



**PROSPERITY PARTNERSHIP
REGIONAL ECONOMIC STRATEGY**

TOURISM & VISITOR WORKING GROUP MEETING #3

Employment Data Analysis, Part II

1.0 EMPLOYMENT TRENDS BY INDUSTRY

- At the previous working group meeting on July 17th, **Exhibit 1**, showing cluster employment change between 2006 and 2007 was presented.
- We have since received historical employment data and updated the table to show employment change between 2002 and 2007, a six-year period. (**Exhibit 2**).
- Two trends of particular interest at the July meeting were the declining employment levels in the Other Gambling and Performing Arts categories between 2006 and 2007.
- Looking farther back at the six-year trend, Other Gambling has actually seen a significant increase in employment (over 3,000 employees).
- For Performing Arts Companies, there was one significant employment decline between 2002 and 2003 of about 300 employees, and since then employment levels remained relatively steady.
- For the entire Tourism & Visitor Cluster, employment grew at a six-year annual average rate of 3.4%, slightly lower than the 2006-2007 growth rate of 4.7%.

Exhibit 1
Tourism & Visitor Cluster Employment by Industry, 2006-2007

NAICS Code	Industry Description	Employment		% of Cluster Emp. In 2007	Emp. Change, 2006-07	
		2006	2007		Number Jobs	% Change
722100	Full-Service Restaurants	56,117	58,379	53.7%	2,262	4%
721110	Hotels (except Casino Hotels) and Motels	14,491	15,321	14.1%	830	6%
713210	Casinos	6,031	6,600	6.1%	569	9%
561500	Travel Arrangement and Reservation Services	4,591	4,616	4.2%	25	1%
722400	Drinking Places (Alcoholic Beverages)	4,424	4,485	4.1%	61	1%
713290	Other Gambling Industries	4,811	4,442	4.1%	-369	-8%
713910	Golf Courses and Country Clubs	2,748	2,860	2.6%	112	4%
711100	Performing Arts Companies	2,670	2,652	2.4%	-18	-1%
713990	All Other Amusement and Rec. Industries	1,665	2,366	2.2%	701	42%
712000	Museums, Hist. Sites, Similar Institutions	1,742	1,824	1.7%	82	5%
711200	Spectator Sports	1,486	1,502	1.4%	16	1%
485900	Other Transit and Ground Passenger Transp.	1,231	1,451	1.3%	220	18%
487000	Scenic and Sightseeing Transportation	359	714	0.7%	355	99%
713100	Amusement Parks and Arcades	497	484	0.4%	-13	-3%
711500	Independent Artists, Writers, and Performers	353	351	0.3%	-2	-1%
713930	Marinas	330	318	0.3%	-12	-4%
721200	RV Parks and Recreational Camps	230	261	0.2%	31	13%
721199	All Other Traveler Accommodation	63	79	0.1%	16	25%
721191	Bed-and-Breakfast Inns	44	61	0.1%	17	39%
Total Tourism & Visitor Cluster		103,883	108,766	100.0%	4,883	5%

Exhibit 2
Tourism & Visitor Cluster Employment by Industry, 2002-2007

NAICS Code	Industry Description	Employment		% of Cluster Emp. In 2007	Emp. Change, 2002-07	
		2002	2007		Number Jobs	Annual Avg % Change
722100	Full-Service Restaurants	49,611	58,379	53.7%	8,768	3%
721110	Hotels (except Casino Hotels) and Motels	13,454	15,321	14.1%	1,867	3%
713210	Casinos	5,953	6,600	6.1%	647	2%
561500	Travel Arrangement and Reservation Services	3,879	4,616	4.2%	737	4%
722400	Drinking Places (Alcoholic Beverages)	4,157	4,485	4.1%	328	2%
713290	Other Gambling Industries	1,252	4,442	4.1%	3,190	29%
713910	Golf Courses and Country Clubs	2,559	2,860	2.6%	301	2%
711100	Performing Arts Companies	2,904	2,652	2.4%	-252	-2%
713990	All Other Amusement and Rec. Industries	1,906	2,366	2.2%	460	4%
712000	Museums, Hist. Sites, Similar Institutions	1,584	1,824	1.7%	240	3%
711200	Spectator Sports	1,224	1,502	1.4%	278	4%
485900	Other Transit and Ground Passenger Transp.	1,459	1,451	1.3%	-8	0%
487000	Scenic and Sightseeing Transportation	349	714	0.7%	365	15%
713100	Amusement Parks and Arcades	577	484	0.4%	-93	-3%
711500	Independent Artists, Writers, and Performers	458	351	0.3%	-107	-5%
713930	Marinas	264	318	0.3%	54	4%
721200	RV Parks and Recreational Camps	172	261	0.2%	89	9%
721199	All Other Traveler Accommodation	56	79	0.1%	23	7%
721191	Bed-and-Breakfast Inns	85	61	0.1%	-24	-6%
Total Tourism & Visitor Cluster		91,903	108,766	100.0%	16,863	3%

Source: Puget Sound Regional Council, 2008

Notes: Employment totals represent covered employment for the month of March each year. The unit of measurement is jobs and part-time and temporary positions are included. 2007 employment numbers are preliminary and subject to revision.

1.1 Aggregated Industry Categories

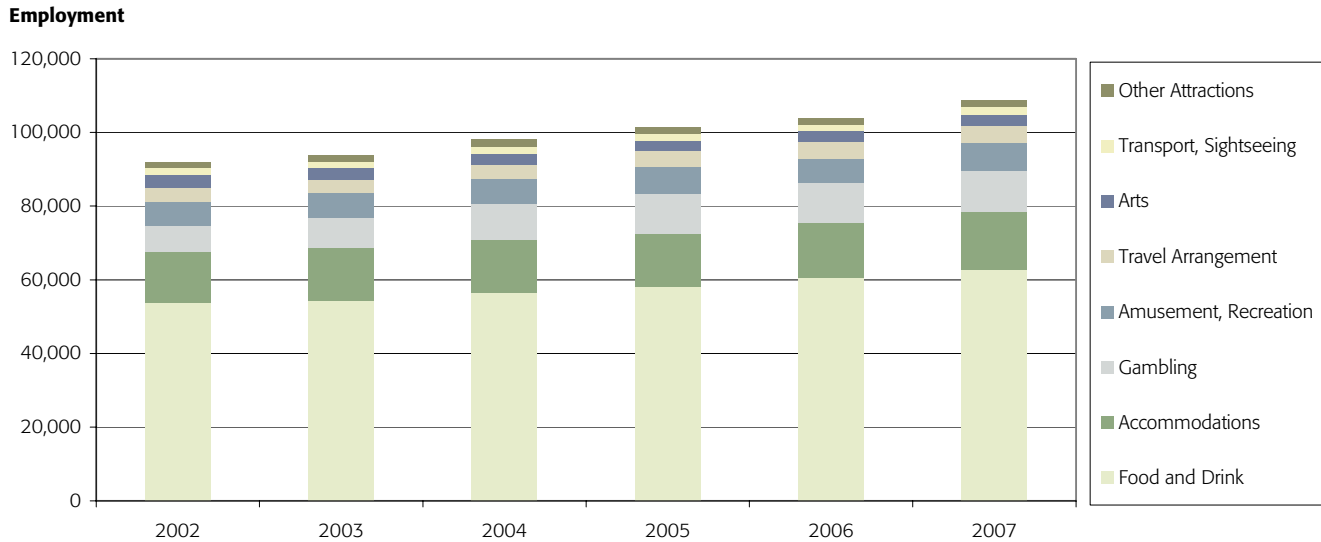
In order to better evaluate broad cluster trends, several of the six-digit NAICS industry categories were aggregated into logical groups for further analysis. The following eight aggregated industry categories were created:

- 1. Food and Drink.** Including Full-Service Restaurants (722100) and Drinking Places (722400).
- 2. Accommodations.** Including Hotels and Motels (721110), RV Parks (721200), B&B Inns (721191), and Other Traveler Accommodation (721199).
- 3. Gambling.** Including Casinos (713210) and Other Gambling Industries (713290).
- 4. Amusement, Recreation.** Including Golf Courses (713910), Spectator Sports (711200), Amusement Parks (713100), Marinas (713930), and Other Amusement and Recreation Industries (713990).
- 5. Travel Arrangement.** Including Travel Arrangement and Reservation Services (561500).
- 6. Arts.** Including Performing Arts Companies (711100) and Independent Artists, Writers, and Performers (711500).
- 7. Transport, Sightseeing.** Including Scenic and Sightseeing Transportation (487000) and Other Transit (485900).
- 8. Other Attractions.** Including Museums, Historical Sites, and Similar Institutions (712000).

Exhibit 3 and **Exhibit 4** show total employment by aggregated industry category for the six-year period between 2002 and 2007, in chart and table formats.

- As with the detailed six-digit industry breakout earlier, gambling is the fastest growing sub-category in the Tourism & Visitor Cluster (8.9% annual average growth).
- All industry groups exhibited growth between 2002 and 2007 except for the Arts, which saw a decline of about 359 employees. As noted earlier, most of this employment loss (286 jobs) occurred between 2002 and 2003.

Exhibit 3
Tourism & Visitor Cluster Employment by Aggregated Industry, 2002-2007 (Chart)



Source: Puget Sound Regional Council, 2008

Exhibit 4
Tourism & Visitor Cluster Employment by Aggregated Industry, 2002-2007 (Table)

Industry	Employment in the Puget Sound Region						Avg. Annual Growth Rate 2002-2007
	2002	2003	2004	2005	2006	2007	
Food and Drink	53,768	54,370	56,401	58,088	60,541	62,864	3.2%
Accommodations	13,767	14,226	14,614	14,498	14,828	15,722	2.7%
Gambling	7,205	8,362	9,569	10,842	10,842	11,042	8.9%
Amusement, Recreation	6,530	6,551	6,989	7,153	6,726	7,530	2.9%
Travel Arrangement	3,879	3,715	3,820	4,308	4,591	4,616	3.5%
Arts	3,362	3,076	3,014	2,933	3,023	3,003	-2.2%
Transport, Sightseeing	1,808	1,846	1,920	1,820	1,590	2,165	3.7%
Other Attractions	1,584	1,692	1,911	1,776	1,742	1,824	2.9%
Total Cluster	91,903	93,838	98,238	101,418	103,883	108,766	3.4%

Source: Puget Sound Regional Council, 2008

2.0 EMPLOYMENT AND WAGES BY COUNTY

Exhibit 5 Tourism & Visitor Cluster Employment and Wages by County, 2006-2007

	Employment		% of Cluster Emp. In 2007	Emp. Change, 2006-07		Total Wages 2006	Avg. Annual Wage/Emp.
	2006	2007		Number Jobs	% Change		
King County	69,194	73,374	67.5%	4,180	6.0%	\$2,110,005,000	\$30,500
Pierce County	15,580	15,824	14.5%	244	1.6%	\$293,149,000	\$18,800
Snohomish County	13,729	14,137	13.0%	408	3.0%	\$289,640,000	\$21,100
Kitsap County	5,380	5,431	5.0%	51	0.9%	\$96,384,000	\$17,900
Region Total	103,883	108,766	100.0%	4,883	4.7%	\$2,789,178,000	\$26,800
Washington State	155,720	160,880		5,160	3.3%	\$3,657,620,610	\$23,500

Source: Puget Sound Regional Council, 2008; Washington Employment Security Department, 2008

Exhibit 6 Tourism & Visitor Cluster Employment and Wages by County, 2002-2007

	Employment		% of Cluster Emp. In 2007	Emp. Change, 2002-07		Total Wages 2006	Avg. Annual Wage/Emp.
	2002	2007		Number Jobs	Avg. Annual % Change		
King County	62,896	73,374	67%	10,478	3.1%	\$2,110,005,000	\$30,500
Pierce County	13,498	15,824	15%	2,326	3.2%	\$293,149,000	\$18,800
Snohomish County	11,174	14,137	13%	2,963	4.8%	\$289,640,000	\$21,100
Kitsap County	4,335	5,431	5%	1,096	4.6%	\$96,384,000	\$17,900
Region Total	91,903	108,766	100%	16,863	3.4%	\$2,789,178,000	\$26,800
Washington State	139,984	160,880		20,896	2.8%	\$3,657,620,610	\$23,500

Source: Puget Sound Regional Council, 2008; Washington Employment Security Department, 2008

- **Exhibit 5** is a copy of the table presented at the previous working group meeting on July 17th, 2008. This table has been updated with 2002 data in **Exhibit 6**.
- Over the six-year time period Snohomish and Kitsap Tourism & Visitor employment exhibited faster annual average growth (4.8% and 4.6% respectively) than King and Pierce Counties (about 3%).
- Between 2002 and 2007, Tourism & Visitor industry employment in the region grew at a faster annual average rate (3.4%) than total employment for the Central Puget Sound (1.8%) and total Tourism & Visitor industry employment statewide (2.8%).

3.0 LOCATION QUOTIENT ANALYSIS

Exhibit 7
Tourism & Visitor Cluster Location Quotients by Aggregated Industry, 2007

Industry	Location Quotient - Region vs. Nation						Avg. Annual Growth Rate
	2002	2003	2004	2005	2006	2007	2002-2007
Food and Drink	1.01	1.01	1.01	1.02	1.02	1.01	0.0%
Accommodations	0.77	0.79	0.81	0.79	0.79	0.80	0.8%
Gambling	4.32	5.17	5.63	6.19	6.29	5.94	6.6%
Amusement, Recreation	0.88	0.88	0.92	0.93	0.85	0.89	0.3%
Travel Arrangement	1.21	1.24	1.35	1.55	1.62	1.60	5.7%
Arts	1.72	1.56	1.57	1.54	1.52	1.45	-3.4%
Transport, Sightseeing	1.92	1.89	1.90	1.75	1.46	1.82	-1.1%
Other Attractions	1.18	1.25	1.41	1.27	1.22	1.20	0.3%
Total Cluster	1.05	1.06	1.09	1.10	1.09	1.09	0.7%

Source: Puget Sound Regional Council, 2008; Bureau of Labor Statistics, 2008

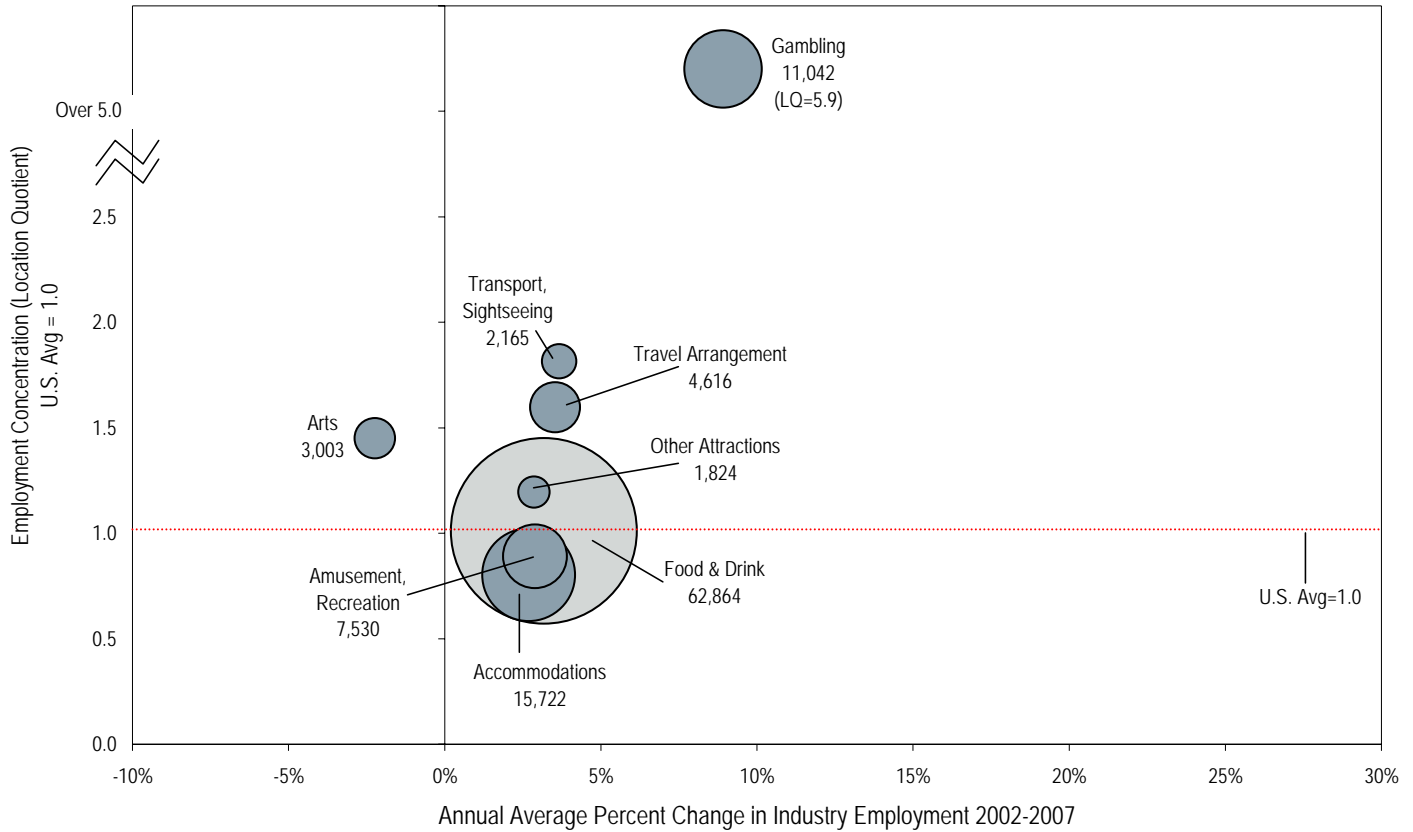
Location quotients (LQs) are an index measure comparing the concentration of a particular industry in an area with the concentration of the same industry in a larger reference area.

In **Exhibit 7**, the concentration of Tourism & Visitor industries (measured in jobs) in the four-county Central Puget Sound Region are compared to the concentration of Tourism & Visitor industries nationwide.

If a LQ value is higher than 1.0 it indicates that the regional concentration of industries is greater than the national concentration.

- The Gambling industry has the highest 2007 LQ (5.9), due to high concentrations of employment in both tribal and non-tribal gambling establishments.
- The Gambling industry has also seen the fastest rate of LQ growth over the six-year period, growing from 4.3 in 2002 to a peak of 6.3 in 2006 before a slight drop in 2007.
- Transport/Sightseeing (1.8), Travel Arrangement (1.6), and the Arts (1.5) all show strong employment concentrations above the national average. However, of these three industries, only Travel Arrangement has seen an increasing LQ from 2002-2007. The Arts industry has seen the most significant decline in LQs from 1.7 to 1.5 (-3.4% annual average decline).
- The largest industries, Food and Drink and Accommodations, have LQs at or below the national average and these concentrations have remained steady over the six year period.

Exhibit 8
Tourism & Visitor Cluster Employment Concentration, Change, and Size
by Aggregated Industry, 2002-2007



Source: Puget Sound Regional Council, 2008; Bureau of Labor Statistics, 2008

- **Exhibit 8** presents industry concentration (in terms of LQs), change in jobs, and industry size (in terms of jobs) graphically.
- The majority of Tourism & Visitor industries experienced employment growth between 2002 and 2007. As mentioned earlier, only the Arts category experienced employment decline over the six-year period.
- Several of the largest industries like Food and Drink and Accommodations have LQs at or below the national average.
- Gambling has the highest LQ (5.9) but several other industries have above average employment concentrations including Transport/Sightseeing (1.8), Travel Arrangement (1.6), and Arts (1.5).

4.0 UPDATES AND CLARIFICATIONS FROM PREVIOUS MEETING

The following answers address questions posed at Working Group Meeting #2:

Tribal portion of casino employment

- Employment in the “Casinos” industry category (NAICS 713210) is all related to tribal casino operations.
- Employment in the “Other Gambling Industries” category (NAICS 713290) is approximately 95% non-tribal. The only tribal activities included in this category are a few tribal bingo operations.

Inclusion of cruise line employment

- Large cruise companies (Norwegian Cruise Line, Holland America Line, etc.) do not report the bulk of their employment in Washington.
- The “Scenic and Sightseeing Transportation” industry category (NAICS 487000) only includes a small number of permanent Washington-based staff from these large cruise companies.

Tip income in the food service industries

- Tip income is included in the wages reported for the “Full-Service Restaurants” (NAICS 722100) and “Drinking Places” (NAICS 722400) categories.
- However, there is no adjustment in the average wage calculations to account for the large number of part-time and temporary workers included in these two industries. As a result, the average wage values for these industries skew lower than other industries with a higher share of full-time employees.
- Additional wage information from the Washington Restaurant Association is being provided in the meeting handout packet.

Convention and Visitors Bureaus employment

- Employment at convention and visitors bureaus is included in the “Travel Arrangement and Reservation Services” category (NAICS 561500).
- In 2007, of the 4,616 jobs in the Travel Arrangement and Reservation Services category, about 100 jobs were in the “Convention and Visitors Bureaus” sub-category (NAICS 561591). The average annual wage for Convention and Visitors Bureau employees was approximately \$42,000 in 2006.

Tax revenues by industry

- Contingent on data availability, we expect to have regional retail and B&O tax estimates for the cluster sub-categories by the next working group meeting.