%	4.49%	7.83%	5.93%	3.01%	-1.60%	-0.61%	24.89%
Washington	3.61%	3.77%	6.33%	4.09%	3.24%	-0.49%	-0.22%	21.99%
United States	2.56%	3.06%	5.16%	2.22%	4.24%	0.23%	-0.12%	18.59%

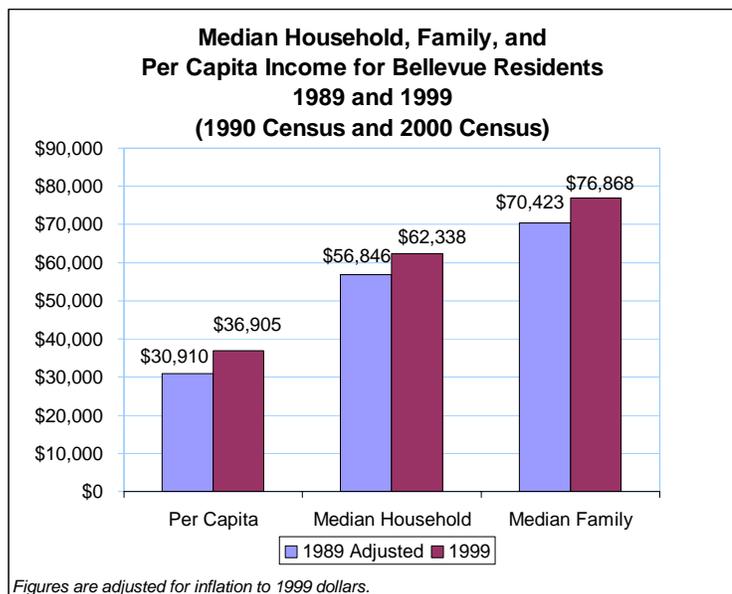
*Figures are adjusted for inflation to 2002 constant dollars.  
Source: United States Bureau of Economic Analysis*

## Income and Poverty Data from the Last Two Decennial Censuses

### Income

The decennial census has provided information on income for individuals, households, and families. This information comes from responses to the “long form” questionnaire, which went to a sample of approximately one in six households. (Given that the questionnaire asked for income information in the previous calendar year, the 2000 census income information is for 1999 and the 1990 census income information is for 1989.) **While the dataset from the 2000 census is now several years old, it provides the most current information available at the city level, and provides insight into how income levels in Bellevue have compared to income levels in other King County cities, and to the state and nation.**<sup>18</sup>

The adjacent chart summarizes changes in Bellevue’s per capita income, median household income and family income between the 1989 and 1999 based on information from the decennial census. Comparisons are made with income adjusted for inflation based on the Consumer Price Index for Urban Consumers-Research Series (CPI-U-RS) U.S. city average.<sup>19</sup>



Between 1989 and 1999 Bellevue’s median household income, median family income, and per capita income all rose at a higher rate than national inflation.

Per capita income rose by 19.4 percent, which is approximately double the respective 9.7 percent and 9.2 percent increases in median household income and median family income. As previously noted, average measures of income, such as per capita income, are sensitive to increases at the high end of the income spectrum while median income is not. **Thus, the faster rate of increase in per capita income likely reflects a trend in which increases were proportionally greater for Bellevue residents with higher incomes.**

The table to the right summarizes income distribution for Bellevue households generally and also for households comprised of families. Family households tend to have higher incomes than do other households. This is partly because some households have just one person, and also because families more commonly have two wage-earners.

- **In 1999, the majority (about 57 percent) of Bellevue families had incomes between \$50,000 and \$99,999. The same was also true for just under 50 percent of Bellevue households generally.**
- **A large proportion of Bellevue’s households had high incomes.** Slightly more than a third of Bellevue families and slightly more than a quarter of all Bellevue households had incomes of \$100,000 or above.
- **However, a small proportion of households had incomes of less than \$25,000.** About 15 percent of Bellevue households and 11 percent of Bellevue families had incomes in this range. An income of \$25,000 in 1999, would have been, even after adjusting for inflation, many thousands of dollars below the 2002 “living wage” levels that the previously referenced *Northwest Job Gap Study* found to be needed by single or dual-parent families in King County (see section on “Living Wages” earlier in this chapter).

Income Distribution for Households & Families Bellevue 1999 (2000 Census)				
Income Category	Households		Families	
	Total	Percent	Total	Percent
Total:	45,787	100%	29,138	100%
0-\$10,000	1,954	4.3%	758	2.6%
\$10,000-\$14,999	1,557	3.4%	529	1.8%
\$15,000-\$24,999	3,290	7.2%	1,256	4.3%
\$25,000-\$34,999	3,942	8.6%	1,844	6.3%
\$35,000-\$49,999	6,957	15.2%	3,548	12.2%
\$50,000-\$74,999	9,333	20.4%	6,127	21.0%
\$75,000-\$99,999	6,648	14.5%	5,064	17.4%
\$100,000-\$149,999	6,714	14.7%	5,490	18.8%
\$150,000-\$199,999	2,479	5.4%	2,104	7.2%
Over \$200,000	2,913	6.4%	2,418	8.3%

As shown in the adjacent table, figures from the 2000 census reveal quite a bit of variation in median household income between the nation, Washington state, and King County. Within King County, cities on the Eastside including Bellevue generally had higher earnings and incomes, and King County, in turn, had higher earnings and incomes than did the state and the nation.

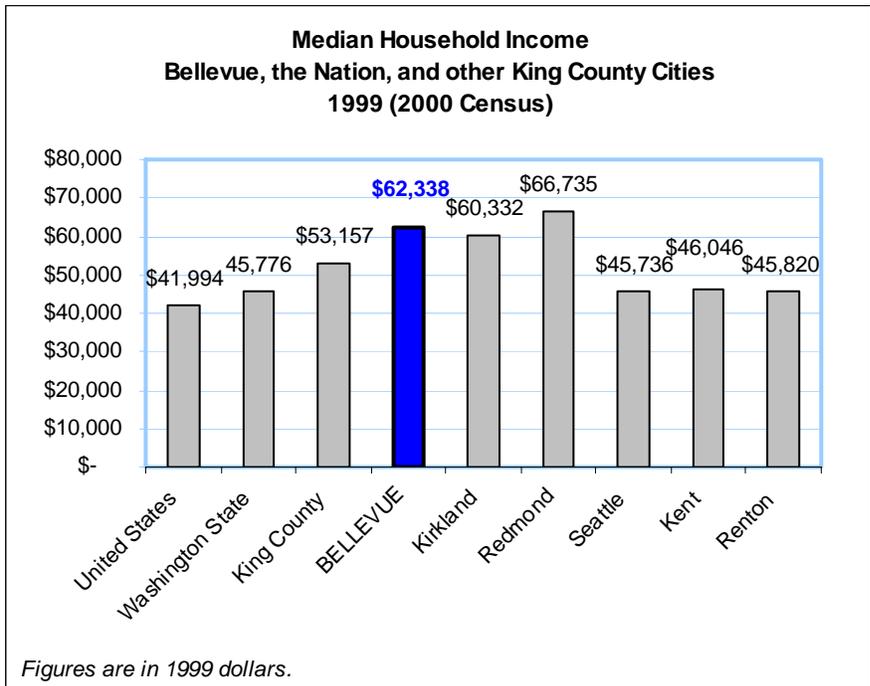
Bellevue's median household income was significantly higher than that in King County, the state, and particularly the nation as a whole. Between 1989 and 1999 growth in median household income in Bellevue was more modest than in the county and state. However, median household income increased more quickly in Bellevue than in the nation as a whole.

Also, at \$62,338 in 1999, Bellevue's median household income was second only to Redmond's among cities in Washington state with populations of at least 35,000. Several of the King County cities besides Redmond with higher median household incomes than Bellevue were smaller Eastside cities such as Sammamish and Medina.

Bellevue's retailers benefit from the relatively higher incomes of local residents and those in surrounding areas. Bellevue's concentration jobs in professional and business services help provide higher wages in the city, which in turn help drive retail sales as well.

Median Household Income Bellevue, King County, WA State and Nation 1989 and 1999 (1990 Census and 2000 Census)			
	1989 Median Household Income (Adjusted for Inflation)	1999 Median Household Income	Inflation-Adjusted Growth Between 1989 and 1999
United States	\$39,009	\$41,994	7.65%
King County	\$46,955	\$53,157	13.21%
Washington State	\$40,471	45,776	13.11%
<b>BELLEVUE</b>	<b>\$56,846</b>	<b>\$62,338</b>	<b>9.66%</b>

*Figures adjusted for inflation to 1999 dollars.*



**Earnings**

The lack of available wage data from the covered employment dataset precluded the analysis earlier in this chapter from directly comparing wages for employees working in Bellevue with those working in other parts of the region. However, information from the 2000 census does allow a comparison of the earnings of Bellevue residents with those of residents in King County as a whole.

As in other locations, earnings typically make up the majority of income for most working people living in Bellevue and King County. **The 2000 census indicates that workers who lived at the time in Bellevue had significantly higher earnings in 1999 than did those who lived in King County. Overall median earnings that year were almost \$35,000 for workers residing in Bellevue compared to about \$30,000 for workers residing in King County, which represented a difference of about 16 percent.** The difference was even greater for male workers, with male workers residing in Bellevue earning about 24 percent more than male workers residing somewhere in the county as a whole.

<b>Median Earnings Per Worker* King County and Bellevue 1999 (2000 Census)</b>		
	<b>King County</b>	<b>BELLEVUE</b>
Total	\$30,088	<b>\$34,891</b>
Full-time, year round worker	\$40,437	<b>\$47,183</b>
Male	\$36,337	<b>\$45,226</b>
Full-time, year round worker	\$45,802	<b>\$56,456</b>
Female	\$24,367	<b>\$26,389</b>
Full-time, year round worker	\$34,321	<b>\$37,124</b>

*\*Population 16 years and over with earnings in 1999. Figures are in 1999 dollars.*

**Males at both the county and Bellevue city level earned more than females.** (Earnings were not adjusted for hours worked, so it is likely that some—though not all—of the difference in earnings related to women working fewer hours than men.)

**Poverty**

Past decennial censuses have measured the number and percentage of families and individuals whose incomes are below federal poverty standards.<sup>20</sup> Poverty rates are calculated using the income data from the census long form questionnaire. Poverty is measured based on thresholds that vary by household or family size and certain other factors. In the 2000 census a family of four with an income of under \$17,500 was considered below poverty level. **The poverty thresholds do not vary based on geographic differences in cost of living.** Given this, care is needed when interpreting the implications of local poverty rates and when comparing poverty rates between locations. In cities, such as Bellevue and Seattle, that have a high cost of living relative to the nation, poverty rates are likely to underestimate proportions of individuals and families struggling economically.

<b>Percentage of Individuals and Families Below Poverty Level Bellevue 1999 (2000 Census)</b>	
<b>Bellevue residents overall</b>	<b>5.7%</b>
Children (under 18 years of age)	5.9%
Seniors (65+ years)	6.3%
Seniors (65+) in married-couple households	4.3%
Older seniors (75+) not in married-couple households	9.9%
<b>Bellevue families overall</b>	<b>3.8%</b>
Families with related children under age 18	5.3%
Families with female householder, no husband present and related children under age 18	20.1%

As noted earlier in this section about 11 percent of Bellevue family households had incomes under \$25,000 in 1999. (By the Census Bureau's definition, a family household includes a householder and one or more persons related to the householder by birth, marriage or adoption.) This would have been, even after adjusting for inflation, many thousands of dollars below the 2002 "living wage" levels that the *Northwest Job Gap Study* found to be needed by single or dual-parent families in King County.

In 1999, 5.7 percent of individuals and 3.8 percent of families in Bellevue had incomes below the federal poverty level. However, poverty rates in Bellevue, as in other locations, have tended to be much higher for certain segments of the population including those in single-parent households and older seniors who do not live with a spouse. One in five families with children headed by single mothers in Bellevue had incomes below the federal poverty level in 1999.

Within King County, cities on the Eastside, including Bellevue, generally had lower poverty rates than Seattle and cities in the southern part of the county. King County in turn had a lower rate of poverty than did both the nation and state as a whole. Poverty rates in 1999 were generally similar to rates in 1989 for Bellevue, King County, the state or the nation.

## Recent Trend Data from Other U.S. Census Bureau Surveys

In the future, income data along with other economic as well as demographic, social, and housing information previously collected in the long form will cease being part of the national decennial census. The 2010 census will focus solely on counting the population. Data from the American Community Survey (ACS) will replace the decennial census long form questionnaire, but the ACS is currently in a test phase.

The Annual Social and Economic Supplement to the Current Population Survey (CPS) is a different, long-standing survey. The Census Bureau uses the this survey to produce official annual estimates of poverty, and estimates related to a number of other socioeconomic topics including income and health insurance coverage. **While local data are not available from the CPS, the following results from the CPS offer insights into the national and state trends in the population's economic well-being.<sup>21</sup> These include trends which may also be operating at a local level.** (Trends described below are based on real income, with figures adjusted to 2003 dollars.)

- **Real median household income declined somewhat after the late 1990s boom both nationally and in Washington state, although these declines have reversed more recently at the state level.** At the national level, median money income for all households reached a recent peak of about \$45,000 in 1999 and 2000. Due to the 2001 recession, median household income then declined for two years in a row and subsequently remained statistically unchanged in 2003 at about \$43,000. Two-year averages, which because of sample sizes are best used to assess changes at the state level, indicate that median household income in Washington peaked in the 1997 to 1998 period then declined for several periods. Significant increases in median household income in the state did not resume until more recently. Between the 2001 to 2002 period and the 2002 to 2003 period, median household income in Washington increased by 3.7 percent, which made this state one of only four with a statistically significant increase in income.
- **After the recession, poverty rates increased nationally and in Washington, but the increase was not statistically significant in Washington.** The 2003 poverty rate was at 12.5 percent, which was 1.2 percentage points increase from the recent low in 2000 of 11.3 percent. The two-year average poverty

rate for Washington in the 2002 to 2003 period was 11.8 percent, which was an increase of 1.6 percentage points over the rate in the 1999 to 2000 period.

- **The percentage of Americans and Washingtonians without health insurance has increased.** The percent of people in the United States who were uninsured (by any health insurance plan including government-based and private) has gone up since 2000 and in 2003 stood at 15.6. The percentage of Washingtonians who were uninsured also increased from a 1999 to 2000 average of 13.7 percent to a 2002 to 2003 average of 14.8 percent. Both of these figures are significantly higher than the 10 to 12 percent rates that predominated in the state between 1988 and 1992. **Incomes, wages, and employment have followed economic cycles, but have generally increased over the long term both in the state and region. While indicators of economic well-being related to monetary income are increasing over the long term, the CPS results suggest the opposite with regard to health insurance.** Firms in the Seattle metropolitan area (of which Bellevue is a part) are more likely to provide their workers with health insurance: in 2002, 84 percent of Seattle area firms and 76 percent of firms statewide offered health insurance to full time employees.<sup>22</sup> However, employers in this area as in the nation as a whole report that affording health insurance for their workers is becoming increasingly challenging. With the probable continuation of increases in health insurance costs nationally, neither this region nor Bellevue itself is likely to be immune to long term trends in declining rates of health coverage.

## Near-Term Forecasts for Income in the Puget Sound Region

**Total Personal Income** — In the *Puget Sound Economic Forecaster* newsletter, Dick Conway and Doug Pedersen predict that current-dollar total personal income in the four-county region will have gone up by 2.8 percent in 2003 and by a larger 4.9 percent in 2004 followed by increases of 5.8 percent in 2005 and 5.6 in 2006.<sup>23</sup> With adjustments based on Conway and Pedersen's forecast increases in the consumer price index,<sup>24</sup> **these projected increases translate into a modest real gain of about 1 percent in total personal income in 2003 followed by more substantial real gains of about 3 to 4 percent in each of the years between 2004 and 2006, with 2005 having the highest rate of growth during this period.** Wages and salaries make up the majority of total personal income and are projected to increase at rates similar to the growth rates for personal income.

Taxable retail sales have recently begun growing again on an inflation-adjusted basis in both King County and Bellevue as noted in the profile's chapter on Major Employers and Business Patterns. **Conway and Pedersen anticipate that growth in personal income, along with decreasing unemployment and household growth will drive retail sales to continuing growing through 2006.** Their forecast expects regional retail sales (taxable and non-taxable combined) to grow by 6.1 percent in 2005 and then 4.6 percent in 2006 (or about 2 percent and 3 percent respectively after adjusting for inflation). **The growth in income and retail sales will benefit retailers in Bellevue as well as the larger region.**

**Per Capita Personal Income** — Per capita personal income is also thought by Conway and Pedersen to have resumed fairly robust rates of growth beginning in 2004. With total personal income spread over a population base projected to rise about 1 percent each year between 2004 and 2006, **per capita personal income will increase slightly less rapidly than total personal income.** Rates of increase in Conway and Pedersen's forecast are 4.0 percent in 2004, 4.7 percent in 2005 and 4.4 percent in 2006—rates which are

higher than anticipated inflation. **After adjusting for inflation, these forecasts translate into annual increases of about 2 to almost 3 percent in real personal income per capita.**

As seen from historic rates, there is a general tendency for income in King County and Bellevue to move in the same direction as it is moving in the region as a whole. **Along with other auspicious signs that have begun to emerge from data on King County's local economy**—e.g., the fact that both King County and the region posted slight increases in wages between 2001 and 2003, and that King County recently joined the rest of the region in the jobs recovery—**these regional forecasts suggest that personal incomes in King County have likely also begun to rise and are poised to register strong increases in 2005 and 2006. Bellevue residents are likely sharing in this upturn in income.**

---

#### ENDNOTES

<sup>1</sup> *2004 Northwest Job Gap Study*, Northwest Federation of Community Organizations and Paul Sommers.

<sup>2</sup> As part of the QCEW program, ESD publishes average monthly employment, total payroll, and average annual wages for all jobs covered by the unemployment insurance. As noted earlier in this report, around 90 percent of jobs are covered by unemployment insurance, with the self-employed and corporate officers being some of the major exceptions. For more info on the QCEW program see: <http://www.bls.gov/cew/home.htm> and <http://www.bls.gov/cew/cewfaq.htm>.

<sup>3</sup> For more information on wage data available from the QCEW dataset, see following link within the Bureau of Labor Statistics web site <http://www.bls.gov/cew/cewbultn02.htm#Wages>.

<sup>4</sup> Most of the data cited in the first part of this section were published in *The Central Puget Sound Regional Economic Profile*, which the Puget Sound Regional Council (PSRC) which was revised June 2004, <http://psrc.org/projects/monitoring/rep.htm>.

<sup>5</sup> Also, as indicated in the section on employment trends by wage level in Bellevue, there are several high-wage sectors which have employment that is more concentrated in Bellevue than in the county as a whole.

<sup>6</sup> "Job market grows — from bottom up," Shirleen Holt, *Seattle Times*, March 16, 2005.

<sup>7</sup> This wage distribution analysis is based on information from the QCEW program compiled in conjunction with the following publication, "Washington Wage Report, 1990-2002," by Scott Bailey, Regional Labor Economist, Washington State Employment Security Department, February 2004, <http://www.workforceexplorer.com>. However, the published report itself focused on statewide figures.

<sup>8</sup> A full-time employee in a job earning King County's median hourly wage would earn \$41,101 in a year and an employee working 32.4 hours per week, which was the average work week in 2002, would earn \$33,304.

<sup>9</sup> *2004 Northwest Job Gap Study*, by Northwest Federation of Community Organizations and Paul Sommers, [http://www.nwfc.org/liv-w-j\\_pubs.htm](http://www.nwfc.org/liv-w-j_pubs.htm).

<sup>10</sup> For specific census data see subsection later in this chapter on earning patterns of Bellevue residents.

<sup>11</sup> The *Seattle Times* analyzed the amount of income needed to purchase a median priced single-family home by neighborhoods within King County and found that in many neighborhoods within Bellevue and elsewhere on the Eastside, household incomes of \$85,000 or higher were required, which was higher than the incomes required in many parts of Seattle and most of South King County. <http://seattletimes.nwsourc.com/homes/income/>

<sup>12</sup> Child Care Resources found in their *State of Child Care 2002* report that East King County is the highest priced area in the county based on average child care center rates. <http://www.childcare.org/community/state-of-childcare-02.pdf>

<sup>13</sup> "King County: Washington's Eight Hundred Pound Economic Gorilla: Gaining or Loosing Weight?" presentation by Dave Wallace, Washington State Employment Security Department, January 12, 2005 for the Seattle Economists Club. Figures are adjusted for inflation. These are occupation-based forecasts. A look at *industry*-based forecasts for King County suggests similar findings except that, in the latter analysis, the industries with average wages of \$150,000 or more have the very highest job growth rates (although there remains only a small percentage of jobs falling into this wage category).

<sup>14</sup> The custom query on PSRC's covered employment dataset upon which this section relies includes only employment that has been specifically geocoded to locations in Bellevue employment (102,388 jobs). The geocoded figure is lower than the full estimate of 110,905 jobs that PSRC estimates were in Bellevue in 2002.

---

<sup>15</sup> Even within industry subsectors, wages can vary widely. The most extreme example is in the Business Services subsector, which includes Prepackaged Software and at the high end of the wage spectrum and industries such as Adjustment and Collection Services; Building Maintenance Services; and Photofinishing Laboratories that all have low or moderate wages.

<sup>16</sup> Economic characteristics are covered in both volumes of the City of Bellevue's Census 2000 report: *Volume 1, Citywide and Regional Trends* and *Volume 2, Neighborhood Patterns*, accessible at <http://www.cityofbellevue.org/page.asp?view=16912>.

<sup>17</sup> The most current state and local personal income figures are available at <http://www.bea.gov/bea/regional/statelocal.htm>.

<sup>18</sup> See Economic chapter in Bellevue's Census 2000 Report Volume 1, *Citywide and Regional Trends*, <http://www.cityofbellevue.org/page.asp?view=16912>.

<sup>19</sup> Use of the CPI-U-RS follows the Census Bureau's convention for making inflation adjustments to income data <http://www.census.gov/hhes/income/income03/cpiurs.html>. This is a different inflation index from that used in Bellevue's Census 2000 report which is referenced in the previous footnote. Bellevue's Census 2000 report used the Seattle area CPI-U for geographies within this region, which reflected higher rates of inflation and less favorable income trends.

<sup>20</sup> In the 2000 census, poverty status was identified for all people except the following: those institutionalized, living in military group quarters, or residing in college dormitories, and for children under 15 years old who were not living with relatives.

<sup>21</sup> Reports and findings on income, poverty, and health insurance trends based on the results of the Current Population Survey can be found at <http://www.census.gov/hhes/www/income03.html>.

<sup>22</sup> Percentages are lower for firms offering health insurance for part time employees and dependents. Small firms are also less likely to offer health insurance coverage. *Washington State Employee Benefits Survey*, Washington State Department of Employment Security, 2002. [www.workforceexplorer.com](http://www.workforceexplorer.com).

<sup>23</sup> *The Puget Sound Economic Forecaster*, Conway Pedersen Economics, Inc., Volume 12, Number 4, Dec 2004.

<sup>24</sup> The CPI index is used to adjust the forecast figures for inflation because this is the only index for which projected figures are available in Conway and Pederson's *Forecaster* newsletter. The CPI is a different index than the implicit price deflator for personal consumption expenditures and the CPI-U-RS which were used in the profile with other data sets.

THIS PAGE INTENTIONALLY LEFT BLANK