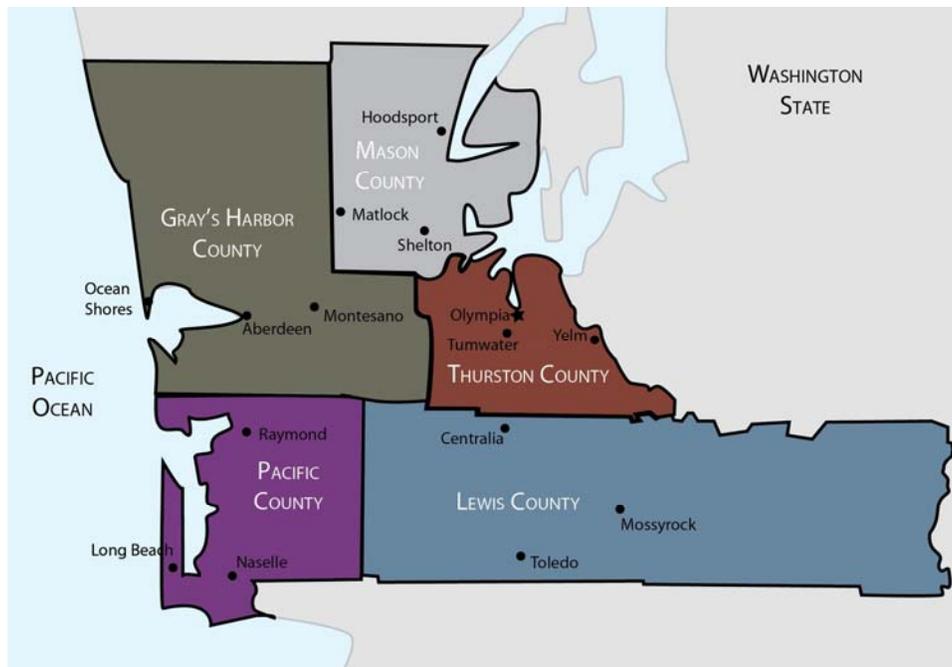




PACIFIC MOUNTAIN WORKFORCE DEVELOPMENT COUNCIL LOCAL STRATEGIC PLAN



July 1, 2009 — June 30, 2011



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EXECUTIVE SUMMARY

In order to promote the necessary leadership and innovation required to create a resilient, and innovative regional economy, Pacific Mountain Workforce Development Council is fostering partnerships at all levels of the workforce development system. For example, the Working Alliance Memorandum of Understanding between the Pacific Mountain Workforce Development Council (WDC) and the Employment Security Department (ESD) has furthered the integration model and raised the bar on partner commitment by establishing new levels of assurances between the two organizations.

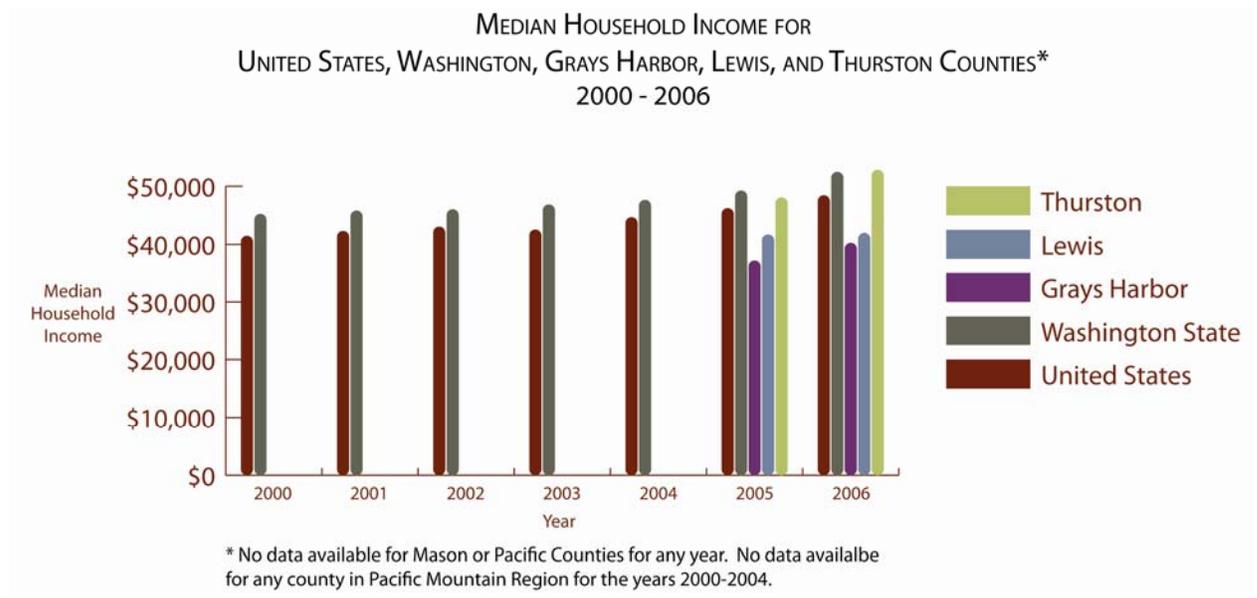
The Working Alliance is a “first” for the state’s workforce development system and consists of a multi-dimensional framework that realigns leadership roles to create more effective communication channels and create a foundation for regional policy development. Additionally, day to day staff activities become functionally aligned within work units to create a more efficient system for delivery of products and services. This new infrastructure will be transparent to the customer and will effectively create a more streamlined organization. Innovative partnerships are transforming the Pacific Mountain Workforce Development Area to seamlessly serve our job seekers with fresh employment opportunities resulting in individual prosperity that is fundamental to the economic vitality of our region.

In order to meet the combined challenges of a competitive economy, changing labor force, and make the best use of our region’s increasingly scarce resources, the workforce development system must continuously improve its performance. Pacific Mountain’s goal is to ensure that our approach to serving the needs of our customers continues to be demand-driven. It should, and will, remain our standard way of doing business. We recognize that by serving the needs of our business community and employers, we serve our job seekers more effectively, as well. We know that the only way to ensure high skill, high wage jobs are available to our dislocated workers and other job seekers is by creating and growing the necessary partnerships to match ongoing talent development with the present and future workforce needs of our region. Employment opportunities will be more plentiful if we help create an innovative and flexible regional economy.

In addition to this demand-driven philosophy, the Pacific Mountain Workforce Development Council has recently begun the process of becoming more proactive in our approach to dealing with regional and local events impacting employment and the economy. Historically, we have been reactive rather than proactive in dealing with layoffs, business closures and government reductions in force. While we continue to take a leadership role when such events occur, we are now in a better position to meet the needs of the affected workers. By using knowledge of the high-demand, high-wage employment opportunities in our communities, we can create ongoing talent development strategies that will help all workers be prepared for downturns within any industry. Our partnerships with business, industry, financial, educational, and community leaders create a regional rather than local economic base. This, in turn, provides a training infrastructure and demand-driven workforce that will be flexible, diverse and innovative enough to predict and accommodate the changing needs of both employers and employees.

Environmental concerns, more stringent industrial standards and regulations, and diminishing access, and high unemployment based upon mill, mine and fisheries closures have forced us to become increasingly innovative and regional in our approach to economic development. While Thurston County has been somewhat insulated from this decline in the natural resource based economy by a large employment base in the public sector, it too, has suffered unemployment increases after a series of major lay-offs across the region. Early projections of state cutbacks in staffing have escalated from 1,600 to nearly 8,000 employees; most of whom reside in Thurston County.

A large part of the Pacific Mountain region show median household incomes that are significantly below state and national averages. In fact, the latest figures show that our region's families have median incomes that are roughly \$5,000 - \$12,000 less than state and national averages. As a result, the region's families have fewer dollars to invest in housing, education, or to spend on needed consumer goods.



This disparity in wages signals a need for economic infrastructure to begin to produce employment opportunities throughout the Pacific Mountain Region that generate high skill, high wage opportunities for our workforce. This is especially the case in terms of minority and women workers.

Changing global demands for more sophisticated technology and different worker skills have stimulated a need for more talent development in the Pacific Mountain Workforce Development Area. This region has the necessary talent pool to mentor and develop the skilled workforce required, if we continue our strong partnerships with economic development organizations, education, industry, labor, and the existing skilled workforce. We are committed to helping our workforce develop the talent and skills necessary to move beyond our existing skill gaps. The region, including its growing population of seniors, highly educated professionals, non-profit organizations, and a host of technical and vocational academic programs has created the perfect combination of human, economic and academic assets required to transform our region's economy. Our human assets will create

an economic infrastructure that is flexible, innovative and resilient enough to accommodate the principles outlined in *High Skills, High Wages 2008 -2018*.

The Agenda for Action included in this plan will outline Pacific Mountain's planned activities, along with a series of recommendations that will guide the organization toward the goals established by the state's strategic plan for workforce development. Among the recommendations for action are:

- Expansion of the Dropout Prevention Initiative to more high schools.
- Provide WIA Title I resources to help student access and retention, including upfront "bridge" funds.
- Create and take advantage of opportunities to redirect resources to front line services.
- Validate industry demand and pilot an employability skills assessment.
- Develop expertise in the WorkSource System in order to better serve the needs of local employers in key industry sectors. In partnership with the economic development system, conduct a cluster analysis for the five county region.
- Rapidly link dislocated workers with appropriate employment services and retraining programs.

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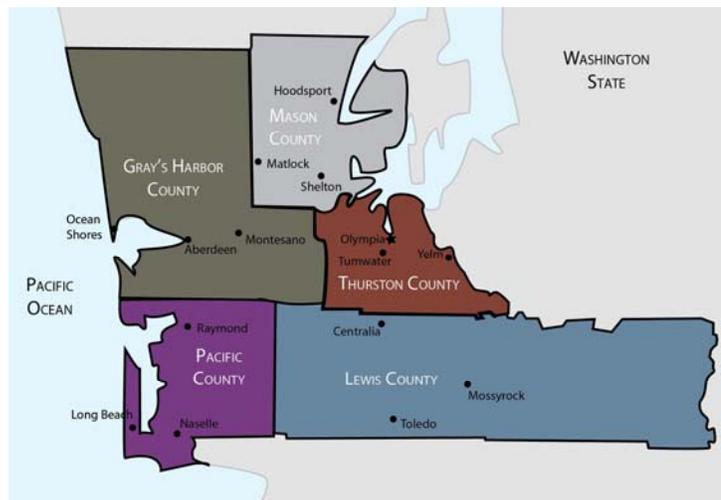
INTRODUCTION

When people in our area are asked “where are you from?” most of them respond by identifying their hometown—Olympia, Chehalis, or Shelton—or maybe their home county—Pacific, Grays Harbor, or Lewis. This answer makes sense for individuals who tend to identify with their local communities. It makes less sense for businesses that may be located in a specific town, but do businesses across a region, across the country, and maybe even across the globe to identify themselves in this way?

In today’s world, business is both regional and global. That means that efforts to support local businesses through education, economic development, and workforce development programs must also be organized in a similar fashion. These critical support efforts need to be coordinated so that we work together across county lines and across other jurisdictional boundaries. We can no longer view our towns or our counties in isolation—we need to think like a region!

This Strategic Plan is the result of a regional partnership between the five counties of Grays Harbor, Lewis, Mason, Pacific, and Thurston. These five counties form the foundation for improved regional collaboration to build a more dynamic, diverse, innovative, and inclusive economy. While this is a long-standing region whose service area is shared with the Pacific Mountain Workforce Development Council, Educational School District 113 and Timberland Regional Library System, there are many other opportunities for enhanced collaboration and cooperation.

As we pursue these goals, it’s important to track our progress. This Strategic Plan is our roadmap toward a regional approach to integrating workforce and economic development across a broad landscape with key benchmarks to help us keep score. It provides an assessment of Grays Harbor County; Mason County; Lewis County; Pacific County; and Thurston County; the demographics of each county and how our region is presently performing on baseline measures. This plan examines the region as individual counties and as a whole, defining ourselves by what unites us as a region dedicated to the prosperity of all citizens.



Characteristically, the region shares a commitment to generational values like environmental stewardship, care for families, neighbors helping each other, ingenuity, hard work, and persistence. Pacific Mountain’s plan will also let others know who we are, where challenges lie, and where opportunity abounds.

What is our region?

Our five counties, Grays Harbor, Lewis, Mason, Pacific and Thurston contain diverse and distinct communities. At first glance, it might appear that the state capitol in Olympia shares few attributes with smaller communities like Ilwaco, Mossyrock, or Elma. But in reality, our South Puget Sound region communities are more similar than we commonly realize. We share a common history. All parts of our region traditionally relied on resource extraction focused industries—whether they be mining, forestry, or aquaculture. Today, those industries are in decline. Combined with other socioeconomic factors, we find our communities under-performing and failing to create high-quality economic opportunities for local residents.

Fortunately, we also share many positive attributes that enable us to respond to the current difficult economic realities. According to *Governing Magazine*, Washington State is considered one of the best-managed states in the union; *Forbes* and the Pew Trusts rank us among the top five states in which to do business. The presence of the government and health care sectors, especially in Thurston County, provides the region with strong economic anchors. These sectors are less volatile, providing good jobs and some economic cushion in the face of a declining economy.

Our region is also blessed with many strong institutions, such as the region's excellent two and four-year colleges. We are host to numerous innovative businesses, such as Hummingbird Scientific, Imperium, and Ocean Spray, and enjoy tremendous assets in terms of transportation infrastructure, quality of life, and affordability. Finally, we are blessed to be strategically located between Seattle and Portland, two vibrant West Coast metro areas.

Why does it matter?

It's not enough to assert that our five counties make up a region. We need to think and act like a region, too. We are not advocating a regional approach as a "nice thing to do." We need to do this because current approaches aren't working. As the data in this report indicate, our region's economy lags behind state and national averages, and we're at risk of falling further behind. We need to do things differently, and one different approach is to start thinking and acting regionally.

Why does this approach make sense? Most importantly, it creates critical mass. Our communities lack the population, the resources, and the business base to go it alone in today's economy. We need to pool resources to invest in needed infrastructure, new educational efforts, and maintain our quality of life.

Regionalism generates new ideas and perspectives by bringing new players to the table. Tough challenges require creative solutions that look beyond the way we've always done things. We need new ideas, and they are not going to always come from the usual suspects who have historically been at the table making decisions.

Finally, we need to build a stronger brand identity. We must increasingly and consistently market our region and businesses across both the United States and the globe. We can't do this effectively if we're promoting a few businesses in a single town. We need to sell our businesses and our economy as part of a wider region that can be easily understood and identified by potential customers, partners, and visitors.

This effort to build a strong regional identity takes on added importance in the face of the current economic crisis. The economic downturn is creating great uncertainty while also generating greater pressure on government services and support programs. A regional approach enables public entities to better magnify the impact of their assistance and still meet taxpayers' ever-increasing demands for the efficient use of public funds.

What matters for future prosperity?

The persuasive case for regionalism is not just the right thing to do—it is the key to our future prosperity. Communities across this country have repeatedly demonstrated that the economy of the 21st century will not be built around outdated political structures such as cities, states, or even countries that were the focal points of the 20th century. Today, regions are the main components of the economy, and economically viable locations have gotten the message. They are actively pursuing strategies to improve collaboration among disparate communities, blurring previous geographic boundaries. Pacific Mountain region is involved in similar efforts.

National and international experts advise that communities pursue several broad strategies as they seek to enhance their regional competitiveness. Research from the United States Economic Development Administration and the Council on Competitiveness points to five general strategies to help build a stronger base for regional innovation and prosperity:

- Promote Regionalism
- Build and Retain Talent
- Transition to Advanced Manufacturing
- Network Knowledge Assets
- Energize the Entrepreneurial Economy

Each of these strategic directions is discussed below.

Promote Regionalism. For decades our communities have tended to operate in isolation. We each operated our own schools, parks, police services, and fire departments. Our economic development programs competed to entice businesses to our individual communities. We've even competed with one another as rivals on the football field, the basketball court, and other playing fields. City pride is regularly demonstrated at our parades and festivals.

Given this history, it would be naïve to expect that we can simply ignore those relationships, patterns of commerce, and customs and turn to a "regional identity." We can, however, move in the direction of regionalism and hopefully do so at a faster pace. In an effort to speed us along our path to regionalism, community leaders—in government, in business, in education, and elsewhere—need to "talk the talk" and "walk the walk" around regionalism. Wherever possible, we need to expand efforts to collaborate and cooperate. Most importantly, we must look for ways to share our resources, acknowledging that doing so will bring us great gain. This plan is one effort to promote regional thinking. To do this correctly, we need to understand how our regional economy is performing.

Build and Retain Talent. Most experts agree that talent will make the difference in how regions perform in the future economy. Places with the smartest, best-qualified workers, managers, and

entrepreneurs are more likely to be the most prosperous and innovative regions, too. For many people, having the right talent means that a region has to have lots of scientists, engineers, and other “techies.” Yet, the “war for talent” is not just about who has the most Ph.D.s. It is instead about how regions fare in terms of nurturing, retaining, and attracting a quality workforce that is appropriate for the region’s current industries and desired future economic needs. A region with a strong biotechnology base needs biologists, researchers, and lab technicians. A region with a strong manufacturing base needs trained technicians, managers, and innovative entrepreneurs. Each region needs to develop and groom its own base of talent, and success in this critical mission requires that all levels of the education and training system, from pre-school through graduate school, work well. Business must continue to partner with workers to provide on-going opportunities for skills enhancement and life-long learning. Organized labor also plays a central role in delivering a workforce that is flexible and well-trained, as it continues to attract individuals to its ranks.

Transition to Advanced Manufacturing. Despite the claims of many naysayers, manufacturing is not dead in America. In fact, it is enjoying something of a renaissance. A more appropriate statement is that low-cost, low-quality manufacturing is dead in America. If manufacturers and their regions hope to prosper, manufacturing firms need to become more innovative and more successful in global markets. Our region has many successful ventures, such as Westport Shipyards that are succeeding on this front. Our Workforce Innovation in Regional Economic Development (WIRED) project, which includes a special focus on manufacturing, is working to ensure that other firms in our region can follow a similar path to success.

Network Knowledge Assets. Our region, like most across the United States, is home to many excellent workforce, economic development, education, and business support programs. Many of these programs work quite well, yet we still hear regularly from businesses and local residents that it is too difficult and too complicated to identify and access various support programs. One cause of this dissatisfaction is that our current organizations don’t collaborate as well as they should. We each do our own job well, but we often fail to understand how we could do our jobs even better if we shared information and services and linked our regional efforts to state, national, and global support networks. Our WIRED effort is one means to help build stronger collaborations and partnerships across the region.

Energize the Entrepreneurial Economy. Finally, successful regions seek to stimulate the entrepreneurial spirit inherent in local residents, businesses, and communities. New and quickly-growing businesses are the primary generators of new jobs and innovations in our economy. If we want to be more innovative and prosperous in the future, we must do a better job of supporting local entrepreneurs today. When it comes to supporting the entrepreneurial economy, it is not enough for us to simply help local residents start businesses. We must help them turn these businesses into innovative, quickly-growing ventures.

Roy Nott, local innovator and President of PanelTech International, put it well when he noted:

Even with the help of the best economic development consultants and educators we can find, we can’t even predict which markets are best served by our geographical area—all we can do is encourage the creation of as many entrepreneurial enterprises as possible and Darwin will weed out the losers. Therefore, one

metric should logically guide our economic development efforts above all others—how many new entrepreneurs have we helped establish in our area?

Thirty years ago, few people had heard of Microsoft or Starbucks, and firms like Amazon.com did not even exist. Today, these companies are among Washington's largest and most important employers. If we want to build a next generation of world-class companies, we need to expand our region's programs to support new and growing businesses and also build a friendlier environment for these ventures. Our region is actively engaged, with varying levels of progress to date, in all of these suggested strategic directions and activities.

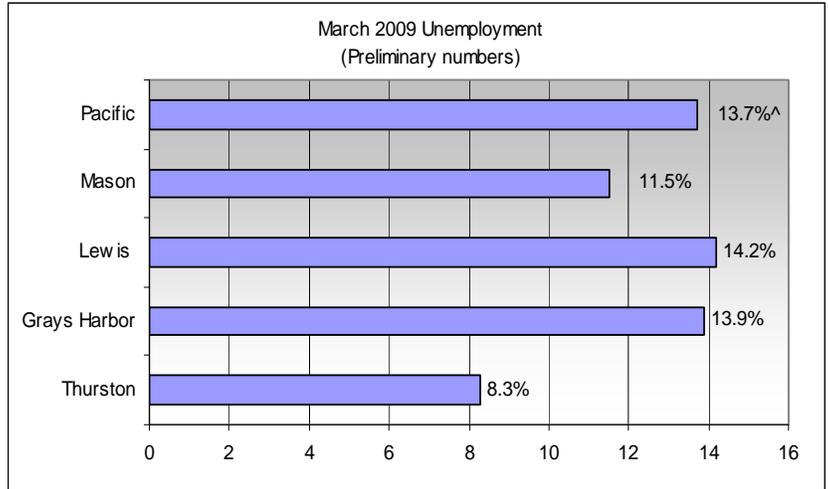
We have examined the research conducted at the national level around strategies to ensure global competitiveness and turned to state level directives for additional windows of opportunity for integration of strategic thinking. Governor Christine Gregoire's vision for our state's economic prosperity titled "The Next Washington—Growing Jobs and Income in a Global Economy: 2007 – 2017" further focuses on goals and strategies that support regional competitiveness and job growth. The Governor states, "The Next Washington is a vision of the future, but it is a vision grounded in local realities." The PMWDC shares the same vision and has developed goals and strategies that are driven by the economic realities of five unique, mostly rural counties that constitute our region. PMWDC is committed to enhancing the economic infrastructure and employment opportunities of the Pacific Mountain Region as well as that of the State of Washington.

PMWDC is partnering with local Economic Development Councils, education institutions, organized labor and industry to create regional coalitions. For example, we are committed to the expansion and growth of the Northwest Manufacturing Alliance as an effective regional economic entity. The Alliance is mandated to address not only the competitiveness of manufacturing in the South Sound region; but also the workforce requirements (both skills and availability), and the critical infrastructure necessary to retain a vibrant and vital economy within the Pacific Mountain Workforce Area.

In addition, we have modified the award winning Business-to-Business Program to deliver and support business activities on a regional basis. Locally, our public partners in workforce, education, economic development, business and other interested parties are also recognizing that in order to compete in the global marketplace, they must acknowledge that the five counties are economically interdependent and work within the framework of a regional economy. This shift in thinking allows the existing partnership to create operational efficiencies between the region's education and training partners, business, labor, community organizations and the workforce and economic development systems. Within this partnership creativity thrives and more effective solutions are found to bridge our employers' need for qualified workers and our job seekers needs for education and training in job-ready skills.

In order to promote the necessary leadership and innovation required to create a resilient, and innovative regional economy, Pacific Mountain Workforce Development Council is fostering partnerships across the WorkSource system.

The Pacific Mountain Workforce Development Area is presently experiencing a profound shift in its economy. As of March 2009, preliminary unemployment numbers indicate four of the five counties in the Pacific Mountain region are experiencing double digit unemployment: Grays Harbor 13.9%; Lewis 14.2%; Pacific 13.7%; Mason 11.5%; and Thurston 8.3%. Across the region in our primary industries, we are seeing diminishing resources. While Thurston County has been somewhat insulated from this decline in the natural resource based economy by its abundance of gainful employment in the public sector, it too, has suffered unemployment increases after a series of “reduction in force” cutbacks.



Changing global demands for more sophisticated technology and different worker skills have stimulated a need for more talent development in the PMWDC region. This region has the necessary talent pool to mentor and develop the skilled workforce required, if we continue our strong partnerships with economic development organizations, education, industry, and the existing skilled workforce. We are committed to helping our workforce develop the talents and skills necessary to move beyond our existing skill gaps. The region, including its growing population of seniors, highly educated professionals, non-profit organizations, and an influx of technical and vocational academic programs; has created the perfect combination of human, economic and academic assets required to transform our region’s economy. Our human assets will create an economic infrastructure that is flexible, innovative and resilient enough to accommodate the principles outlined in High Skills, High Wages 2008 – 2018.¹

The Agenda for Action section of this plan will outline our goals, programs, initiatives, and present and future activities and show how they support Washington’s Strategic Plan, High Skills, High Wages 2008 - 2018.

¹ Pages, Erik, EntreWorks Consulting, Pacific Mountain Alliance for Innovation State of the Region Report, 2009.

The Pacific Mountain Workforce Development Infrastructure

Pacific Mountain Workforce Consortium (Consortium) is an organization within Thurston County local government. On behalf of the Board of County Commissioners, Thurston County serves as the lead county in a five-county consortium that includes Lewis, Mason, Grays Harbor and Pacific Counties. The Consortium acts as the administrative entity for the receipt of federal Workforce Investment Act (WIA) funds along with other miscellaneous contracts.

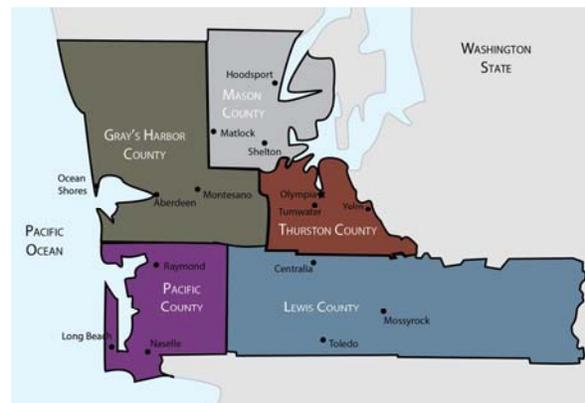
As administrative entity, the Consortium is responsible for the administration of funds, contract negotiations and compliance, planning, grant management, monitoring of program performance and operations, and carrying out the provisions of policy directed by the local elected officials in partnership with the Pacific Mountain Workforce Development Council (PMWDC).

In addition to serving as administrative entity, the Consortium also provides staff support to the PMWDC, a 501(c) (3) private non-profit corporation responsible for policy development for WIA activities throughout the five-county workforce investment area. The PMWDC is the managing partner in this federally legislated public/private partnership. Under its leadership, the Consortium administers approximately \$8 million annually in employment and training grants.

While the Consortium balances its administrative responsibilities between the Board of County Commissioners and the PMWDC, it also operates employment and training programs. In Thurston County, the Consortium manages the Title I-B WIA program for low-income adults and Offender programs through Employment Security and the Thurston County Jail. In Thurston, Lewis and Mason Counties Community Jobs and Supported Works Programs operate under performance based contracts. In Grays Harbor and Pacific County, the Consortium staff provides services under WIA Title I-B to dislocated workers who have become unemployed through plant closures, declining industries and obsolete job skills. The program offers occupational skills training and supportive services to assist our customers in transition to and retaining unsubsidized employment.

The Counties in the Pacific Mountain Workforce Development Area

The Pacific Mountain Workforce Development Area (PMWDA) comprises five counties, Thurston, Mason, Lewis, Grays Harbor and Pacific, with geographic boundaries that encompass over 7,000 square miles. The region spans from the southern tip of Puget Sound west to the Pacific Ocean and east to the crest of the Cascade Mountain range, dissected by the I-5 corridor. These counties represent five local economies with unique labor market areas that are tied together by proximity, economics, workforces and markets into one regional economic development area. As communications and a number of economic sectors grow within these communities the counties are becoming increasingly interdependent upon each other for their economic vitality. Regional planning and a clear recognition by the Pacific Mountain Workforce Development Council that the counties are not segregated entities in terms



of employment and economic growth is critical to the economic health of the region. With the exception of Thurston County, these local economies are natural resource based and primarily dependent on a highly cyclical and seasonal economy.

For planning purposes, the Pacific Mountain Workforce Development Council has relied upon state, federal, and local forecasts regarding the demographics of the region including population, potential economic trends and future per capita and occupational earnings. Population figures generated by the U.S. Census and/or Washington state vary from those generated by counties or regional entities. The Council has not tried to reconcile these various statistics because we recognize they are based on the best available data based upon a variety of different indicators.

Grays Harbor County is located on the coast of Washington State. It is bounded to the north by Jefferson County, to the south by Pacific and Lewis Counties, and to the east by Mason and Thurston Counties. The large bay, Grays Harbor, dominates the coastal characteristics of this county.

Half of Grays Harbor's 70,000 plus residents live in Aberdeen, Hoquiam, and Cosmopolis at the confluence of the Chehalis River and Grays Harbor—50 miles west of Olympia. The County offers the only four-lane divided highway north of San Francisco that connects I-5 with the coast.

The area's topography is naturally varied from rolling tree-covered hills to sandy ocean beaches. Interior river valleys give way to rugged mountains in the northern part of the county. Grays Harbor County is 1,917 square miles (1,227,072 acres) in area ranking it 15th largest of Washington's 39 counties. The county averages 35 residents per square mile.²

Lewis County is located in the southwest part of Washington. It is the largest county in western Washington. It covers 2,452 square miles. It is rectangular in shape and measures about 90 miles (east to west) by 25 miles (north to south). Lewis County touches eight other Washington counties. To the north are Grays Harbor, Thurston, and Pierce. To the east is Yakima. To the south are Skamania, Cowlitz, and Wahkiakum Counties. To the west is Pacific County. Its boundaries are purely political creations except for that portion of the northern boundary which briefly parallels the Nisqually River; and the entire eastern boundary which tracks along the crest of the Cascade Mountains. The mountainous eastern portion of the county tends to protect the western areas from icy temperatures. The Pacific Ocean to the west also serves as a moderating influence on the weather. Consequently, the climate of the more heavily populated areas is generally moderate with warm dry summers, long rainy winters, and few extremes to disturb the norm.

The elevation in Lewis County varies widely. The broad, relatively flat and low-lying western section of the county gives way to the rugged Cascade Mountains in the east. In the Centralia-Chehalis area, the elevation is about 185 feet above sea level. To the east, around White Pass, a popular winter recreation area, the elevation rises above 5,000 feet. Old Snowy Mountain, near the Cascade Crest, reaches 7,950 feet—the highest point in Lewis County. About three-fourths of the county is rugged, mountainous, and forested. The remainder is given over to, or suitable for, agriculture and is characterized by low rolling hills interspersed with rivers and tributaries.

²http://www.choosewashington.com/counties/detail.asp?county_id=48

Beneath the surface of the land in Lewis County are varied quantities of mineral deposits and significant amounts of coal in some areas. The county contains portions of the Snoqualmie and Gifford Pinchot National Forests and Mount Rainier National Park (Mount Rainier is about 10 miles from Lewis' northeastern boundary). Approximately one-third of Lewis County is designated as national forest.

Major rivers include the Cowlitz, Chehalis, and Newaukum. The Cowlitz is particularly important because of its fish runs and hydroelectric production. Mayfield and Riffe lakes, both man-made reservoirs, are the largest bodies of water in Lewis County and are situated in the central part of the county.³

Mason County is the gateway to the Olympic Peninsula in Western Washington and located at the southwest end of Puget Sound at the doorstep of the Olympic Mountains. With miles of freshwater and saltwater shoreline the county comprises a total land mass of 961 square miles and ranks 29th in size among Washington counties.

It is bordered to the north by Jefferson County, to the west and southwest by Grays Harbor County, and to the southeast by Thurston County. The county's eastern boundary—shared with Kitsap, Pierce, and Thurston counties—is primarily delineated by the rugged contours of Hood Canal and Case Inlet.

Like neighboring Thurston County, Mason's topography was heavily influenced by prehistoric glacial activity. After the ice retreated, the more mountainous areas in the county's interior evolved into dense forest land. This is particularly true in the north county, much of which is incorporated in the Olympic National Forest and Olympic National Park (elevations in this part of the county reach 6,000 feet above sea level). The lower elevations (where they are not forested) consist of fertile, but gravelly, loam.

Past glacial activity accounts for nearly 100 lakes that dot the county. The larger of these bodies are Lake Cushman, Mason Lake, Lake Limerick, Isabella Lake, Timberlakes, and Spencer Lake.

Hood Canal and Puget Sound account for most of Mason County's 90 square miles of water. Two-thirds of Hood Canal runs through Mason County. Two-to-three miles wide in certain places, Hood Canal enters the county from the north and, in the course of its 30-plus mile stretch, turns northeasterly at the Great Bend to form a lopsided "V." Case Inlet forms the lower half of Mason's eastern boundary. Lying in county waters are two large islands—Harstine and Squaxin—and three smaller ones: Hope, Reach, and Stretch. Of the innumerable inlets that break up the county's shore, two deserve mention: Hammersley Inlet (Shelton's access to Puget Sound) and Little Skookum Inlet (Kamilche's access to Puget Sound).

The longest and most powerful river in Mason County is the Skokomish. Formed high in the Olympic Mountains, the Skokomish River flows southeasterly through Mason County before emptying at the Great Bend of the Hood Canal. One fork of the Skokomish feeds Lake Cushman and the hydroelectric power plant at Potlatch (built by the City of Tacoma). Other notable rivers in Mason County are the Satsop and Hamma Hamma. Originating in the south county, the Satsop

³ <http://www.workforceexplorer.com/article.asp?ARTICLEID=2793>

River flows southwesterly to Grays Harbor and the Pacific Ocean. The Hamma Hamma River runs east near the county's northern border before flowing into Hood Canal.⁴

Pacific County is bordered by the Columbia River, Grays Harbor to the north, the Pacific Ocean and the pristine Willapa Bay. Traditionally, the County's economy has been natural resource based with an abundance of timber covering approximately 85 percent of its 975 square miles that include thriving oyster beds and the sandy soils along the coastline known as the "cranberry coast". With over 25 miles of beach area located along the Pacific Ocean the "coastal life" provides endless business possibilities. Access to Pacific County is an easy drive from Interstate 5 via Highway 12, Highway 6, and Highway 4 connecting to coastal Highway 101. The scenic drive along Highway 101 boasts spectacular views, the pristine bay, and abundant wildlife.

Four municipalities, four ports, and the county government are poised to develop and support a strong community and economic infrastructure to sustain existing businesses while encouraging entrepreneurial business starts ups. The public and private partners share the goal of becoming a self-sustaining county within the natural resources venue while optimizing a rich business environment.⁵

Thurston County lies at the southern end of Puget Sound on a gently rolling plain between the Cascade and Coast Ranges. The Sound and the Nisqually River form natural boundaries to the North and East while the foothills of the Coast Range form the western border. Thurston County is located at the southern end of Puget Sound. Majestic Mount Rainier and the rugged Cascade Mountains are nearby to the east, while Washington's Pacific Ocean coast is just an hour's drive to the west. Those lands not influenced by forests, particularly in the central and northeast reaches of the county, are comprised of relatively flat, low prairies and river deltas.

Much of the area comprising the west and northwest portions of Thurston County is designated as part of state owned Capitol Forest (the other half of the state forest is situated in neighboring Grays Harbor County). The land is best described as hilly, even mountainous, with an abundance of Douglas firs and a variety of deciduous trees. The highest point in the county is Capitol Peak (2,658 feet above sea level). The topography is similar at the southeast end of the county in as much as the Snoqualmie National Forest lies just over the border between Thurston and Lewis counties.

Thurston County is centrally located between Seattle, Washington and Portland, Oregon. The county covers 727 square miles and ranks 32nd in size among the 39 Washington counties. Olympia, the state capital and county seat, is located on Budd Inlet. More than three-fourths of the county is classified as forest land containing Douglas Fir and hardwoods.

Thurston County has a well-established transportation system. Interstate 5 (I-5) is the main north-south artery, and several state highways serve the east-west traffic. The county also has a deepwater port facility in Olympia and a municipal airport in Tumwater. Important connections to Seattle and Portland are also made by two transcontinental railroad lines.

⁴ <http://www.workforceexplorer.com/article.asp?ARTICLEID=2792>

⁵ Ibid.

As its proximity to Puget Sound might indicate, Thurston County abounds with lakes and ponds, most formed eons ago by glacial activity. The largest bodies of water within the county are Black Lake, Offut Lake, Summit Lake, Lake Lawrence and Lake St. Clair. Additionally, there are a number of small but significant bodies of water in Lacey and Olympia, including Capitol Lake (manmade), Chambers Lake, Hicks Lake, Long Lake, and Pattison Lake. Numerous smaller lakes and ponds also dot the region.

Because of its location at the foot of Puget Sound, Thurston County is the point through which a number of rivers run their course to the Sound. In addition to the Nisqually River, they include the Deschutes, Black, and Skookumchuck rivers. There are also a host of smaller creeks and tributaries.

Regional Economic and Workforce Development Coordination

Workforce Innovation in Regional Economic Development (WIRED)

The Pacific Mountain Workforce Consortium has been recognized for its strong partnerships through the award by the U.S. Department of Labor of a \$5 million Workforce Innovation in Regional Economic Development (WIRED) grant. Through the WIRED initiative the Pacific Mountain Workforce Consortium produced a State of the Region study and is currently working on an Asset Mapping project. Both reports provide a foundation for identifying strategic sectors that have existing or promising cluster potential. Additionally, the WIRED initiative has targeted three key industry sectors, Energy Technology, Construction, and Manufacturing for innovation and talent development activities. WIRED has engaged partners from economic development, industry, labor, education and workforce development in collaborative projects. The projects highlight science, technology, engineering and mathematics (STEM) occupations and offer innovative replicable models that will create new and ecologically sustainable ways to do business. Through regional collaboration WIRED serves as a catalyst for growth and collaboration between workforce and economic development systems. It is important to note reciprocal membership between the WDC and EDC leadership. Pacific Mountain WDC currently has four of the region's EDC directors serving as active members of the Council.

Goals and key strategies for the WIRED initiative are:

Goal #1:

Lead and leverage partner resources to establish and promote a regional identity.

Goal #2

Transform the region's talent pool into a flexible and technologically capable workforce with the skill businesses need.

Goal #3

Build and promote innovation and entrepreneurship for our communities and the regional economy.

Key Strategies

- The region will align and share resources for the creating and integration of industry driven training
- Build capacity to lead regional innovation
- Launch an Internet – based Business Enterprise Network to advance the competitive advantage of the region’s businesses.

Key Strategies

- Develop innovative, applied training opportunities that advance targeted sectors.
- Develop a multi-disciplinary collaborative approach that validates the commitment of the industry-driven goals.
- Capitalize on existing regional assets including a strong local talent pool.

Key Strategies

- Create a regional identity for innovation through research and technology transfer
- Expand relationships with research institutions
- Engage and benefit the region’s Native American and rural communities

Cluster Development Strategy

The Pacific Mountain Workforce Development Council has not formally determined which industry clusters are strategic for the economic growth of the region.

The Cluster Study, recently published by the Workforce Training and Education Coordinating Board, validates the importance of the forestry and wood products industry to the economies of the five county region. Timber has long been recognized as the primary commodity in the region’s natural resource and extraction based economy. While the timber and wood products sectors have been in decline in recent years a “geographic concentration of interdependent competitive firms that do business with each other. . .” exist within the region⁶.

To further a cluster based approach to regional economic development, the Pacific Mountain Workforce Development Council will use existing definitions established by the Cluster Workgroup (established under SHB 1091, 2007) for identification of additional strategic industry clusters.

In partnership with the region’s Economic Development Councils, Community Colleges, 4-year college extension offices, rural economic development organizations, and existing workforce system partners, the Pacific Mountain Workforce Development Council will sponsor a series of forums to discuss and align policy goals among the primary economic and workforce development stakeholders. The next steps will center on identification of what strategic clusters either exist or should be targeted to meet the policy goals of the various partners and have the strongest economic development potential. The approach to cluster development will be twofold and examine ways to grow existing clusters and a look at what opportunities exist to recruit new business and industry into the region to begin building out sectors that hold the greatest cluster

⁶ Industry Cluster Analysis for Washington State Workforce Development Areas, November 2008.

potential. The result of the forums will be a Pacific Mountain Regional Strategic Plan for Cluster Development that best meets the policy goals and strategic planning objectives of the primary economic and workforce development partners.

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Grays Harbor County Summary

Grays Harbor County Overview— With the release of the March 2009 resident labor force and employment numbers, the unemployment rate in the Aberdeen Labor Market Area (Grays Harbor County) rose to 13.9%. Information from the WorkSource Center revealed that over 1,300 people were laid-off between the end of December 2008 and the end of February 2009. The 13.9% figure included 29,130 county residents employed, with 4,690 counted as out of work. In December 2008, the county unemployment rate was 10.7 %, with the January 2008 figure at 8.1 %. The statewide rate for March 2009 stood at 9.2%, a jump from 7.1% in December 2008, and the 5.2% rate of a year ago January. Based upon the rapidly increasing number of companies closing or laying off workers, the unemployment rate is projected to continue to rise into high double-digits. Information supplied by WorkSource Grays Harbor shows significant lay-offs that include:

Company	Lay-offs
24 Logging Companies affected by WeyCo closures and market slow down	92
7 Banks and financial institutions	13
Bay City Yard	50
City of Ocean Shores	5
Historic Seaport	6
Hoquiam Plywood	120
Imperium	24
ITT Rainier	10
Ocean Gold	450
Panel Tech	15
Shoalwater Bay Casino	12
Sierra Pacific	49
Simpson	45
Westport Shipyard	124
Best Shingle	18
Broadway Clinic	5
FYE Music	10
Hunters Pub	5
SS Shake	18
Starbucks	5
The 101 Restaurant	5
Weyerhaeuser Pac Veneer	93
Weyerhaeuser Saw Mill	128
Total	1,302

Economic conditions in Grays Harbor County are growing increasingly difficult. The area has long been dependent on a natural resource base for the strength of its industrial sector. That base was significantly eroded through the 1990's and has recently suffered the closure of the last two lumber mills in the area. Restructuring and modernization of the timber industry, coupled with environmental concerns and mandated protection of endangered species, has caused serious cutbacks in employment over the last two decades resulting in the complete closure of the last two lumber mills in the area in December 2008. Additionally, **Westport Shipyards** laid-off 100 people in March 2009.

A bright spot in the sagging Grays Harbor County economy is **Satsop Development Park**. Up until recently, it was a moth-balled power plant that was maintained by a preservation program and finally designated to be dismantled. A dedicated group of individuals saved the site. In 1996, legislation was passed turning over ownership of the Satsop site to a local authority for the purpose of development. Since that time, the Satsop Development Park has become home to over forty businesses employing 300+ workers. The employment number changes with the types of businesses that come and go. When construction is occurring the number grows substantially.



This will likely happen again in the next 18-24 months when Grays Harbor Energy begins construction on Phase II of its Combined Cycle Combustion Turbine (power generation) plants. Phase I was recently completed during the summer of 2007 and was brought online in the fall. During construction employment ranged from 500-1000 workers, for a period of 24+ months.

Since the park is presently “highly underutilized”, the Grays Harbor **Public Development Authority** is able to offer extremely varied training opportunities in facilities that are from the “real world” but have not been in service. Training opportunities include Confined Space Training, Scaffold Erection within Systems Skills, Grading, Forklift operation, Trenching, and other outdoor activities including High Angle Ascent and Rescue Training. The Laborers also have a “boot camp” program on site for individuals interested in applying to enter the laborers apprenticeship program.

The never fueled nuclear site provides a unique setting for employee training and preparation opportunities. The most recent addition to Satsop's tenants is the Regional Education and Training Center (RETC) where “learning green” is the technical focus. The RETC is at the center of the green economy within the Pacific Mountain region and will be the regional hub for education and training related to green construction, alternative energy technology and customized training for the region's employers.

The success at Satsop is very likely to continue. **Invenergy** is operating a Combined Cycle Combustion Turbine facility on the site of the former **Duke Energy** gas plant. The CEO of the **Satsop Development Park** states, “There are four areas we need to pursue now. We must first take advantage of what we already have here (in Grays Harbor County); such as Satsop, rail, the port, and our tourism and commercial businesses. We need regulatory assistance and streamlining in order to create more jobs. Funding for infrastructure improvements is needed, and regardless of what happens to the mills we need more workforce training opportunities.”

Courtesy of a Job Development Fund grant, Grays Harbor invested \$5 million in the renovation and completion of the massive Turbine plant and associated buildings at **Satsop** in 2007,. The grant has also allowed **Brown-Minneapolis Tank Co.**, (BMT, formerly known as **Reliable Steel**) to stay in business

and expand their operation by moving to Satsop. The company was located on the Olympia waterfront for approximately 84 years until their lease expired in early 2008. To retain their workforce, their contracts and their business in the northwest, BMT moved their operation to Grays Harbor County. This is an example of how regional economic development works. BMT's employees commuted from all over southwest Washington, driving to the Olympia facility. Their drive to Satsop will be similar to what they do now, and the Satsop location allows workers to stay in the region and BMT to keep their already-trained workforce. The company intends to expand from 35 to 70 or more employees and the Satsop facility will allow for the planned expansion of BMT's workforce. Satsop Development Park has made the following investments in infrastructure to accommodate and attract new industry to Grays Harbor County:

- Turbine Building Improvements (\$6.5 million) to accommodate the relocation of a steel fabrication company. The project will retain 35 family wage jobs and \$10 million in annual sales, create 35 new family wage jobs and create additional space for similar industries.
- Feasibility study (\$50,000) and expansion of water and sewer infrastructure (\$380,000) to the West Park area. This improvement will allow development of 200 acres generating a possible 500 new jobs.
- Warehouse Distribution Expansion (\$4.3 million) to construct an additional 63,000 square foot facility for lease to Simpson Door, an existing tenant. Simpson Door currently employs 458 people at its facility in McCleary. Expansion at the Satsop site will result in the creation of an additional 30 jobs.
- Construction of a manufacturing building (\$4 million) for **ReKlaim Technologies**, a waste tire recycling facility. The project will provide 40 family wage jobs and provide \$4.6 million of private investment in the facility.

The Port of Grays Harbor is the only natural deep water port on the West Coast of Washington. For this, and other reasons there is a significant opportunity to expand operations. The transport time from other ports is two days shorter than to other deep water ports in the state. While they presently have insufficient rail capacity to significantly increase the amount of goods brought through the port, improvements in the rail system would make expansion of the port facilities possible. The Port has the capacity to stimulate economic growth and employment opportunities in the region if transportation and shipping facilities were enhanced. The port is presently shipping commodities other than timber for the first time in its history.

In 2004, a large investment in the expansion of existing businesses (Guesthouse Suites, Westport Shipyard) and the siting of new business (**AG Processing Inc.** \$15 million bulk loading facility, **Home Depot** \$25 million dollar facility, **Renal Care Group Northwest kidney dialysis center**, **Masco Petroleum**, **Suburban Propane**) took place at the Port. This surge of growth in the Port of Grays Harbor's industrial area played a major role in the Port's decision to readdress their growth strategies. The year 2005 became a year of strategic planning. They have been implementing these strategies over the past several years. Port accomplishments that are a result of the strategic planning process include:

- Completion of the Port Industrial Master Plan and the Port Industrial Area Business Strategy Plan. These plans will allow for the uninterrupted flow of Port activities while accommodating future growth.

- Completion of the Port Industrial Road Strategic Analysis. This plan identifies growth impacts on and needed infrastructure upgrades to the Port's freight and rail corridor.
- Completion of 28th Street Landing Concept Design for Parking Improvements.
- Completion of the 5-year property appraisal which identified that fair market value and land values of Port properties have increased since 2000.
- Citing of Imperium Renewables Inc. a biodiesel production facility. This facility is the largest of its kind in the United States with an annual capacity of 100 million gallons of biodiesel. This is a \$40 million private investment that has generated approximately 50 direct family wage jobs.
- The Westport Marina (not including upland development) was home to 283 tenants in 2005 including 184 commercial fishing vessels and 35 charter fishing vessels.

Westport Shipyard, the country's largest yacht builder, has plans for a \$5 million dollar expansion at their Port of Grays Harbor facility. Sierra Pacific's \$40,000,000 dimensional lumber mill is now in operation with 210 employees and plans started to build an adjacent \$40,000,000 stud mill and an additional 150 employees.

The local economic development council and the chamber of commerce are focusing on business retention and attraction as high priorities. In addition, tourism is being touted as a provider of jobs. Expansion in the trade and services sectors is continuing. Lumber and wood products will continue to be the mainstay in the area. While the industry has declined, it has done so after being well established over many years and will consequently continue to be a major employer providing good jobs at good wages. The following development and expansion projects reflect the ongoing diversification of the county's economy:

- **BMT- Northwest** (Brown- Minneapolis Tank) signed a 15 year lease with the Satsop Development Park. BMT manufactures large-scale steel tanks and equipment for various industries. They employ approximately 26 people.
- **WA Department of Transportation** will soon be choosing a site in Grays Harbor County to construct the large pontoons that will be used to replace the SR520 Bridge. During the construction, the project will employ between 250-300 workers. Site construction is expected to begin in the spring of 2010.
- **Ocean Cold** has completed a 92,000 sq. ft. Cold Storage Facility on Firecracker Point in Westport. According to Richard Carroll of Ocean Cold Seafood's, Westport is rated 6th in the US for commercial fishing landings by volume, and this new facility is strategically located to better serve the northwest fishing fleet. The facility employs 50 workers year around.
- **Willis Enterprises** relocated to 25 acres at the Port of Grays Harbor owned Terminal 3 in Hoquiam. The company, owned by Paul Willis, will be barging and trucking wood chips
- **Westway Terminals** has broken ground to build a \$17 million liquid bulk shipping and storage facility near the Port of Grays Harbor's Terminal 1. The company plans to employ 10-12 people along with the longshore workers who will service the ship calls.
- **PanelTech International** a manufacture of custom wood overlays, saturated media and

ballistic products including PaperStone. PanelTech has expanded their operations into neighboring Port of Grays Harbor Facilities with plans to construct a “green” certified facility in the Port Industrial Area.

- **Grays Harbor College** has recently opened a new Automotive/Welding Technology facility, and will break ground in May 2009 for a new \$2.5 million childcare facility. They have recently completed the \$21 million, 68,000 sq. ft. Manspeaker Instructional Building.
- **Grays Harbor Community Hospital**, a Level 3 Trauma Facility has completed a \$6 million, state of the art, Emergency room along with a newly remodeled Imaging Department with a 64-slice CT scanner – Only one of four located in Washington State.
- **Seabrook**, north of Ocean Shores, has completed 105 units of a 400 planned development. All completed units have been sold.
- **Ocean Shores** area tourist counts exceed 4 million visitors year after year.⁷

In addition, the energy industry sector is expanding. **Invenergy** has built a new turbine electrical power-generating plant and is in the permitting process for yet another. **Northwest Pipeline**, a subsidiary of the **Williams Company**, has laid 50 miles of 20-inch gas pipeline from Vale to Satsop to fire **Invenergy’s** gas turbines. Satsop also has a direct connection to the **Bonneville Power Administration** power grid.

Over the past year the combined efforts of the economic development team and job creation team have supported local business and industry by actively focusing on capacity building. The partnership has worked towards the identification and implementation of infrastructure improvements to support local and regional economies and responded to requests from companies that are interested in locating in Grays Harbor. Tourism is a growth industry drawing over 4 million people to Grays Harbor in 2005. Grays Harbor Tourism has initiated a strong TV advertising campaign and website visits to their site have increased by 48%. Hotel motel taxes demonstrate a 10% annual growth rate. Retail sales support this upward trend. Between 2003 and 2004 retail sales increased by 5.1% and between 2004 to 2005 retail sales county-wide increased by 14.8%.

As with other counties within the workforce development area and the state as a whole, the recent recession is having a serious impact on the retail trade. As a result of job losses and fear regarding future income, retail sales are being negatively impacted across the county.

“As the largest county along Washington’s coast, Grays Harbor lacks one thing Puget Sound and other urban areas have—congestion. Not coincidentally, the community lacks one more thing common in other parts of the state—a recession,” according to a recent article in *Washington Business Magazine*. **Both are key economic issues that will support economic and community growth.**

Grays Harbor County can be profiled in many ways. In order to more accurately target services and training opportunities, it is important to understand the demographic variations that impact the county’s labor market. The following data presents a picture of the population, types of occupations, and economic prosperity of Grays Harbor County. This information is presented

⁷ Grays Harbor Economic Development Council, April 2009, <http://ghedc.com/ghsuccess.html>

through data that illuminates poverty rates, industry wages, household income by race/ethnicity and annual housing starts. While housing starts have recently seen a significant decline, the data available through 2006 allows us to look at the trends in home ownership.

Grays Harbor County Industry Clusters

- Agriculture/Food Products
 - Wood Products

Industry Sectors

NAICS Sector	Estab.	Employees
Agriculture, Forestry, Fishing and Hunting	195	953
Mining	*	*
Utilities	*	*
Construction	241	1,406
Manufacturing	89	3,782
Wholesale Trade	57	716
Retail Trade	243	2,862
Transportation and Warehousing	91	587
Information	15	223
Finance and Insurance	61	632
Real Estate and Rental and Leasing	81	238
Services	83	433
Federal Government	11	237
State Government	22	1,198
Local Government	65	4,766
Not Elsewhere Classified	8	98

Source: Covered Employment & Wage Data, Annual Average 2007

Washington State Employment Security Department

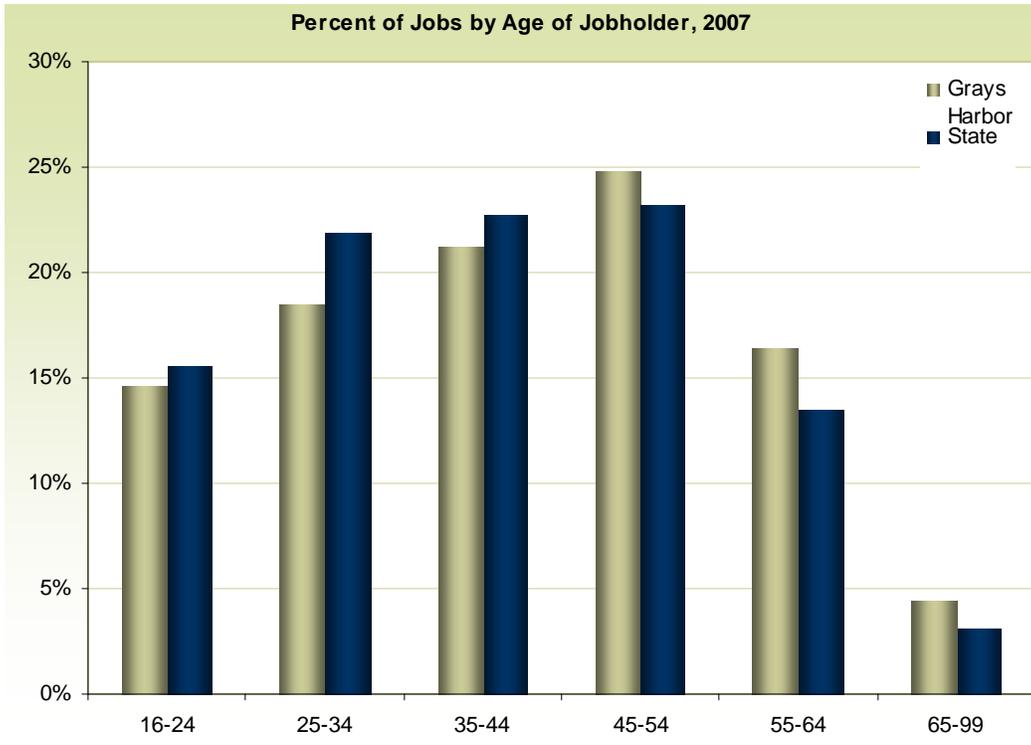
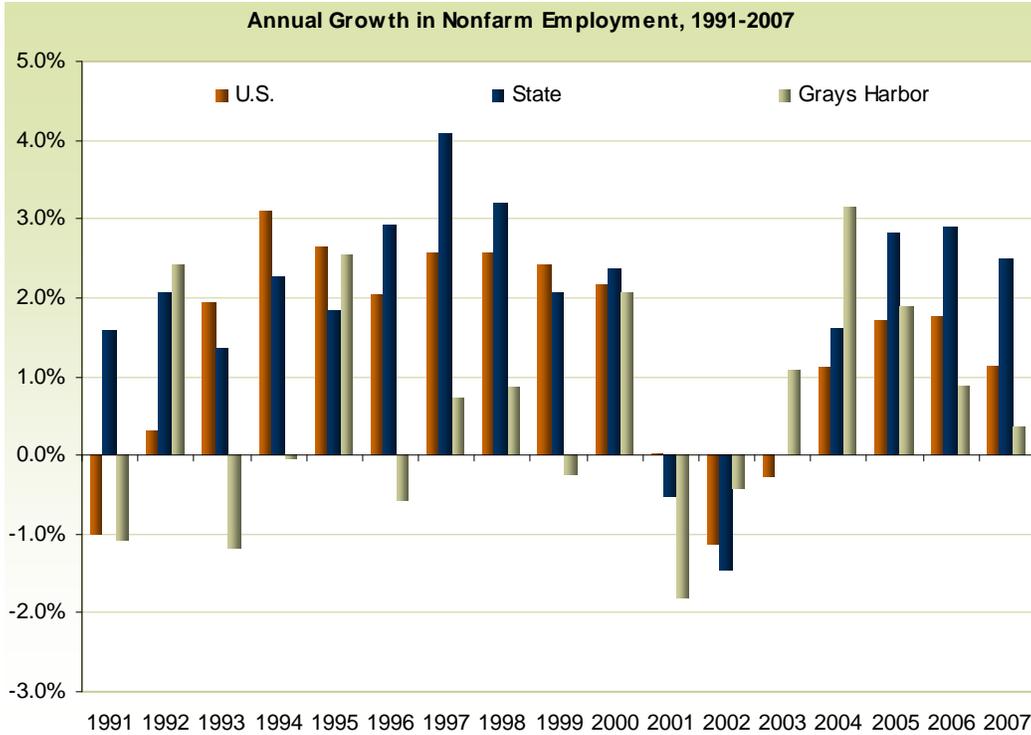
www.workforceexplorer.com; *not shown to avoid disclosure of individual employer

Largest Grays Harbor Employers		
Employer	Category	Employees
Primary Industries		
Westport Shipyard	Manufacturing	615
Simpson Door Plant	Manufacturing	255
Grays Harbor Paper	Manufacturing	230
Weyerhaeuser	Forestry	188
Ocean Gold/Ocean Cold	Food Processing (Seasonal*)	200*
Sierra Pacific Industries	Manufacturing	183
Washington Crab Producers	Food Processing	150
Briggs Nursery	Farming	136
Ocean Spray	Food Processing	135
Mary's River Lumber	Manufacturing	115
Rognlins	Construction	108
Quigg Bros.	Construction	98
Hoquiam Plywood	Manufacturing	97
Lakeside Industries	Construction	60
Rohm and Haas	Manufacturing	58
Murphy Veneer	Manufacturing	52
TMI Forest Products	Manufacturing	50
Imperium Renewables	Manufacturing	42
PanelTech	Manufacturing	42
Ocean Protein	Food Processing (Seasonal*)	35*
Secondary Industries		
G.H. Community Hospital	Medical	688
Quinault Beach Resort	Hospitality	347
Wal-Mart	Retail	287
Safeway Foods	Retail	173
Swanson Foods	Retail	151
McDonald's Restaurants	Hospitality	145
The Home Depot	Retail	115
Anchor Savings Bank	Banking	110
5 Star Dealership	Retail	97
Bank of the Pacific	Banking	95
Timberland Savings Bank	Banking	90
Duffy's Restaurants	Hospitality	60
Daily World	Media	45
Social, Educational & Government		
Stafford Creek Prison	Corrections	560
Aberdeen School District	Education	489
Grays Harbor County	Government	460
Quinault Indian Nation	Government	320
Grays Harbor College	Education	300
Hoquiam School District	Education	262
Grays Harbor Public Utility	Services	187
City of Aberdeen	Government	183
Coastal Community Action	Social Service	144
Dept of Social and Human Services	Government	100
City of Hoquiam	Government	85
Port of Grays Harbor	Government	33

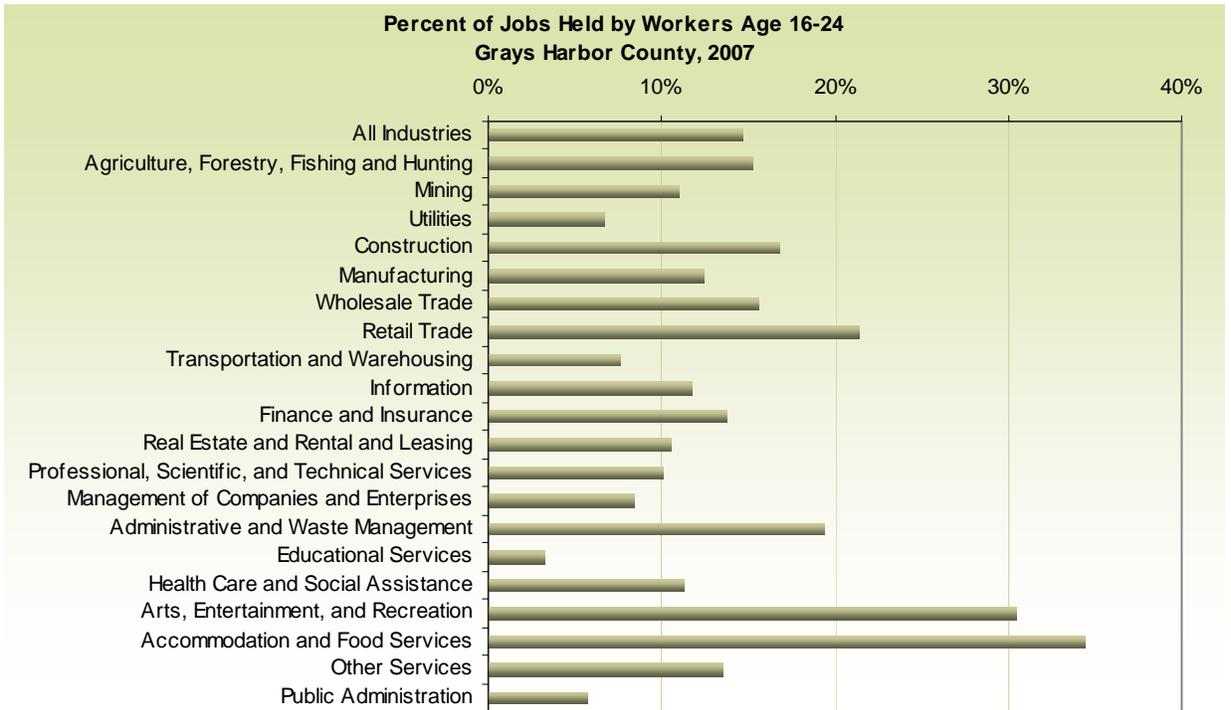
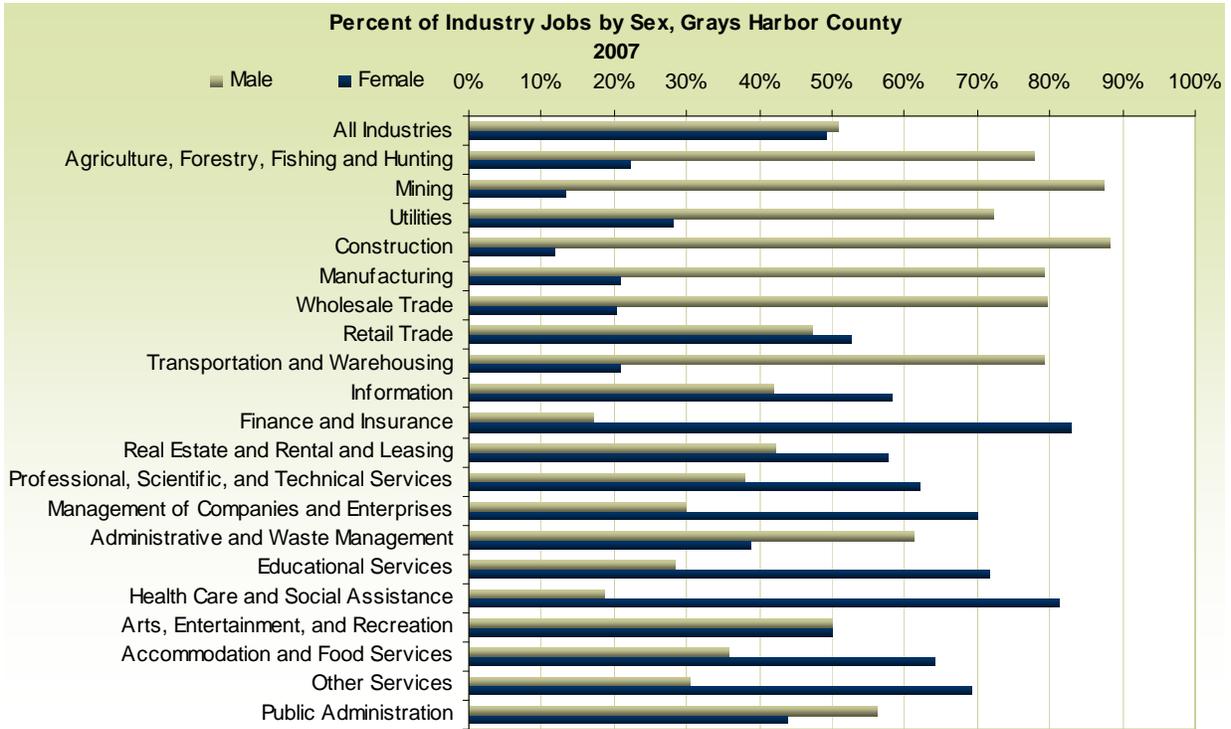
Grays Harbor Representative Occupations

Occupation	Employees	Entry	Exp.	Mean
		Wage	Wage	Wage
Accountants and Auditors	102	\$21.77	\$36.90	\$31.86
Computer Software Engineers, Applications	21	\$27.84	\$36.59	\$33.68
Computer Support Specialists	33	\$15.77	\$27.62	\$23.67
Customer Service Representatives	70	\$12.82	\$19.18	\$17.06
Electrical and Electronic Engineering Technicians	15	\$22.48	\$28.03	\$26.18
Executive Secretaries and Administrative Assistants	33	\$18.28	\$29.17	\$25.54
Financial Managers	19	\$29.55	\$42.62	\$38.26
First-Line Supervisors/Managers of Office & Administrative Support Workers	153	\$15.73	\$24.66	\$21.68
First-Line Supervisors/Managers of Production and Operating Workers	144	\$18.20	\$39.96	\$32.71
Industrial Truck and Tractor Operators	209	\$12.32	\$19.41	\$17.04
Laborers and Freight, Stock, and Material Movers, Hand	358	\$9.89	\$16.20	\$14.10
Machinists	43	\$19.99	\$22.69	\$21.79
Maintenance and Repair Workers, General	256	\$11.00	\$19.71	\$16.81
Operating Engineers & Other Construction Equipment Operators	99	\$20.82	\$29.52	\$26.62
Secretaries, Except Legal, Medical, and Executive	167	\$9.37	\$16.11	\$13.86
Shipping, Receiving, and Traffic Clerks	58	\$9.20	\$14.95	\$13.03

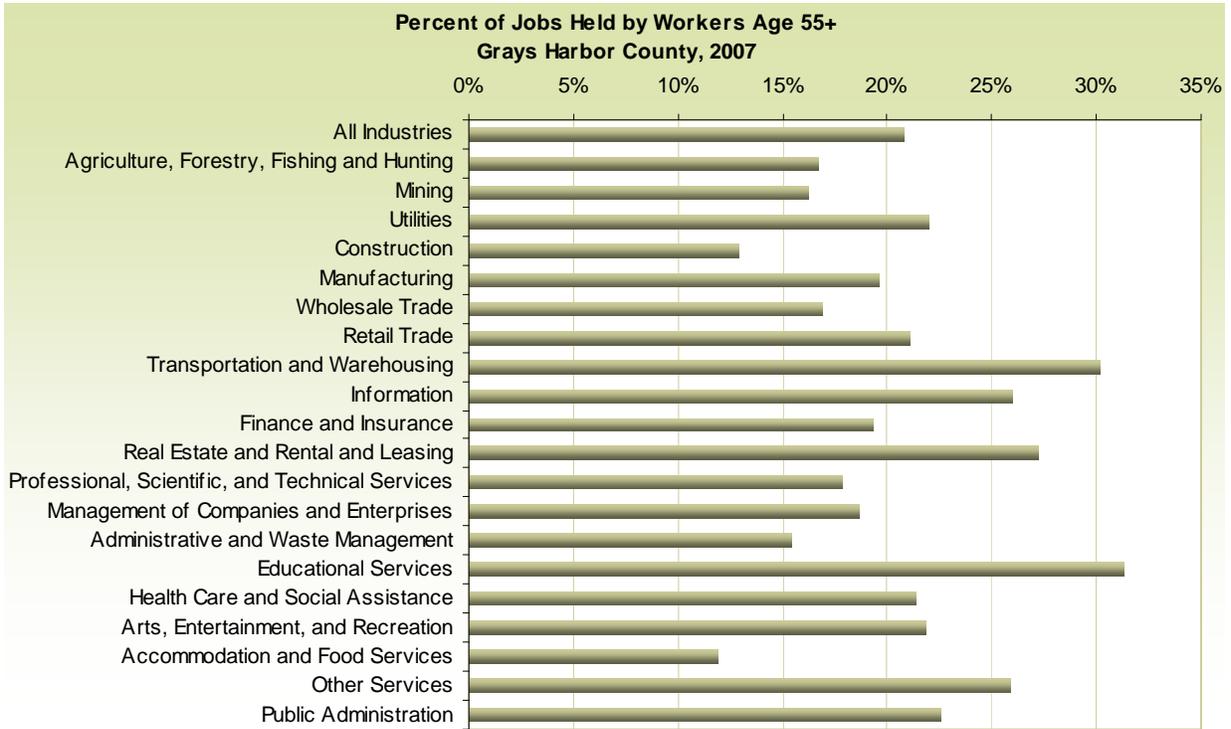
Source: Employment Security Department- www.workforceexplorer.com; Occupational Wage Data 2008; 10 year Occupational Employment Projections, 2004 – 2014



Source: Jim Vleming, Regional Labor Economist, Employment Security Department, LMEA, March 2009



Source: Jim Vleming, Regional Labor Economist, Employment Security Department, LMEA, March 2009



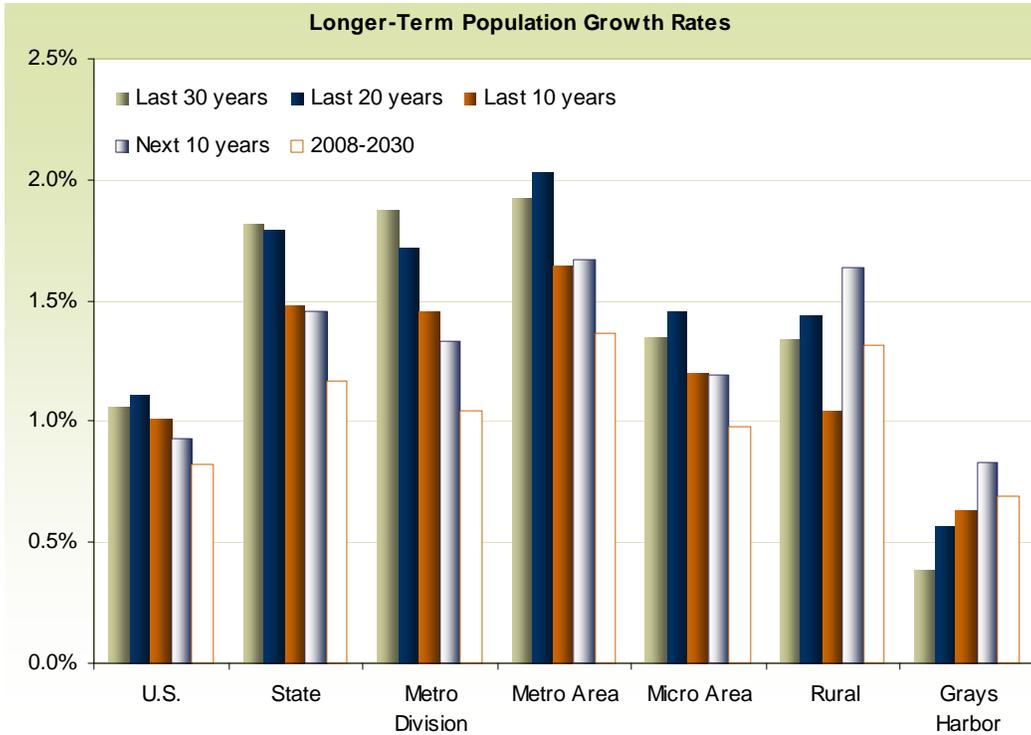
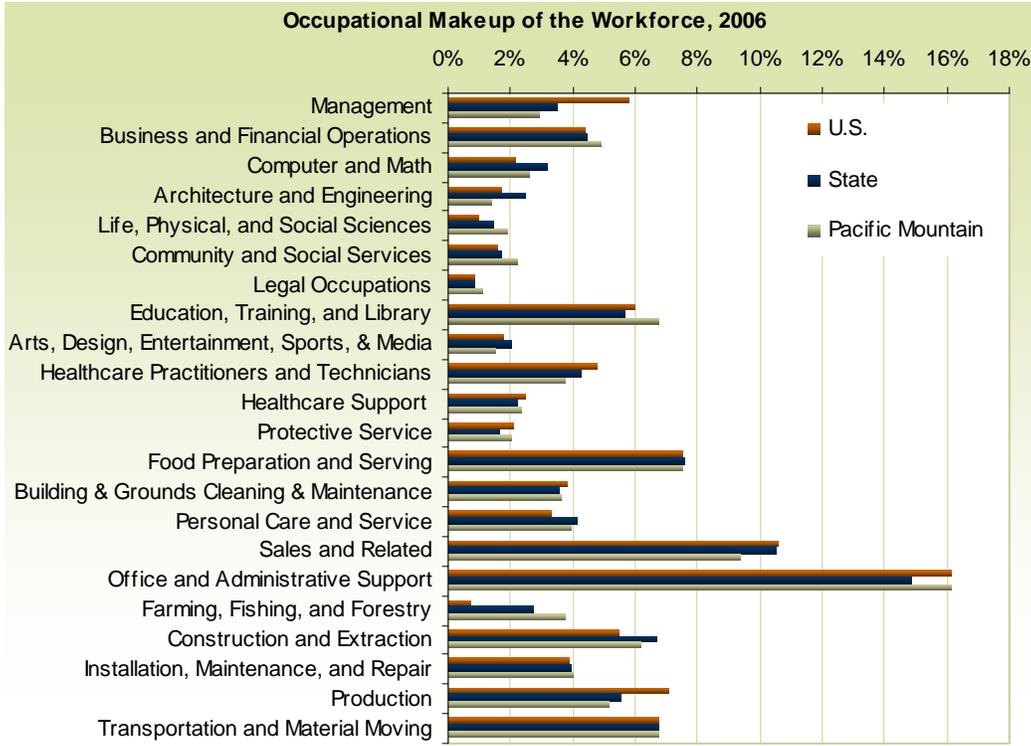
Source: Jim Vleming, Regional Labor Economist, Employment Security Department, LMEA, March 2009

**Annual Average Nonagricultural Wage and Salary Employment
Estimated 2006 and Projected 2011 and 2016
Grays Harbor, June 2008**

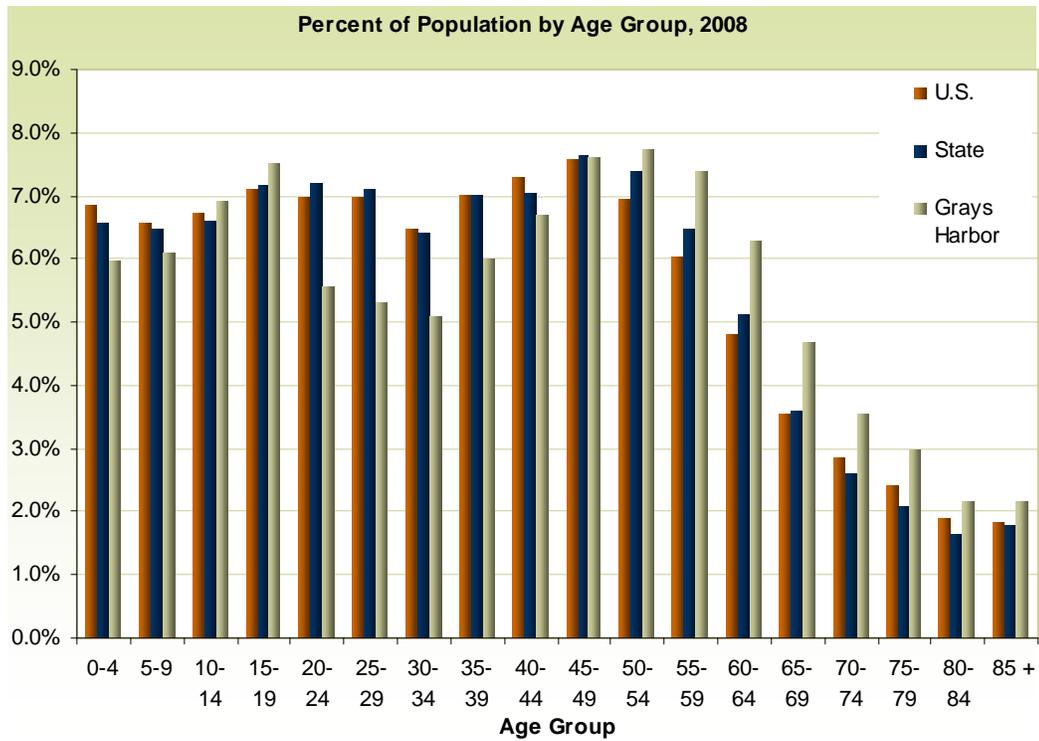
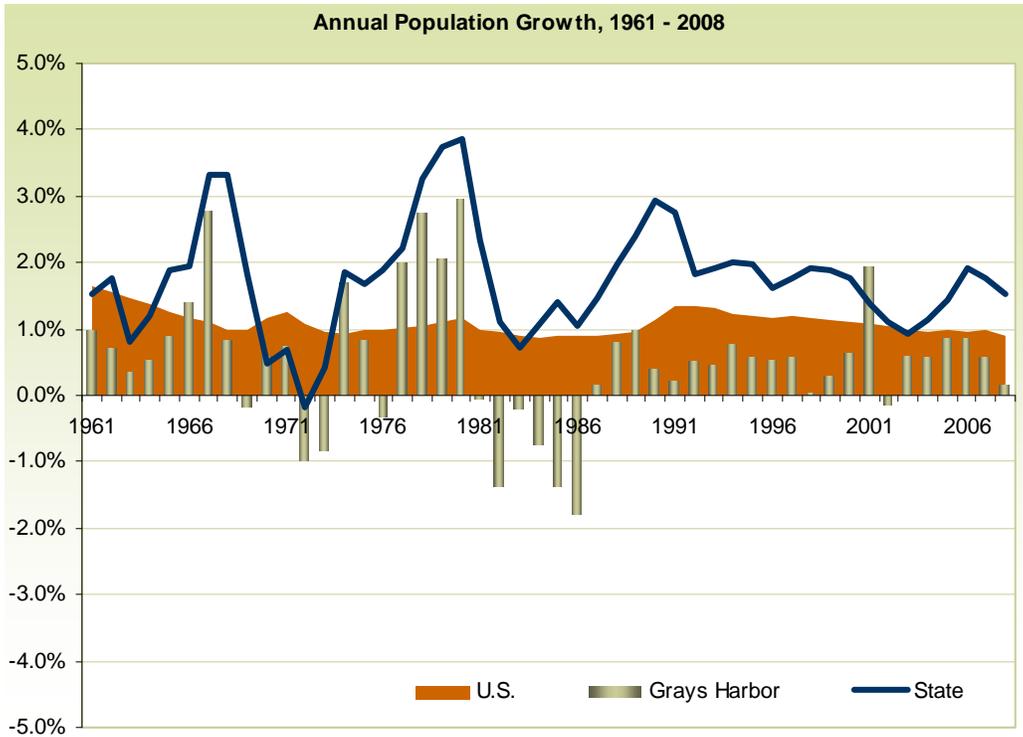
Industry	Estimated Employ. 2006	Projected Employ. 2011	Projected Employ. 2016	Average Annual Growth Rate 2006- 2011	Average Annual Growth Rate 2011- 2016	Average Annual Growth Rate 2006- 2016	State Projected Growth Rate 2006- 2016
Total Nonfarm	24,800	25,640	26,520	0.7%	0.7%	0.7%	1.4%
Natural Resources And Mining	650	510	510	-4.7%	0.0%	-2.4%	-1.2%
Construction	1,520	1,500	1,590	-0.3%	1.2%	0.5%	1.0%
Manufacturing	3,880	3,870	3,790	-0.1%	-0.4%	-0.2%	0.4%
Durable Goods	2,620	2,770	2,710	1.1%	-0.4%	0.3%	0.5%
Non Durable Goods	1,260	1,100	1,080	-2.7%	-0.4%	-1.5%	0.0%
Food Manufacturing	560	580	590	0.7%	0.3%	0.5%	0.5%
Wholesale Trade	830	790	850	-1.0%	1.5%	0.2%	1.1%
Retail Trade	2,900	3,080	3,140	1.2%	0.4%	0.8%	1.0%
Transportation, Warehousing And Utilities	660	680	700	0.6%	0.6%	0.6%	1.2%
Information	230	230	220	0.0%	-0.9%	-0.4%	2.4%
Financial Activities	930	960	990	0.6%	0.6%	0.6%	0.9%
Professional And Business Services	1,000	1,100	1,170	1.9%	1.2%	1.6%	2.7%
Education And Health Services	2,250	2,580	2,740	2.8%	1.2%	2.0%	2.3%
Leisure And Hospitality	2,560	2,680	2,760	0.9%	0.6%	0.8%	1.5%
Other Services	900	940	970	0.9%	0.6%	0.8%	1.3%
Government	6,490	6,720	7,090	0.7%	1.1%	0.9%	1.1%
Federal Government	240	240	230	0.0%	-0.8%	-0.4%	-0.2%
State & Local Government Other	3,700	3,880	4,100	1.0%	1.1%	1.0%	1.2%
Educational Services Government	2,550	2,600	2,760	0.4%	1.2%	0.8%	1.3%

Nonagricultural wage and salary employment projections, which are by place of work, were developed based on "State Projections Workgroup" methodology, Global Insight model and state indicators from employment projections developed by Washington State Office of the Forecast Council and Forecasting Division of the Office of Financial Management. The results of statewide projections were adjusted in collaboration with Forecasting Division of the Office of Financial Management. Local are projections are model-based desegregations of statewide numbers with incorporation of local trends. According to the national requirements, 2004 is the base year for medium and long-term projections. The second quarter of 2006 is a base for short-term projections. Due to some differences in non-covered employment used for benchmarking and handling noneconomic code changes, the base numbers used for projections could be slightly different from those published in Current Employment Statistic (CES) estimates.

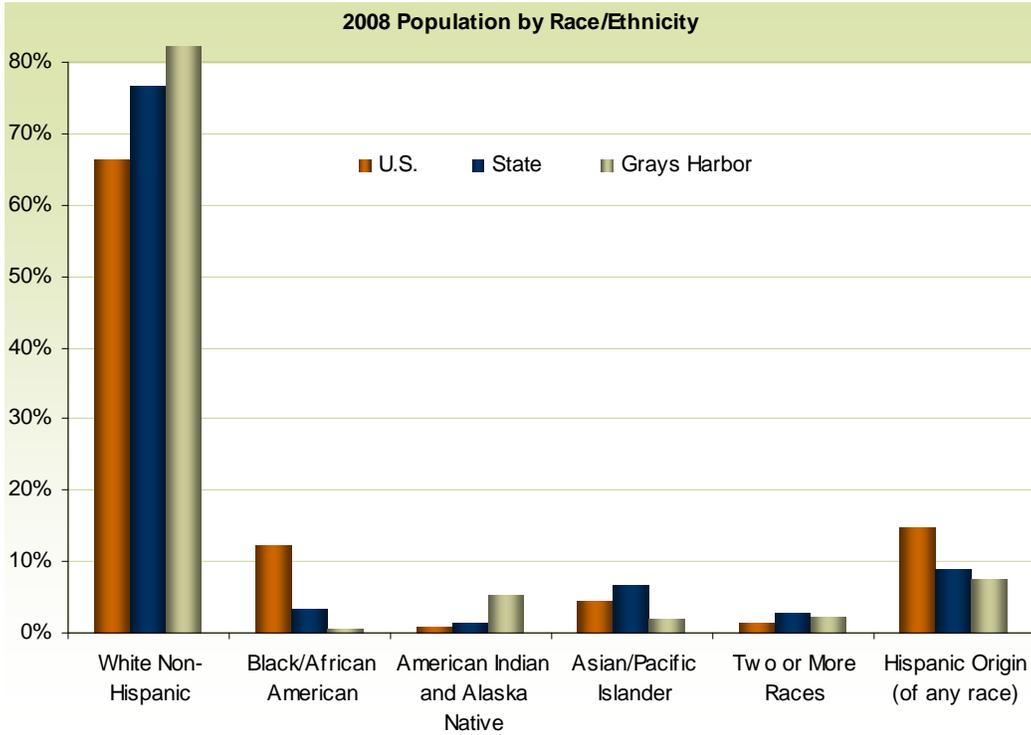
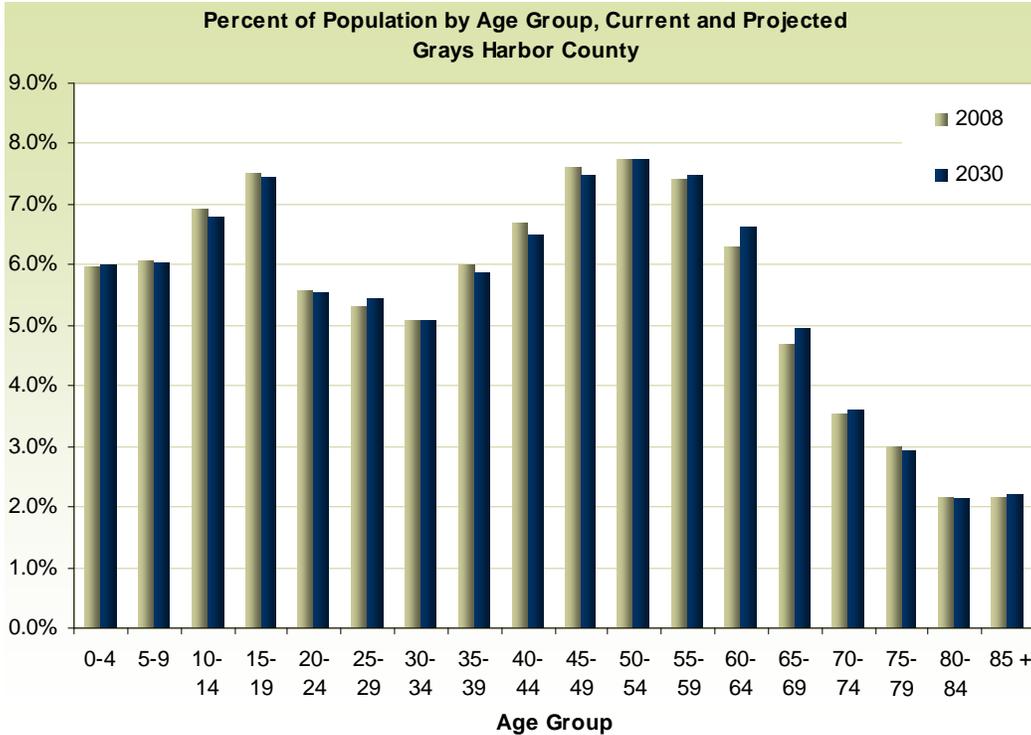
Source: Jim Vleming, Regional Labor Economist, Employment Security Department, LMEA, March 2009



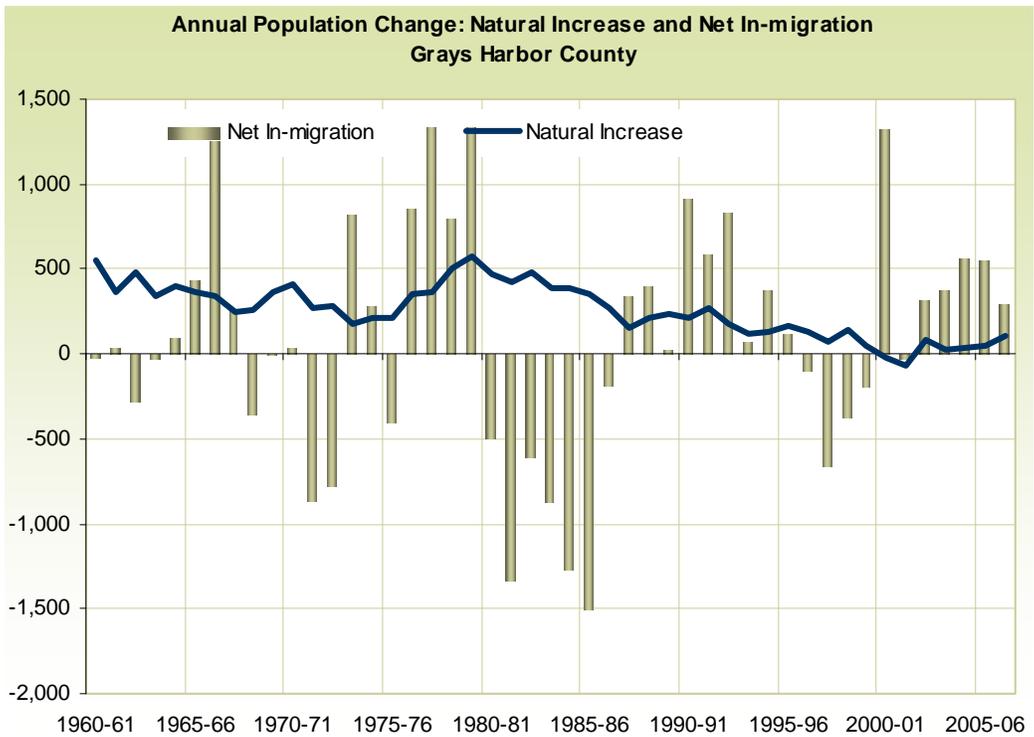
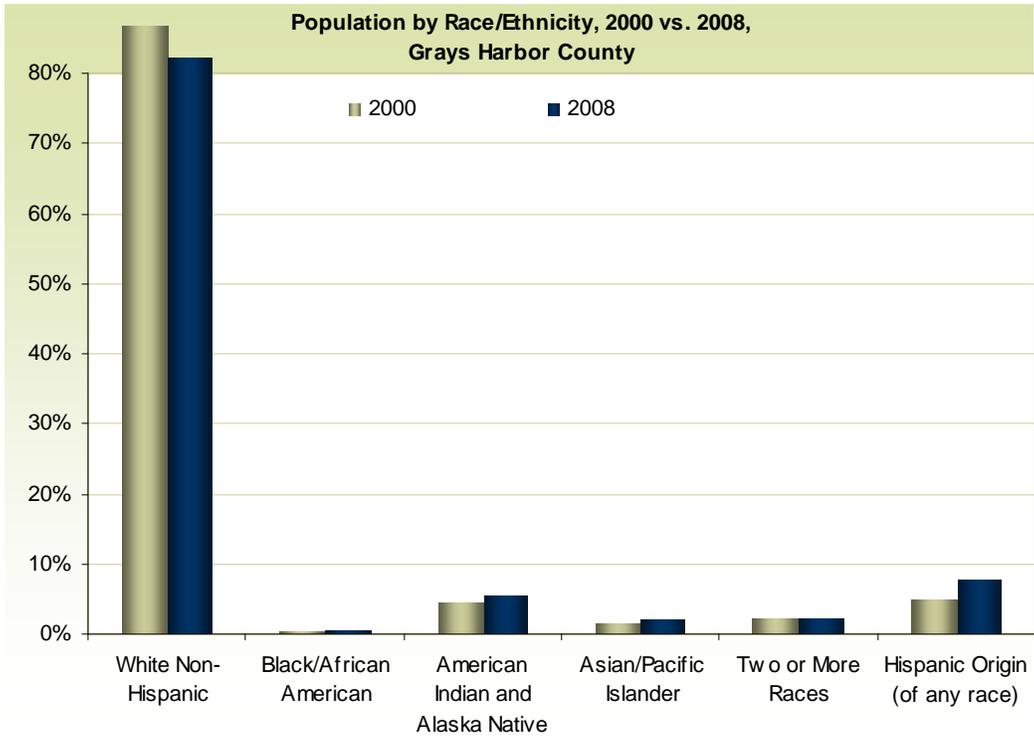
Source: Jim Vleming, Regional Labor Economist, Employment Security Department, LMEA, March 2009



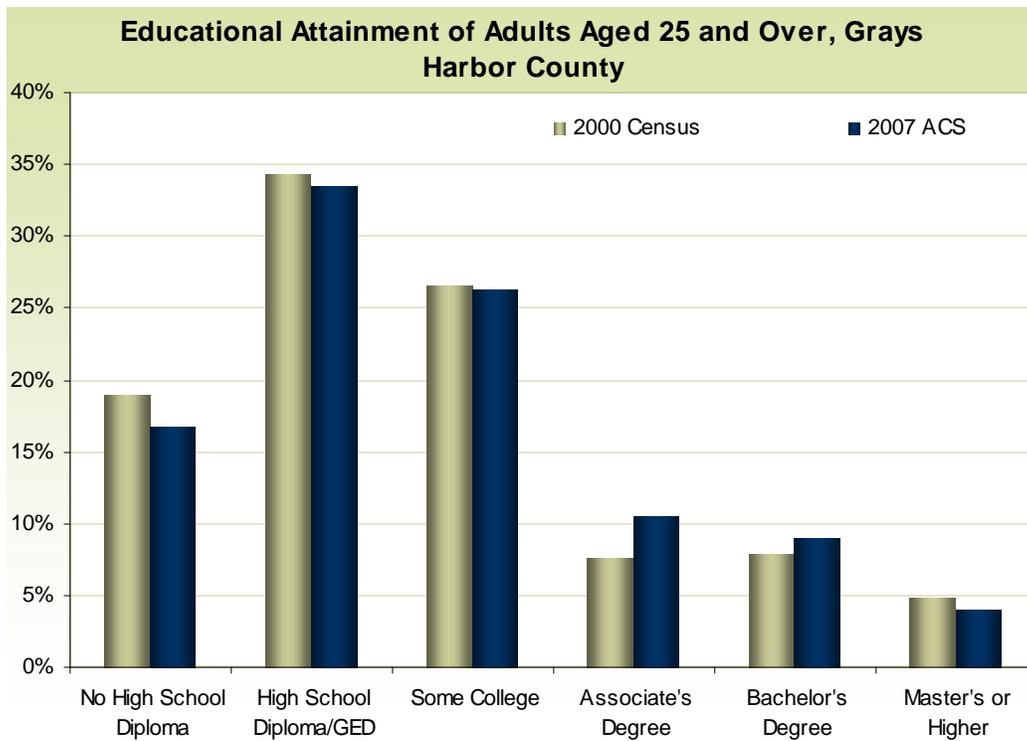
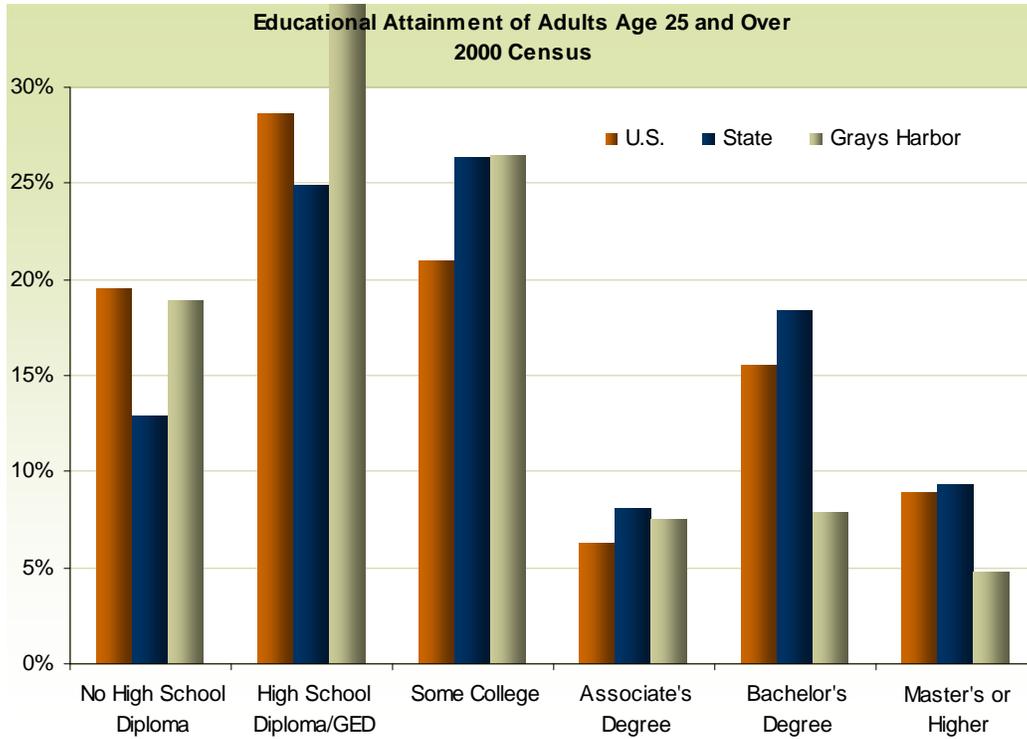
Source: Jim Vleming, Regional Labor Economist, Employment Security Department, LMEA, March 2009



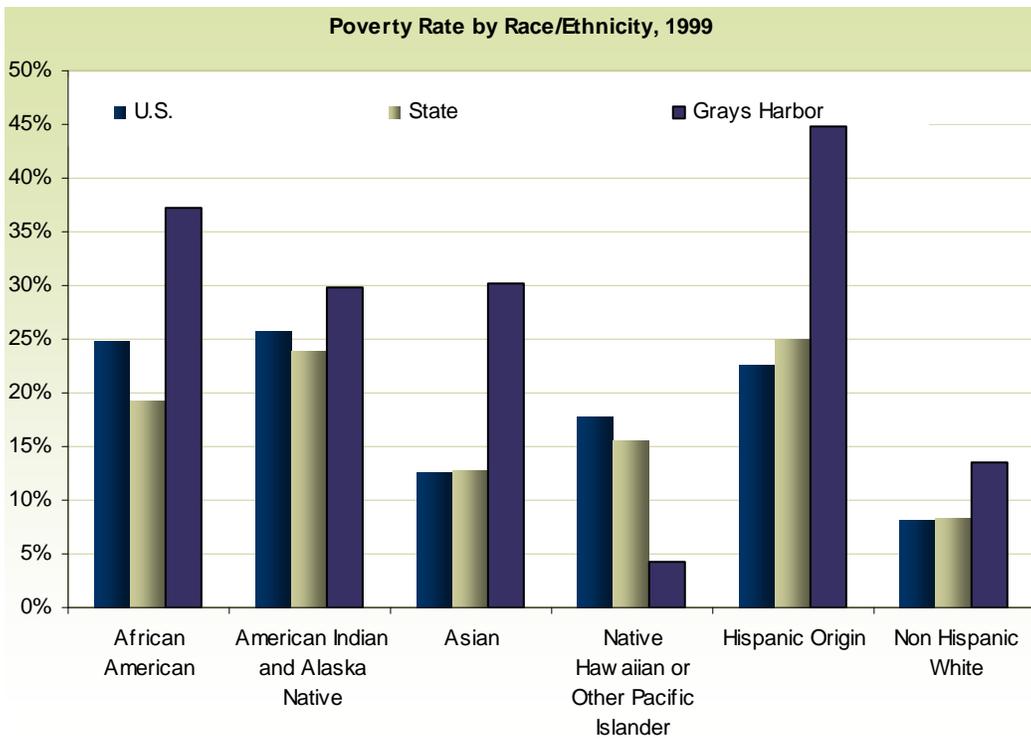
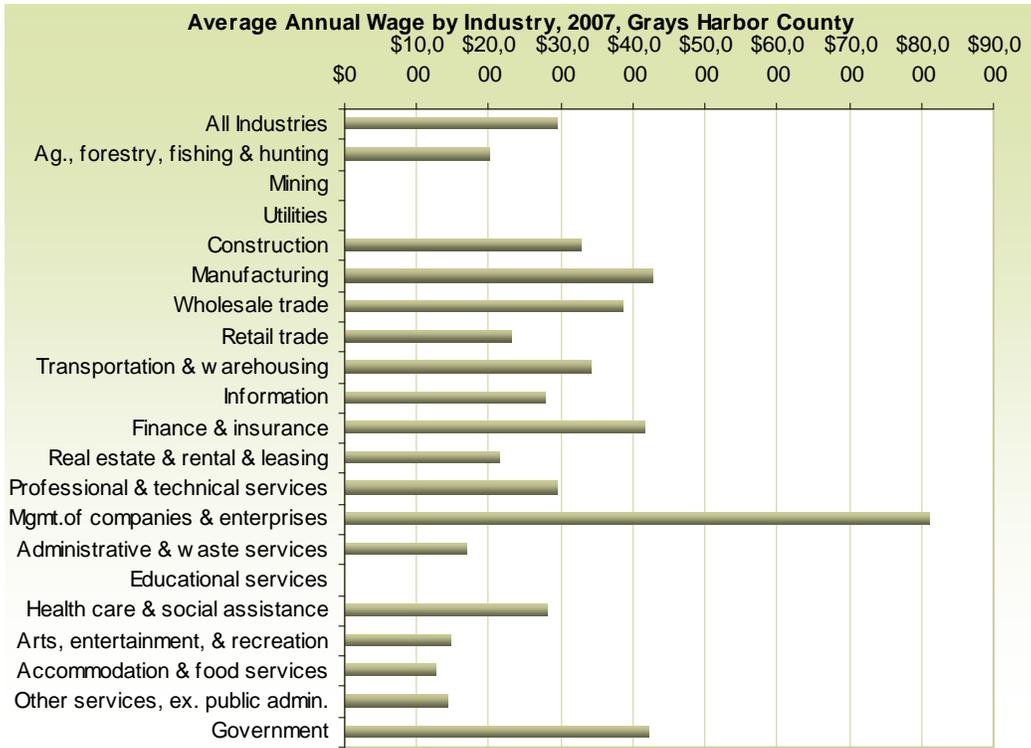
Source: Jim Vleming, Regional Labor Economist, Employment Security Department, LMEA, March 2009



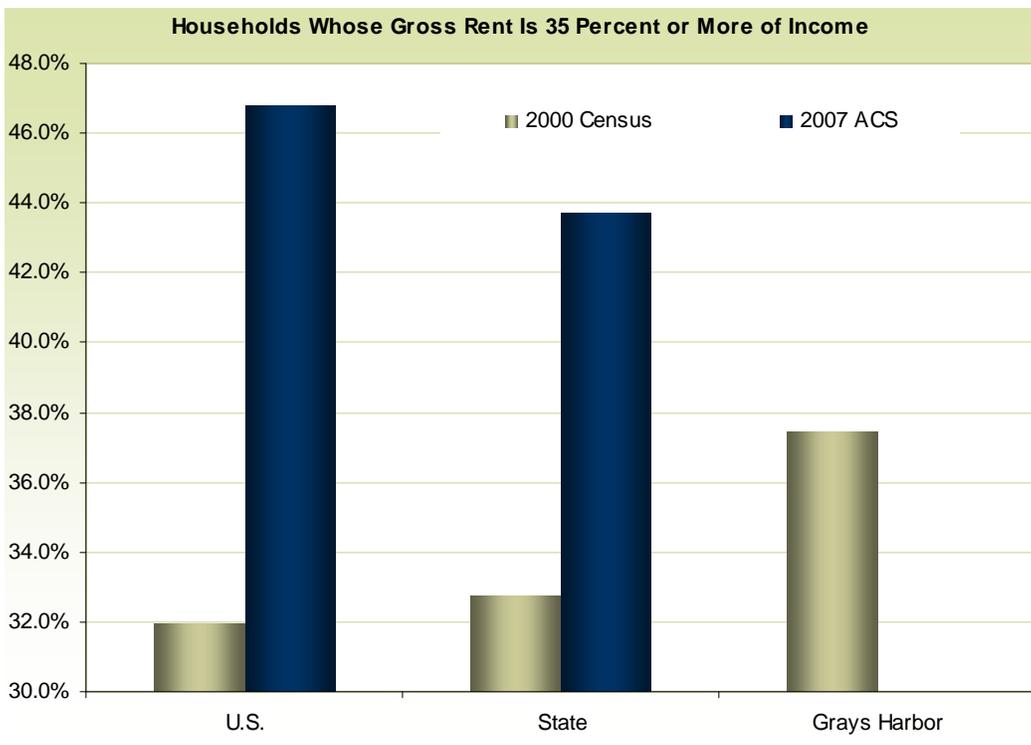
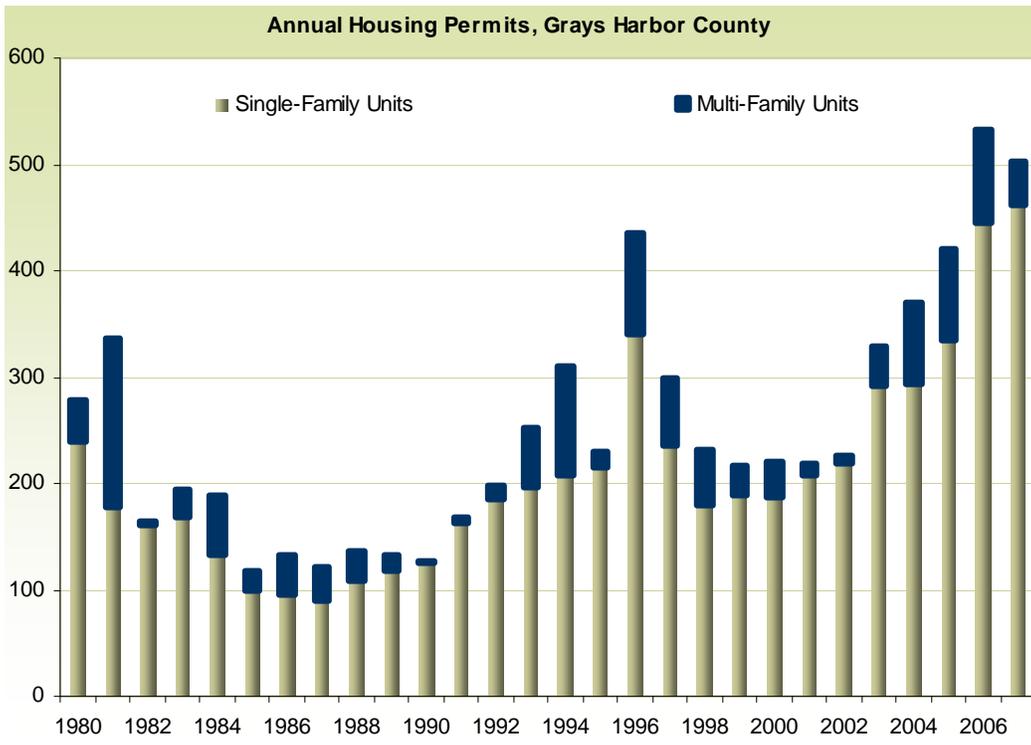
Source: Jim Vleming, Regional Labor Economist, Employment Security Department, LMEA, March 2009



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Lewis County Summary

Lewis County Overview — The beginning of the New Year—2008—was unkind to the Centralia Labor Market Area (Lewis County) as a **rising unemployment** rate and **declining non-farm jobs** – hit the area with a vengeance. The unemployment rate for February 2007 was 9.7 percent. The downward spiral continued through 2008. By December 2008, Lewis County posted the highest unemployment rate in the region at 10.9 percent. The county continues to experience significant lay-offs and as of March 2009 unemployment numbers reveal that 14.2 percent of the workforce is receiving unemployment benefits.

The major population centers of Chehalis and Centralia, in the western central region of the county, are located on the flood plains of the Chehalis River and its tributaries, including the Skookumchuck and Newaukum rivers. The storms of early December 2007 were devastating to Lewis County and the coastal counties of Grays Harbor and Pacific. The counties of Mason and Thurston were also significantly impacted but not to the extent of Lewis and the Coastal counties. There were significant differences in the types of damage sustained in each of the counties due to the varied topography and the landfall characteristics of the storm in each impacted area.

In Lewis County and parts of Thurston County flooding of the Chehalis River and its tributaries was the cause of the devastation leaving widespread damage to homes, businesses, farms and dairies. In the coastal counties there was limited flooding but fierce hurricane force winds that topped 140 miles per hour reduced forests to a maze of fallen timber; leaving the majority of the counties without power for extended periods of time and many roads and highways impassable due to the downing of trees. Unrelenting rain caused mudslides that brought communities and commerce to a standstill.



Lewis County again saw serious flooding in early January 2009. Though this flooding caused the closure of Interstate 5 for a period of approximately four days, it did not cause the damage and employment impact of the 2007 flood.

Lewis County can be profiled in many ways. In order to more accurately target services and training opportunities, it is important to understand the demographic variations that impact the

county's labor market. One way to do this is through an analysis of representative occupations and wage data, as well as an examination of the workplace by gender and age. Additionally, we review population growth rates for the county and contrast growth trends relative to state and national population data. The following data presents a picture of the population, types of occupations, and economic prosperity of Lewis County. This information is presented through data that illuminates poverty rates, industry wages, household income by race/ethnicity and annual housing starts. While housing starts have recently seen a significant decline, the data available through 2006 allows us to look at the trends in home ownership.

Over the past twenty years, Lewis County has gone through a significant period of transition. Historically, natural resources have been the major industries in this county. However, international competition, restructuring with a view toward productivity, and government decisions to limit logging and other activities impacting the environment have severely altered the economic structure of the county. Lewis County is also being seriously impacted by the current recession. The March 2009 preliminary unemployment rate for this county stands at 14.4 percent, second highest in the workforce development area. This compares to 13.6 percent in February of 2009 and 7.8 percent in March 2008.

The largest sectors in Lewis County providing the most employment opportunities are lumber and wood production, utilities, hospitals, primary and secondary education, and health and medical services. Most of the employers in Lewis County are classified as small businesses. Ninety-one percent of all employed workers in the county are employed by small businesses employing one to nineteen employees. Sixty-six percent of all employees are employed by small businesses of four or less employees.

The county has shifted from a resource-based/goods producing economy to a more service oriented economy. The service producing sectors are the largest by far in Lewis County with more than 19,730 jobs in January of 2007. Employment growth has changed as the industrial base has continued to shift. In particular, trade and services have brought about a recent economic expansion. Employment in the service industry almost doubled between 1970 and 1990. Trade employment more than doubled during this same time period. At the same time, the service and trade industries continued to grow at a substantial rate as large, retail facilities, such as **Wal-Mart** and **Home Depot**, became part of the local county employment base. In 2004, taxable retail sales showed a record increase in Lewis County, higher than any other county in the state. As a result, the unemployment rate declined significantly from March 2004 to March 2005. In March 2004, the unemployment rate was 10.0 %. In March 2005, the unemployment rate declined to 8.2 %. While this was still higher than the statewide average of 5.2 %, it was a significant improvement. As this trend continued, unemployment declined to a near-record low of 5.7 % by October 2006 (one month before the closure of the Centralia Coal Mine.)

By January 2007; however, unemployment in Lewis County had almost doubled. This dramatic jump in unemployment rose again from 5.7 % to 9.6 %. This is largely due to the closure of Washington's largest coal mine, the **Centralia Coal Mine**, located 5 miles northeast of Centralia. Since its closure, the mine is already subject to some revegetation. It covers more than 14,000 acres of typical low-elevation woodland. Reclamation at the site includes reforestation that is establishing the pre-mining forestry land use. Newly unemployed mine workers packed a union hall in November of 2006, looking for work, unemployment benefits and friendly faces

after a Canadian company shut down its increasingly costly coal field. Calgary, Alberta-based TransAlta Corp.'s chief executive apologized to the mine's 600 workers for the abrupt closure, which was announced November 27, 2007.

The Centralia Mine completed its 31st year of production in 2001, producing 4,624,245 short tons of sub-bituminous coal, 354,481 tons more than it produced in 2000. The mine's average annual production over the last 5 years was 4.4 million tons per year; average annual production over the life of the mine was 4.3 million tons per year. While renovations provided new employment opportunities within Lewis County, the higher operating costs required by the more stringent regulations imposed by the Corps of Engineers, resulted in a dramatic shift in permit time-lines. This shift and two landslides forced mining costs to soar. As a result, the company was forced to close its mine in November 2006. This closure resulted in the largest single employee layoff and most significant per capita income loss in the history of Lewis County.

The mine was dedicated to supplying coal to the **Centralia Steam Plant**. The steam plant operated by **TransAlta Centralia Generation LLC** is still in operation. The steam plant that consists of a 248 Megawatt power generator gas-fired power plant that began operation in August 2002. The electrical plant, which burned coal from the mine, switched to Wyoming suppliers. The power plant employs about 225 people.

The Centralia Mine closure brought opportunity as well. TransAlta donated a thousand acres of land to the county and provided \$200,000 in cash to help with permitting on the property so the county can develop a major industrial land bank or business park. "We're going to start recruiting some major corporations," explained the Executive Director of the Lewis County Economic Development Council (EDC). The donation followed the closure of the mine.

Economic Development Solutions Group, chaired by the **EDC**, met to take action to reduce, as much as possible, the negative affects of the mine closure. Fifteen separate organizations and individuals, supported by the **TransAlta Corporation**, agreed to work on this critical initiative. The coalition included government, business, labor, and education interests. They decided to place special emphasis on short-term actions and results. Focus was directed at projects that provided job opportunity through 2008. It was felt that while this closure would continue to impact the community for a number of years, the two years after the closure would be the most critical. A key strategy to spur employment opportunities was to encourage government to maintain their existing construction schedules for transportation projects. These include widening I-5 from 13th Street to Rush Road, the LaBree Road Interchange, which are currently in progress, and the Chamber Way roundabouts that have been completed. In addition, it was agreed that local governments should be challenged to not only maintain these schedules but, wherever possible, move projects forward – even a month or two could be very beneficial. Many non-road construction projects were also suggested for employment opportunities. These included **Providence Hospital**, **Uhlmann Motors**, and **Centralia College**. It was noted that in all these projects, it was important that Lewis County receive commitments to ensure that local contractors were able to bid on the work.

Major investments such as **Great Wolf Lodge** at Grand Mound and the **White Pass Ski Area** expansion were also encouraged by the EDC. Each would give a boost to an important area of the economy. One additional key strategy the EDC used to improve the work related opportunities of the laid-off workers was to request that Governor Gregoire appoint a person

from her staff to assist in these employment efforts. It was agreed this could be helpful as representatives of the EDC and workforce development system met with the Department of Transportation; Community, Trade and Economic Development (CTED); Ecology and legislators. In addition, there are a number of projects and developments underway or in the planning stages. The following organizations are investing in new projects, businesses and/or expansions in Lewis County:

- Alliance Carpet/Mohawk Industries
- Cardinal Glass
- Braun NW (Ambulance Manufacturer)
- Lewis County Forest Products
- Fred Meyer Distribution Center
- High Loft Northwest (Bonded fiber Manufacturer)
- Michaels
- Scott Industries

In addition, this coalition of concerned partners focused upon opportunities that organized labor, Centralia College, and the workforce system could identify and create appropriate short-term opportunities. For the most part, all three put their attention in providing short-term training and certification programs to help those unemployed get the training necessary to qualify for other jobs. The Pacific Mountain Workforce Development Council secured nearly \$700,000 to provide the immediate training needs for the mine workers through WorkSource Lewis County. Many of the dislocated workers chose this short-term training so they could return to work quickly. Some of these funds were used to contract with the Operating Engineers Regional Apprenticeship Training Program to provide training in heavy equipment operations and skills that would result in the re-employment of these workers in high demand, family-wage jobs.

Lewis County's location on the I-5 corridor between Seattle to the north and Portland to the south makes it an ideal location for warehousing facilities. The **Fred Meyer** distribution facility began a major expansion of its center. When fully complete, an additional 150 to 200 jobs can be expected. This strategic location in Lewis County is expected to attract other development projects in the future.

Manufacturing continues as a source of occupations in demand. In addition to wood products, glass manufacturing has become a significant industry in Lewis County. **Cardinal Glass** built its facility in the Winlock area at a cost of \$140 million. The Winlock plant employs approximately 220 individuals. A tempering plant has also been built in Chehalis.

In early 2008, economically hard-hit Lewis County received a boost in new jobs thanks to the solar energy industry. The **Cardinal Glass** plant in Chehalis announced it would expand and more than double its payroll because the company has taken on tempering solar panels as a new business line. The process strengthens the panels, making them more durable.

The Chehalis plant will add 30,000 square feet to the 100,000-square-foot plant, and the payroll of 35 employees will expand to 85. Cardinal's new customer will use solar panels in residential and commercial construction worldwide.⁸

The coating plant in Tumwater has also expanded its operations creating regional employment opportunities. The manufacturing of transportation equipment along with metal fabrication and plastics are also undergoing significant expansion.

Since its inception, the Lewis County Economic Development Council (EDC) has worked with over eighty firms that have located in Lewis County. The Lewis County EDC is actively involved in working to recruit new business and ensure the success of existing local businesses. These companies are responsible for providing over 2,300 jobs to the county. In addition, it has worked with over 250 local firms, helping them to expand or strengthen their operations. Finally, the EDC has worked with its many partners to solve transportation, utility, and regulatory problems. EDC partners include over 300 business members plus local government, education, and other community based groups.

In addition to the positive impact on Lewis County's economy noted above, the impact of the recession and declining commodities prices can also be seen in the layoff numbers, such as the following recent notices.

Hampton Lumber Announces Curtailments

Hampton Affiliates of Portland, Ore., has announced a number of long-range production cuts at its western U.S. and Canadian mills effective on or after May 1, 2009. Morton Lumber Co., which suffered heavy snow damage last winter, is expected to resume operations around September 1, 2009 and will return for one 40-hour-per-week shift. Provided market conditions allow, Hampton's Canadian operations will run at normal hours through May, 2009. WARN Act notification has been provided for the roughly 124 jobs that are being eliminated at the Morton facility. An estimated 50 percent of the laid-off workers will be rehired in September 2009 for the single 40 hour per week shift that is scheduled to be reinstated. The company will continue to monitor market conditions and take additional curtailments as required.

General Trends

Lewis County had 25,260 nonfarm jobs in 2008, down 370 jobs from the 2007 total of 25,630.

While the period between 2002 and 2006 saw positive growth in nonfarm employment, that trend has given way to a negative two-year stretch, with losses of better than 1.0 percent each year.

Industry Detail

- Goods-producing employment in the county accounted for 5,720 jobs in 2008, with 2,220 of those in the natural resources, mining and construction sector, and 3,620 counted in

⁸ Szymanski, Jim, *The Olympian, Jobs Added in Chehalis: Cardinal Glass Expands to Meet Demand from Solar Industry*, April 6, 2008.

manufacturing employment. The construction sector, which had been propelled by falling interest rates, and residential and commercial demand, has come to a halt as housing and commercial development projects have been a tough sell in the current economic climate.

- Manufacturing employment has shrunk since the 1990s, but in 2008, still provided 3,620, relatively speaking, high-wage jobs to the local economy. The employment share for the manufacturing sector has hovered around 13.0 percent of the total nonfarm jobs over the last several years.
- Trade, transportation, and utilities accounted for 5,790 jobs during 2008, down from 2007's total of 5,850 jobs, and nearly 200 jobs below the 2000 total of 5,960. The retail trade component of the total is down 50 paychecks from 2007 to a total of 3,640 jobs in 2008. That sector will remain weak until we find our way out of the current economic tunnel and consumer confidence picks up.
- The catch all, the all other services sector, has seen its numbers fall from 7,670 in 2007 to 7,460 in 2008. That category now accounts for about 30.0 percent of all county nonfarm jobs.
- Government employment now accounts for over 20.0 percent of nonfarm employment in Lewis County, with state and local government making up the majority of that total. That sector saw 2008 totals rise slightly over 2007 by 40 jobs to a total of 5,160 paychecks.

Population and Labor Force

The coming year looks to be one of nonfarm wage and salary job losses and rising unemployment rates, as 2009 began with an unemployment rate of 13.1 percent – not a good start as both the state and nation enter a rocky road of economic transitions. Many local projects that once created jobs are now being delayed and or scaled back as the wait-and-see attitude comes into play. The highest unemployment rate recorded since 1990 in Lewis County was 14.5 percent posted in January 1993. That year, the county went on to an average annual unemployment rate of 10.4 percent. That was after two years of double digit averages in 1991 and 1992. This isn't a trend to begin, but double-digit averages appear almost a certain outcome given the current economic climate.

Nonfarm payrolls will also continue to retreat, with manufacturing jobs at risk. With those jobs providing the high-wage paychecks, their numbers will be the key to other sectors of the economy that are waiting for the 'recovery' and it's individual impacts on each economic sector in the county. With the current trend, all other services and trade are particularly vulnerable to the economy as it stands today.

Lewis County's population was estimated to be 74,700 in 2009, up 600 from 2007, and up 5,600 from the 2000 Census count of 68,600.

⁹ Vleming, Jim, Regional Labor Economist, LMEA. Lewis County Profile, March 2009. Retrieved April 29, 2009 at <http://www.workforceexplorer.com/article.asp?PAGEID=94&SUBID=&ARTICLEID=9553&SEGMENTID=1>

Of the 2008 population total, 45,365 were counted as living in unincorporated areas of the county. The largest city in Lewis County in 2008 was Centralia (15,540), followed by Chehalis (7,215), and Napavine (1,610). The fourth largest city in the county is Winlock with a population of 1,360

Age

- In 2008, the largest age category in Lewis County's population was the 15-19 year old grouping, which made up nearly 5,900 of the 2008 population total.
- The next largest group was found in the 50-54 categories, with just over 5,600 individuals.

Race and Ethnicity

In 2008:

- Lewis County was less diverse than the state or nation, as population estimates show over 88.0 percent of the population are counted as White non-Hispanic.
- The largest minority grouping in the county were of Hispanic origin, which accounted for 7.3 percent of the 2008 population.

Educational Attainment

2007 estimates showed the county had far more adults 25 and over without high school diplomas:

- Lewis County: 16.4 percent
- State: 10.7 percent, and
- U.S.: 15.5 percent.

While competing successfully at the state and national level in the area of Associate's Degrees, the county continues to lag in Bachelor's Degree and Master's Degree or higher attainment.

Labor Force and Employment

After posting declining annual average unemployment rates since 2003, Lewis County saw unemployment rise from 2006 to 2007, but only slightly, as the unemployment crept up from 6.9 to an even 7.0 percent. Unfortunately, the preliminary 2008 data shows the annual average rate of unemployment rising to 8.7 percent. And as stated before, the bad news is that 2009 began with an unemployment rate above 13.0 percent, which means an increase over the 2008 rate is almost certain.

Industry Employment by Age and Sex

The Local Employment Dynamics (LED) database, a joint project of state employment

departments and the Census Bureau, matches state employment data with federal administrative data. Among the products is industry employment by age and sex.. All workers covered by state unemployment insurance data are included; federal workers and non-covered workers like self-employed are not. Data is presented by place of work, not place of residence. Some highlights include:

In the 3rd quarter of 2007, more men were at work (50.9 percent) than women (49.1 percent).

Men held the vast majority of jobs in:

- Mining (91.2 percent),
- Construction (85.2 percent), and
- Utilities (84.7 percent).

Women cashed more paychecks in the fields of:

- Health Care (84.9 percent), and
- Financial Activities and Insurance (78.8 percent).

The county's annual average wage was \$33,254, below the state average of \$43,904. In 2007, the county ranked 15th in total covered wages.

Hourly Wages

In 2007, the county's median hourly wage was \$16.74, a little less than \$2.00 dollars below the state average of \$18.65.

Personal and Per Capita Income

In 2006, personal income in Lewis County lagged both the state and the U.S. averages.

Lewis County's average of \$26,638 was nearly \$12,000 dollars short of the state average of \$38,212, and more than \$10,000 dollars short of the U.S. total of \$ 36,714.

Household and Family Income

In 2007, Lewis County median household income was \$41,983, which, again, was behind the national (\$48,451) and state (\$52,583) averages.

In the same year, 13.5 percent of the county's population was living below the official poverty line. The statewide average was lower at 11.9 percent, while the national average stood at 13.3 percent.

Forecast. Since 2006, the Lewis County economy has been sliding downhill. First, there was the Trans-Alta Mining Company closure, followed up by the floods in 2007 and 2008. Then, on top of that, the flood waters receded to a state and nation in the beginnings of a full blown economic crisis. The last year has seen several closures of manufacturing industries that supported the housing industry and an area that's holding its breath waiting for the next round of

bad news. Current numbers point to double-digit unemployment and shrinking nonfarm payrolls, perhaps extending into the next 18 months. At any rate, the growth that took place between 2003-2006 has certainly been put on hold for the time being.⁹

Lewis County can be profiled in many ways. In order to more accurately target services and training opportunities, it is important to understand the demographic variations that impact the county's labor market. The following data presents a picture of the population, types of occupations, and economic prosperity of Lewis County. This information is presented through data that illuminates poverty rates, industry wages, household income by race/ethnicity and annual housing starts. While housing starts have recently seen a significant decline, the data available through 2006 allows us to look at the trends in home ownership.

Industry Clusters

- Electronics/Computers
 - Wood Products

Industry Sectors

NAICS Sector	Estab.	Employees
Agriculture, Forestry, Fishing and Hunting	160	1,385
Mining	*	*
Utilities	*	*
Construction	252	1,236
Manufacturing	132	3,647
Wholesale Trade	77	543
Retail Trade	283	3,571
Transportation and Warehousing	89	1,203
Information	22	308
Finance and Insurance	58	431
Real Estate and Rental and Leasing	67	306
Services	102	404
Federal Government	10	226
State Government	25	1,113
Local Government	52	3,583
Not Elsewhere Classified	21	547

Source: Covered Employment & Wage Data, Annual Average 2007
 Washington State Employment Security Department

www.workforceexplorer.com. * Not shown to avoid disclosure of data for individual employer.

Largest Employers in Lewis County (All Sectors) based on Employment

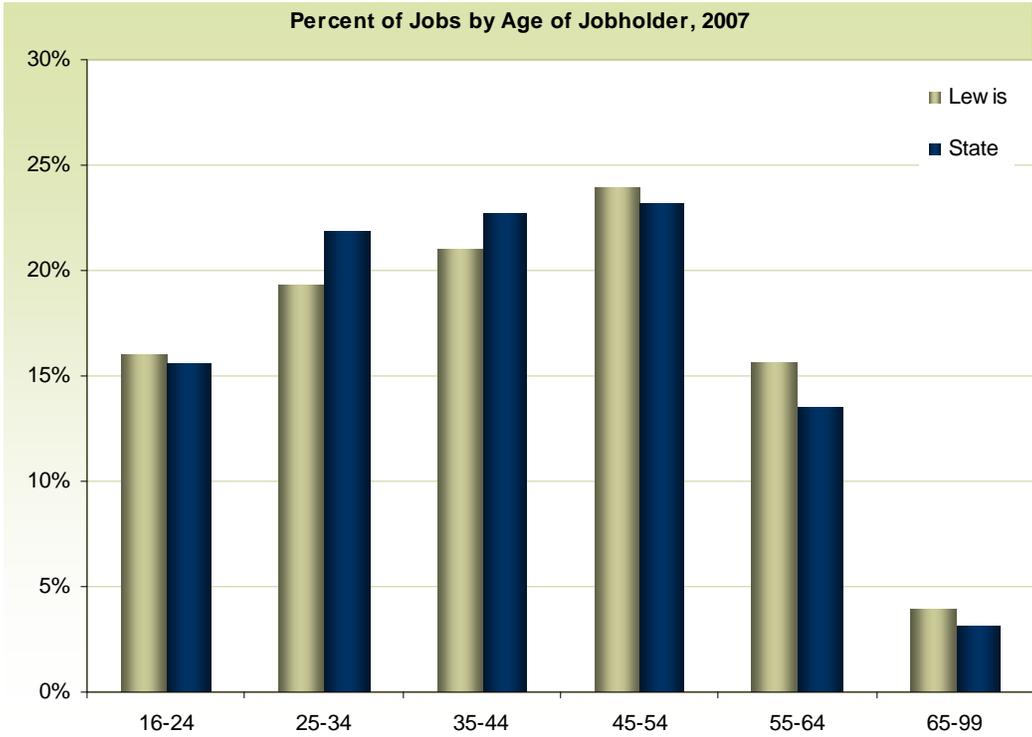
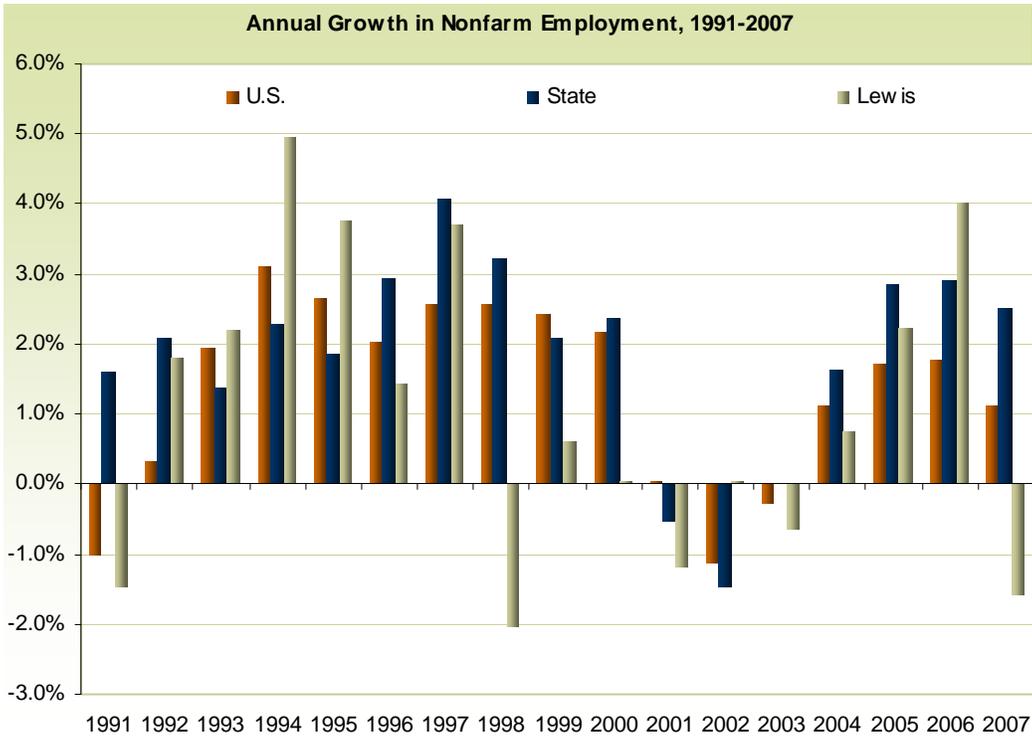
Company	Employees	Product/ Service
Centralia Hospital 800	800	Medical Care
Lewis County	670	Government
Centralia School District	420	Education
Fred Meyer	375 to 400	Distribution
Chehalis School District	390	Education
Wal-Mart	380	Retail
Hampton Affiliates	350	Wood Products
TransAlta	310	Energy Production
National Frozen Foods	300	Food Processing
Centralia Factory Outlets	280	Retail
Hardel Mutual Plywood	240	Wood Products
Centralia College	225	Education
Cascade Hardwoods	220	Wood Products
Safeway Stores	200	Retail Grocery
City of Centralia	190	Government
Fullers Market Basket	175	Retail Grocery
Liberty Country Place	175	Skilled Nursing & Rehab Facility
Quali-Cast Foundry	160	Metal Casting
Lewis County Forest Products	150	Wood Products
Steck Medical Group	150	Medical Care
Northwest Hardwoods	145	Wood Products
Tubafor Mills, Inc.	120	Wood Products
Lewis County P.U.D.	120	Public Utilities
Symon's Frozen Foods	42 to 120	Food Processing

Source: Lewis County Economic Development Council, 2007

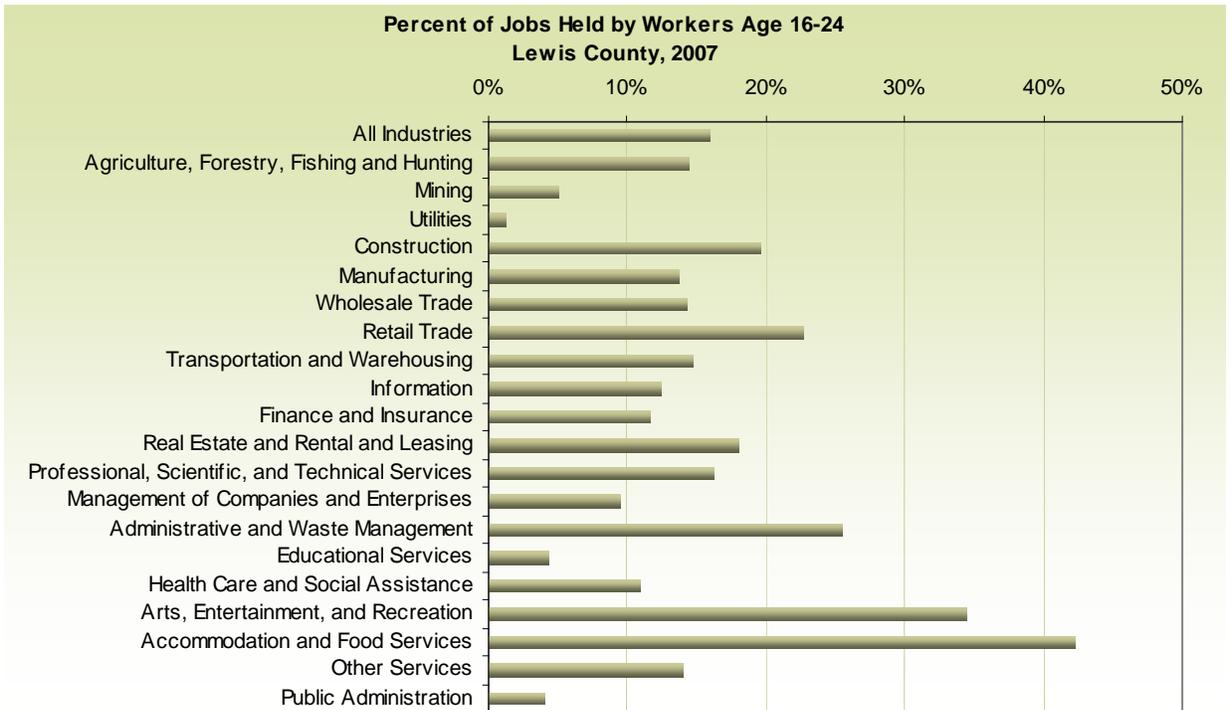
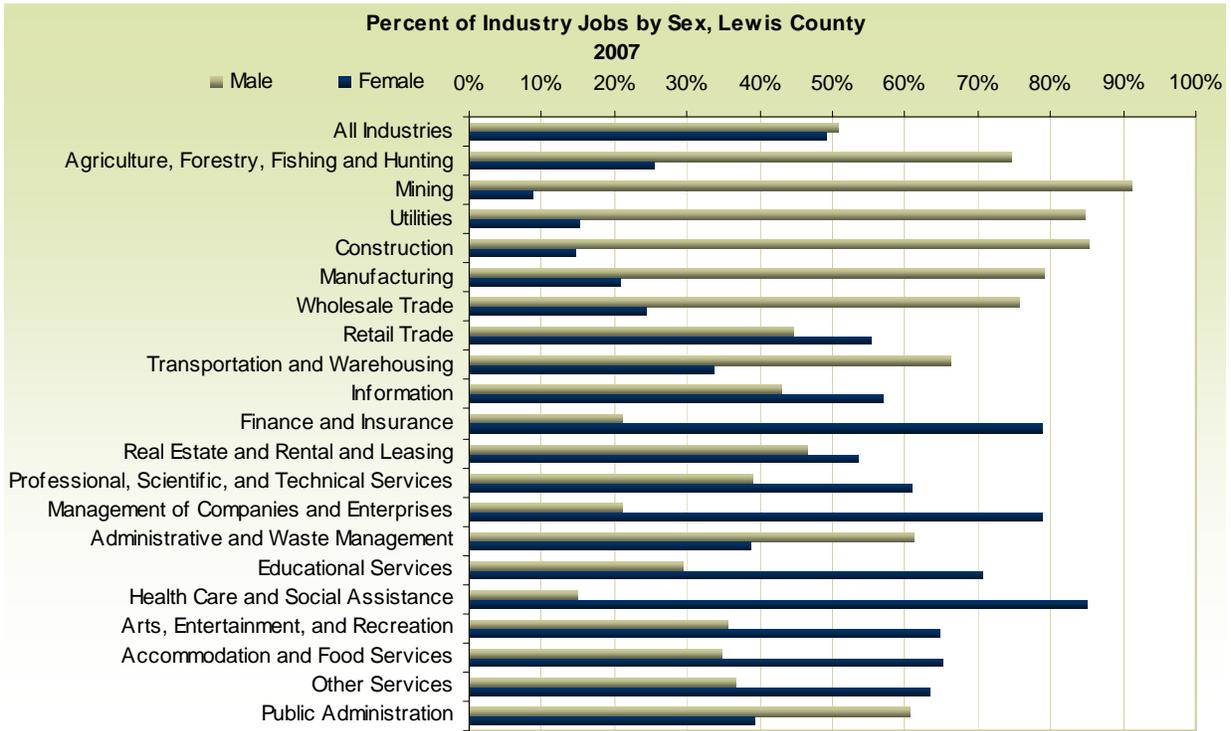
Lewis County Representative Occupations

Occupation	Employees	Entry Wage	Exp. Wage	Mean Wage
Accountants and Auditors	1,157	\$18.42	\$30.65	\$26.58
Administrative Services Managers	125	\$21.35	\$40.99	\$34.44
Computer Operators	135	\$11.46	\$17.23	\$15.30
Computer Programmers	443	\$18.31	\$25.07	\$22.82
Computer Support Specialists	3,433	\$11.49	\$21.06	\$17.86
Customer Service Representatives	1,945	\$10.22	\$16.33	\$14.30
Electrical and Electronic Engineering Technicians	231	\$23.78	\$26.44	\$25.55
Executive Secretaries and Administrative Assistants	785	\$14.71	\$23.56	\$20.62
Financial Managers	395	\$27.54	\$47.43	\$40.79
First-Line Supervisors/Managers of Office & Administrative Support Workers	1,389	\$13.36	\$22.23	\$19.25
Laborers and Freight, Stock, and Material Movers, Hand	2,366	\$8.86	\$14.78	\$12.81
Machinists	388	\$16.51	\$21.84	\$20.06
Maintenance and Repair Workers, General	1,246	\$12.05	\$19.83	\$17.24
Mechanical Engineers	488	\$26.36	\$44.64	\$38.54
Operating Engineers & Other Construction Equipment Operators	802	\$19.84	\$31.54	\$27.64
Packers and Packagers, Hand	967	\$8.13	\$11.13	\$10.13
Secretaries, Except Legal, Medical, and Executive	1,887	\$9.50	\$15.16	\$13.28
Shipping, Receiving, and Traffic Clerks	741	\$8.84	\$13.95	\$12.25

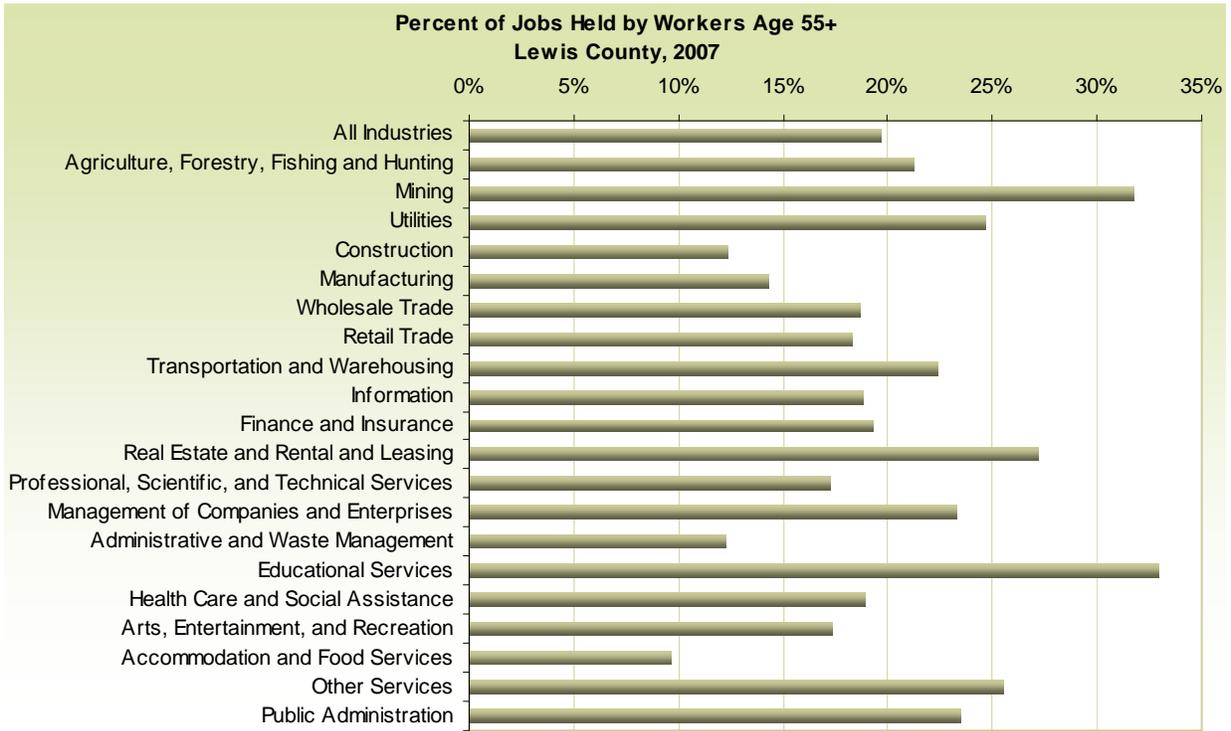
Source: www.workforceexplorer.com



Source: Jim Vleming, Regional Labor Economist, Employment Security Department, LMEA, March 2009



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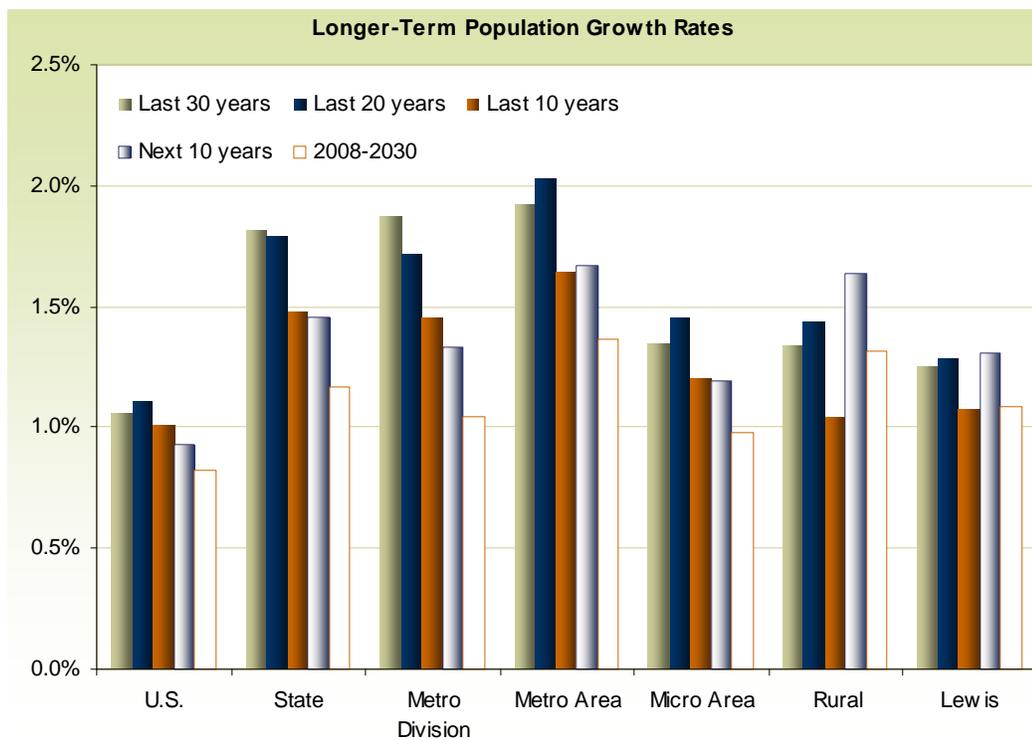
Source: Jim Vleming, Regional Labor Economist, Employment Security Department, LMEA, March 2009

**2nd Quarter 2007 and Projected 2nd Quarter 2009
Lewis, June 2008**

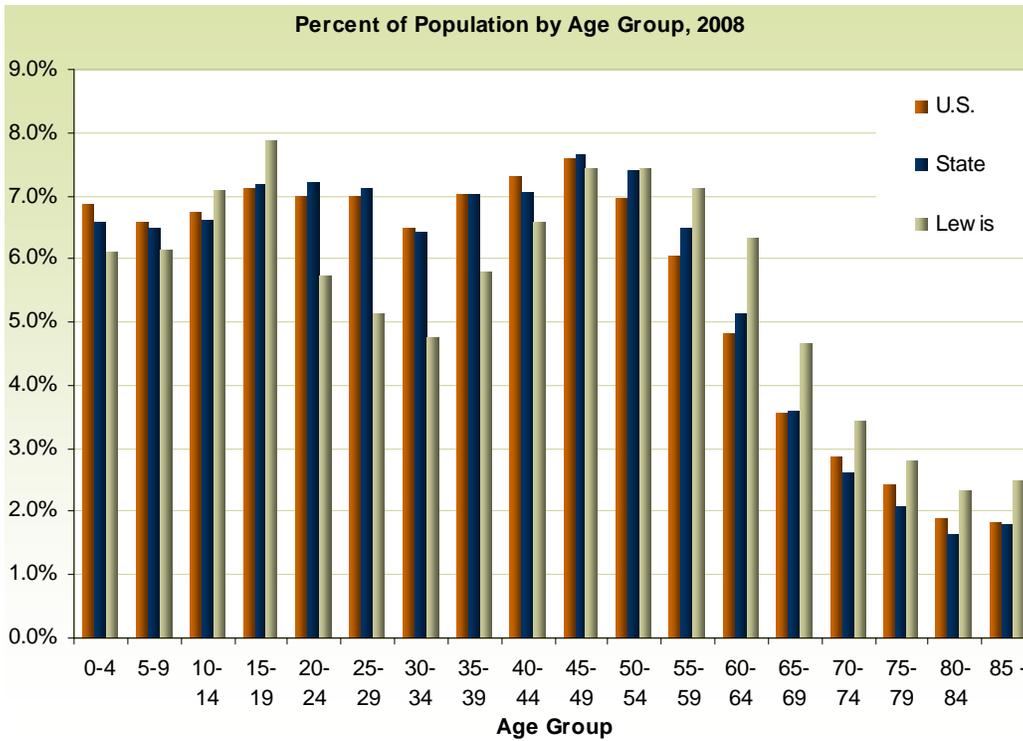
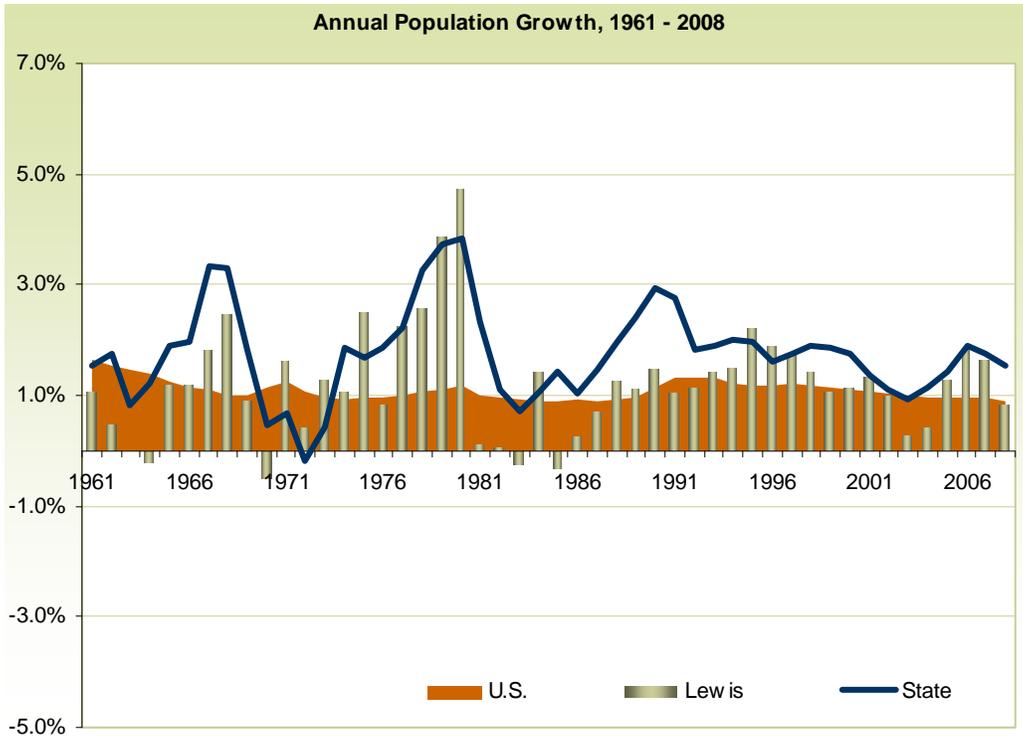
Industry	Estimated Employment 2nd Quarter 2007	Projected Employment 2nd Quarter 2009	Average Annual Growth Rate 2007Q2 – 2009Q2	State Projected Growth Rate
Total Nonfarm	25,820	25,870	0.1%	0.9%
Natural Resources And Mining	840	780	-3.6%	-3.7%
Construction	1,370	1,270	-3.7%	-2.0%
Manufacturing	3,590	3,430	-2.3%	-0.1%
Durable Goods	2,860	2,720	-2.5%	0.0%
Non Durable Goods	730	710	-1.4%	-0.2%
Food Manufacturing	420	420	0.0%	0.8%
Wholesale Trade	560	560	0.0%	0.2%
Retail Trade	3,700	3,730	0.4%	0.4%
Transportation, Warehousing And Utilities	1,600	1,620	0.6%	0.6%
Information	310	310	0.0%	1.6%
Financial Activities	770	780	0.6%	0.6%
Professional And Business Services	1,280	1,310	1.2%	1.5%
Education And Health Services	3,060	3,190	2.1%	3.1%
Leisure And Hospitality	2,690	2,750	1.1%	1.5%
Other Services	750	750	0.0%	1.1%
Government	5,300	5,390	0.8%	0.8%
Federal Government	220	220	0.0%	-0.1%
State & Local Government Other	2,350	2,390	0.8%	0.8%
Educational Services Government	2,730	2,780	0.9%	1.0%

Nonagricultural wage and salary employment projections, which are by place of work, were developed based on "State Projections Workgroup" methodology, Global Insight model and state indicators from employment projections developed by Washington State Office of the Forecast Council and Forecasting Division of the Office of Financial Management. The results of statewide projections were adjusted in collaboration with the Forecasting Division of the Office of Financial Management. Local area projections are model-based desegregations of statewide numbers with incorporation of local trends. According to the national requirements, 2004 is the base year for medium and long term projections. The second quarter of 2006 is a base for short-term projections. Due to some differences in non-covered employment used for benchmarking and handling

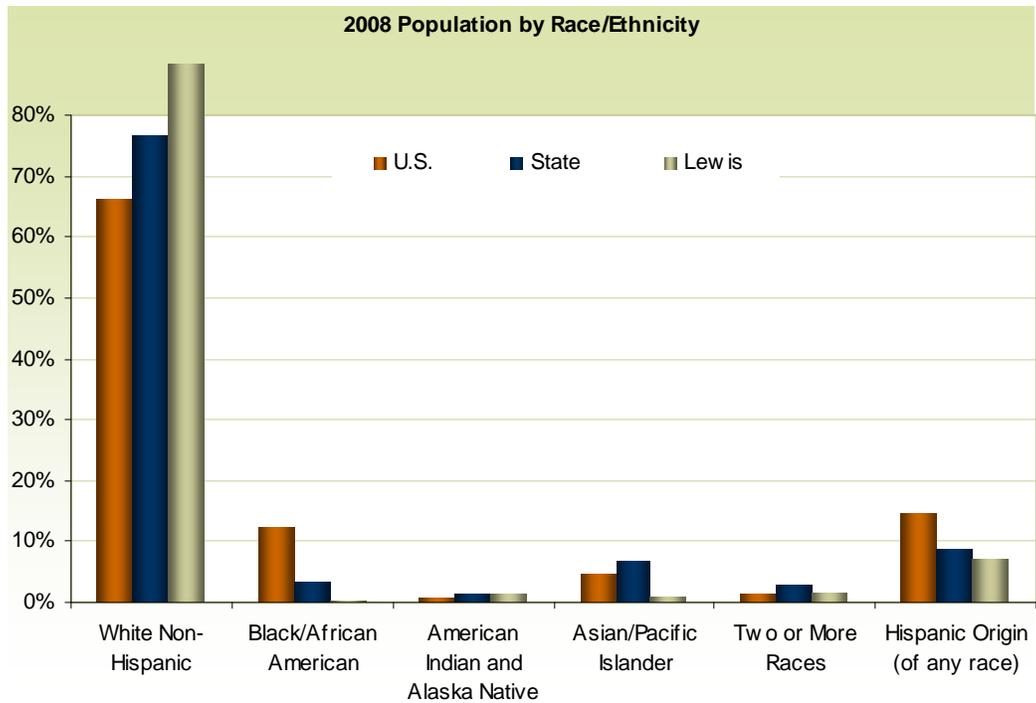
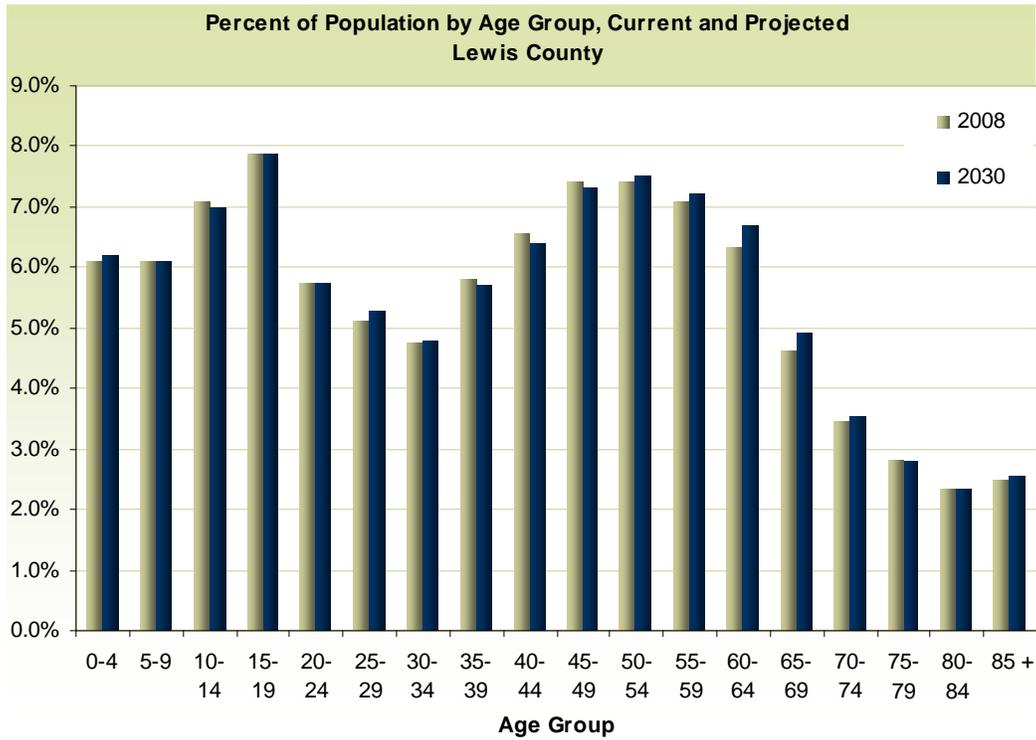
Source: Jim Vleming, Regional Labor Economist, Employment Security Department, LMEA, March 2009



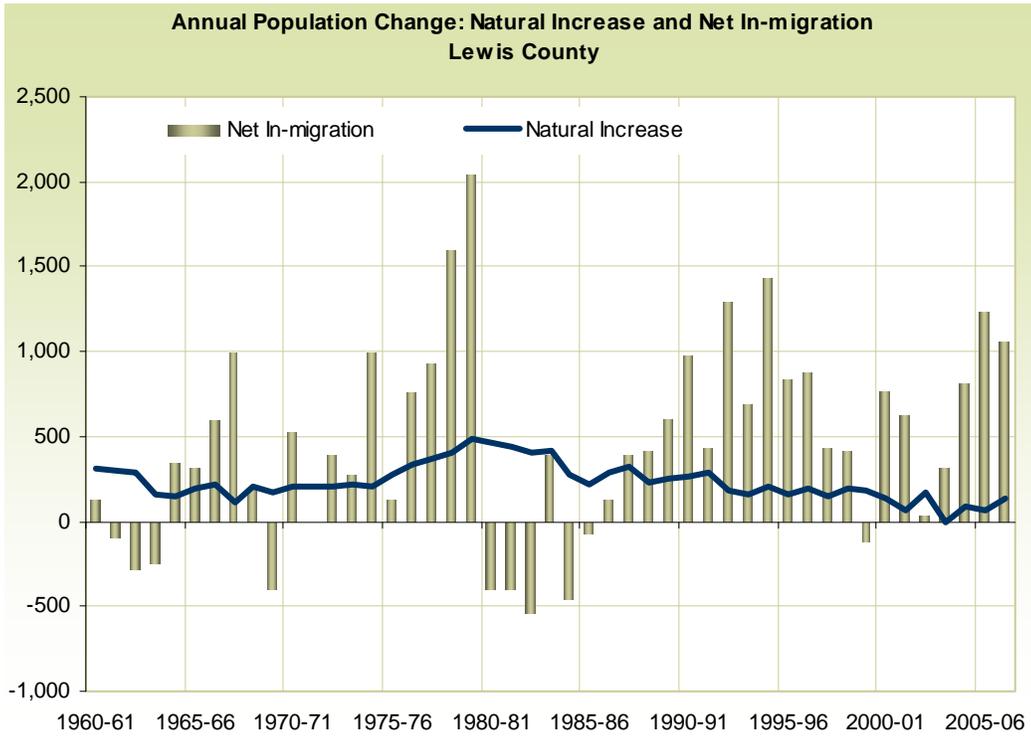
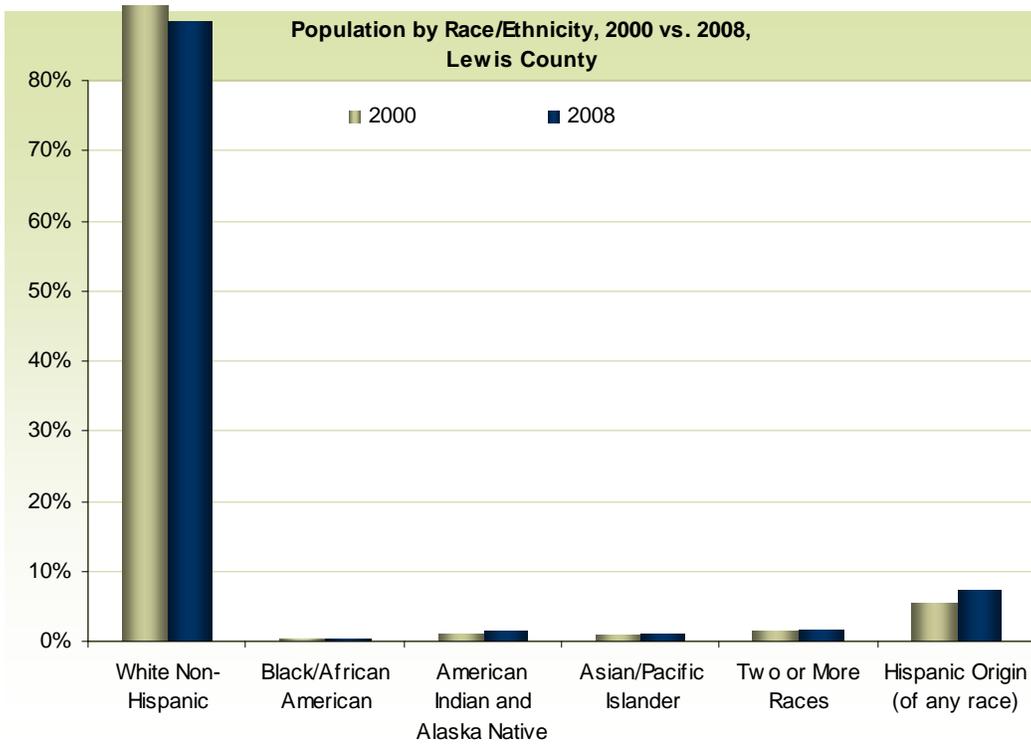
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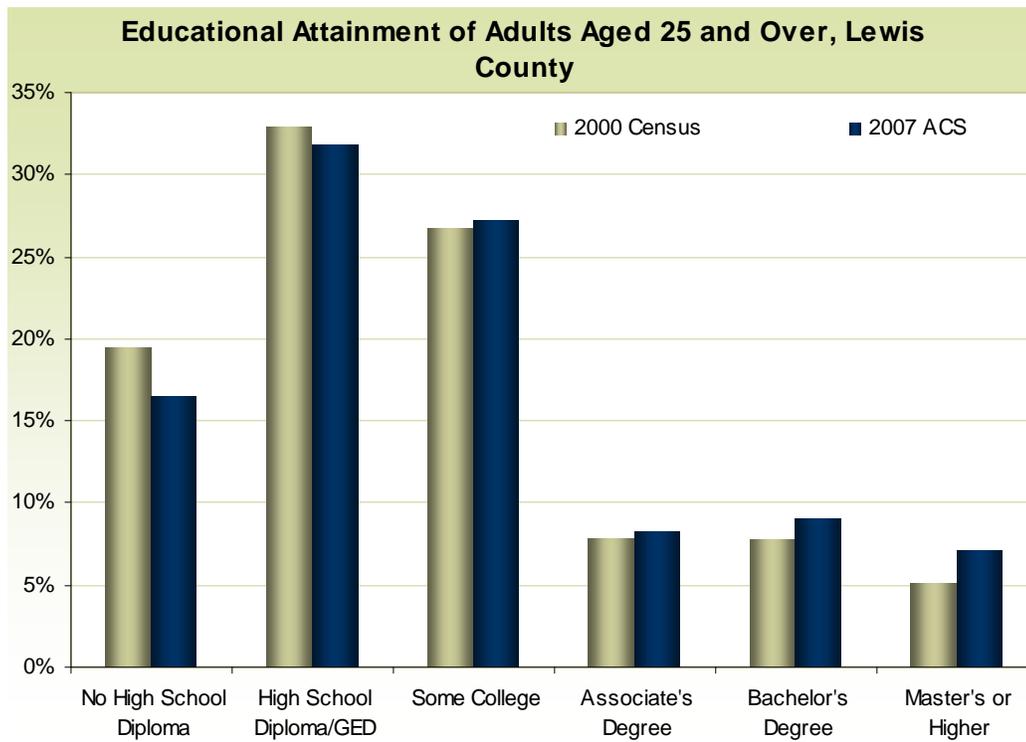
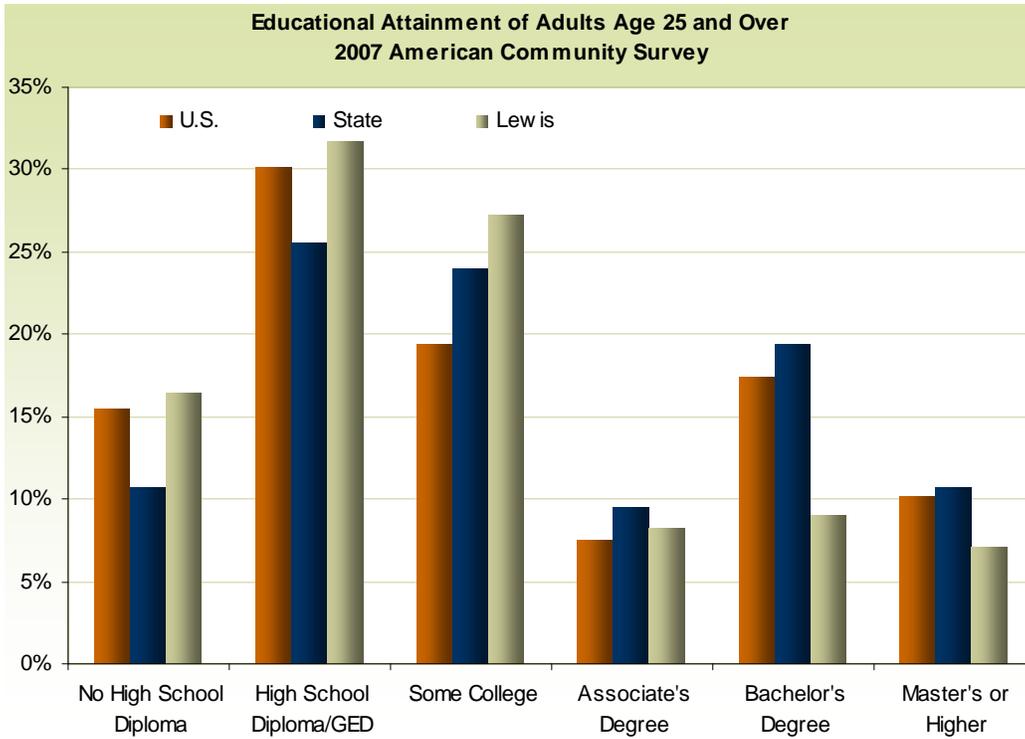
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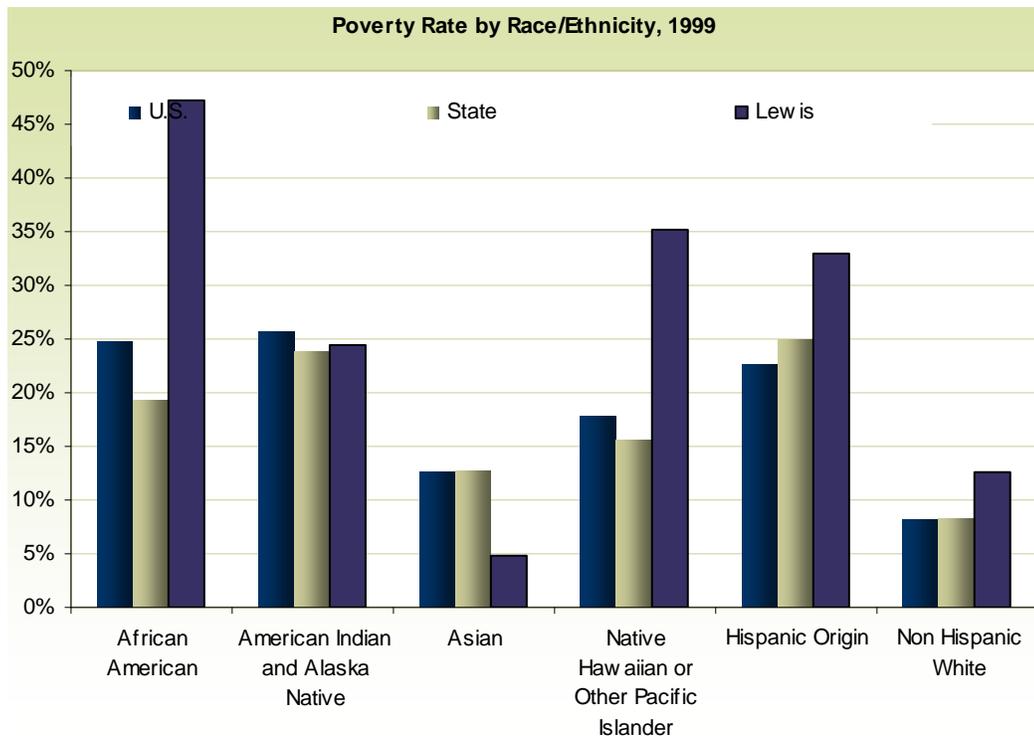
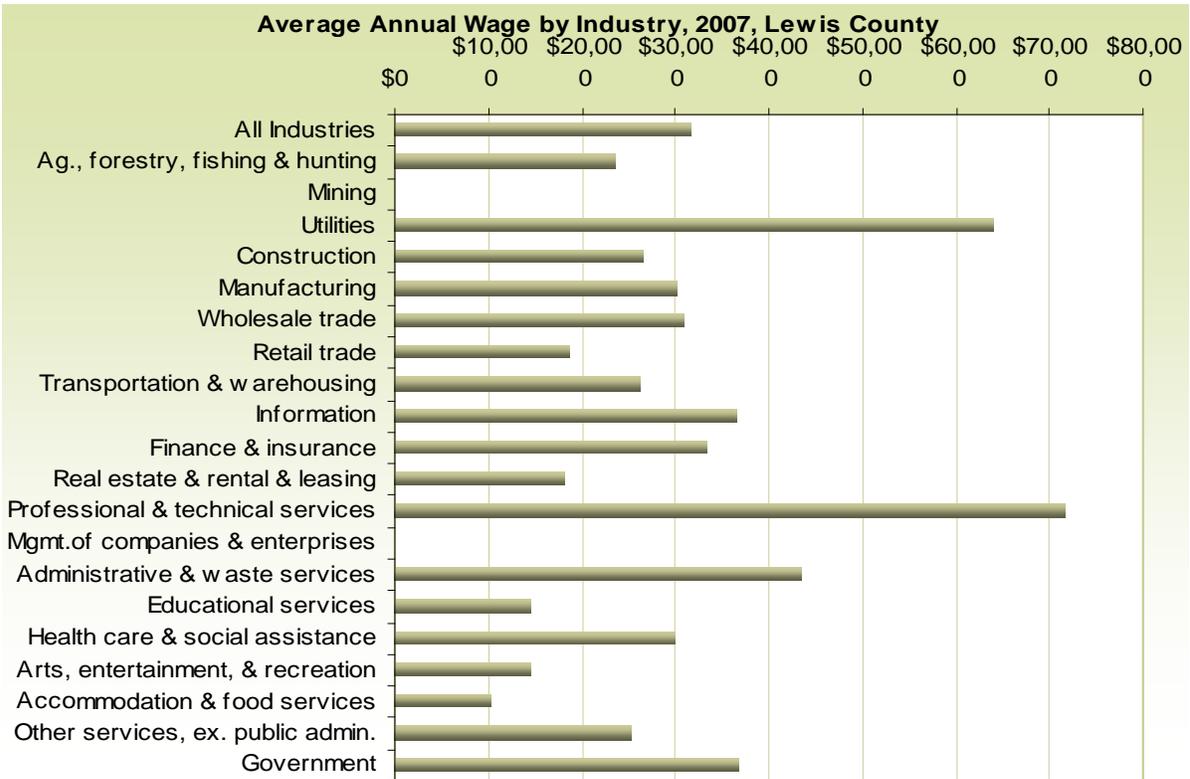
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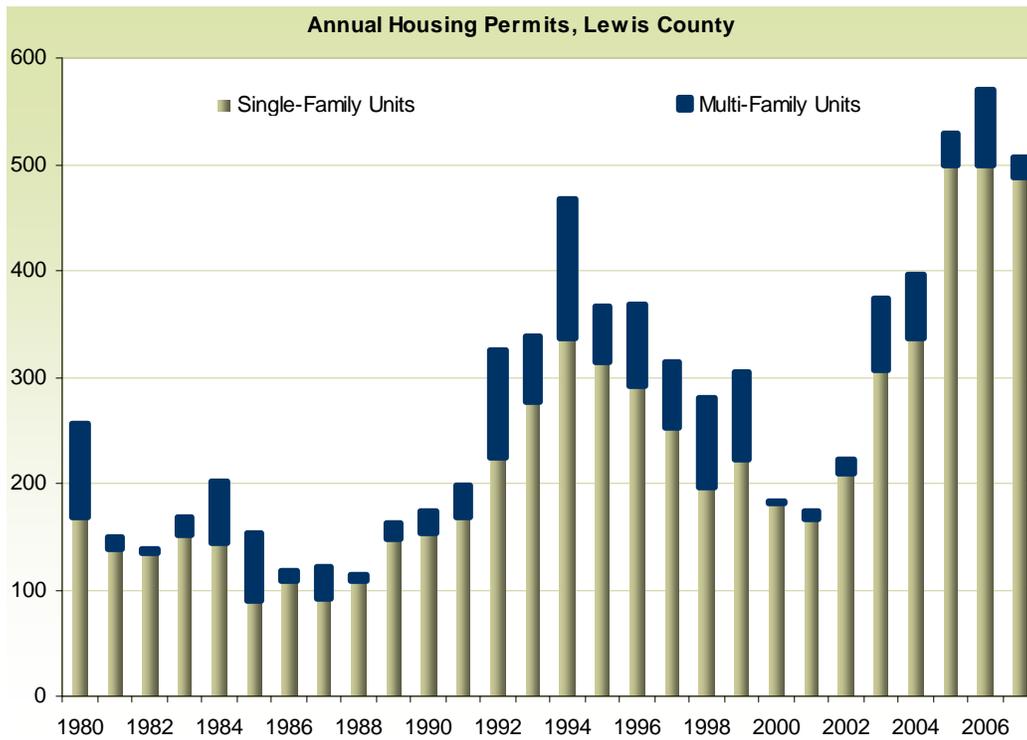
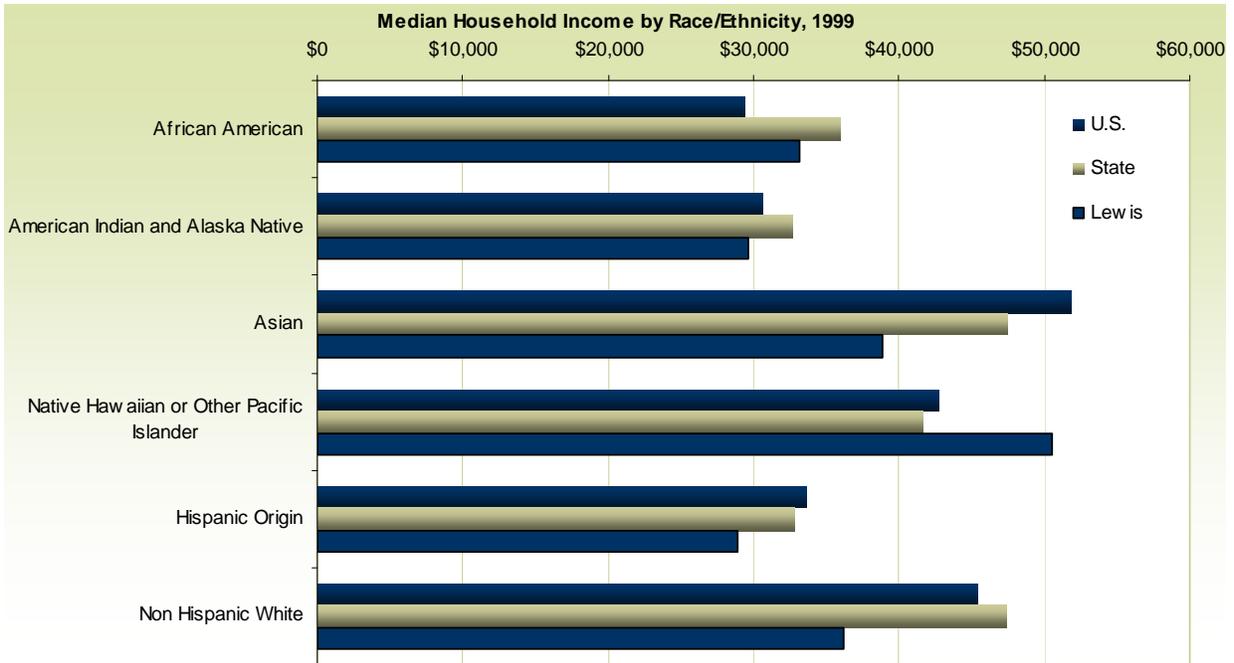
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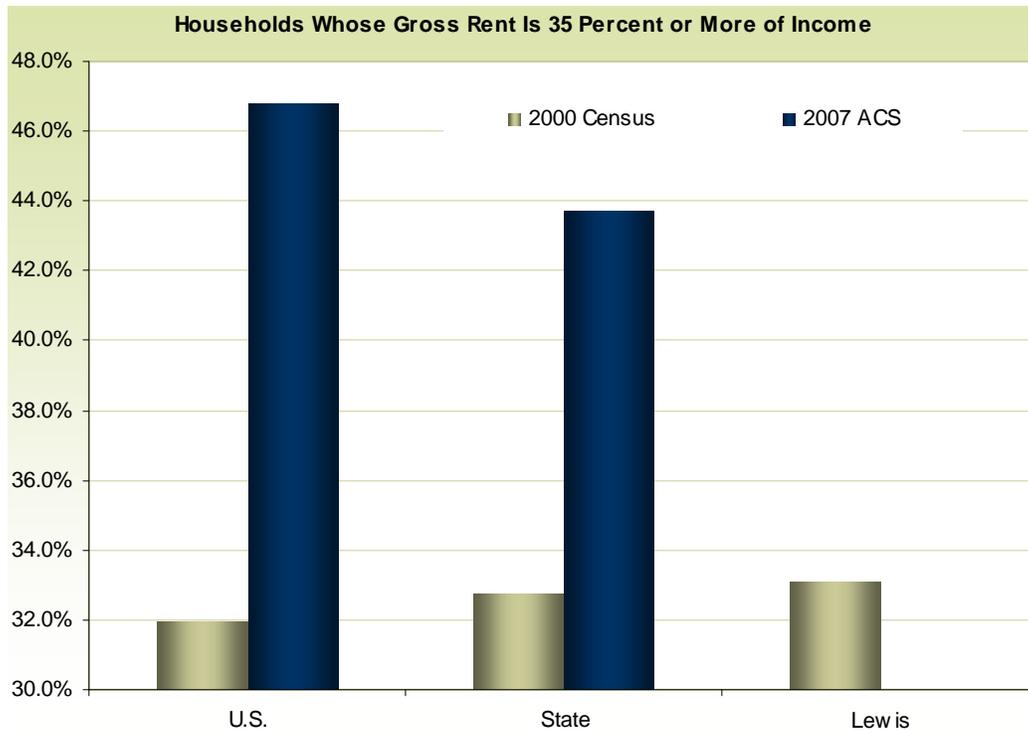
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Mason County Summary

Mason County Overview— Mason County is also suffering from the recent recession. As of March 2009, the Mason County preliminary unemployment rate stands at 11.5 percent. This compares to a February 2008 unemployment rate of 7.7 percent. Mason County's unemployment rate has been a problem in the past. It has not, however, been as severe as that experienced by the other timber-dependent counties within the workforce development Area. Much of the timber land in Mason County is privately owned. It is important to note that **one-third of Mason County's workforce commutes to other counties for employment.**

After decades of relatively fast growth between 1970 and 2000 the population growth in Mason County growth has slowed and has remained somewhat stagnant at approximately 55,000 for the past few years. Mason County is located in an area that is easily accessible to Olympia to the south, Bremerton to the north and Seattle/Tacoma to the east. The geographic location has attracted many people who are retired or who are willing to commute to employment centers to the north, south and east.

In the coming years the County anticipates continued, yet slow growth in its core industry sectors, manufacturing, shellfish, value-added forest products and tourism. Industries within Mason County that are seeing significant growth, or are expected to emerge, include service and retail trade, engineered wood products, all areas of healthcare (including assisted care facilities), and shellfish production. Much of the new growth is coming from clam and mussel harvests. Support of these various business sectors is made possible through partnerships between the County, its regional **Economic Development Council, Washington State Community Economic Revitalization Board, Pacific Mountain Workforce Development Council,** business, government, and the community.

The **Port of Shelton** worked closely with **Belco Forest Products** to fund and build a waterline that was required for **Belco Forest Products** in their expansion. The funding of this project was a partnership between Mason County, the **Washington State Community Economic Revitalization Board,** and **Port of Shelton.** The completion of this project was also made possible by coordination with the City of Shelton to ensure that the line would be compatible with the regional water and sewer system. The Port of Shelton is expanding both its infrastructure development and added additional new tenants. It also resumed managing the **Oakland Bay Marina.** There are future plans to expand the existing marina to include public access through a public boat launch and day use moorage. These support tourism and environmental cleanup activities. The **Port of Shelton** has also made significant investment into the infrastructure at both Sanderson Field and John's Prairie locations. These improvements include paving roads, signage, the rail reload facility and improving 2,000 feet of track. They

have also created a waterline extension. The **Port of Allyn** has undertaken a major upgrade of their existing water system to support existing and future development.

One of the most significant business developments in recent years was the sale of **Olympic Tool and Engineering** to **Kanaak**, a subsidiary of the **Alaska Native Corporation, Sealaska**. **Sealaska** has a record of success in the area of fabrication and machining. The new owners have plans to increase operations by adding approximately 114 employees. In addition, **Aero Controls** is considering an investment in Sanderson Field. They are exploring an opportunity to bring aircraft into the Field for disassembly.

Government employment supplied 5,150 employment opportunities in 2007. This sector includes both education and other government entities. **Washington Corrections Center** in Shelton is one of the largest employers in the government sector. The Corrections Center employs 685 workers. In 2007 the legislature appropriated funds from the State Construction Account for the construction of a new health care facility at the **Washington Corrections Center for Women**. They have also funded the expansion of the Reception Center at **Washington Corrections Center**. The predesign of this expansion occurred in 2007 and the final construction is scheduled for completion in 2011. A predesign will be provided for the new Diagnostic Center at the **Washington Corrections Center** as well. These expansions will create future high skill, high wage employment opportunities in construction in the County. The process began in July of 2007 and construction should be completed by 2013.

The **Squaxin Island Indian Tribe** is the largest employer in the county with 828 employees. Other government employment is generated through education. The county has seven public school districts, two Christian schools and a community college. The new Evergreen Elementary School in Shelton houses a bilingual program, with half of the instruction in English and half in Spanish that won a state award for outstanding efforts to promote and value diversity and multicultural education. Whites, with 41.9 percent of the student population, are a minority at the school.

Mason Transit is a leader in coordinated transportation services, including shared school/public transit services and volunteer driver training to support elders. This agency also makes use of the Road-to-Work education program in partnership with Mason County WorkSource to assist residents seeking training and jobs.

Mason County can be profiled in many ways. In order to more accurately target services and training opportunities, it is important to understand the demographic variations that impact the county's labor market. The following data presents a picture of the population, types of occupations, and economic prosperity of Mason County. This information is presented through data that illuminates poverty rates, industry wages, household income by race/ethnicity and annual housing starts. While housing starts have recently seen a significant decline, the data available through 2006 allows us to look at the trends in home ownership.

Industry Clusters

- Agriculture/Food Products
 - Wood Products

Industry Sectors

NAICS Sector	Estab.	Employees
Agriculture, Forestry, Fishing and Hunting	56	575
Mining	*	*
Utilities	9	25
Construction	213	821
Manufacturing	64	1,756
Wholesale Trade	39	512
Retail Trade	123	1,565
Transportation and Warehousing	31	164
Information	11	115
Finance and Insurance	38	337
Real Estate and Rental and Leasing	46	132
Services	61	200
Federal Government	5	73
State Government	28	976
Local Government	43	4,176
Not Elsewhere Classified	4	32

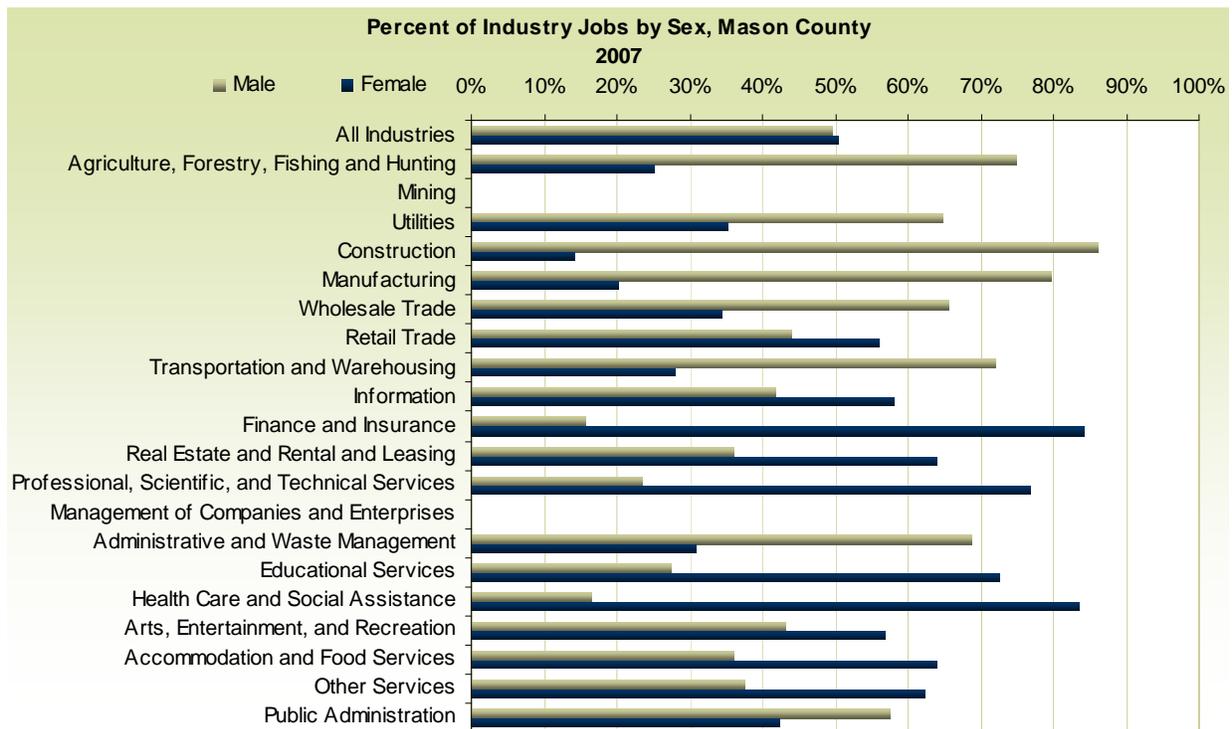
Source: Covered Employment & Wage Data, Annual Average 2007

Washington State Employment Security Department

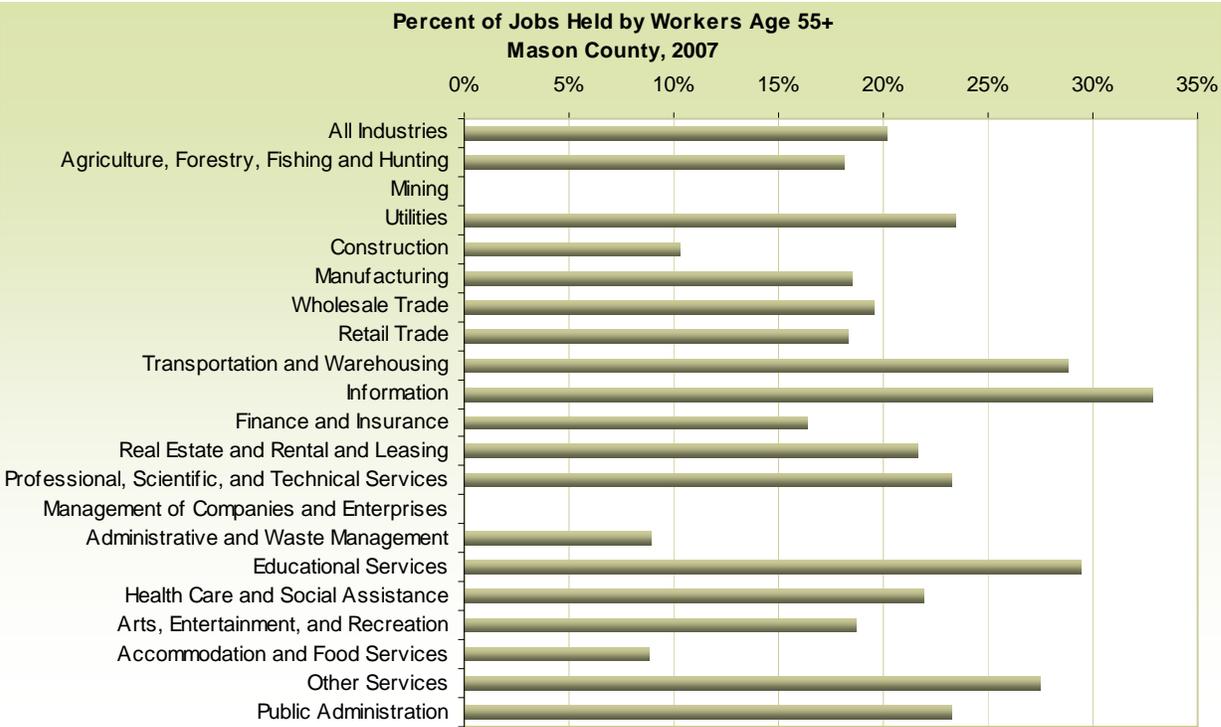
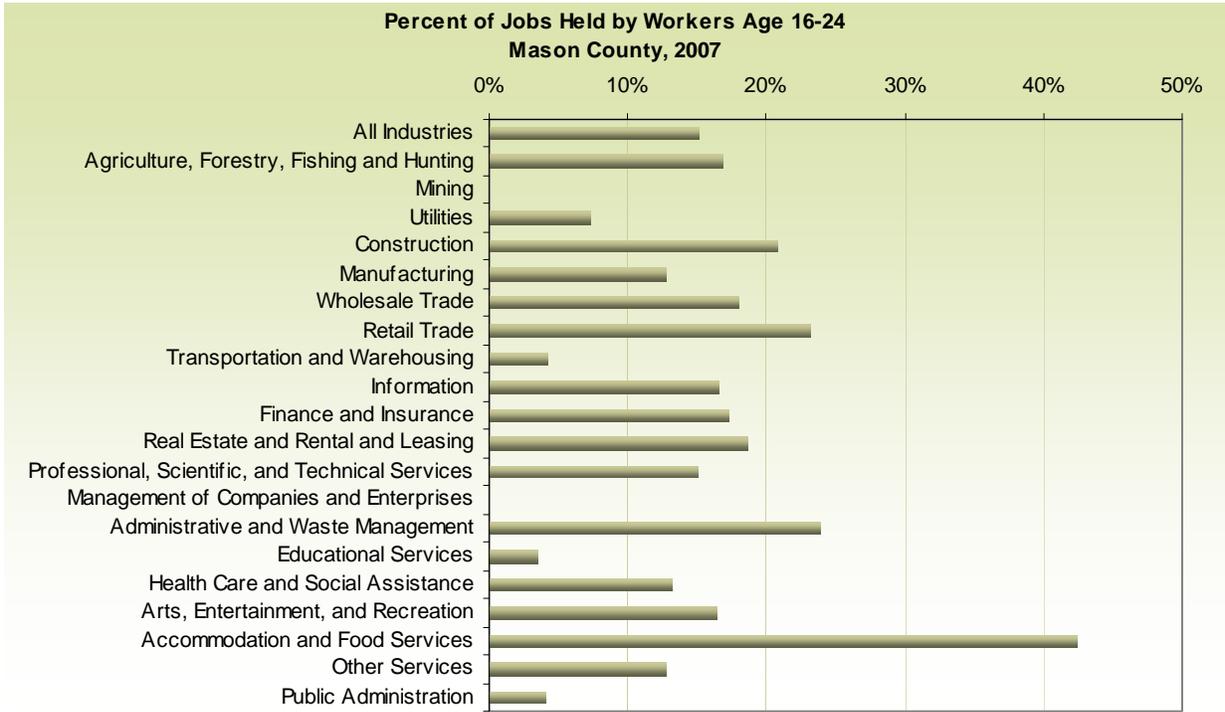
www.workforceexplorer.com. * Not shown to avoid disclosure of data for individual employer.

Largest Employers in Mason County (All Sectors) based on Employees

Employer	Employees	Product/ Service
Little Creek Casino	625	Tourism
Washington Corrections Center	615	Government
Shelton School District	612	Government/Education
Wal-Mart's	500	Retail
Mason General Hospital	453	Medical
Mason County	402	Government
Simpson Timber Co.	400	Lumber/Wood Products
Taylor Shellfish, Inc.	370	Aquaculture
Olympic Panel Products	361	Lumber/Wood Products
N. Mason School Dist.	284	Government/Education
Squaxin Indian Tribe	209	Tribal
Mason County Forest Products	190	Lumber/Wood Products
Welco - Skookum Lumber Co.	144	Lumber/Wood Products



Source: Jim Vleming, Regional Labor Economist, Employment Security Department, LMEA, March 2009



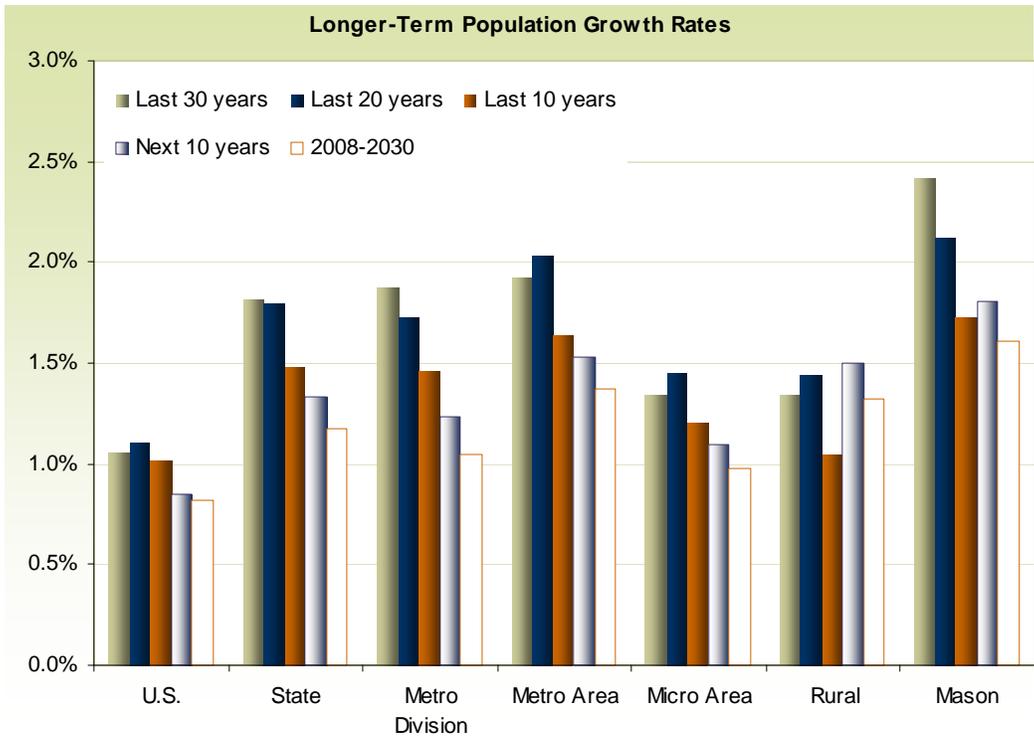
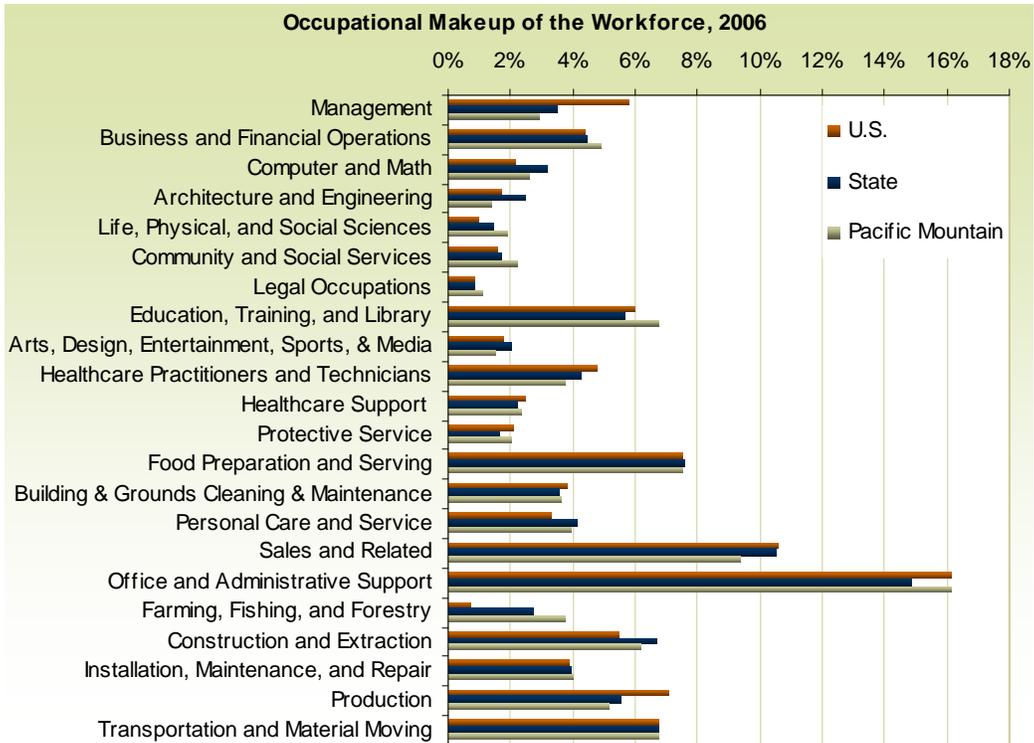
Source: Jim Vleming, Regional Labor Economist, Employment Security Department, LMEA, March 2009

**Nonagricultural Wage and Salary Employment Estimates
2nd Quarter 2007 and Projected 2nd Quarter 2009
Mason, June 2008**

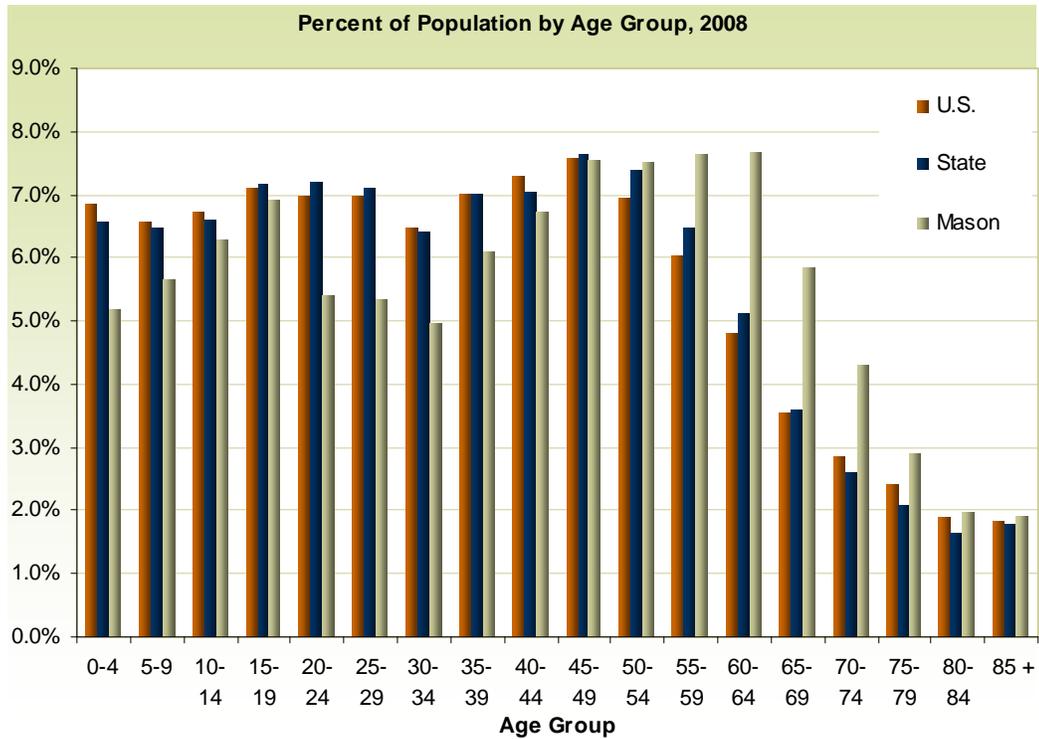
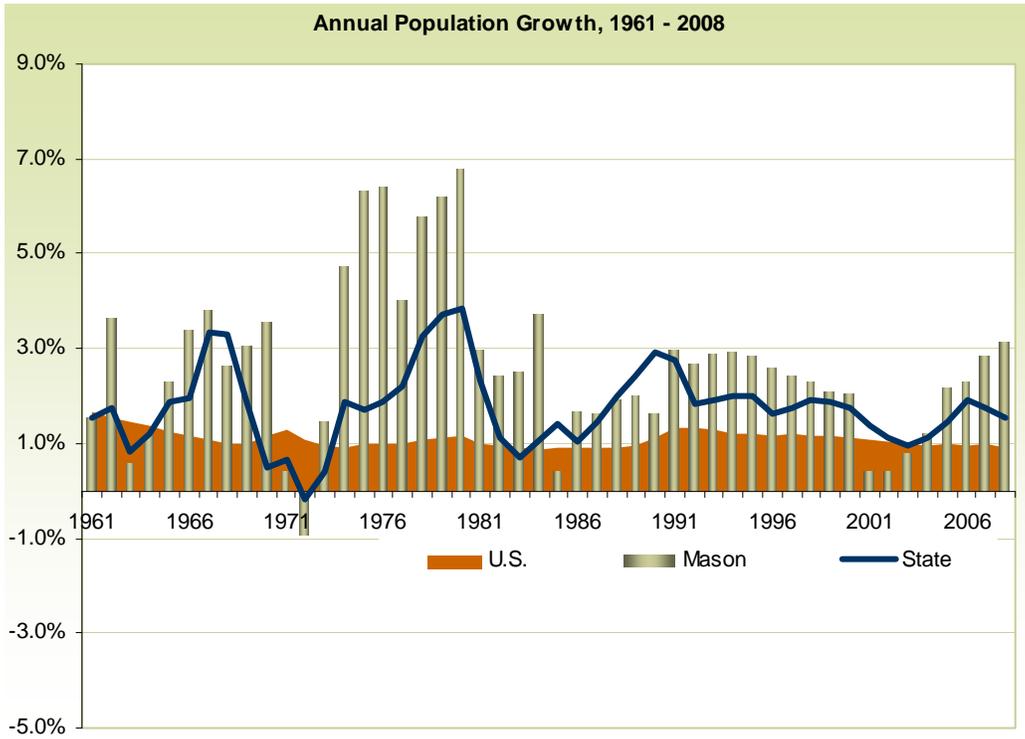
Industry	Estimated Employment 2nd Quarter 2007	Projected Employment 2nd Quarter 2009	Average Annual Growth Rate 2007Q2 - 2009Q2	State Projected Growth Rate
Total Nonfarm	14,600	14,680	0.3%	0.9%
Natural Resources And Mining	220	210	-2.3%	-3.7%
Construction	960	920	-2.1%	-2.0%
Manufacturing	1,810	1,680	-3.7%	-0.1%
Durable Goods	1,430	1,300	-4.7%	0.0%
Non Durable Goods	380	380	0.0%	-0.2%
Food Manufacturing	270	270	0.0%	0.8%
Wholesale Trade	300	300	0.0%	0.2%
Retail Trade	1,640	1,650	0.3%	0.4%
Transportation, Warehousing And Utilities	230	240	2.2%	0.6%
Information	130	120	-3.9%	1.6%
Financial Activities	500	500	0.0%	0.6%
Professional And Business Services	510	530	1.9%	1.5%
Education And Health Services	1,100	1,170	3.1%	3.1%
Leisure And Hospitality	1,380	1,420	1.4%	1.5%
Other Services	510	520	1.0%	1.1%
Government	5,310	5,420	1.0%	0.8%
Federal Government	70	70	0.0%	-0.1%
State & Local Government Other	3,770	3,860	1.2%	0.8%
Educational Services Government	1,470	1,490	0.7%	1.0%

Nonagricultural wage and salary employment projections, which are by place of work, were developed based on "State Projections Workgroup" methodology, Global Insight model and state indicators from employment projections developed by Washington State Office of the Forecast Council and Forecasting Division of the Office of Financial Management. The results of statewide projections were adjusted in collaboration with the Forecasting Division of the Office of Financial Management. Local area projections are model-based desegregations of statewide numbers with incorporation of local trends. According to the national requirements, 2004 is the base year for medium and long term projections. The second quarter of 2006 is a base for short-term projections. Due to some differences in non-covered employment used for benchmarking and handling

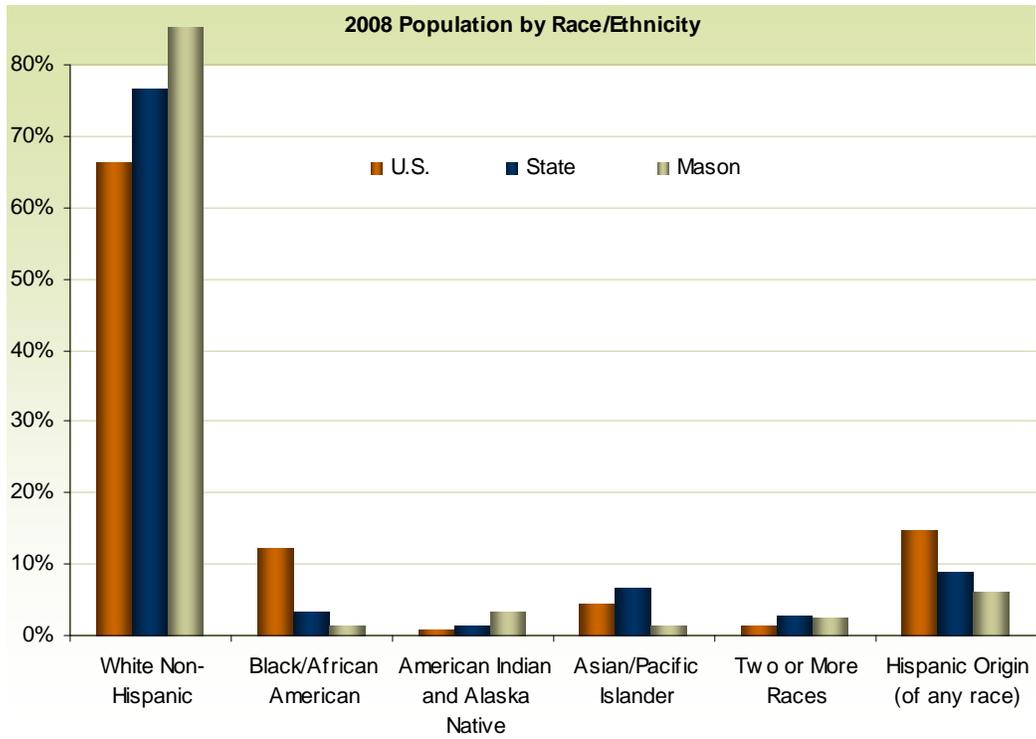
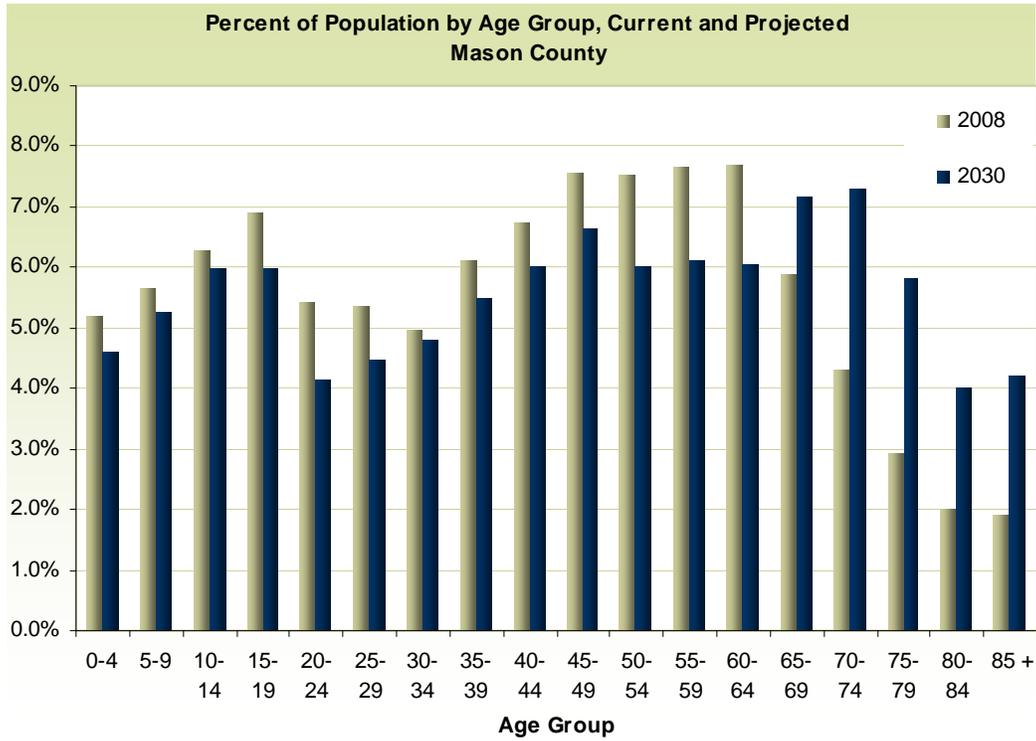
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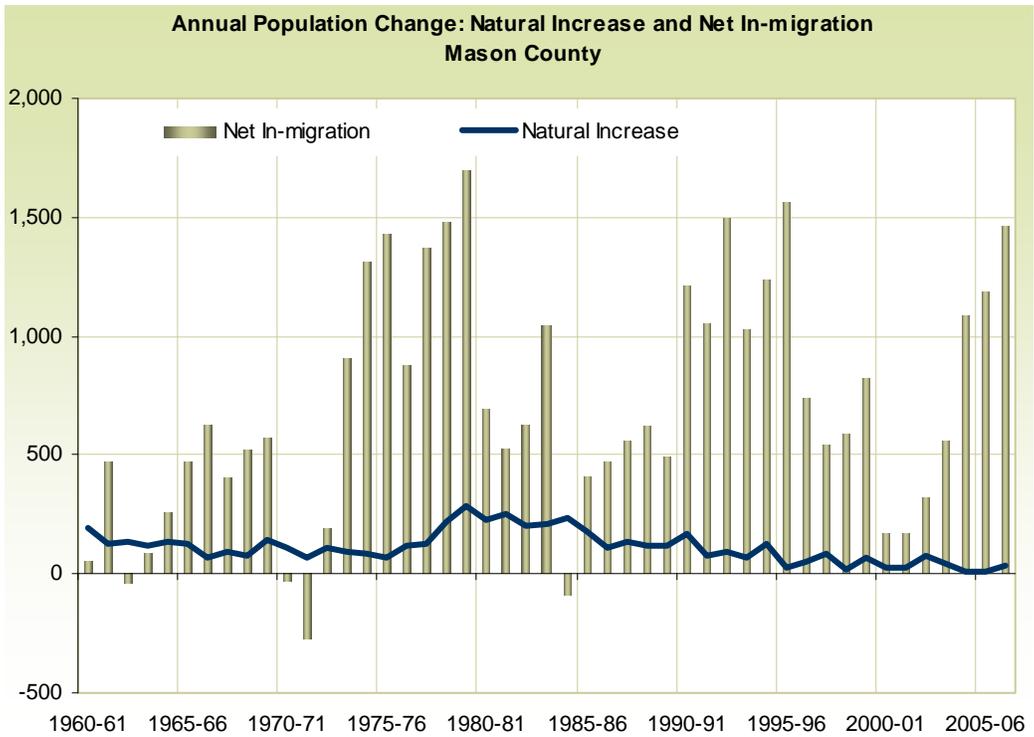
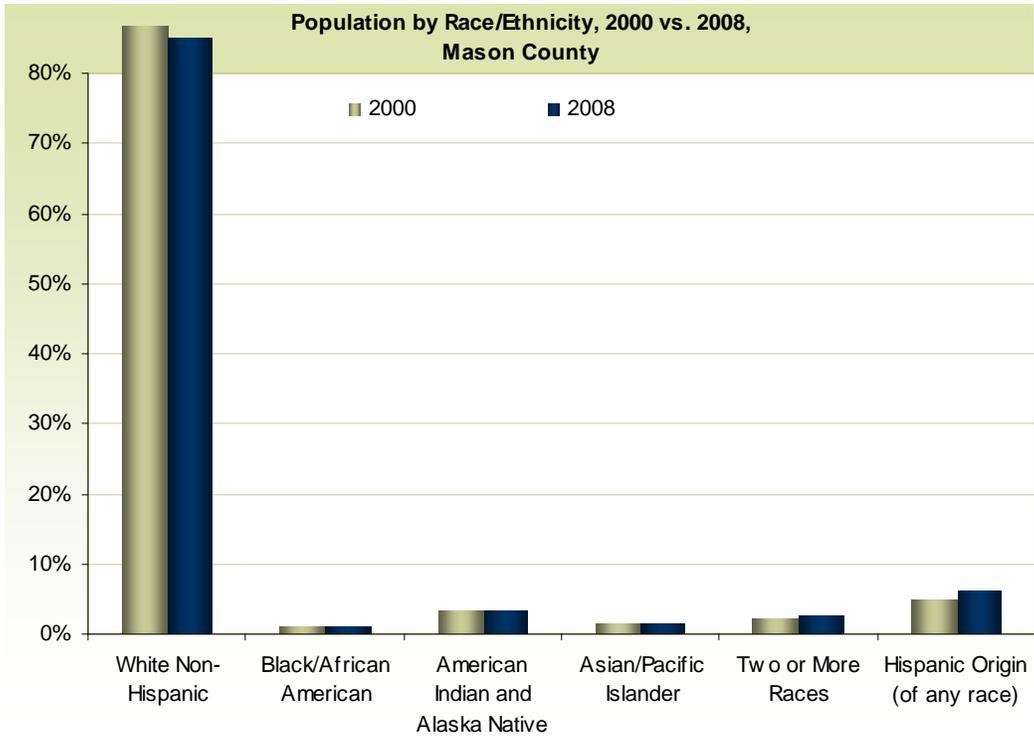
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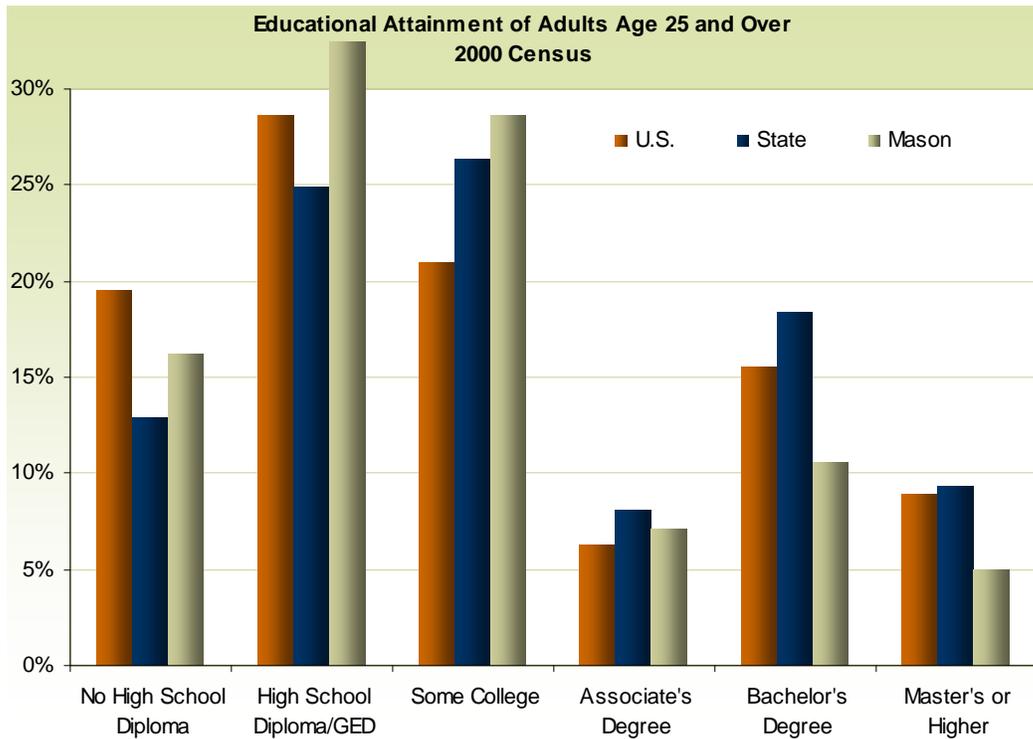
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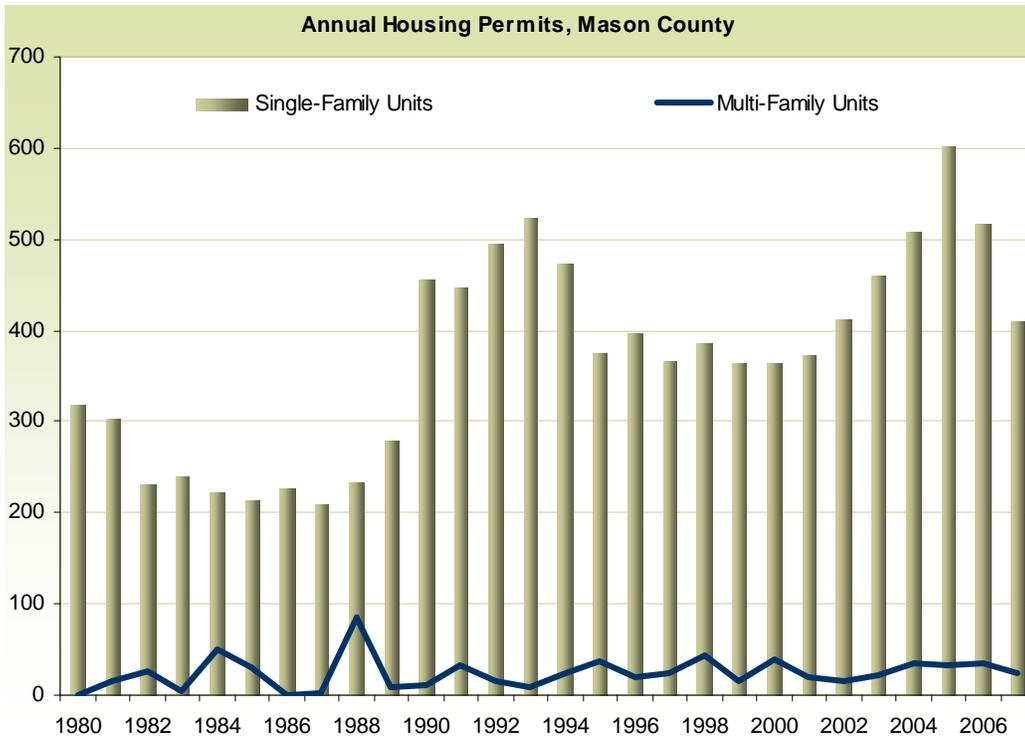
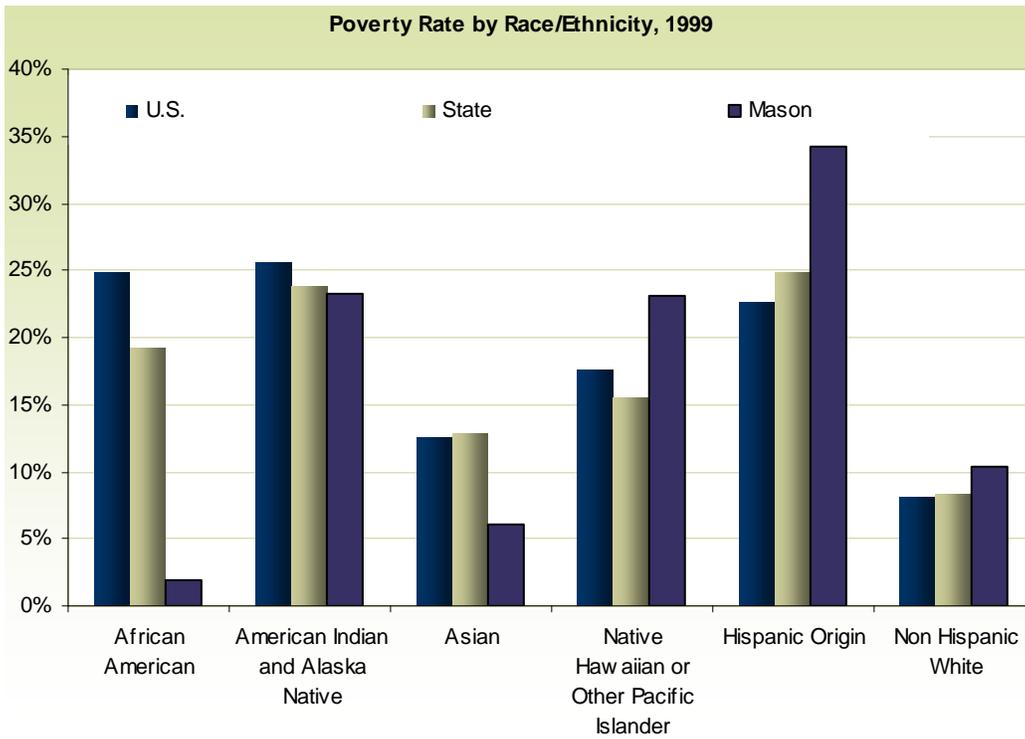
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Pacific County Summary

Pacific County Overview — Economic conditions in Pacific County have been difficult in the recent past. The area has long been dependent on a natural resource base for the strength of its economy and employment and that base was significantly eroded through the 1990's. Restructuring and modernization of the timber industry coupled with environmental concerns and mandated protection of endangered species has caused serious cutbacks in employment. Commercial fishing is a significant component of the local economy along with fish processing, fruit growing, logging and tourism. More than 80 percent of the county is non-federal timberland. Since 1990 Pacific County and, in particular, the Willapa Harbor local economy has been in a state of flux:

- Economic activity in the region remains heavily dependent on Willapa's natural resource based wealth.
- Average sales in most of the major sectors have flattened or declined since 1992, except for aquaculture, fisheries and residential construction/contracting trade.
- Over 25% of the jobs in Pacific County are in government, followed closely by manufacturing (23%) and retail trades (23%).
- The gap between Washington State's and Pacific County's per capita income is widening.
- The cost of living has stabilized, but is still greater than the standard increase in wages.

Much of the County's economy and employment is seasonal. Therefore, the size of these companies may vary greatly throughout the year. This seasonal employment cycle has a substantial impact on the county's economic vitality. Efforts are underway to diversify the economic base of Pacific County. The local Economic Development Council and the Chamber of Commerce are focusing their efforts and attention on business retention. In addition, tourism is being encouraged as an excellent provider of jobs. Expansion in the trade and services sectors is continuing. **Pacific County's natural resource based industries; lumber and wood products, seafood processing and cranberries, continue to be the economic mainstay of the area.** While these industries have declined over the years, they continue to be the major employers providing year-round jobs. The wood products sector has seen additional declines recently with lay-offs at the Weyerhaeuser Company facility in Raymond.

As the major shellfish production and processing center on the Washington coast, Pacific County's economy includes a substantial marine resources component. A strategic plan has been created to reestablish the salmon population that has diminished over the years. Dungeness crab, Pacific pink shrimp, albacore tuna, and bottomfish production are the major components of the commercial fishery, generating over \$25 million in personal income, and over 1000 jobs to the county's economy. Many fishermen also participate in the distant water fisheries in Alaska, adding an additional \$21 million in

county personal income contributions. Another blow to the commercial fishing industry has been the recent recommendation by the Pacific Fishery Management Council to “cut the Pacific Northwest whiting harvest for 2009 by 42 percent. The Council has cited a drastic drop off in spawning. This announcement may cut into the seasonal job market at Westport where much of the fish is processed.”¹⁰

The Economic Development Council, community colleges and Workforce Development Council are collaborating to address skilled labor shortages in the wood products and other industries. With the increase in available timber and technological advances in the milling process, a more highly skilled workforce is needed. This shortage of a technically skilled labor force is having a negative impact on all aspects of the manufacturing sector in Pacific County. Industry partners are exploring ways to address these shortages. To promote local economic development, Pacific County relies upon regional organizations. Sector development efforts continue. Pacific County **EDC** and **Grays Harbor College** are collaborating to train hospitality employees, and work continues on finding a solution to the environmental problem of crab and shrimp shell disposal. The **Port of Willapa** Harbor’s extensive planning work is creating several major developments. The cities and the ports continue to improve their infrastructures with street improvements, sewer upgrades and dredging to meet residential and business needs. The Public Utilities District continues to expand fiber into the county providing many businesses with high-speed communication access. New investments into the cities and county exceeded \$12 million.

There is growing evidence that Pacific county has improved its economic base through development of its infrastructure. Between 2001 and 2004, the local hospitals and the Port of Ilwaco expanded (see completed development projects chart). The town of Ilwaco was once a booming fishing community, but the downturn of the fishing industry in the 1990’s devastated Port revenues. In order to survive, the Port developed an Economic Development Strategy to create a thriving boat repair yard. This development plan was threatened by the Department of Ecology’s regulations regarding existing toxins. Toxic paints were being washed into the bay from the boatyard’s pressure wash system. Following discussions with the DOE, the Forest Service has provided funding for a closed loop system that filters the water. **Grays Harbor Community College** has built a new satellite campus in Ilwaco which was a \$1.1 million dollar project along with its satellite campus in Raymond. The expansion of services, organizations and industries throughout the county has provided increased economic growth and employment opportunities in Pacific County.

Completed Expansion and Development Projects:

- Willapa Harbor Hospital \$15 million dollars
- Ocean Beach Hospital Part of the above investment
- Shoalwater Tribe- Medical Center \$1.2 million
- Port of Ilwaco Ongoing Improvements
- Small Business Incubator Facility & Retail Strip Mall \$1,900,000
- Jessie’s Ilwaco Fish \$400,000
- Gray’s Harbor Community College-New Satellite Campus \$1.1 million

¹⁰ Daily World, March 11, 2009. http://www.thedailyworld.com/articles/220/03/11/local_news/05news.prt

The population of Pacific County is on the rise with approximately 21,500 year-round residents spread throughout small and diverse cities and towns including Chinook, Ilwaco, Seaview, Long Beach, Klipsan Beach, Ocean Park, Oysterville, Surfside, Nahcotta, Naselle, Bay Center, Menlo, Lebam, Tokeland, Grayland, South Bend and Raymond.

Population, Labor Force and Unemployment

- Pacific County's population was estimated to be 21,800 in 2008, up 200 from 2007 and up over 800 from the 2000 Census count of 20,984.
- Of the 2008 population total, 14,445 were counted as living in unincorporated areas of the county.
- The largest city in Pacific County is Raymond (3,005), followed by South Bend (1,770) and Long Beach (1,510). The fourth largest city in the county is Ilwaco, with a population of 1,070.

Age

- The largest age category in Pacific County's population was the 65+ year old grouping, which made up 5,030 or 22.9 percent of the 2008 population total.
- The next largest group was found in the 56-59 categories with 3,276 individuals or 14.9 percent of the 2008 population total..

Race and Ethnicity

- Pacific County was less diverse than the state or nation according to 2008 estimates, as 90.4 percent of the population were counted as White non-Hispanic.
- The largest minority grouping in the county were Hispanic origin of any race at 6.4 percent.
- The American Indian grouping was 2.5 percent, while the multi racial group made up 2.8 percent of the county's population.

Educational Attainment

- The 2000 Census shows far more adults 25 and over without high school diplomas for the county than for the state (21.1 percent versus 12.9 percent), and higher than the national average of 19.6 percent.
- While competing at the state and national level in the area of "some college," the county lags the state and nation in any of the degree attainment categories.

Labor Force and Unemployment

- The preliminary March 2009 unemployment information for Pacific County is not good. The preliminary March 2009 unemployment rate for the county is 13.7 percent. This compares

to a January 2009 unemployment rate of 12.3 percent and a February 2008 unemployment rate of 7.4 percent.

- The civilian labor force for Pacific County in February 2009 stands at 9,820 individuals. This compares to a labor force of 9,000 in February 2008. Significant lay-offs in Pacific County include:

Company	Lay-offs
Weyerhaeuser – Raymond	50
Anna Lena’s	7
Ocean View Convalescent	62
Seaport Lumber	35
Total	154

Industry Employment by Age and Sex

The Local Employment Dynamics (LED) database, a joint project of state employment departments and the Census Bureau, matches state employment data with federal administrative data. Among the products is industry employment by age and sex. All workers covered by state unemployment insurance data are included; federal workers and non-covered workers like self-employed are not. Data is presented by place of work, not place of residence. Some highlights include:

In the 3rd quarter of 2007, more women were at work (54.2 percent) than men (45.8 percent).

- The women held the vast majority of the jobs in health care and social assistance (85.0 percent) and finance and insurance (85.7 percent).
- Men cashed more paychecks in the fields of construction (83.1 percent) and transportation and warehousing (79.2 percent).

Wages and Income

In 2007, Pacific County averaged nearly 6,500 jobs covered by unemployment insurance with a payroll of \$176.3 million dollars.

- The county’s annual average wage was \$27,248, well below the state average of \$43,904. In 2006, the county ranked 37th in total covered wages.

Hourly Wages

In 2007 the county’s median hourly wage was \$14.85 short of the state average of \$18.65.

Personal and Per Capita Income

In 2006, personal income in Pacific County lagged both the state and the U.S. averages.

- Pacific County's average annual wage of \$25,604 was over \$12,000 dollars short of the state average of \$38,212 and more than \$10,000 dollars short of the U.S. total of \$36,714.

Household and Family Income

In 1999, Pacific County median household income was \$31,209, which again was behind the national (\$41,994) and state (\$45,776) averages.

In 1999, 14.4 percent of the county's population was living below the official poverty line. The statewide average was lower at 10.6 percent, while the national average stood at 12.4 percent.

Industry Detail

- Goods producing employment in the county accounted for 1,320 jobs in 2007, with 450 of those in the natural resources, mining, and construction sector and 870 counted in manufacturing employment. The construction grouping added only 20 jobs to payroll between 2006 and 2007. While that sector has done well in many other areas of the state, 2007 construction growth has pretty much bypassed Pacific County.
- The service providing sector of the economy accounted for 4,800 jobs in 2007, up from 4,750 in 2006. The government component accounted for 1,980 and all other services kicked in 1,800 more paychecks to the total. The all other services component of the local economy fell over the year, with the 2007 total 20 jobs short of the 2006 tally. The trade sector of the economy was flat between 2006 and 2007, with an annual average job total of 730.¹¹

Pacific County can be profiled in many ways. In order to more accurately target services and training opportunities, it is important to understand the demographic variations that impact the county's labor market. The following data presents a picture of the population, types of occupations, and economic prosperity of Pacific County. This information is presented through data that illuminates poverty rates, industry wages, household income by race/ethnicity and annual housing starts. While housing starts have recently seen a significant decline, the data available through 2006 allows us to look at the trends in home ownership.

Forecast. While the state and the nation have fallen on difficult times, Pacific County hit its bump in the road a little earlier. Between 2006 and 2007, the county saw nonfarm jobs decline by 30. The number of jobs lost between 2006 and 2007 certainly were not many, but the direction was the concern. While the county had posted slower job growth rates than the state, the fall into the negative territory was not unexpected, as residents of rural Washington started watching their wallets a bit earlier than the rest of us. The preliminary 2008 data show more of the same, as early counts show nonfarm wage and salary payrolls slipping by 100 jobs between 2007 and 2008. There is little doubt that these over-the-year job losses will continue throughout 2009, with the rate of loss increasing as we get further into this economic maelstrom. As spring 2010 arrives, we should – hopefully – see a return to a more normal economic environment.

¹¹ Pacific County Profile, www.workforceexplorer.com, March 2009.

Until then, look for the local economy to keep its cards to its vest and wait out the harsh economic climate.

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While the 2005-2006 period saw a slight increase in nonfarm jobs, the 2006-2007 timeframe, as stated earlier, did not. With the preliminary 2008 data available, a first glance shows that this trend will continue quite possibly into 2010.

The good news is that the early job losses between 2007 and 2008 are fairly small across the board, as goods-producing employment slid by 50 jobs and services-providing jobs lost 90 between 2007 and 2008. The concern is in the downward trend. With bad economic news coming out on an almost daily basis, the predictions can't be good, especially for many of the rural counties of the state. The construction slowdown around the state and nation has taken its toll on manufacturers that support that industry, and the outlook is hardly rosy for the housing industry and the construction sector in general.

Look for 2009 to be a down year, with unemployment rates rising into the double digits. The county last experienced double-digit unemployment in January 2003. In 1992-1994, the annual average unemployment rate was also in double-digits, so, while not new territory to the county, the impact can be significant. At this point, we will look back fondly on the 2006 annual average unemployment rate of 6.5 percent, knowing it was the lowest rate posted in the county.¹²

Pacific County can be profiled in many ways. In order to more accurately target services and training opportunities, it is important to understand the demographic variations that impact the county's labor market. The following data presents a picture of the population, types of occupations, and economic prosperity of Pacific County. This information is presented through data that illuminates poverty rates, industry wages, household income by race/ethnicity and annual housing starts. While housing starts have recently seen a significant decline, the data available through 2006 allows us to look at the trends in home ownership.

¹²Vleming, Jim, Regional Labor Economist, Pacific Mountain Consortium Labor Area Summary, February 2009. <http://www.workforceexplorer.com/article.asp?PAGEID=&SUBID=&ARTICLEID=9508&SEGMENTID=0>

Pacific County Industry Clusters

- Electronics/Computers
 - Wood Products

Industry Sectors

NAICS Sector	Estab.	Employees
Agriculture, Forestry, Fishing and Hunting	108	569
Mining	3	45
Utilities	*	*
Construction	80	242
Manufacturing	35	853
Wholesale Trade	18	29
Retail Trade	100	602
Transportation and Warehousing	18	43
Information	7	44
Finance and Insurance	21	182
Real Estate and Rental and Leasing	22	73
Services	31	83
Federal Government	6	71
State Government	17	287
Local Government	28	1,554
Not Elsewhere Classified	3	16

Source: Covered Employment & Wage Data, Annual Average 2007
 Washington State Employment Security Department
www.workforceexplorer.com

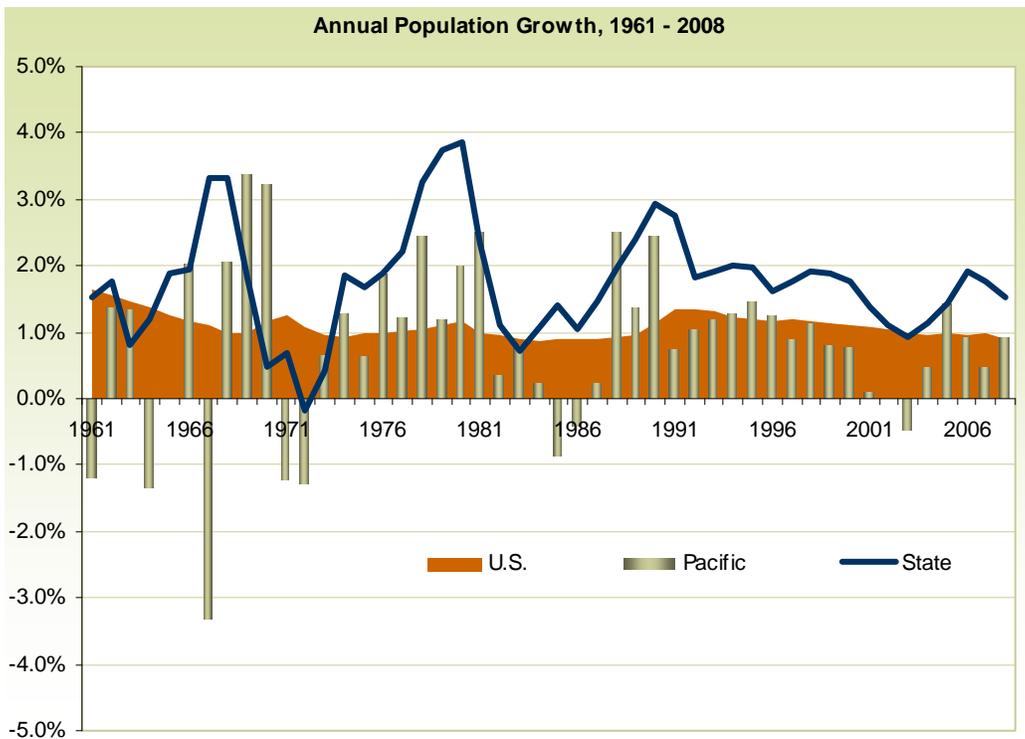
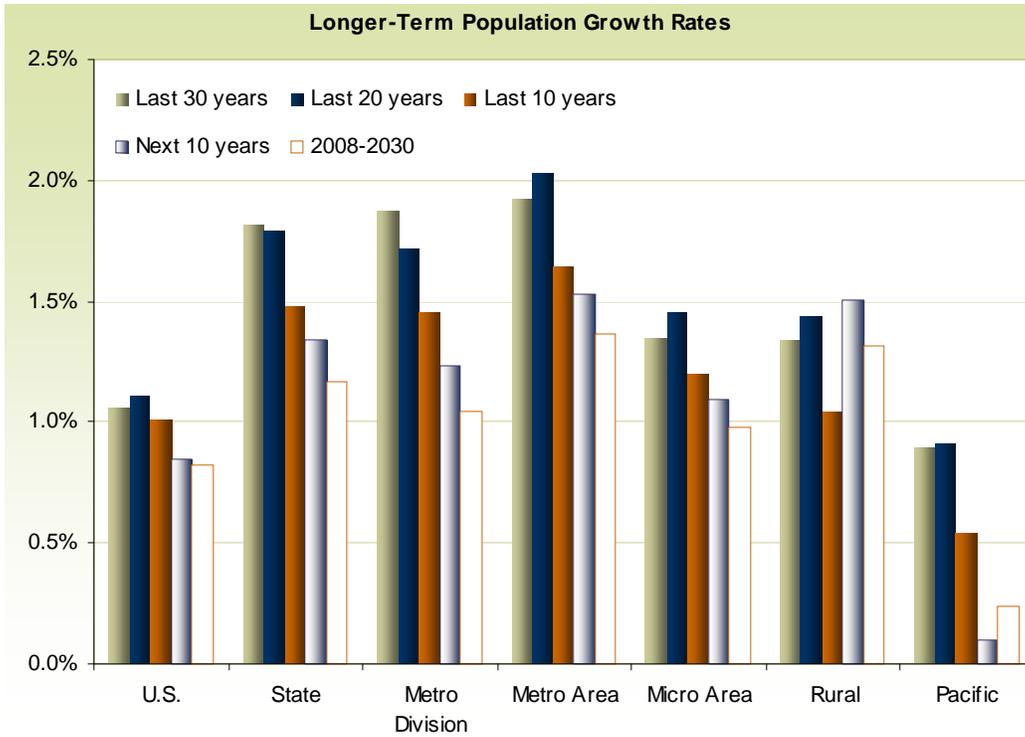
* Not shown to avoid disclosure of data for individual employer.

Pacific County Top Manufacturing Companies			
Company	City	Employees	Product/ Service
Bell Buoy Crab Company	Chinook	40	Marine
Top Financing/Insurance/Real Estate Companies			
Company	City	Employees	Product/ Service
Knutsen Insurance	Long Beach	27	Insurance
Lighthouse Realty	Long Beach	27	Real Estate
Powell & Seiler	South Bend	10	Accounting
Security State Bank	Raymond	27	Banking
ShoreBank Enterprise Cascadia	Ilwaco	25	Finance

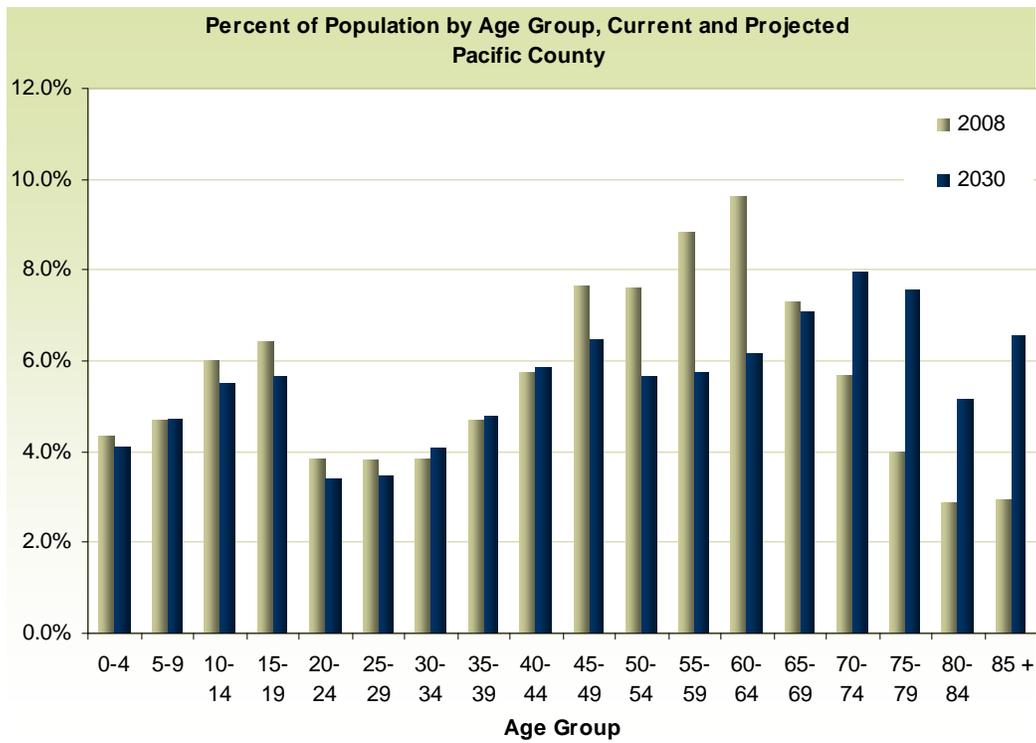
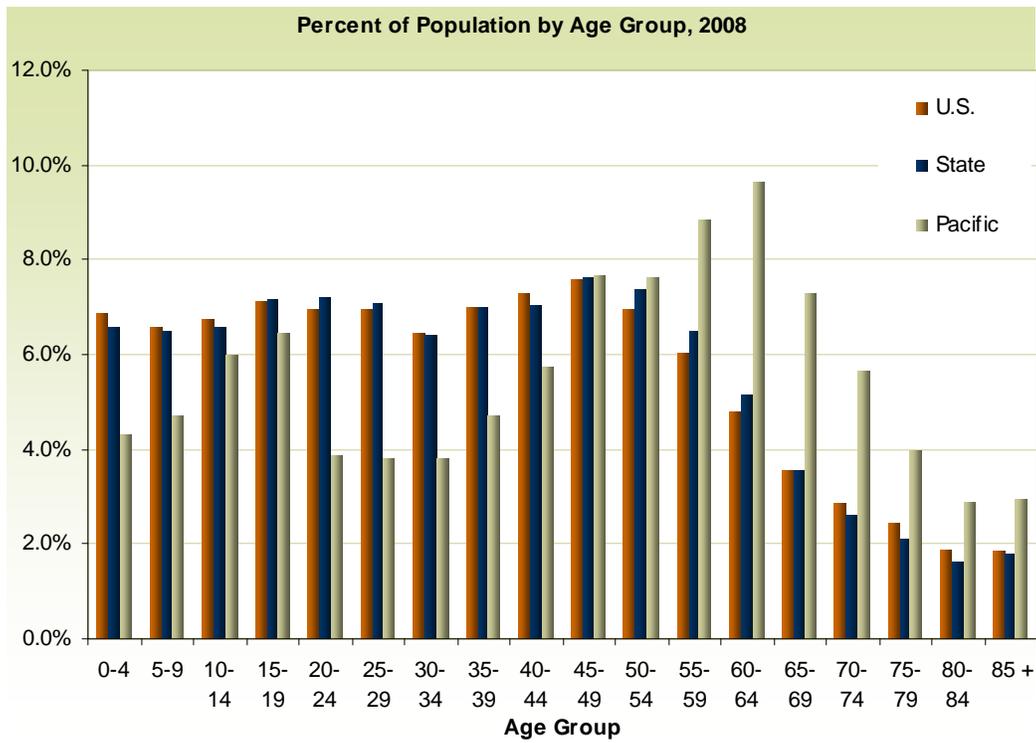
Top Companies (All Sectors)			
Company	City	Employees	Product/ Service
Coast Seafoods	South Bend	181	Marine
Dennis Company	Raymond	98	Retail
Jessie's Ilwaco Fish	Ilwaco	159	Marine
Naselle Youth Camp	Naselle	122	Judicial Service
Ocean Beach Hospital	Ilwaco	154	Healthcare
Pacific County	South Bend	210	Government
Raymond School District	Raymond	86	Education
South Bend School District	South Bend	101	Education
Weyerhaeuser Company	Raymond	193	Forest Products
Willapa Harbor Hospital	South Bend	112	Healthcare
Source: Pacific County EDC 2008			

Pacific County Representative Occupations				
Occupation	Employees	Entry	Exp.	Mean
		Wage	Wage	Wage
Accountants and Auditors	50	\$22.16	\$52.99	\$42.71
Customer Service Representatives	27	\$11.95	\$17.95	\$15.94
Financial Managers	19	\$23.60	\$46.45	\$38.83
First-Line Supervisors/Managers of Office & Administrative Support Workers	64	\$16.61	\$21.77	\$20.04
First-Line Supervisors/Managers of Production and Operating Workers	43	\$16.81	\$30.02	\$25.61
Industrial Truck and Tractor Operators	35	\$14.45	\$17.63	\$16.56
Laborers and Freight, Stock, and Material Movers, Hand	103	\$9.04	\$14.36	\$12.59
Maintenance and Repair Workers, General	84	\$13.31	\$19.99	\$17.76
Mechanical Engineers	0	\$0.00	\$0.00	\$0.00
Operating Engineers & Other Construction Equipment Operators	39	\$14.29	\$16.80	\$15.96
Packers and Packagers, Hand	32	\$8.87	\$12.20	\$11.09
Secretaries, Except Legal, Medical, and Executive	85	\$13.05	\$17.42	\$15.96
Shipping, Receiving, and Traffic Clerks	17	\$9.27	\$11.74	\$10.92

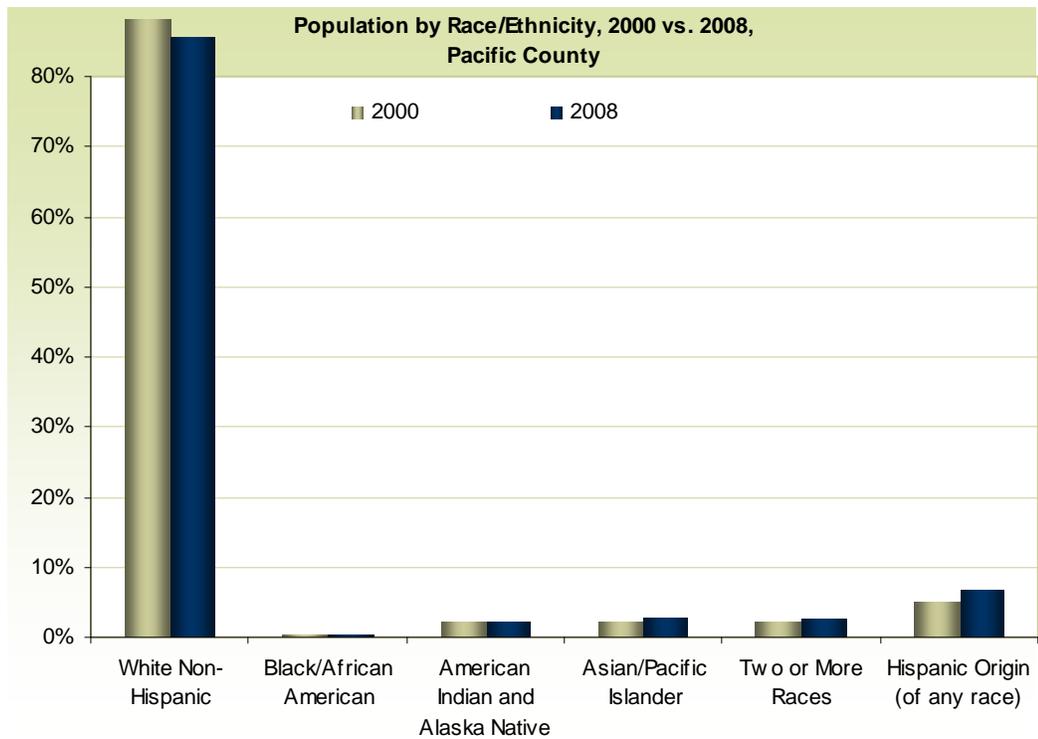
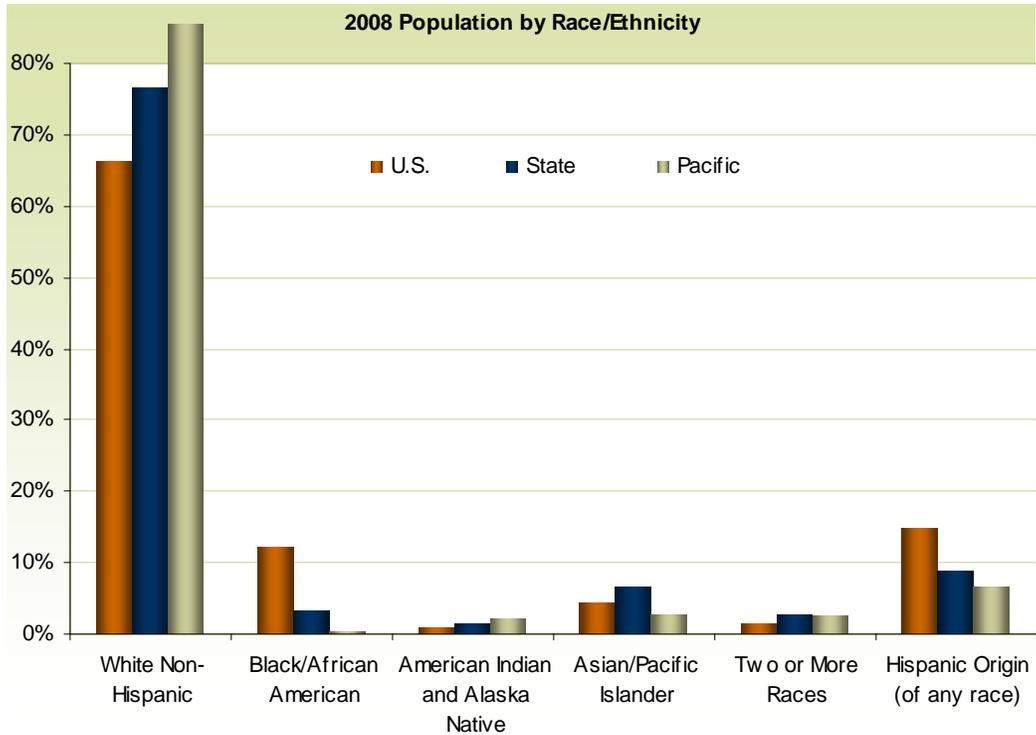
Source: Employment Security Department- www.workforceexplorer.com; Occupational Wage Data, 2008; 10 Year Occupational Employment Projections, 2004 – 2014



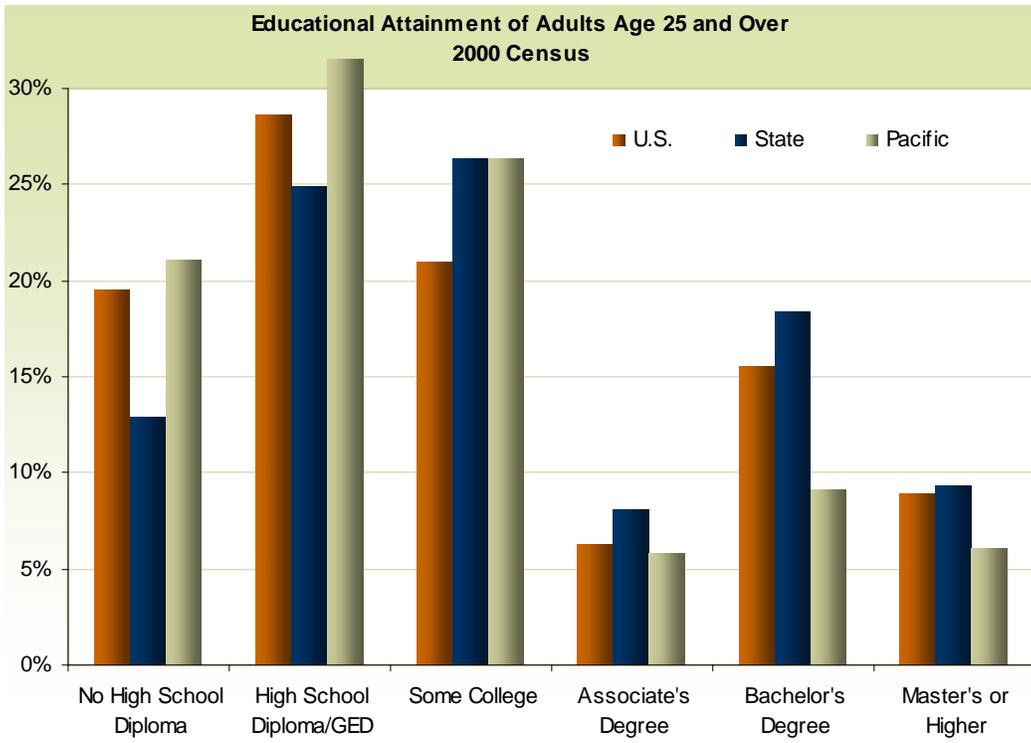
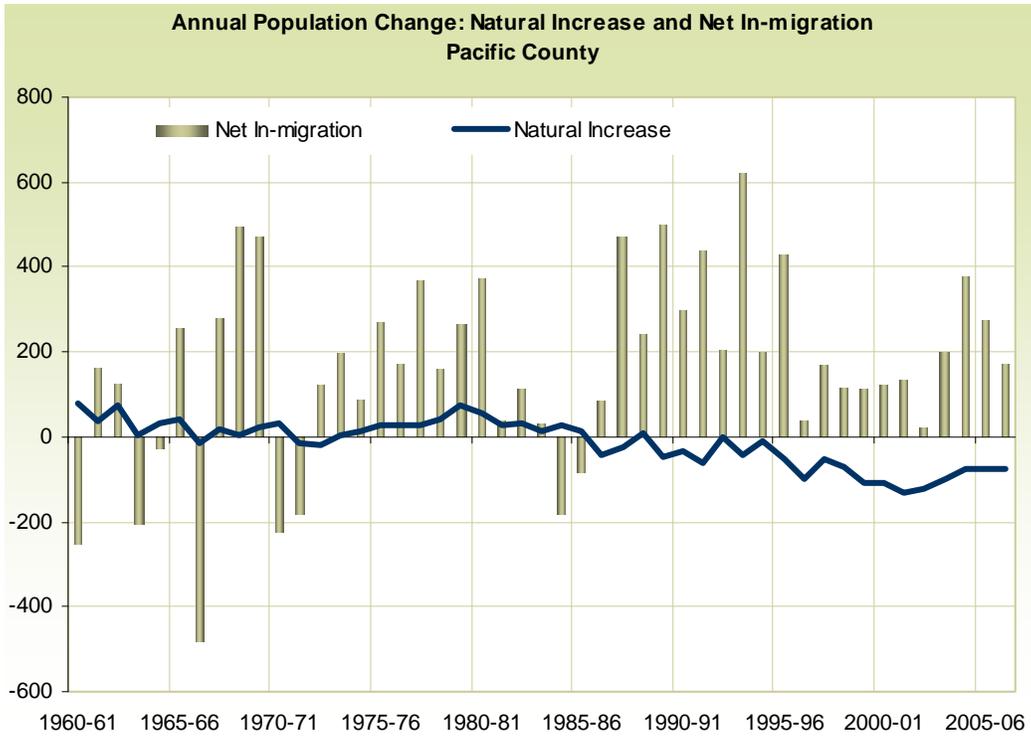
Source: Jim Vleming, Regional Labor Economist, Employment Security Department, LMEA, March 2009



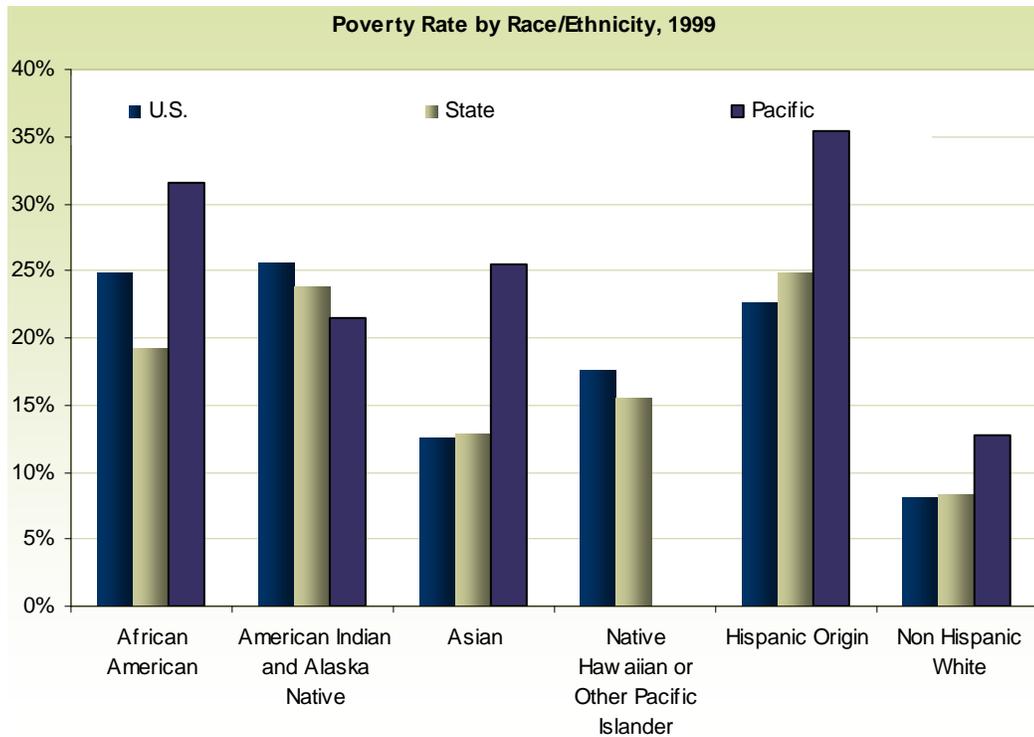
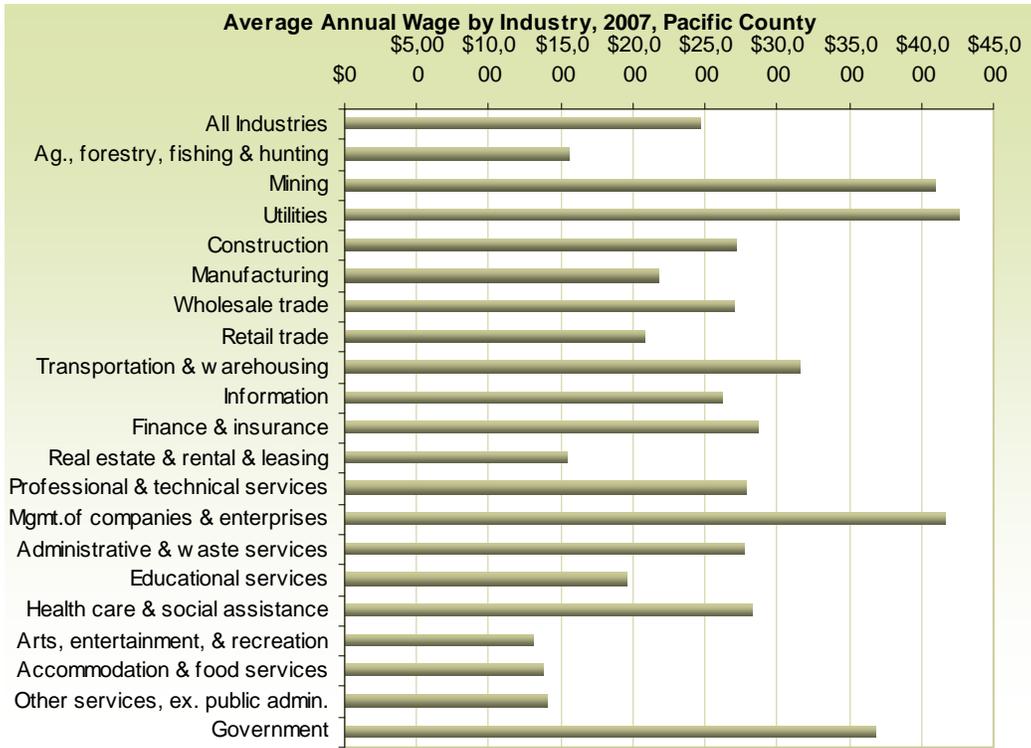
Source: Jim Vleming, Regional Labor Economist, Employment Security Department, LMEA, March 2009



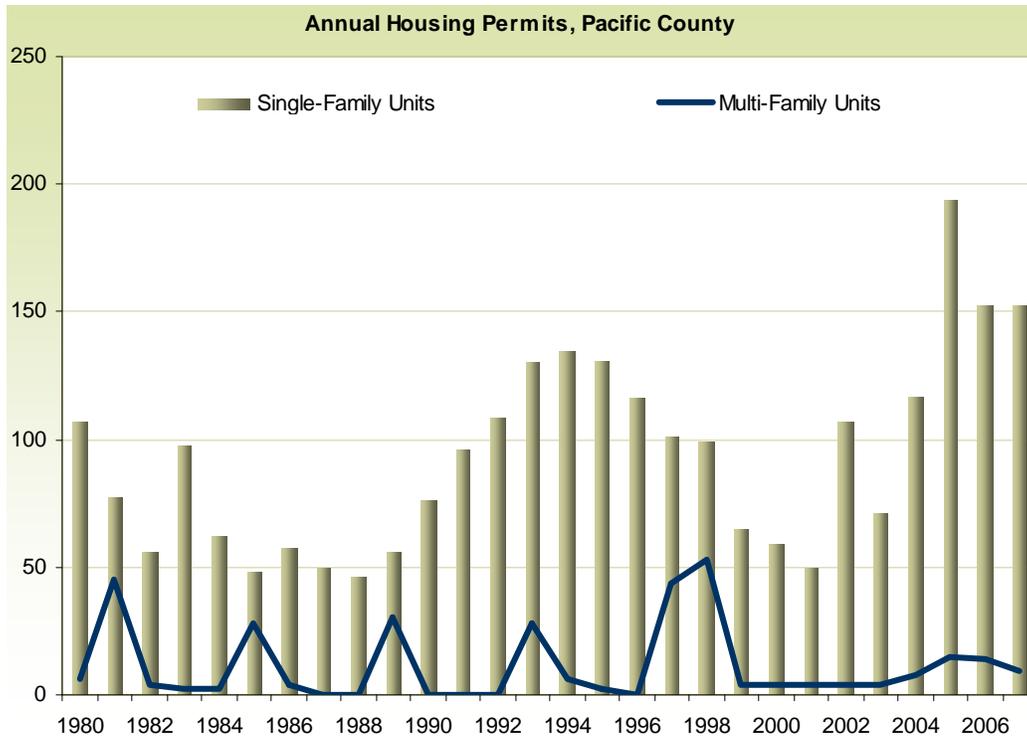
Source: Jim Vleming, Regional Labor Economist, Employment Security Department, LMEA, March 2009



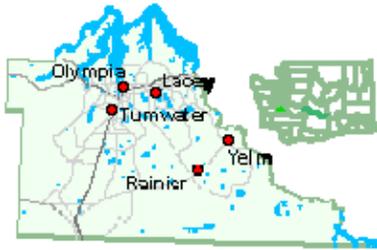
Source: Jim Vleming, Regional Labor Economist, Employment Security Department, LMEA, March 2009



Source: Jim Vleming, Regional Labor Economist, Employment Security Department, LMEA, March 2009



Source: Jim Vleming, Regional Labor Economist, Employment Security Department, LMEA, March 2009



Thurston County Labor Area Summary

Thurston County Overview — State government will likely remain the primary employer in Thurston County. This sector generates an abundance of jobs and with above average incomes. In fact, one of the strong areas of business activity centers on the government’s legislative process. State government accounts for nearly 45 percent of the county workforce within both the private and the public sectors. This impact ripples far beyond the confines of the capitol campus. State government workers and their families are largely responsible for generating the consumer demand that has promoted correspondingly strong growth in the county’s retail and service sectors.

The March 2009 the preliminary unemployment rate for Thurston County was 8.3 percent, the lowest in the workforce development area. This compares to 7.5 percent unemployment in January 2009 and 4.9 percent unemployment in February 2008. The March 2009 detail shows 135,580 county residents at work as 11,260 actively pursued job opportunities. As of March 2009, the statewide unemployment rate has grown to 9.2 percent.

Thurston County continues to be insulated from the high unemployment rates due to state and local government employment. This is not to say that Thurston County is immune to impacts resulting from the recession. State employment projections have estimated that up to 9,000 state workers will lose their jobs over the next biennium. Thurston County, as well as other municipalities will continue to downsize their workforce due to budget shortfalls.

According to the February 2009 Thurston Economic Development Council update, “the development of south Thurston County in general and Grand Mound in particular has contributed to the overall prosperity in the county. The ability for the Grand Mound area to grow over the next 20 years was made possible with Thurston County’s recent purchase of water rights from the Port of Centralia and Hamilton Farms at a cost of just over \$1 million.

The opportunity to purchase and transfer the inactive rights, and convert them to municipal use became available after the agricultural uses for which they were originally issued were discontinued. The agreement allows for controlled growth in Grand Mound and a “green” approach to the water usage. That approach is what accelerated the agreement.

The secured water rights are anticipated to meet the predicted residential development in the Grand Mound area over the next 20 years. Grand Mound’s population is projected to more than double by 2030.¹³

State government is the largest source of employment in Thurston County accounting for over 23,000 full and part-time jobs. State worksites have experienced consolidations and shifts in location over the past several years. In absolute numbers of growth and decline by jurisdiction, Lacey has seen an increase of 36 percent, Olympia has experienced a 2 percent decline and Tumwater has experienced a 46 percent increase.



Source: LMEA, March 2009

These changes in siting for the largest employer in the region result in mobility impacts for many employees and potential employees. State agency worksites located on the Capitol Campus and other areas in the urban core enjoy a high level of transit frequency. These areas are also supported by multi-modal facilities, such as sidewalks and bike lanes, broadening mobility options. When state employment chooses to move to the fringes of the urban cores; transit frequency and multi-modal amenities will decrease. Local government, including school districts, is the second largest employer. The same transportation issues that arise from siting of state employment away from the urban core apply to the remote placement of school districts.

The November 2008 edition of the Thurston County Profile published by the Thurston Regional Planning Council notes that, “In addition to state government, local and tribal governments and public school districts are also major employers in the county. The Chehalis Tribal government and enterprises provide employment for over 1,300 people. In addition to tribal government, tribally-owned enterprises including the Lucky Eagle Casino, Chehalis Tribal Construction, Saxas Construction LLC and Eagles Landing Hotel employ about 600 people. A 40,000 square foot addition to the Lucky Eagle Casino opened in August 2008. The Tribe’s 400,000 square foot Great Wolf Lodge Resort and Conference Center opened in March 2008 in Grand Mound and employs over 600 people. Great Wolf Lodge also features a 78,000 square foot indoor water park.”¹⁴

¹³ EDC Update Thurston County, February 2009.

¹⁴ The Profile, Thurston County Regional Planning Council, November 2008.

The Nisqually Tribe employs approximately 225 people in tribal government and community services, and total employment has reached approximately 900, with 675 employed at Red Wing Casino, which expanded in December 2004.¹⁵

It is also important to recognize the role small businesses play in the County. When taking a look at the County as a whole, 9 firms (including state departments) employ over 1,000 workers each, accounting for 15 percent of employment in the County. The majority of firms, 78 percent, employ less than 10 workers, accounting for 14 percent of the workforce.¹⁶

The largest private employer is **Providence St. Peter Hospital**, employing an estimated 2,400 workers. **Group Health Cooperative** and the **Columbia Capital Medical Center** are also among the top ten employers in Thurston County. Although these facilities are located close to urban centers and have decent transit service, the 24/7 operations supports the need for commuting alternatives.

Not only is state government an important employer in Thurston County, there are also an abundance of local, regional and federal employers located in Thurston County. **Fort Lewis**, home of the **Army's I Corps**, is located just minutes north of Thurston County and is the most requested assignment of active duty members.

In 2005 the Base Realignment and Closure Commission made recommendations to Congress on base closures and consolidations. McChord Air Force Base and Fort Lewis were among the bases slated for realignment. In January 2010, Joint Base Lewis McChord is scheduled to begin formal operations. McChord is among three Air Mobility Command bases undergoing transition as a result of the BRAC recommendations. The McChord and Fort Lewis facilities share a common boundary and were recommended for joint basing to create operational efficiencies and reduce costs to taxpayers. According to the 446th Airlift Wing Public Affairs Office, "In 2010, Joint Base Lewis-McChord will support 101,000 military personnel, 14,500 civilian and contract workers, cover 414,000 acres, and hold 22,842,000 square feet of work facilities."¹⁷

Additionally, the **Navy**, **National Guard** and **Coast Guard** all have military bases within commuting distance. Many military families choose to make their homes in Thurston County. While husbands and wives are serving at Fort Lewis their families including spouses and older children contribute to the local economy both as civilian employees and consumers of services and products.

Currently, one in four workers commutes outside the region to work. These outbound commuters are projected to represent an even higher percentage of the labor force by 2025. Outbound commuters are expected to grow from 26 percent of the civilian labor force in 2005 to 34 percent by 2030. The reasons for this outbound commute are largely driven by the availability of jobs and income potential. Thurston County's job market pales in comparison to the volume of work and higher compensation available in King County and other communities to the north.

¹⁵ Ibid.

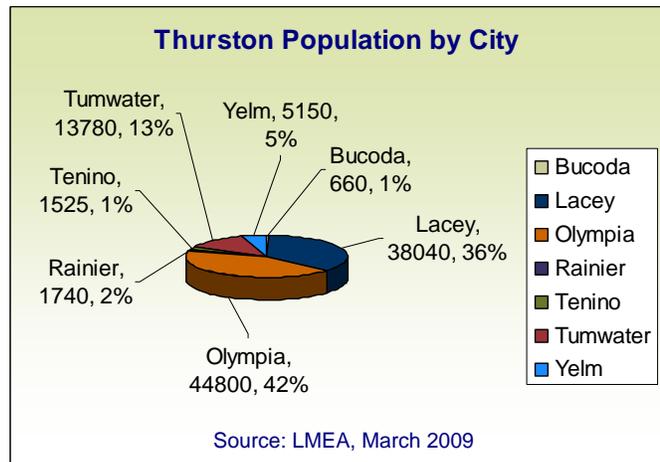
¹⁶ Ibid.

¹⁷ Pishner, Sandra, 446th Airlift Wing Public Affairs Office, September 10, 2008.

<http://www.446aw.afrc.af.mil/news/story.asp?id=123114605>

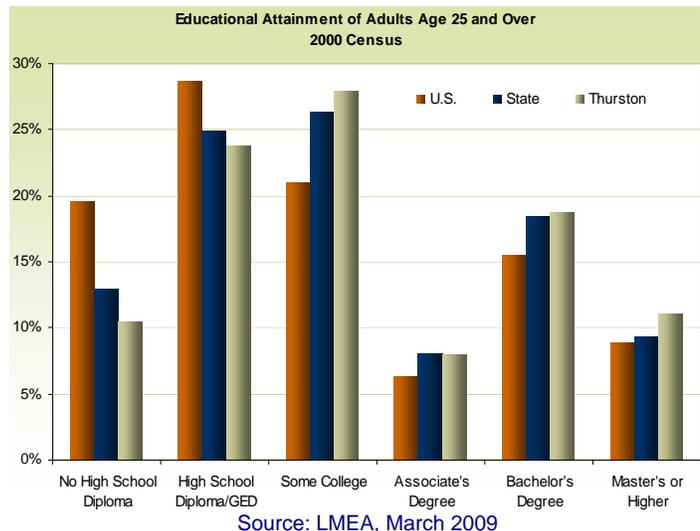
Most people are also traveling increased distances for jobs and other destinations. Daily vehicle miles traveled per driver is forecasted to increase to 38 miles per day by 2025. More travel and more miles also equate to more automobiles. In 2000, 24 percent, or one in four Thurston County households owned three or more vehicles. However, in the rural communities and among low-income families, vehicle ownership is more of a challenge, with 10.3 percent of Yelm's population and 12 percent of residents of the **Nisqually Indian Reservation** reporting in the 2000 Census that no vehicles are available.

Thurston County is home to more than 245,300 residents (2008). It is projected that over 256,000 residents will live in the county by 2010. The majority of residents live in the more urban north county areas in and around the cities of Lacey, Olympia, and Tumwater. Thurston County is among the fastest growing counties in the Pacific Northwest. The County provides excellent educational opportunities and access to transportation corridors. These factors make Thurston County a top choice for those looking to relocate their families and businesses. Between 2005 and 2006,



Thurston County experienced a 3.1 % growth rate. The population growth has little to do with increased birth rates. Instead, the majority of the County's population increase has been due to the migration of people into the county. This continued in-migration is the result of what has been a relatively stable economy and desirable quality of life.

Olympia's workforce surpasses much of the nation in educational attainment. Of adults aged 25 years or older in 2000, 91.6 percent of Olympia's residents had obtained a high school diploma, compared to the national average of 80.4 percent. That discrepancy is even greater in terms of college education, with 40.3 percent of Olympia's residents earning a bachelor's degree or higher, while only 24.4 percent did so across the United States as a whole. As this trend continues throughout 2007, four year degree and graduate programs are becoming more readily available to



Thurston County residents. Phoenix University offers a variety of degree, certificate and professional development programs in an online learning format. Chapman University, a 145 year old liberal arts and professional training university has established a branch campus at Hawks Prairie. The branch campus offers a variety of graduate degree programs including Human Resource Management, Organizational Leadership and Health Care Administration.

The Port of Olympia is another base of economic stimulus in Thurston County. The Port operates four dependent enterprises: Swantown Marina & Boatworks, the Marine Terminal, the Olympia Regional Airport and a Real Estate division. The Port is also the site of Foreign Trade Zone #216, an area where foreign goods bound for international destinations can be temporarily stored without incurring an import duty. In 2007, overall Port revenues increased over 2006 due to almost full occupancy at Swantown Marina, new business at Swantown Boatworks, an increase in the number and value of real estate leases, and an increase in activity at the Marine Terminal. In 2008, budgeted revenues are forecast to exceed 2007, while operating expenses are budgeted to be slightly lower than 2007.¹⁸ Additionally, the Port of Olympia owns and operates Olympia Regional Airport, a general aviation-transport facility for corporate, commercial, and recreational users.

Two words best describe the business climate found in Thurston County's economy: Emerging Opportunity. In part, this is due to the county's strategic location at the mid-point between the major metropolitan areas of the central Puget Sound to the north, and Portland, Oregon to the south. Within the last three years, the Puget Sound region has awakened to the incredible opportunity in Thurston County. The county's infrastructure provides services and access throughout the entire state, and ultimately the west coast of the United States. Our region's major north-south artery, Interstate 5, traverses the entire county offering access points to vibrant communities, emerging industrial and commercial business parks, and access to the state's major recreational opportunities.

Thurston County has experienced growth in its population, skilled workforce and economic development. Thurston County's workforce has grown to 136,730 as of February 2009. This compares to a 2004 workforce of 120,592 jobs and a February 2008 workforce of 131,290. This is a 9.6 percent increase in the workforce in one year.

In the last several years, the county has noticed a dramatic shift in the regional diversification of its workforce. Professional services rank as one of the leading components of the county's industry. These services incorporate technical Internet and web design firms, and legal and consultant companies. Other strong elements include:

- Warehouse and distribution businesses taking advantage of the excellent transportation links
- Medical services providing emergency and maintenance health care for the surrounding five-county region
- Traditional manufacturing captures a significant piece of their specific global market
- An emerging life sciences community growing in the region within the last five years

Labor force projections, completed by the **Thurston Regional Planning Council** as a part of the regional population forecast, project an increase in the resident civilian labor force in Thurston County of 57 percent between 2005 and 2030. A portion of the employment needed to accommodate this increase is expected to be in Thurston County, with a projected 52 percent

¹⁸ Port of Olympia, 2008 Report to the Community.

increase in the number of local jobs available during this 25 year period. It is also anticipated that the trend in net outbound commuters will continue during this time.

The manufacturing sector has been in decline in recent years and currently represents less than 3.5 % of the Thurston County workforce.

One advantage that Thurston County retains, however, is a comprehensive education system. No other county in the South Puget Sound region can match the primary, secondary and post-secondary system available for talent development currently operating in Thurston County. Though a fair degree of labor will continue to be mobile, the local presence of a skilled and educated labor force reduces the cost of doing business.

Compared to other regions in the state, Olympia and Thurston County are home to a relatively small number of technology companies. To attract these high wage industries, economic development officials promoted the area's telecommunication infrastructure, low property price, and educated workforce.

The health of Thurston County's economy is reflected in part by the success of these businesses:

- **Univera**, a biotechnology company making wellness products from the aloe plant employs over 100 individuals. An estimated investment of \$18 million was made to expand their operation.
- **Calisons Mint** located their corporate headquarters and plant consolidation facility in the Hawks Prairie area of Lacey. This represents an estimated investment of \$24 million.
- **Target** will construct a 328,000 foot expansion to their existing warehouse.
- **Lumbermans** will locate their division headquarters in the Hawks Prairie area.
- A new retail development on Marvin Road contains 400,000 square feet of retail space including a Home Depot and Costco store.
- **South Puget Sound Community College** has capital construction projects underway with a 62,000 square foot facility to house Humanities and General Education programs.
- **Providence St. Peter Hospital** completed a new emergency facility as well as a 100,000 square foot expansion of the hospital.
- **Cabela's** built and opened a 185,000 square foot retail facility in Lacey.
- **Red Wing Casino** has renovated its facilities for \$31 million.
- The **Westfield Shoppingtown/Capitol Mall** has undergone expansion.
- **State Government** has invested \$35+ million in Office Buildings totaling 60,000 square feet.
- In 2008 the **Chehalis Tribe** and **Great Wolf Resort** joined together to build a new \$100 million hotel in Grand Mound that features an indoor waterpark and conference center.

These, in addition to many other office and retail developments and expansions, indicate that business is improving in Thurston County. The entire county is transforming as it continues to

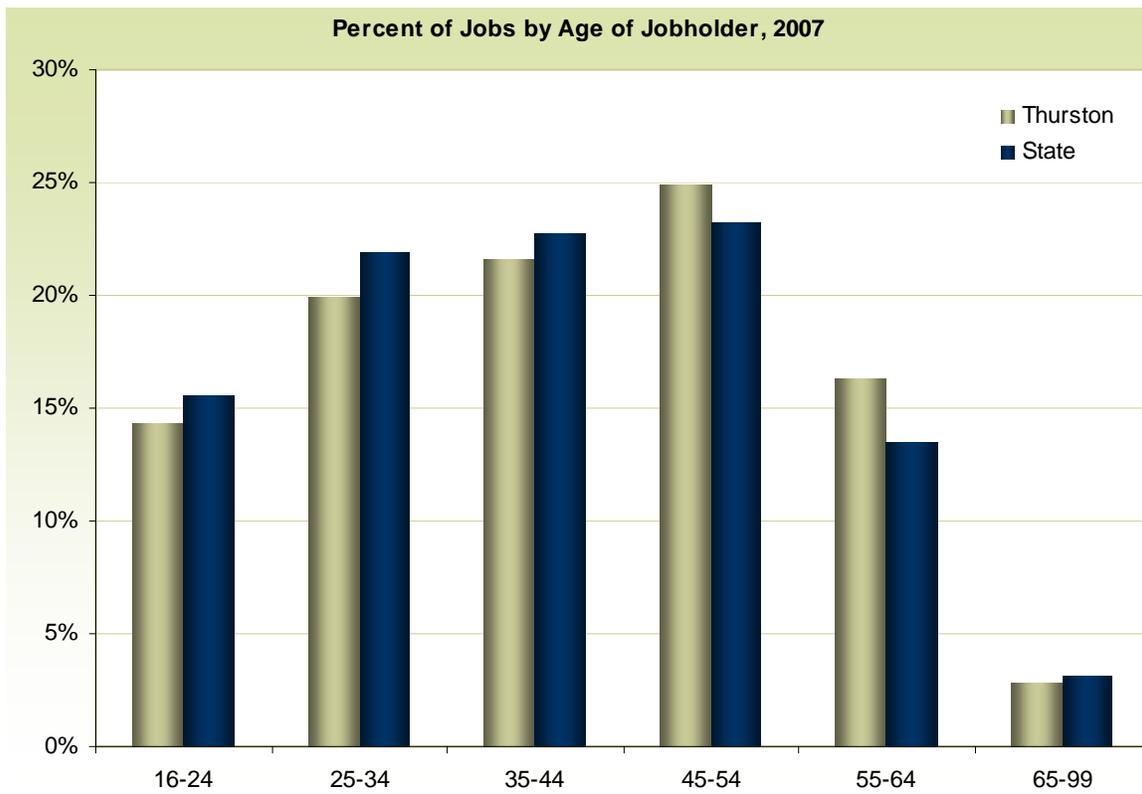
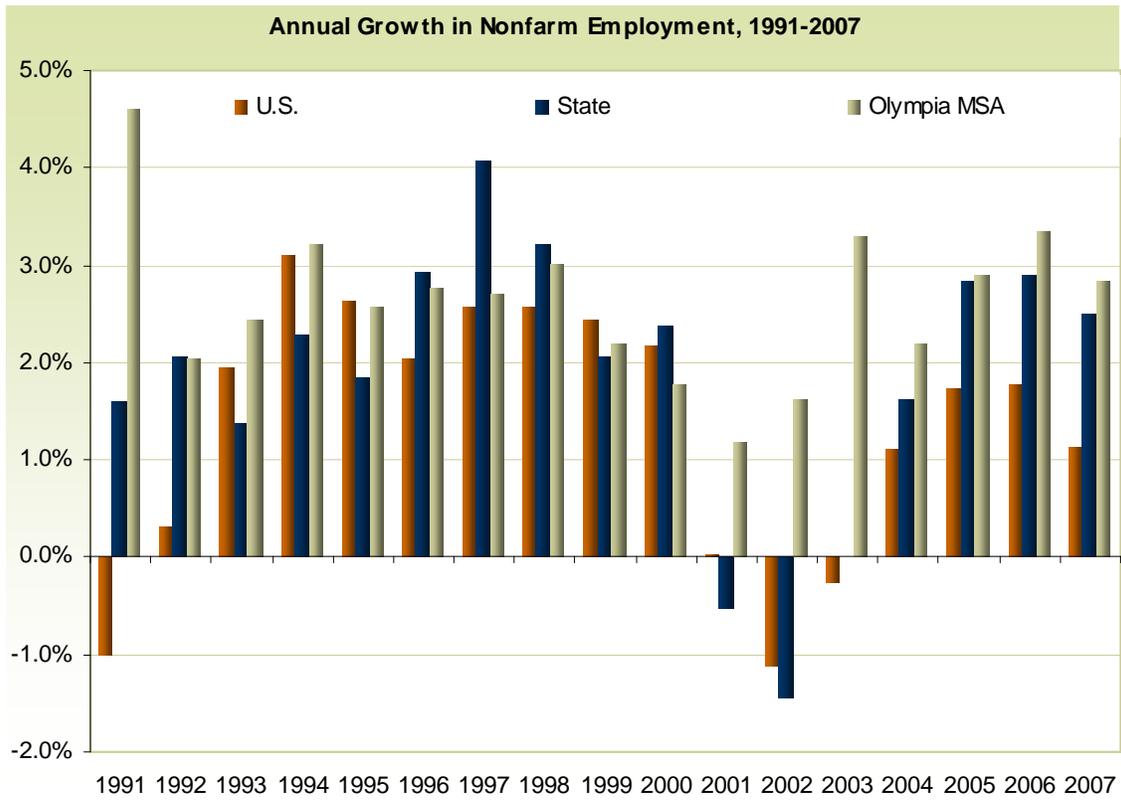
grow and communities develop. While undergoing this change, each of the communities has proactively managed growth to ensure and maintain an excellent place to work and live. Thurston County is the Pacific Mountain Workforce Development Area's most significant benefactor with its vital, growing and diverse economic infrastructure. Through the past decade Thurston County has continued to create a stabilizing influence and employment opportunities in a region where other counties and communities have been experiencing high rates of unemployment.

Thurston County can be profiled in many ways. In order to more accurately target services and training opportunities, it is important to understand the demographic variations that impact the county's labor market. The following data presents a picture of the population, types of occupations, and economic prosperity of Thurston County. This information is presented through data that illuminates poverty rates, industry wages, household income by race/ethnicity and annual housing starts. While housing starts have recently seen a significant decline, the data available through 2006 allows us to look at the trends in home ownership.

Thurston County Representative Occupations

Occupation	Employees	Entry	Exp.	Mean
		Wage	Wage	Wage
Accountants and Auditors	885	\$21.51	\$32.95	\$29.14
Administrative Services Managers	147	\$38.40	\$50.33	\$46.35
Computer Programmers	130	\$24.27	\$38.02	\$33.44
Computer Software Engineers, Applications	2,028	\$26.78	\$33.76	\$31.44
Computer Software Engineers, Systems Software	570	\$34.26	\$40.87	\$38.66
Computer Support Specialists	576	\$16.55	\$23.18	\$20.97
Executive Secretaries and Administrative Assistants	1,183	\$18.02	\$26.83	\$23.89
Financial Managers	304	\$34.45	\$46.64	\$42.58
First-Line Supervisors/Managers of Office & Administrative Support Workers	1,063	\$16.65	\$27.13	\$23.64
First-Line Supervisors/Managers of Production and Operating Workers	196	\$17.83	\$29.25	\$25.44
Industrial Truck and Tractor Operators	450	\$11.10	\$17.26	\$15.21
Laborers and Freight, Stock, and Material Movers, Hand	1,159	\$9.28	\$14.22	\$12.58
Machinists	54	\$13.54	\$18.15	\$16.62
Maintenance and Repair Workers, General	850	\$12.60	\$20.31	\$17.74
Mechanical Engineers	39	\$27.63	\$43.47	\$38.19
Packers and Packagers, Hand	358	\$8.62	\$11.23	\$10.36
Secretaries, Except Legal, Medical, and Executive	1,554	\$14.18	\$18.57	\$17.11
Shipping, Receiving, and Traffic Clerks	244	\$9.94	\$15.46	\$13.62

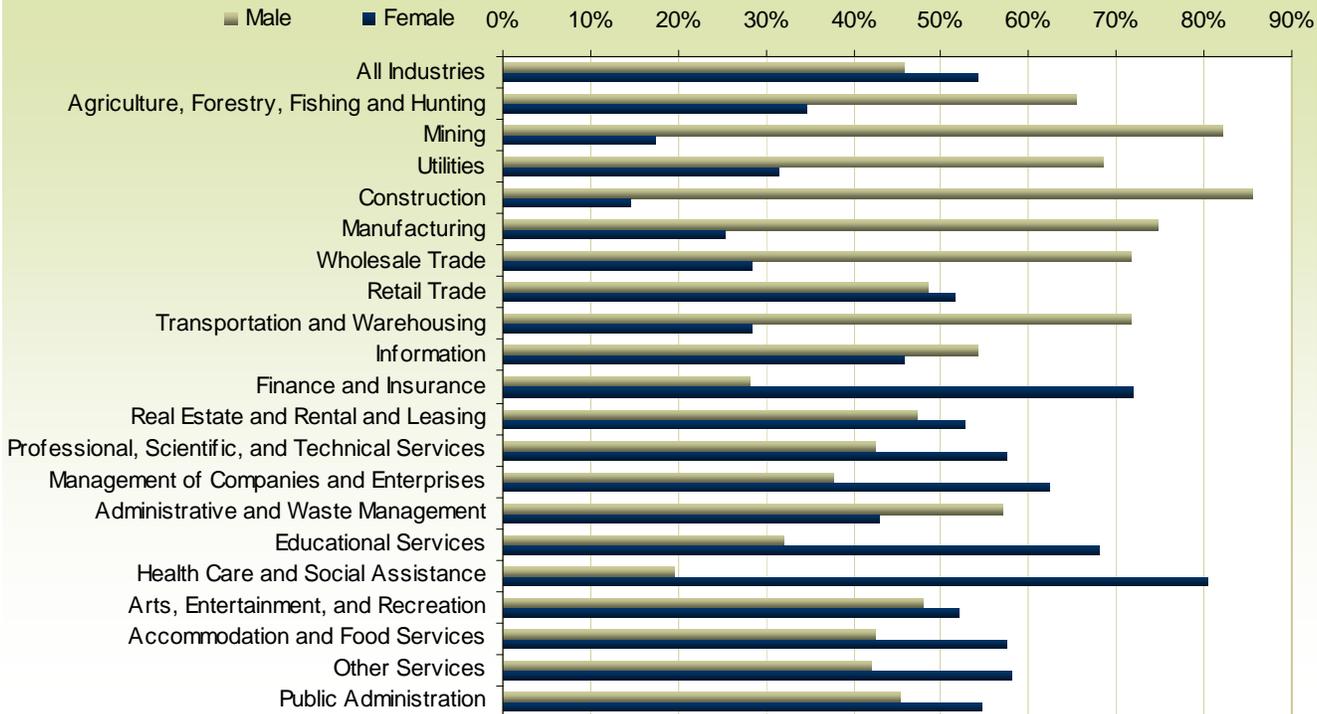
Source: Employment Security Department- www.workforceexplorer.com; Occupational Wage Data, 2008; 10 Year Occupational Employment Projections, 2004 – 2014.



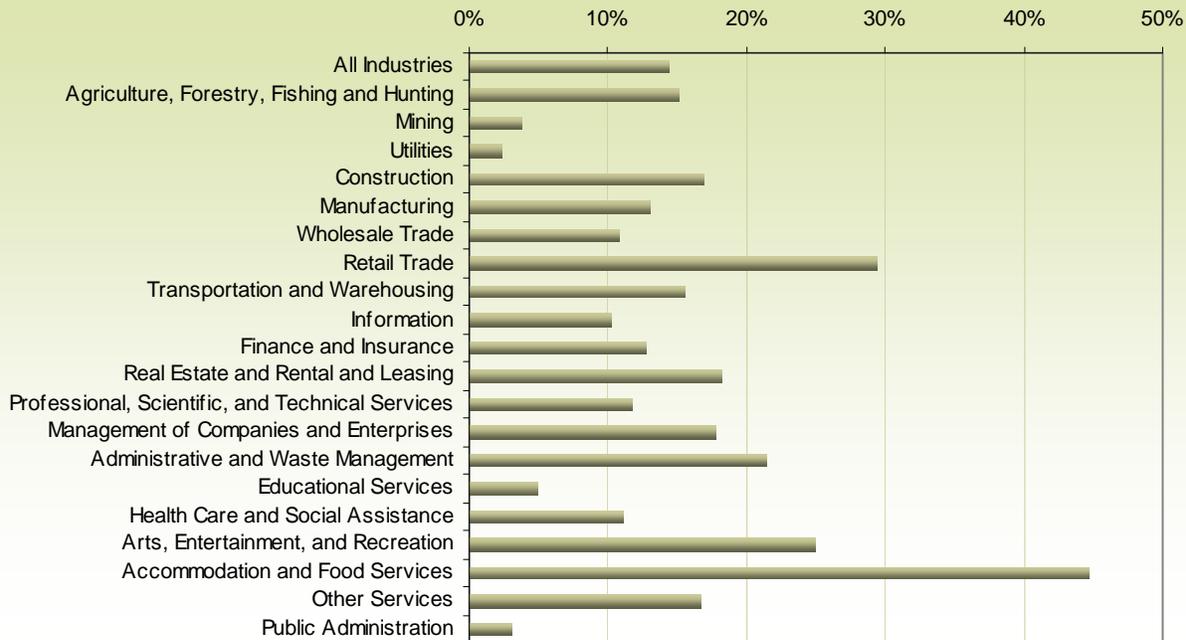
Source: Jim Vleming, Regional Labor Economist, Employment Security Department, LMEA, March 2009

Percent of Industry Jobs by Sex, Thurston County

2007

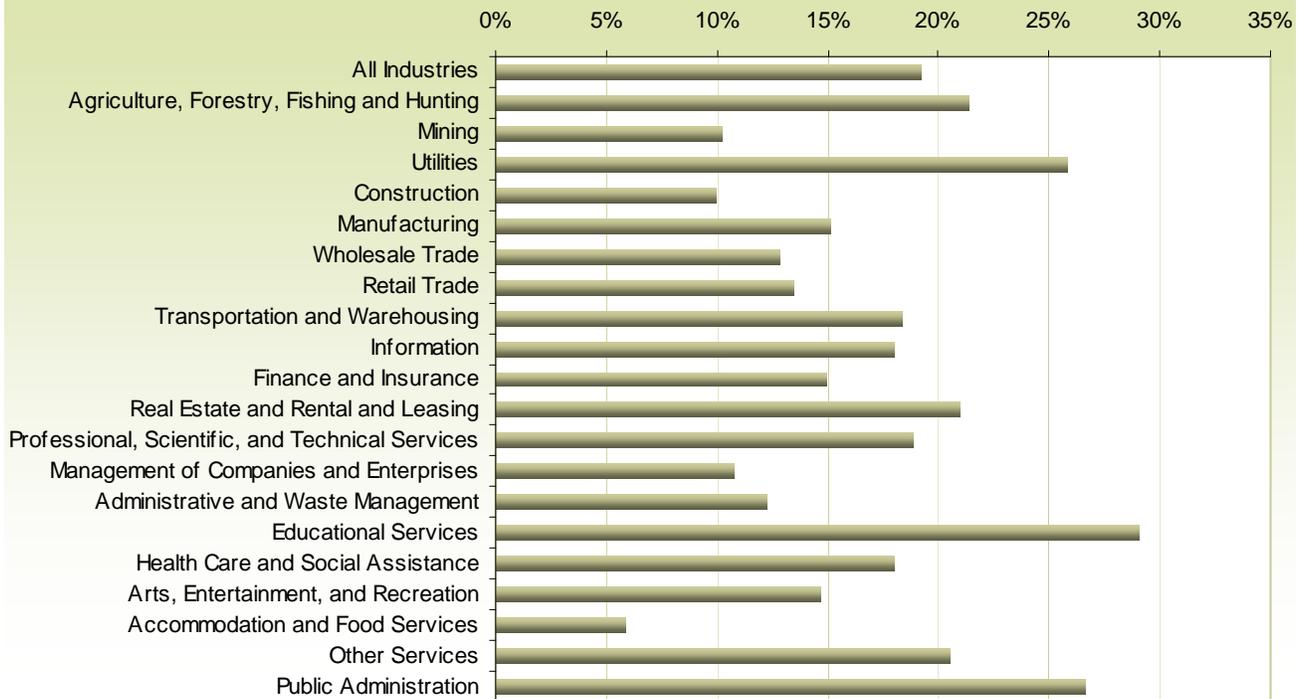


**Percent of Jobs Held by Workers Age 16-24
Thurston County, 2007**



Source: Jim Vleming, Regional Labor Economist, Employment Security Department, LMEA, March 2009

**Percent of Jobs Held by Workers Age 55+
Thurston County, 2007**



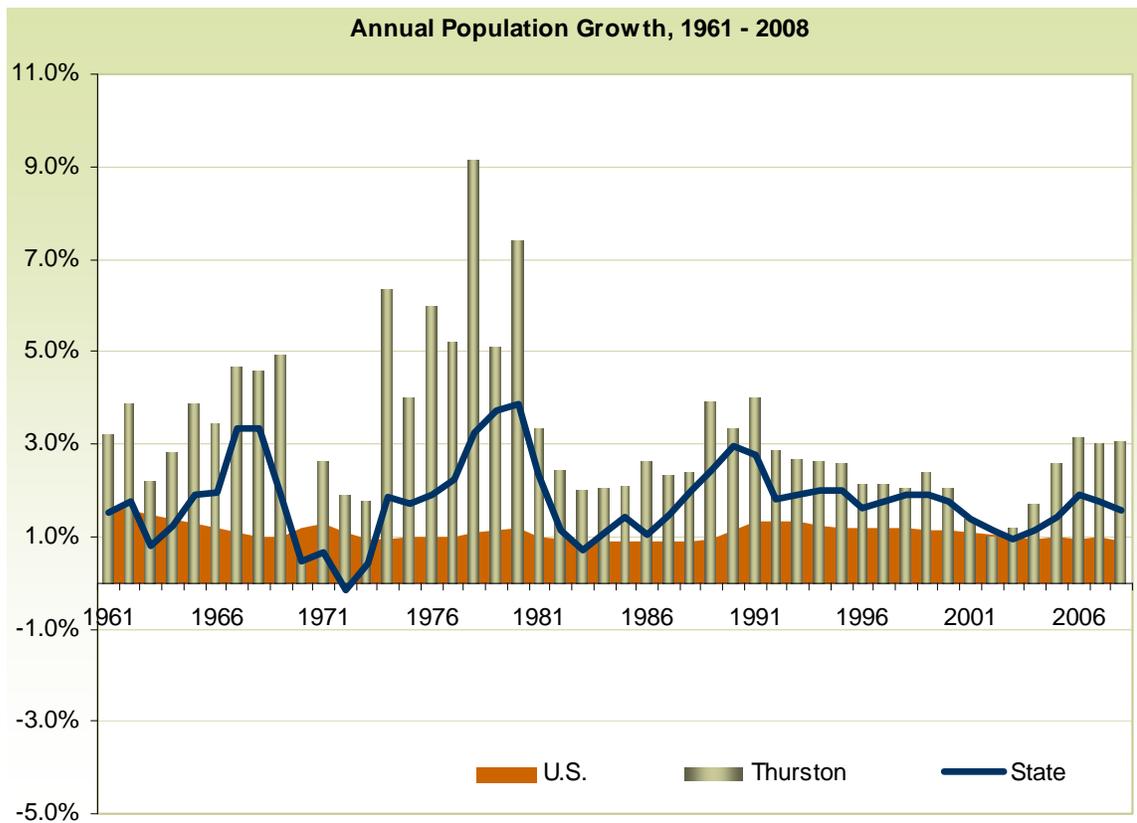
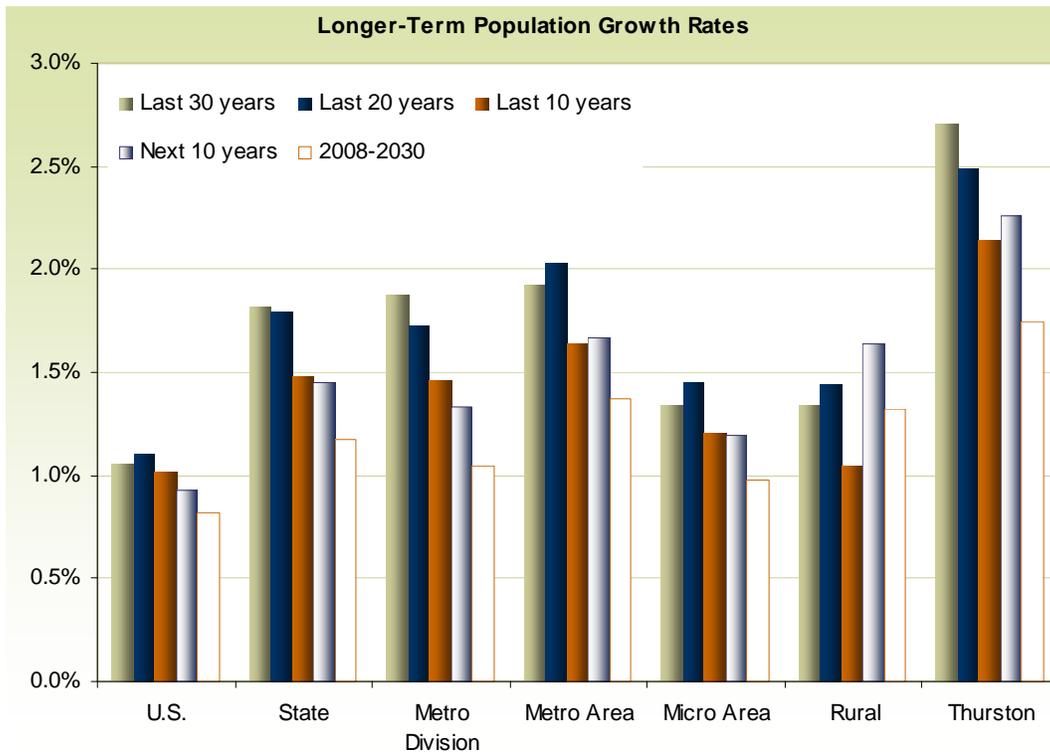
Source: Jim Vleming, Regional Labor Economist, Employment Security Department, LMEA, March 2009

Nonagricultural Wage and Salary Employment Estimates
2nd Quarter 2007 and Projected 2nd Quarter 2009
Thurston, June 2008

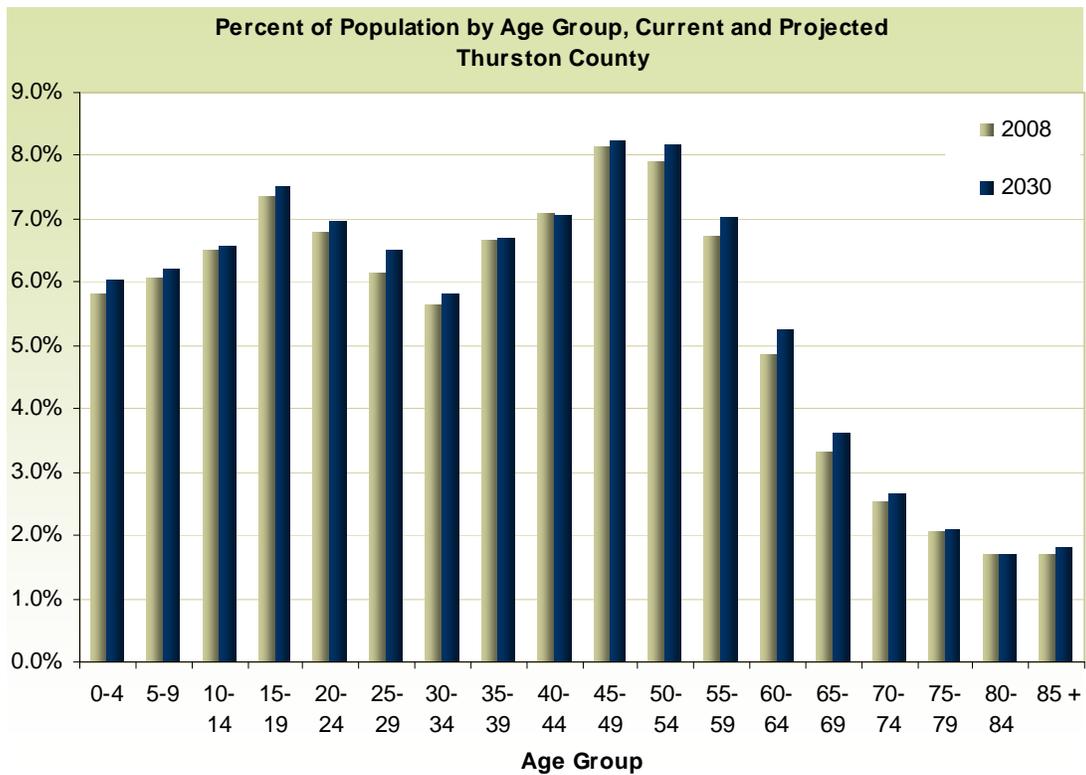
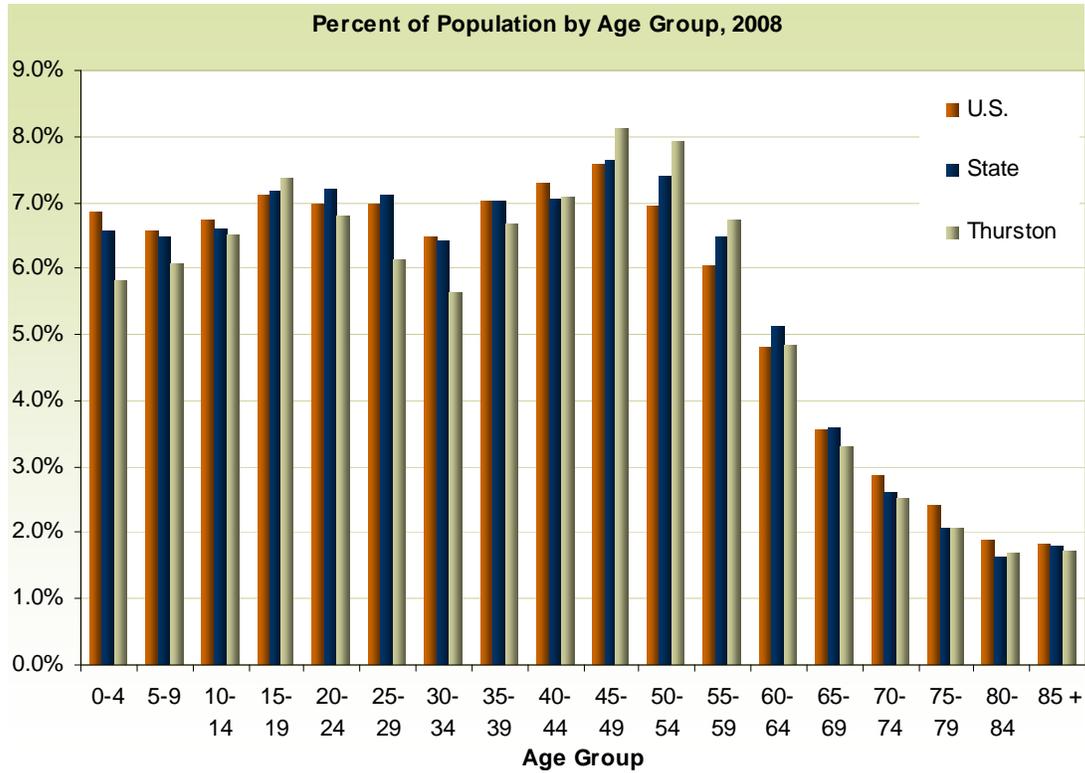
Industry	Estimated Employment 2nd Quarter 2007	Projected Employment 2nd Quarter 2009	Average Annual Growth Rate 2007Q2 - 2009Q2	State Projected Growth Rate
Total Nonfarm	101,900	104,600	1.3%	0.9%
Natural Resources And Mining	500	400	-10.6%	-3.7%
Construction	5,500	5,200	-2.8%	-2.0%
Manufacturing	3,400	3,500	1.5%	-0.1%
Durable Goods	1,900	1,900	0.0%	0.0%
Non Durable Goods	1,500	1,600	3.3%	-0.2%
Food Manufacturing	400	500	11.8%	0.8%
Wholesale Trade	2,800	2,800	0.0%	0.2%
Retail Trade	11,300	11,400	0.4%	0.4%
Transportation, Warehousing And Utilities	2,000	2,200	4.9%	0.6%
Information	1,400	1,500	3.5%	1.6%
Financial Activities	4,000	4,100	1.2%	0.6%
Professional And Business Services	8,400	8,800	2.4%	1.5%
Education And Health Services	12,400	13,400	4.0%	3.1%
Leisure And Hospitality	8,700	9,100	2.3%	1.5%
Other Services	3,800	3,900	1.3%	1.1%
Government	37,700	38,300	0.8%	0.8%
Federal Government	900	900	0.0%	-0.1%
State & Local Government Other	27,600	28,000	0.7%	0.8%
Educational Services Government	9,200	9,400	1.1%	1.0%

Nonagricultural wage and salary employment projections, which are by place of work, were developed based on "State Projections Workgroup" methodology, Global Insight model and state indicators from employment projections developed by Washington State Office of the Forecast Council and Forecasting Division of the Office of Financial Management. The results of statewide projections were adjusted in collaboration with the Forecasting Division of the Office of Financial Management. Local area projections are model-based desegregations of statewide numbers with incorporation of local trends. According to the national requirements, 2004 is the base year for medium and long term projections. The second quarter of 2006 is a base for short-term projections. Due to some differences in non-covered employment used for benchmarking and handling

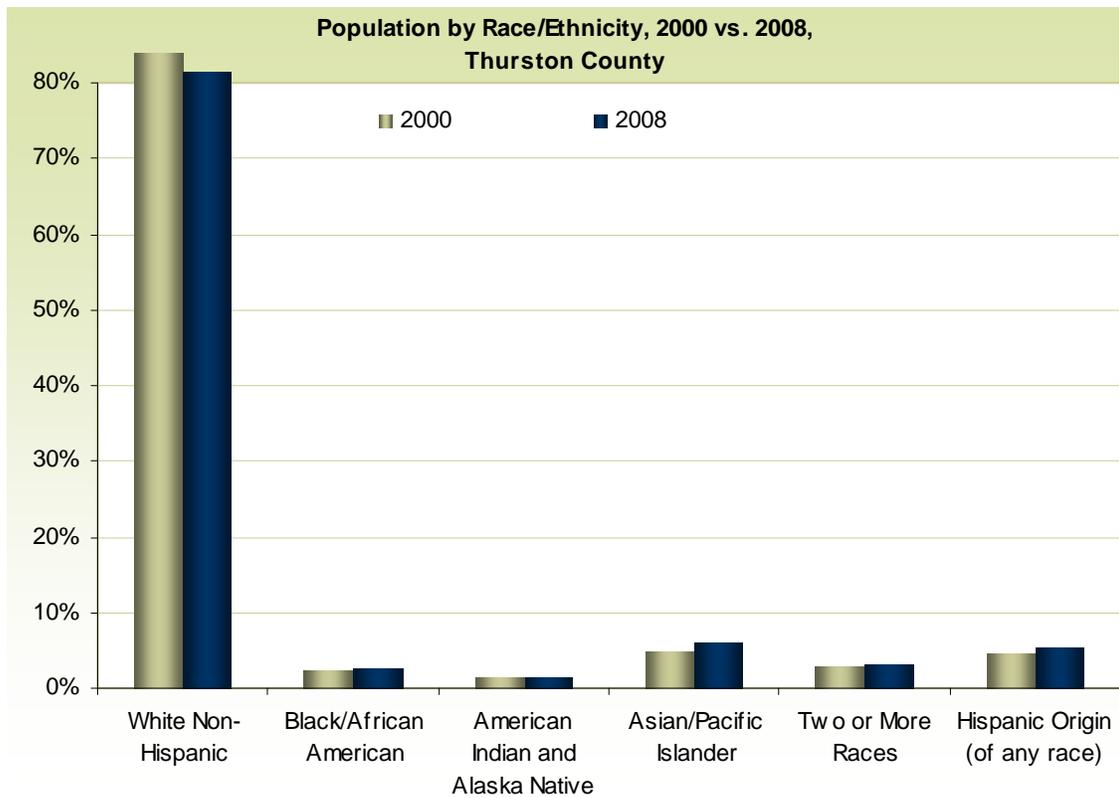
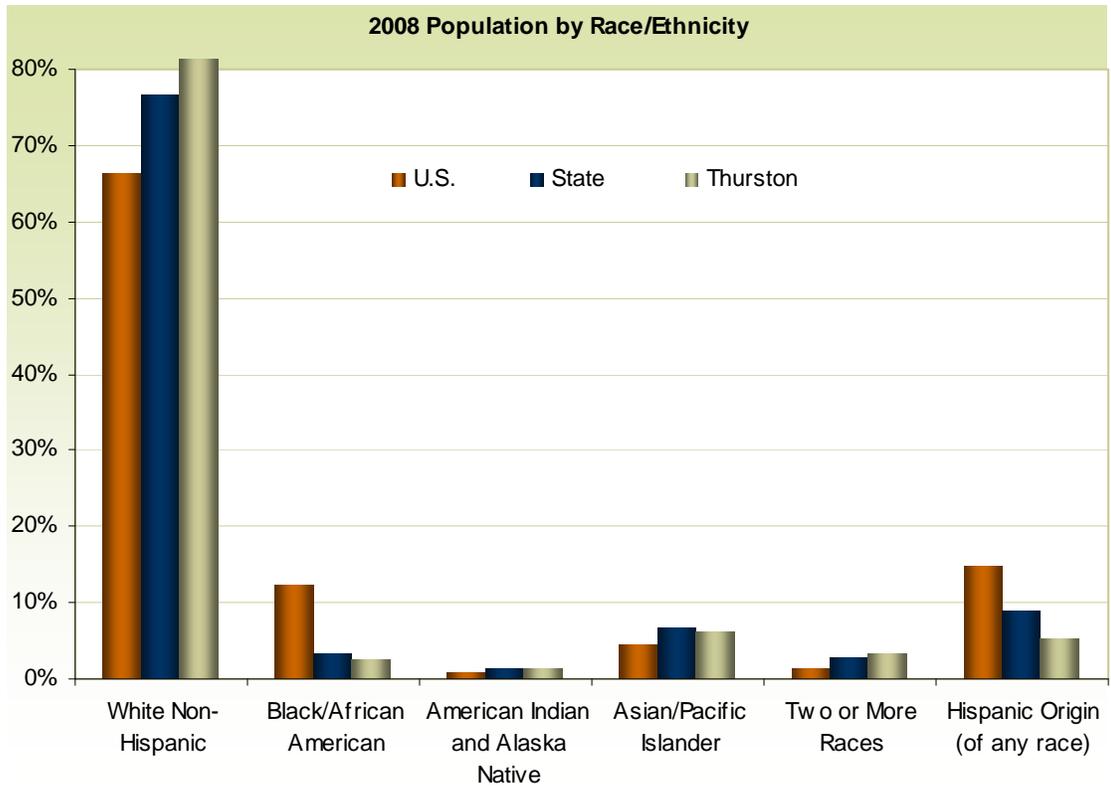
Source: Jim Vleming, Regional Labor Economist, Employment Security Department, LMEA, March 2009



Source: Jim Vleming, Regional Labor Economist, Employment Security Department, LMEA, March 2009

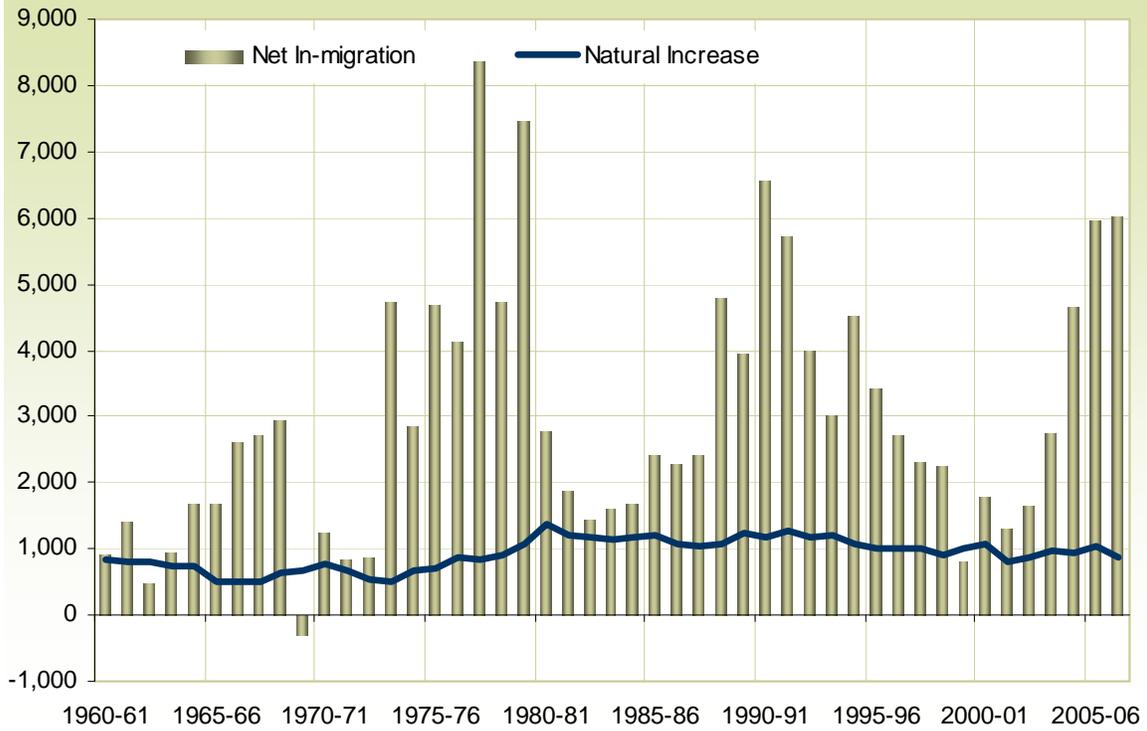


Source: Jim Vleming, Regional Labor Economist, Employment Security Department, LMEA, March 2009

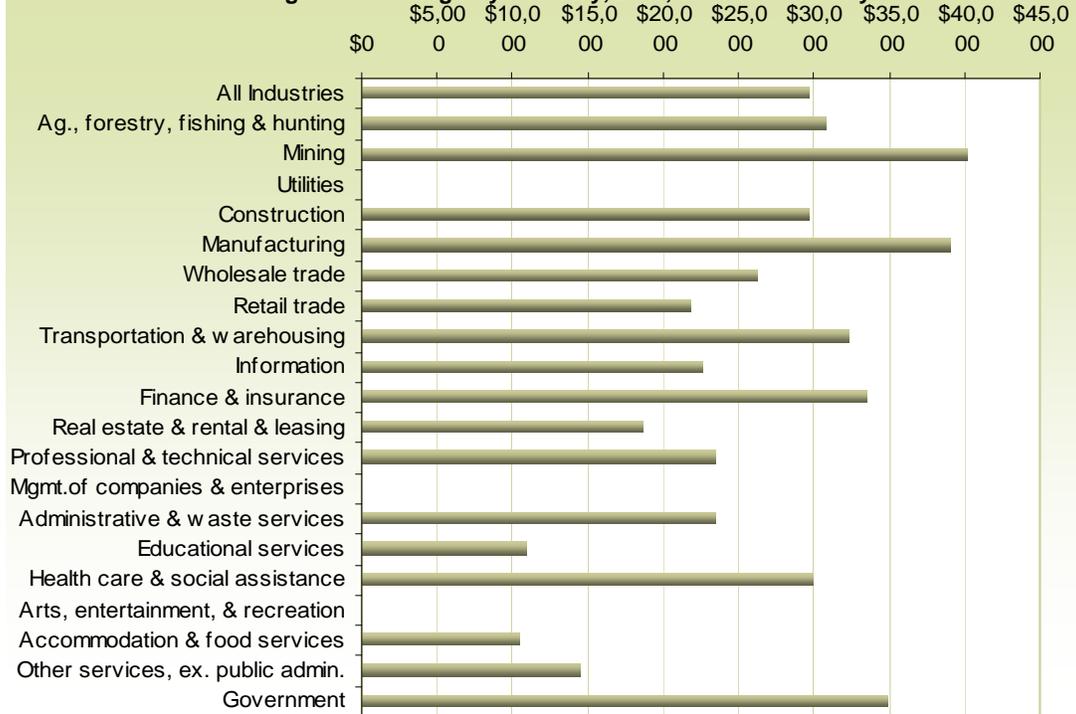


Source: Jim Vleming, Regional Labor Economist, Employment Security Department, LMEA, March 2009

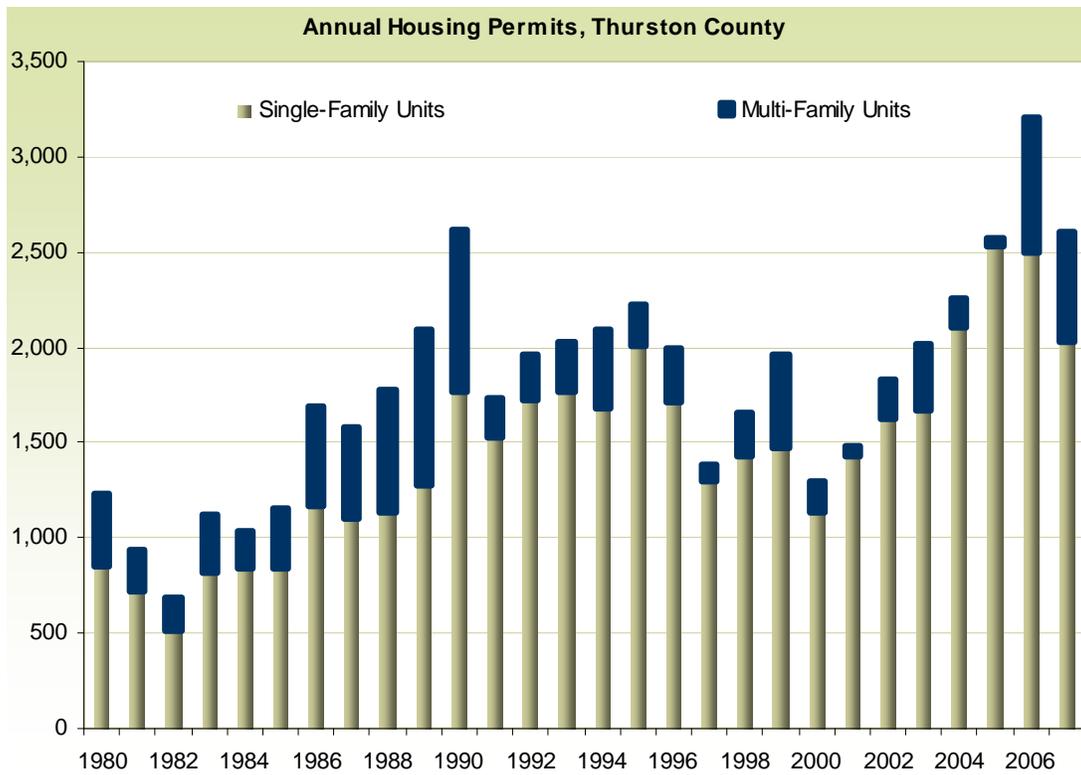
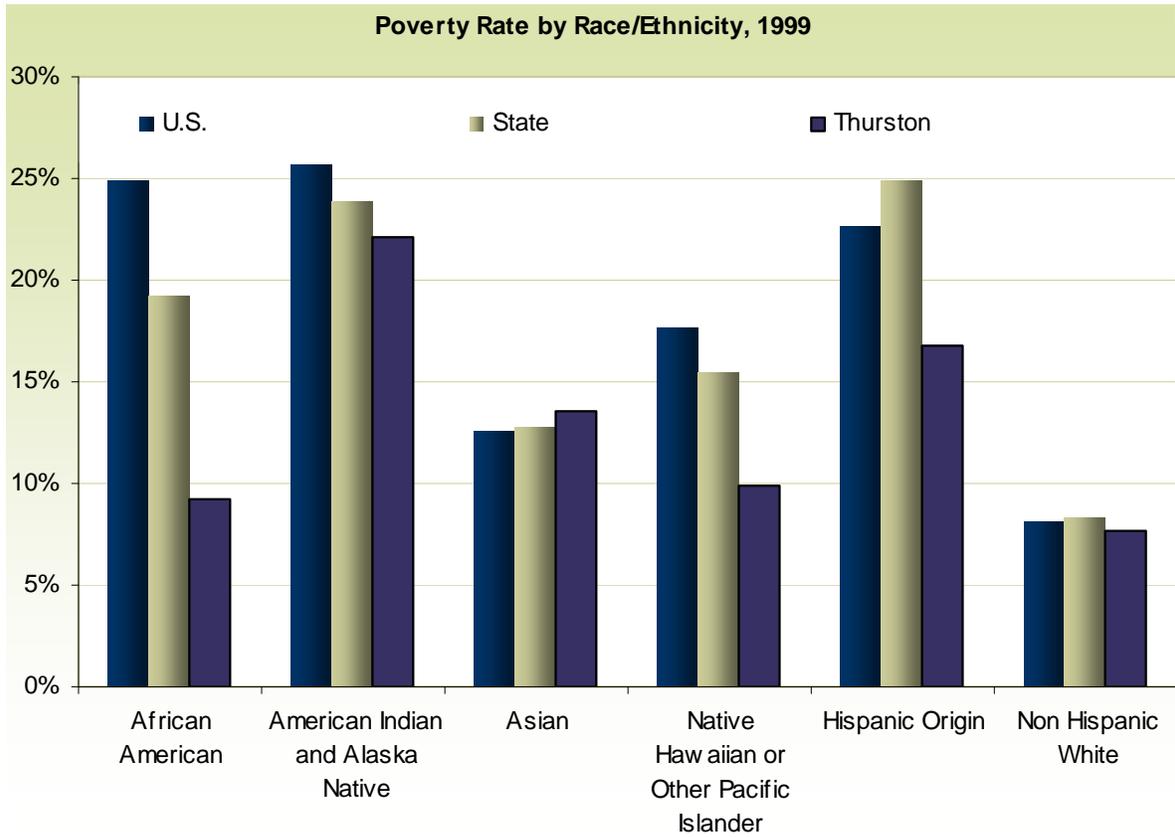
**Annual Population Change: Natural Increase and Net In-migration
Thurston County**



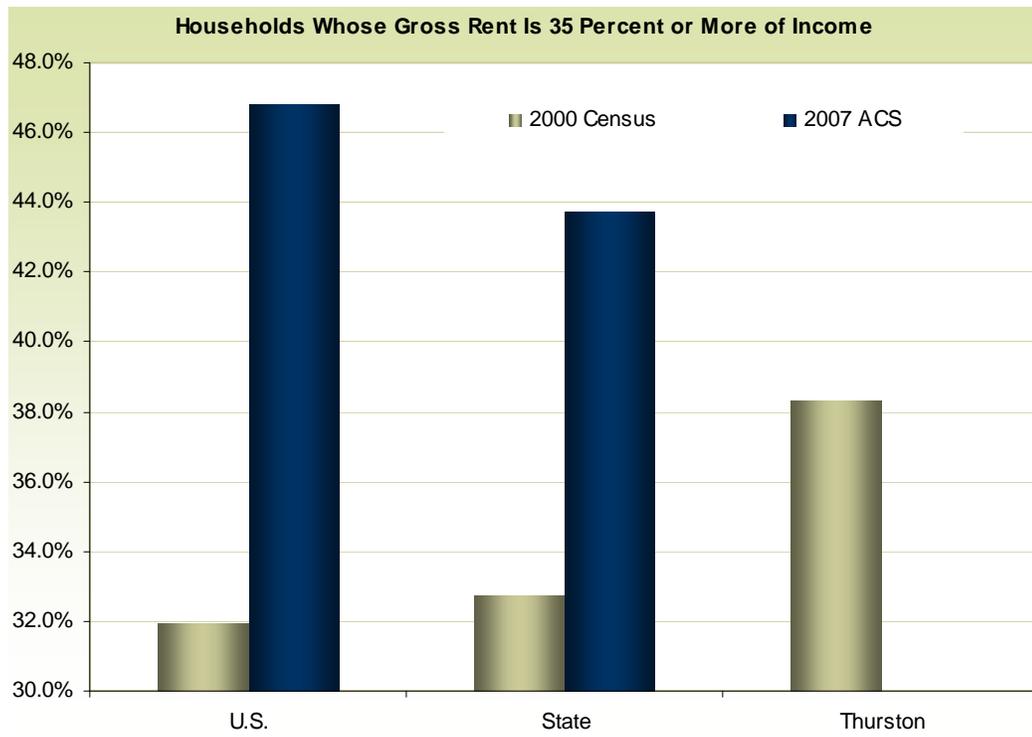
Average Annual Wage by Industry, 2007, Thurston County



Source: Jim Vleming, Regional Labor Economist, Employment Security Department, LMEA, March 2009



Source: Jim Vleming, Regional Labor Economist, Employment Security Department, LMEA, March 2009



Source: Jim Vleming, Regional Labor Economist, Employment Security Department, LMEA, March 2009

The Pacific Mountain Workforce Development System

THE CURRENT AND FUTURE WORKFORCE INCLUDING JOB SEEKERS

The **Pacific Mountain Workforce Consortium** administers the federal Workforce Investment Act (WIA) grants, on behalf of Grays Harbor, Lewis, Mason, Pacific and Thurston Counties. Staff support is provided to the Pacific Mountain Workforce Development Council, which oversees and sets policy for federally-funded workforce programs throughout the five county area, in partnership with the Boards of County Commissioners.

This section is intended to provide community leaders and policy makers a current perspective of the makeup of the youth (emerging), transitional (dislocated workers, adults and other job seekers), and the incumbent workforce within the region. The labor force in the Pacific Mountain area is changing, and the needs of youth, transitional and incumbent workers are varied and growing. This section will aid the Workforce Development Council in their deliberations regarding priorities and policy decisions.

As an area highly dependent on natural resources, the losses in the timber and wood products industry continue to be devastating. In addition, the loss of both the commercial and sports fisheries in most of our counties has had a profound impact on the economy. Along with the dismantling of the timber and fishing sectors went many secondary and tertiary jobs dependent upon these industries, such as food processing and tourism. The five counties have lost a variety of other manufacturing jobs that have contributed downward slide in per capita wages, when compared to the state average.

A new challenge being faced by the Pacific Mountain Workforce Development Area is the loss of public service employment. Thurston County, as the home of state government, has always been protected from high unemployment rates. State and local government employment has been the shock absorber for the Thurston County economy. This is no longer the case. As a result of the recession and the loss of sales tax revenues, the state is seeing shortages in the billions of dollars and counties and cities are seeing budget shortfalls in the millions of dollars. The bleak economic picture is resulting in significant layoffs in the government sector.

Economic development councils, chambers of commerce and employers throughout the Workforce Development Area have reported difficulty in finding qualified employees. This ranges from entry-level positions where basic skills and work ethic are all that is necessary, to positions in more complex, knowledge-based industries where many of the workers must be recruited from outside the area.

The PMWDA includes a labor force of 240,630 people. Thurston comprises 56.8 percent of the total regional labor force, with Grays Harbor in second place at 14.1 percent and Lewis at 13.8 percent. Mason County comprises 11.0 percent of the region's workforce, and Pacific County is the smallest labor force with 4.0 percent. In a review of labor market publications, it is notable that Pacific County is often paired with nearby Grays Harbor. Undoubtedly, this is due to the small size of Pacific County and its compatibility with the Grays Harbor economy.

The challenge faced by the local Workforce Development Council is to improve the ability for every person in our area who wants to work to find a job.

Since the Pacific Workforce Development Area includes five counties with very different demographics, economic structures and employment needs and resources; commuting and migration have become an integral aspect of the regions overall economic development and employment opportunities. As a result, transportation including commute times, available traffic corridors, congestion and mass transit opportunities are having an increasingly important impact on the employment rates of the clients PMWDC serve.

YOUTH

Pacific Mountain has taken action on the following Youth Objectives contained in High Skills High Wages 2008 – 2018.

Youth Objective 2. All Students leave high school prepared for success in further education and/or work. Steps to get us there:

Pacific Mountain has worked closely with the Department of Labor and Industries and the WIRED coordinators that are directly connected to labor and business. Each of the youth service provider case managers participated in a training sponsored by the Department of Labor and Industries regarding apprenticeship opportunities and entrance procedures into the trades titled “Making the Apprenticeship Connection.” Students are also offered opportunities to participate in trades, technology and green jobs. An example is the Try on a Trade with Technology. In this project, high school students will have an opportunity to install insulated wall panels, practice thermal imaging weatherization techniques, build scaffolding and run heavy equipment.

As one of the ten required program components of the WIA Youth Programs, participants are offered the opportunity to participate in work experience. With the infusion of American Recovery and Reinvestment Act (ARRA) funds, all enrolled youth will participate in a work experience component.

Youth Objective 3. All students graduate from high school. Steps to get us there:

Pacific Mountain currently runs two programs that serve out of school youth. The program goals to re-engage young adults, return them to school to either graduate or receive a GED remain unchanged; however, the methods employed by each of the program operators are different.

Harbor High School is an alternative school and most of the students enrolled in this program have multiple barriers, such as being single parents or recovering from drug addiction. In this program, students are offered traditional classroom learning along with on-line learning that they can access during non-traditional school hours. Because many of these students are employed in the food service industry, this is an attractive avenue for them with easy access.

The second program is operated by New Market Skills Center, which is a feeder school to ten school districts. In this program, students are tutored, receive wrap-around services and are enrolled in Vocational Education Classes. Whenever funding is possible, students enrolled in these programs are also co-enrolled in the Youth Workforce Investment Programs.

The Youth WIA Programs are administered by ESD 113 (Grays Harbor, Lewis, Mason and Pacific Counties) and Community Youth Services (Thurston County). For the past ten years funding levels have been reduced and contractors have been forced to reduce the size of their programs. Great efforts have been made to reach out into the communities and serve youth using multiple funding sources.

The WIRED grant has provided our region with the opportunity to extend youth services by funding many innovative programs.

Float Your Boat

The Float Your Boat project was designed by Westport Shipyard, Pacific Mountain staff and the Pacific and Grays Harbor School Districts. A summer program held at Westport Ship Yards taught participating students how Math is used at the Shipyard in the yacht manufacturing process. Employees worked side-by-side with students as they built a mock replica of the famous Westport luxury yacht.

The project's success was benchmarked by some of the participating students being hired by Westport Shipyards. This will be the fourth summer the yacht manufacturer will provide students with the opportunity to participate in this project as they consider it an excellent "feeder" for the development of new employees.

DigiPen

Another summer project was DigiPen—an industry leader in game software education. Students from more than eight school districts were offered the opportunity to participate in a Robotics Summer Camp. Participating students received academic credits for partaking in Math and Science activities. Woven into the project were Work Readiness Skills.

Students were instructed by the DigiPen staff and offered the opportunity to learn CAD, the most widely used computer program for engineering and manufacturing firms. Each student designed their own robotic car.

This project generated much excitement among students and led to the development of six teams that participated in a statewide "First Tech Challenge." Students from all five counties within Pacific Mountain's workforce area participated in the regional competition. With a third place finish to their credit, Pacific Mountain's team won the opportunity to compete at the national First Tech Challenge competition in April 2009 in Atlanta, GA. Local businesses will fund their trip.

This project has been identified as a best practice and project design templates are available for local schools to duplicate and expand a similar project.

Program Barriers

It has been our experience that disengaged youth are not served well in continuing their education in the tradition methods. Students become engaged and excited in their learning when they are active, hands-on learners. An example would be in the Robotics Academy where

students learned math and were able to apply what they learned that day and experience the results of their learning. The common comment we heard was “I feel so smart and confident”.

In the rural areas a significant barrier to implementation of these programs has been the lack of public transportation and affordable daycare. It would also be helpful for schools to promote these programs and integrate them into existing curriculum.

Youth Objective 4 Reduce unemployment rates among older youth and improve their career prospects.

All Youth enrolled in WIA programs are required to complete a 13th year plan (the same requirement as schools) and compile a Portfolio which employers can access online to examine examples of work, attendance records, their community volunteer work, resume and any work experience they participated in while enrolled.

The Recovery Act Funds , will not only allow us to expand our programs to include up to 24 year old young adults, the funding will also provide youth with the opportunity to access support services, which in most cases make the difference between success and failure. All service providers are strong partners in each of the WorkSource offices in our WDA and will, whenever possible, extend services after September by co-enrolling participants in other programs.

All work experience opportunities will be in areas that are in demand or expected to be in demand in the near future, such as weatherization and construction. Programs are being designed in collaboration with WIRED staff and will benefit from WIRED grant funds. Students will be offered the opportunity to participate in a Pre-construction Work Camp, Science projects conducted by the Pacific Science Institute or GRuB where they will have the opportunity to grow produce for local food banks while learning life skills. Every participating student will participate in a Work Readiness Component and an academic component, if applicable. The Work Readiness Component requires extensive career assessment and research. All projects were designed to teach Math and Science skills along with exposing students to a variety of Career Opportunities.

SUPPORT SERVICES

Support services for adults and dislocated workers are defined in the Workforce Investment Act of 1998 (WIA) sections 101(46) and 134(e)(2) and (3). These sections include services such as transportation, childcare, dependent care, housing, and needs related payments that are necessary to enable an individual to participate in activities authorized under WIA Title 1-B. The existing Pacific Mountain policy will be reviewed and modified to enhance services by providing financial support, such as training completion aid.

ADULTS IN TRANSITION

There are as many ways to predict the number of dislocated workers as there are people making predictions. One thing that can be said for the Pacific Mountain Workforce Development Area is that it has had more than its fair share of dislocations. One need only look at the dramatic changes that have occurred within the regional and local economies of the Pacific Mountain Workforce Regional Area over the last decade to recognize that a large percentage of our clients

easily qualify as dislocated workers. With the recession of the past year, our area is seeing very significant reductions in some of its primary sectors, such as manufacturing, construction and retail. Housing starts are down and we are seeing serious declines in the timber and wood products sectors. The state and local government sector, once seen as stabilizing for the region, is also experiencing dramatic declines. The decline is being attributed to the loss of tax revenue from the declining retail market.

The Pacific Mountain Workforce Development Council is committed to finding highly skilled, family wage employment opportunities for our region's adult population. We collect data and utilize this data both locally and regionally to maintain performance accountability for WorkSource and WIA Title 1-B. This data enables us to guarantee we are serving the needs of our dislocated workers while comparing our success and participation rates with federal and state performance standards. This ongoing data collection and review by partners throughout the Workforce/WorkSource partnerships including WIA Title 1-B contractors ensures our programs and services are data driven and universally available to qualified candidates.

INCUMBENT WORKERS

Nearly all states have state-funded incumbent worker programs. These programs are commonly financed through state general fund appropriations, funds tied to the unemployment insurance program, the sale of bonds or other debt instruments, or a combination of funds. Although designed primarily to help employers address business needs, these programs can and are being used to upgrade the skills of low-wage and entry-level workers. In the State of Washington, we have used limited resources from the Governor's WIA discretionary funds and Skill Panel funds from the **Workforce Training and Education Coordinating Board** to expand and enhance programs for incumbent workers. In the past we have implemented strategies including upgrading the skills of the region's incumbent workers in areas including healthcare and glass and marine manufacturing. There are training opportunities across the region in the marine manufacturing sector. **Westport Shipyard**, with facilities in Westport, Hoquiam, and Port Angeles, is the largest luxury yacht manufacturer in North America. Grays Harbor County has the largest manufacturing and marine manufacturing industry base in the area and is within easy commuting distance from the other counties in the region. PMWDC supports training programs to promote the talent development of the specialized workforce required by this employer and other manufacturers in our service delivery area.

Due to the need to fill critical healthcare worker shortages, Pacific Mountain, with Skill Panel funding from the **Workforce Training and Education Coordinating Board**, formed a partnership that consists of hospital administrators, technical practitioners, educators (both secondary and post-secondary), and labor. The partnership resulted in the development of a survey instrument and an in-depth assessment of employment gaps of the area's healthcare providers. A plan was developed to remove the barriers identified as meeting the skills shortages and recommendations were developed for the use of training resources and budget consideration. As a result of this partnership, funds were secured from the Employment Security Department (Industries of the Future) to provide incumbent worker training for the region's healthcare system. This project trained 25 Providence Healthcare system employees in Olympia and Centralia; upgrading their skills from Certified Nursing Assistants (CNA's) to Licensed Practical Nurses (LPN's) and LPN's upgrading to Registered Nurses. The training builds career paths in the healthcare industry that offer wage gains of 22% for CNA's and 44% for LPN's.

In a second round of funding, over 90 incumbent workers received prerequisite training to enable them to enter nursing programs. These incumbent workers came from five area hospitals and participated in a combination of on-site/evening and weekend classes held at the hospitals and evening/weekend campus classroom training. All classes were offered through three of the region's community colleges.

The PMWDC has been successful in developing and funding an incumbent worker project in the Marine Manufacturing sector. Marine manufacturing has traditionally been the fastest growing sector in Grays Harbor County and growth has been limited by a lack of a skilled workforce. The incumbent worker project targets marine carpentry, electrical and composites. This training has enabled **Westport Shipyard** to build a workforce around in-demand, skilled, high-wage positions.

ETHNICITY/CULTURAL DIVERSITY

In the Pacific Mountain Workforce Development Area, the total percentage of people declaring themselves as member of an ethnic/cultural minority is 11 percent. The Hispanic population is the fastest growing in all the counties ranging from 5.8 percent in Thurston County to a high of 7.3 percent in Lewis County. The African-American population ranges from 0.5 percent in Pacific County to 2.9 percent in Thurston. The Native American population ranges from 1.6 percent in Thurston County to 4.9 percent in Grays Harbor; while the Asian population ranges from 0.8 percent in Lewis County to 4.9 percent in Thurston County.

For many diverse job seekers, there is a cultural as well as a language literacy gap. Second language learners are at a huge disadvantage when it comes to entering into the workplace and obtaining employment that matches in all other regards. According to a 2006 survey by The Conference Board, "More than 40 percent of surveyed employers say incoming high school graduates hired are deficiently prepared for the entry-level jobs they fill. The report finds that recent high school graduates lack the basic skills in reading comprehension, writing and math, which many respondents say were needed for successful job performance."¹⁹

People within ethnic/cultural minorities have traditionally represented a higher level of the unemployed population. This may be for a variety of reasons, including limited English speaking ability. With more job specific training required for demand occupations, it is important that the minority populations increase their job and language skills to improve their employability and reduce the workforce gap. Compliance barriers in economically disadvantaged, ethnically diverse, physically or emotionally challenged job seekers are even more difficult to overcome.

¹⁹ Employers' Perspectives on the Basic Knowledge And Applied Skills of New Entrants to the 21st Century Workforce. The Conference Board, Corporate Voices for Working Families, Partnership for 21st Century Skills, Society for Human Resource Management (2006).

http://www.21stcenturyskills.org/index.php?option=com_content&task=view&id=250&Itemid=64

ECONOMICALLY DISADVANTAGED

The economically disadvantaged population continues to remain constant at 16.1%. The state of the economy appears to make a difference. People on the bottom of the social pyramid always have the greatest problems with obtaining and retaining employment. At a time when unemployment begins to rise, such as the situation presently created by the recession, the unemployment rates of the economically disadvantaged skyrocket. Unfortunately, disadvantaged members of our society are typically disproportionately affected by recessions, including the recession of 2001 and the recession we are currently experiencing. Unfortunately, the fastest growing segment of the general population is a sub-group of those who are already economically disadvantaged.

The percentage of poor Americans who are living in severe poverty has reached a 32-year high, millions of working Americans are falling closer to the poverty line and the gulf between the nation's "haves" and "have-nots" continues to widen.

A McClatchy Newspapers analysis of 2005 census figures, the latest available, found that nearly 16 million Americans are living in deep or severe poverty. A family of four with two children and an annual income of less than \$9,903 - half the federal poverty line - was considered severely poor in 2005. So were individuals who made less than \$5,080 a year.²⁰

The growth spurt, which leveled off in 2005, in part reflects how hard it is for low-skilled workers to earn their way out of poverty in an unstable job market that favors skilled and educated workers. It also suggests that social programs aren't as effective as they once were at catching those who fall into economic despair. About one in three severely poor people are under age 17, and nearly two out of three are female. Female-headed families with children account for the largest share of the severely poor.

This group, for a variety of reasons, tends to have more challenging health issues that impact their employability. Previous studies have shown that patients from ethnic minorities and economically disadvantaged populations have worse outcomes from some diseases, including increased disability and death. This study clarifies some of the barriers to effective employment and re-employment and could lead to strategies to help these individuals design their work goals more appropriately to their work outcomes. This is a serious challenge to finding and retaining employment not only because of increased time off from absenteeism, but also because fewer Washington employers are offering health insurance each year.

This group has a variety of training needs and barriers to overcome. In addition, in the largely rural areas found throughout the Pacific Mountain Workforce Development Area, accessibility to training opportunities are more difficult to find and access. This is largely due to limited

²⁰ Pugh, Tony, US Economy Leaving Record Numbers in Severe Poverty, February 23, 2007, McClatchy Newspapers, Common Dreams.org, <http://www.commondreams.org/headlines07/0223-09.htm>

availability of public transportation. This group continues to be a high priority for services, with efforts to redefine the way they are engaged and trained.

MATURE WORKERS

The over 65 population is the fastest growing segment of Washington State and the WDA. The older worker is healthier and many are choosing to work longer. As the Social Security eligibility age is pushed higher and as the cost of living increases, more from this age group find it necessary to work longer. The state plan for workforce development states that by 2020 “slightly more than one in five Washington workers will be over age of 55.”²¹ The City of Olympia is an example of the aging of our clients. The median age of those living in Olympia is 36 years. Compared to other Thurston County jurisdictions, it has the lowest ratio of population under the age of 19 (24 %). Consistent with these trends, Olympia has the highest proportion of its population between the ages of 20 and 64 (62 %) of any jurisdiction in the county. The county average for the proportion of population between the ages of 20 and 64 is 60 percent. The demographics of the Pacific Mountain Workforce Area reflect those of the nation. Persons age 55 and over accounted for 15.1 % of the total labor force in 2003.

INDIVIDUALS WITH DISABILITIES

In the 2000 Census, 49,325 people aged 21 to 64 in the five counties identified themselves as people with disabilities. This is approximately 23 percent of the total population in that age group. Percentages of people with disabilities in the WDA ranged from 18.9 percent in Thurston County to 26.3 percent in Pacific County. People with disabilities showed significantly less participation in the labor force than those who reported they did not have a disability. **The lowest workforce participation was reported in Pacific County with only 41.9% of individuals declaring themselves as having a disability stating they were employed. This statistic stands in stark contrast to the 70.6 percent of the region’s 21-64 age group that do not self-declare a disability.** Thurston County, with the largest proportion of people working in government, an aggressively equal opportunity employer, 57.9% of those self-reporting as having a disability were also employed, compared to 80.6% of the rest of the age group, the highest participation rates of the five counties.

While other sectors of the workforce are highly impacted by economic growth and decline, statistically those workers with disabilities remain without work under all economic conditions. In a survey conducted by the National Organization on Disability, it was found that non-disabled workers were more than twice as likely to be working than job seekers with a disability. Another disturbing fact, found in a Louis Harris poll, is the gap between the wages of people with disabilities and the wages of those without disabilities. People with disabilities are close to three times as likely to reside in a household with less than \$15,000 in total income per year. This means their struggle to obtain, retain and maintain employment is compounded by all the complications encountered by the economically disadvantaged job seeker. Not only are they responsible for overcoming accessibility and suitability of employment issues but they face the daily challenges of poor health care, housing, transportation, and survival issues experienced by those in severe poverty.

²¹ High Skills High Wages: 2008 – 2018, Workforce Training and Education Coordinating Board, p. 8, 2008.

The Pacific Mountain Workforce Development Area continues to promote the hiring of this population of workers. We have purchased a wide variety of assistive technology and equipment to make our WorkSource offices and services throughout the Pacific Mountain Workforce Development Area accessible to job seekers with a variety of disabilities. The PMWDC has sponsored conferences at the local WorkSource centers to address both independent living skills and the promotion of employment opportunities for job seekers with disabilities. Several WorkSource offices have been extremely active promoting National Mentoring Day. Individuals transitioning from local high schools participate in programs which include presentations by local employers who have a history of hiring youth with disabilities. These activities are designed to encourage individuals, once they leave high school, to seek employment through their local WorkSource Center.

DISCOURAGED WORKERS

Discouraged workers are those unemployed workers who have given up looking for work because they believe that they will not find a job or if they find a job they will be unable to keep it. This concept has been around since, at least, the 1970's, but no official estimates are available before 1994, and these are only available nationally. The term discouraged worker is often confused with the term dislocated worker. The most important distinction is that the dislocated or displaced worker is most often considered part of the labor force. The notion of dislocation is strongly aligned with the economic concept of structural unemployment. The number of discouraged workers is hidden somewhere in the statistics generated by each of the five counties indicating those not a part of the labor force. It would also include the homeless, who for complex social, health, and economic reasons, no longer have a residence and are, therefore, no longer accounted for by the federal census figures or local demographic statistics.

The discouraged worker is not in the labor force and is not a part of the unemployment rate calculation. While there are no statistics on the number of discouraged workers within the Pacific Mountain Work Development Area, it would be reasonable to anticipate that in those areas higher in unemployment and seasonal employment only, or where the population of mature workers and/or workers with disabilities is growing in number, there would be a parallel increase and larger proportion of discouraged workers.

The greatest factor that will return discouraged workers to gainful employment is a good economy. If the discouraged worker has been unemployed for an extended period of time, he/she will probably need more intensive services such as a third party or a one-on-one relationship with organizations and individuals that address core issues and needs prior to job seeking activities. These needs include self-confidence issues, job seeking strategies and skills that produce a higher probability of being employed with little or no long term job seeking investment and a Job Development partner who works with the individual as a partner through all stages of job development including seeking, acquisition and retention processes. Discouraged workers, because of the length of their unemployment are not factored into unemployment statistics because they are not drawing unemployment insurance.

WOMEN

The percentage of women in the labor market continues to increase dramatically. It is important to recognize women, especially those with children, make up the largest growing percentage of those in severe poverty and the working poor. Women comprise 56.4 % of the economically disadvantaged population. Those in this category typically need to be trained in a demand occupation requiring a high level of skill attainment and resulting in a family wage job.

Technology is considered the ticket to better paying jobs for women while narrowing the skills gap. Women seeking employment in the Pacific Mountain WDA reflect the national trends. In 2003, there were 21.2 million workers age 55 and older, which made up 15.4 % of the total employment. Women between the ages of 55 and 64 have steadily increased their labor force participation rates from 42.0 % in 1985 to 49.2 % in 1995 and to 56.6 % in 2003. This is largely because their economic circumstances require that they continue working.

Women also face the need to balance the responsibilities of home, job seeking, job acquisition and work. For this reason they often find less success in all their competing roles and have no time to upgrade skills. This statistically contributes to loss of employment, health complications related to the stress, job related performance, and the in to pursue lifelong learning required to be successful in an increasingly technical and changing workplace.

THE WORKFORCE DEVELOPMENT SYSTEM TODAY

COMMUNITY COLLEGES

The Pacific Mountain Workforce Development Area (PMWDA) is fortunate to have four excellent community colleges within its boundaries. They are: **South Puget Sound Community College** in Olympia, **Centralia College** in Centralia, **Grays Harbor College** in Aberdeen, and **Olympic College** (Bremerton) operating a satellite campus in Shelton.

These institutions offer courses in a wide variety of professional-technical programs in occupations ranging from agriculture and renewable resources, business, marketing, education, engineering, allied health occupations; hospitality; construction, welding, information technology; automotive and heavy diesel mechanic training; and criminal justice. Education programs for first-responders in specialties such as emergency dispatch and fire science are also offered.

Additionally, the community colleges offer Adult Basic Education, English as a Second Language, and GED preparation courses to enable students to successfully transition into professional technical training programs. During the 2004-2005 academic year, over 1,620 individuals were enrolled in ABE/ESL/GED classes. Integrated Basic Education and Skill Training (IBEST) programs are also in innovation of Washington's community and technical college system. With IBEST students have the benefit of two teachers. They receive instruction from a professional in the technical field of study coupled with basic skills instruction in English, reading and math.

Federal funds made available through the **Carl D. Perkins Vocational Education Act** are intended "to make the United States more competitive in the world economy by developing more fully the academic and occupational skills of all segments of the population". During PY2008 – 2009, \$640,824 was granted to the PMWDA community colleges to help students obtain skills and competencies needed to work in today's technologically advanced society. Some of the college activities utilizing Perkins funding include design of a "bridge" program to transition basic skills students into professional technical education programs and refreshing computer labs to enable students to train on the same type of equipment they might encounter in the workplace. Also, the **Perkins** funding supports a variety of **Tech Prep** activities at the community colleges throughout the region.

A. SECONDARY VOCATIONAL EDUCATION

We have a very strong program of secondary vocational education in the five-county PMWDA. Our high schools are committed to improving transitions to beyond the high school experience through such programs as **Running Start** and **Tech Prep**. The **Running Start Program** allows eleventh and twelfth grade high school students to take college courses free of charge at any of the 34 state community and technical colleges and selected four-year institutions. **Tech Prep** provides occupational pathways for students by preparing

them for technologically advanced careers and postsecondary education by emphasizing strong academic, technical, problem-solving, and critical-thinking skills.

New Market Skills Center is a consortium of 10 school districts and is an extension of the home high school, functioning as an off-campus training site. The school is recognized state-wide for its unique and specialized programs. The programs simulate business and industry and have numerous connections with business partners in the area. New Market students develop basic and advanced work skills. They also develop maturity skills, and entry-level occupation competencies at no cost to the student.

Students who receive training at **New Market** can expect to:

- Earn up to 3 high school credits in a full-year program.
- Learn from teachers/partners who come from business and industry.
- Receive information on career and post-secondary opportunities.
- Participate in Internships and Work Based Learning, Job Shadowing, Pre-Apprenticeships and Clinical Settings when applicable.
- Develop a personal career portfolio.
- Participate in a wide range of leadership activities/programs.
- Receive a Certificate of Competency.
- Make the transition from school to work and/or post-secondary education.
- Receive advanced placement or college credit through the Tech Prep programs.
- Participate in occupationally specific Academies that address an array of competency based, marketable skills.

New Market serves 800 students during the school year and 650 for summer school. At this time the school offers 17 occupational programs. A new program is scheduled to be added in Grays Harbor. New Market serves the counties of Thurston, Lewis, Mason and Grays Harbor.

B. PRIVATE CAREER SCHOOLS AND PRIVATE COLLEGE VOCATIONAL PROGRAMS

Of 227 licensed private vocational schools located within Washington State, only eight are located within the PMWDA. They include two computer-related schools and a travel career program in the Olympia area and four H & R Block income tax courses (Olympia, Yelm, Aberdeen, Chehalis). Public funds are not appropriated for private schools, although eligible students may obtain federal grants and loans to pay for such educational expenses.

C. EMPLOYER-SPONSORED TRAINING

An overwhelming majority of employers (91 %) in the PMWDA provide some form of on-the-job training to their employees compared with 85 percent on a statewide basis. PMWDA employers provide or pay for training for their employees in a classroom, workshop or seminar setting (at least 4 hours) at a level of 52 % compared with 49 % statewide. As in the case of statewide results, managers are more likely to receive classroom training than production or service workers (WTECB Survey).

E. YOUTH, ADULT AND DISLOCATED WORKER PROGRAMS FUNDED BY TITLE I-B OF THE WORKFORCE INVESTMENT ACT (WIA) OF 1998

The Pacific Mountain Workforce Development Council (PMWDC) directs the award of program funds for the Workforce Investment Act and provides services to adults, youth and dislocated workers in the five-county Pacific Mountain Workforce Development Area.

POPULATION SERVED	PROGRAM YEAR 2008 FUNDS	SERVICE PROVIDER	COUNTIES SERVED
Youth	\$1,455,650	Educational Service District #113	Grays Harbor, Lewis, Mason & Pacific
		Community Youth Services	Thurston
Adults	\$1,394,513	Employment Security Department	Lewis, Mason, Grays Harbor and Pacific
		Pac. Mtn. Job Develop. & Training	Thurston
		Employment Security Department	Lewis and Mason
Dislocated Workers (including Timber)	\$1,362,141	G. H. Career Transition Center	Grays Harbor and Pacific
		Employment Security Department	Mason and Thurston
TOTAL IN 2008	\$4,212,304		

F. FEDERAL WAGNER-PEYSER ACT

The WorkSource matches applicants with jobs listed by employers and provides applicants with access to the most up to date electronic self-service labor exchange. In this context, the WorkSource administers the work test required of unemployment insurance (UI) claimants. In referring applicants to jobs, priority is given to veterans, persons with disabilities, and UI claimants in that order. Services will continue to be available to incumbent workers to increase their wages and retention.

In the PMWDA, WorkSource supplements its basic Wagner-Peyser staff with additional employment services capacity provided by the unemployment insurance program and the state-sponsored Claimant Placement Program.

Employment service staff is distributed throughout the five-county area in WorkSource offices. Four and a half FTE are assigned exclusively to provide services to veterans. In addition to the basic employment service capacity in the area WorkSource actively serves WorkFirst customers.

G. APPRENTICESHIP

This oldest of workforce programs is a combination of on-the-job training (OJT) and related classroom instruction under the supervision of a journey-level craft person or trade professional in which workers learn the practical and theoretical aspects of a highly skilled occupation.

The PMWDC is a strong advocate for apprenticeships and seeks to expand and enhance our partnerships. We have supported several initiatives over the past year to increase the number of apprentices in our area. In partnership with New Market Skills Centers, we provide in-demand scholarships to students completing construction pre-apprenticeships. Additional pre-apprenticeship opportunities are now available in the construction trades at **New Market**. In recent years we have worked with operating engineers representing the dislocated workers from the **Trans Alta Mine** in Centralia to ensure they had the necessary skills to be employable in the in-demand highway construction occupations where high skill, high wage opportunities were available. We employed the operating engineers from the apprenticeship program as instructors to teach the necessary short-term, bridge construction skills training in heavy equipment operation to dislocated workers who would not be able to enter apprenticeship training elsewhere without this timely, intermediary instruction. Both of these efforts were very successful.

Pacific Mountain is participating on a statewide strategic planning group that is seeking new ways of integrating WIA programs and registered apprenticeship in an effort to develop pathways for low-income adults, dislocated workers and youth into careers in the skilled trades.

H. ONE-STOP (WORKSOURCE)

Two **WorkSource Centers** are established and certified within the **PMWDA**. They are located in Thurston and Grays Harbor Counties. Four Affiliates are certified and operate in Pacific (2), Mason (1) and Lewis (1) counties.

The WorkSource Centers are organized according to three levels of service, as follows:

Level 1 — Core Services

- Initial assessment and referral
- Employer human resource services
- Job development and referral
- Unemployment insurance direction and free fax, internet, e-mail and computer access
- Relevant labor market information
- Training options and eligibility information
- Employment counseling

Level 2 — Intensive Services

- Intensive group services geared toward gaining employment at self-sufficient wages
- One-on-one assistance in obtaining and retaining employment

Level 3 — Training Services

- Training or retraining in order to obtain suitable employment (where labor market research shows potential for employment after training)

I. VOCATIONAL REHABILITATION

The State Division of Vocational Rehabilitation (DVR) provides employment and training services to person with disabilities. In prioritizing services, DVR assigns the highest priority to those persons with the most serious or limiting of disabilities.

Specific services of DVR are counseling and assessment, job placement and training (institutional and OJT). The Division also has a limited capacity for providing assistive devices that can improve clients' employability. DVR is a major partner in the WorkSource system throughout our area.

DVR continues to increase the number of individuals with disabilities to achieve gainful employment. Through May 31, 2008, DVR has assisted 1,396 individuals to achieve successful rehabilitation outcomes, with 55.5% of these outcomes achieved by individuals who are SSI/SSDI recipients. can help build internal competence within a business to support and accommodate youth with disabilities.

Washington DVR began the federal fiscal year with 3,340 individuals on the waiting list, and since then has initiated services to all individuals remaining on the waiting list and has been operating with no waiting list since February 11, 2008.²²

J. DEPARTMENT OF SERVICES TO THE BLIND

The Department of Services to the Blind (DSB) is a relatively small agency that provides essentially the same services as DVR to individuals with severe visual impairment. The current population potentially eligible for DSB services is estimated at 910,702 individuals. By Fiscal Year 2011 this number is estimated to increase 20% to 132,897. This is largely due to the aging of the population. DSB estimates they are able to serve only 3% of the eligible population due to limited resources. In 2008 DSB successfully placed 147 qualified individuals who are blind or visually impaired into employment.²³

DSB has no permanent service office in the PMWDA. The Tacoma office serves Thurston and Mason counties; the Vancouver office serves the balance of the PMWDA.

K. PRIVATE AND NON-PROFIT JOB TRAINING OR WORK RELATED ADULT LITERACY

Families that Work provides basic skills for hard-to-employ and low-wage earning parents. This program is partially supported by a WorkFirst contractual arrangement with the Department of Social and Health Services.

L. AMERICORPS

AmeriCorps programs provide full and part-time opportunities for participants, called members, to provide service to their communities through community organizations and agencies.

²²[http://www1.dshs.wa.gov/pdf/HRSA/dvr/StatePlan//StatePlan2009Attachment4_11\(e\)\(2\).pdf](http://www1.dshs.wa.gov/pdf/HRSA/dvr/StatePlan//StatePlan2009Attachment4_11(e)(2).pdf)

²³<http://www.dsb.wa.gov/SuccessfulEmploymentOutcomesfor2008.htm#contentTop>

Community Youth Services in Olympia operates **AmeriCorps Youth in Service** in Thurston, Mason, Lewis and Grays Harbor counties. Through a competitive process, local schools and community-based non-profit organizations are afforded the opportunity to utilize members in such projects as one-on-one and small group tutoring of high needs students; outreach and direct services to the homeless; and recreational and monitoring opportunities for youth that promote safe and appropriate behavior and enhanced self-esteem.

M. ENTREPRENEURSHIP AND SELF-EMPLOYMENT

PMWDC will work in coordination with the Workforce Training and Education Coordination Board, small business advisory and microenterprise centers, and other government and non-profit organizations that ensure that information about entrepreneurial training opportunities are made available through the WorkSource system. We plan to disseminate information about the various organizations in the Pacific Mountain Workforce Area that support self-employment and entrepreneurship to our interested participants.

There has been increasing entrepreneurial activity in recent years. The decision to start a small business often stems from the loss of employment, limitations impacting employability (individuals with challenges such as disabilities), the need to supplement income due to low wage work, divorce, illness, lack of affordable child care, and/or lack of alternatives in the labor market. PMWDC is working to ensure that our support is relevant, meaningful and compatible with the needs of WorkSource participants who choose to become entrepreneurs.

One of our primary resources in this endeavor is **Enterprise for Equity**. Pacific Mountain's WIA participants often have creative ideas and very marketable talents. Without Enterprise for Equity, it is highly likely these individuals would not have access to the kind of training and technical assistance necessary to begin even the simplest small business. Enterprise for Equity, a partner to PMWDC and Vocational Rehabilitation, serves as a consultant providing self-employment and small business development training to interested consumers and benefits specialists. Enterprise for Equity, one of our partner organizations, primarily serves women who are hard-working and often single parents. Some are WorkSource referrals and persons with disabilities, and others are those who are considered "not bankable" by conventional financial institutions.

Another partner is the Evergreen Community Development Association. It is a private non-profit organization with a mission of economic development through small business finance. Evergreen acts as an intermediary for federal and non-profit alternative commercial loan programs to help create jobs and stimulate growth. The Evergreen Rural Fund is provided in cooperation with Rural Development of the U.S. Department of Agriculture and is designed to create or retain jobs and stimulate small business development in rural areas. The fund provides loans to businesses in population centers of 25,000 people or less located in its trade area. This organization in conjunction with Cascadia Revolving Credit provides funding opportunities in the Pacific Mountain Area for new and expanding entrepreneur enterprises.

In our low-income communities and in communities where traditional industries, such as lumber milling and fisheries, do not employ as many workers as they did a generation ago, opportunity can seem out of reach. We are placing our priority on removing the barriers to economic growth and attracting new private sector investment. This in turn creates jobs and produces new revenue for both the entrepreneurs and their employees. PMWDC, by working

with its partner organizations, is promoting a culture of enterprise to foster new business formations and attract new investment as employment centers and revenue generators.

N. WORKFIRST INTEGRATION

A partnership between Employment Security, Department of Social and Health Services, WorkSource partners and local workforce development councils has been formed to refocus and redefine how services are offered to TANF customers and develop a TANF Employment Services Pathways Plan. To achieve this objective, the following goals have been established:

- 1) Create a more effective system for helping TANF recipients find employment.
- 2) Consolidate employment service delivery into WorkSource to strengthen the quality and access to services for our job seeking customers.
- 3) Move beyond just focusing on only the job seekers and their needs to a system that also provides new options for employers in meeting their need to find qualified employees.
- 4) Begin to align the local planning process for employment services with current workforce development and strategic and operational planning processes.

The TANF Employment Services Pathways Plan will describe customer flow and services, identify program participation and outcomes, describe program services integration and explain the plan development process. It is the intent that this plan will become part of the WIA Title I-B and Wagner-Peyser Act Operations Plan. It is the intent of the Pacific Mountain Workforce Development Council that the Pathways Plan and any future agreed upon modification will be considered part of this Operations Plan as a result of this reference.

O. WORKSOURCE INTEGRATION FRAMWORK

The establishment of WorkSource Thurston County created an early model of service integration in the Pacific Mountain region. In fall of 2005, WorkSource Thurston County was launched as an integrated One-stop. Leadership from each of the partner organizations were tasked with an on-going analysis of the internal functions of WorkSource in an attempt to create operational efficiencies. The recession and economic downturn have created a climate that has increased the customer volume seeking WorkSource services and the organization's need to advance integration efforts. Operating in an environment that is ripe for addressing additional ways to streamline processes and service delivery elements, the Pacific Mountain area is requesting resources to support new ways of working together and more effectively serve the region's WorkSource customers.

The Working Alliance Memorandum of Understanding (MOU) between Pacific Mountain Workforce Development Council (WDC) and the Employment Security Department (ESD) furthered the integration model and raised the bar on partner commitment by establishing new levels of assurances between the two organizations. The Working Alliance is a "first" for the state's workforce development system and consists of a multi-dimensional framework that realigns leadership roles to create more effective communication channels and create a

foundation for regional policy development. Additionally, day to day staff activities become functionally aligned within work units to create a more efficient system for delivery of products and services. This new infrastructure will be transparent to the customer and will effectively create a more streamlined organization.

AGENDA FOR ACTION

The Pacific Mountain Workforce Development Council's (PMWDC) vision for the future is to serve as a leader and valued partner in strengthening the economic vitality of Grays Harbor, Lewis, Mason, Pacific and Thurston counties. In this capacity we see ourselves in a regional role with the mandate to work with each county in the context of its place and contribution to the Pacific Mountain WDA's regional economy and employment. The mission of the PMWDC is to create a workforce development system that enhances the economic success for workers and businesses in our communities. The Council has established goals and objectives for the future. These goals and objectives parallel those of the Workforce Training and Education Coordinating Board and support the goals and objectives of the *High Skills, High Wages 2008 - 2018*. For example, the PMWDC has specifically targeted Dropout Prevention as an initiative for their committee work in an effort to increase high school graduation rates and provide students with supportive career guidance and planning. The PMWDC will continue to implement very successful dropout prevention strategies and programs now and into the future. This is consistent with the strategic opportunities presented in the state's strategic plan.

The PMWDC has a long history of utilizing existing WIA Title 1-B resources to assist eligible youth, adults and dislocated workers. We have been quick to respond to employment and economic events as they occur by securing discretionary resources above and beyond our standard available resources to address the needs of our customers during cataclysmic events and extraordinary increases in the unemployment rate. We have used these supplementary resources to provide additional services to increase the employability of unemployed individuals. Activities include short-term bridge training programs, such as the Computerized Manufacturing program that enables students to gain new skills in a short term program that lead to increased employment opportunities.

The Pacific Mountain Workforce Development Council is proud of its efforts toward integration of the region's workforce and economic development systems. For years, Pacific Mountain has worked closely with the economic development leaders within all our counties and communities to provide the workforce talent necessary to promote new and expanding business. Training opportunities are directed toward the region's four community colleges. It has been our standard way of doing business to respond quickly and efficiently to the needs of our changing economic infrastructure and the goals of the **Economic Development Councils (EDCs)**. One example of this cooperation between the WDC and economic interests in our region is our recent award of a United States Department of Labor Workforce Innovation in Regional Economic Development (**WIRED**) grant. The grant proposal Pacific Mountain submitted was based upon the collaborative efforts of all of the local EDCs, education partners, and government agencies. A second example of PMWDCs engagement with the economic development community was reflected in the collaborative effort to encourage Cabelas, a national outdoor gear retailer to locate their destination retail establishment in Lacey.

The Pacific Mountain Workforce Development Council has included in its Initiatives, the implementation of a work readiness credential. The PMWDC, in collaboration with WIRED and the Association of Washington Business Institute is currently surveying the region's employers to gather data on the demand for a work readiness assessment. Although the PMWDC has not

yet selected a cost effective tool to measure the workforce readiness of those participating in a certificate program, workforce readiness is a high priority of this Council.

Pacific Mountain Workforce Development Council as actively partnered with the state Department of Labor and Industries to co-locate vocational rehabilitation services at the WorkSource Centers. WorkSource Thurston County has served as the initial co-located site. To develop the successful pilot program, the PMWDC went through a lengthy and challenging process to establish this co-located site. We are encouraging other WorkSource Centers to follow suit. We are proud to be the first Workforce Development Area in the state to implement a strategy we know will help us serve our customers more effectively. We plan to expand these efforts wherever appropriate and necessary.

A. Business Summit

In late 2004 and early 2005, the Pacific Mountain Workforce Development Council held a series of Summits with business, economic development organizations and education (including both secondary and post-secondary representatives). The Summits identified the key issues affecting each constituency. They developed a series of next steps to be addressed by Pacific Mountain through its programs and through its partner agencies. The information learned from these Summits continues to mold our activities. We are committed to meeting the needs of our critical, constituent groups. The key findings from each Summit are identified below:

1. Key Findings

- There is a serious need for customer service skills. In retail everything is about the customer – “the employee’s contact with the customer may be the most important thing in that customer’s life on that day.” Customer service includes “being nice”, but also includes showing respect, caring, conflict management, problem-solving, and taking time for the customer.
- Customer service is an issue not only for new hires, but must continually be addressed and promoted with incumbent workers.
- Attitude is as essential as technical skills for job seekers and incumbent workers. Attitude was defined as wanting to work, taking responsibility, caring about the job, showing respect and willingness to take direction from supervisors.
- Lack of basic skills in job applicants is increasing. Basic skills include reading, writing and math, computer skills (Even college graduates do not always have the basic skills necessary to properly complete routine job documentation and many job applicants over 35 do not have essential basic computer skills). Some employers suggested pre-testing applicants before they are referred.
- The number of applicants with specific technical and management skills is dwindling, especially in rural areas necessitating out-of-area recruitment.
- Job seekers need to be taught essential life skills (being prepared to solve daily living needs, emergency transportation or child care).

- Job seekers need to learn how to work not just how to market themselves (prepare nice resumes/portfolios, interviewing skills, etc.) Job seekers can have a professional resume done for them but it is important that they can write clearly, spell correctly, and fill out an application completely.
- Childcare is unavailable in evenings, early mornings or weekends, restricting the availability of workers.
- Applicants need a better understanding of a realistic workplace environment prior to applying. For example: are the hours unusual, is the work outside, will they get dirty, is it essential to be at work on a “snow” day?
- Employers in manufacturing communicated a need for mechanical aptitude, math and computer skills. Also, electrical workers are in high demand.
- The workplace is becoming diversified. Language barriers exist and employers could use assistance with training.
- Business has to train their own workers more frequently to make sure the workforce has the needed skills and attributes.
- Hiring someone who has a disability has provided a good worker and has been a positive experience.

2. Next Steps

- Explore pre-screening for basic skills and testing for math and technical aptitudes.
- Explore training opportunities for people who do not speak English.
- Reinforce all aspects of work readiness including life skills basic skills, knowledge of work expectations and technical skills.
- Evaluate workshops provided at each WorkSource location to determine if changes need to be made to better prepare job seekers for work.

B. Economic Development Summit

1. Key Findings

- Reinforcement of existing relationships between Economic Development Councils and the Workforce Development Council.
- Need a regional training center for employer-specific needs.
- The entry-level workforce continues to need soft skills.
- Need to define family-wage jobs.
- Business needs pre-screening of "job-ready" applicants.
- There needs to be a bridge between high schools and business for vocational/technical and soft skills to meet workforce needs and provide growth opportunity within employment fields.
- Regional cluster industries and resources need to be identified.

- WDC should understand and address the shift in demographics and language needs (English to Spanish and Spanish to English) and identify opportunities for business and the workforce.
- Specialized incumbent worker training is needed to retain a skilled workforce and to keep the jobs in the local community.
- WDC could become the common voice for education issues.
- Need for a “turn-key” employment and training service that encompasses a full range of activities such as recruitment, intensive assessment, hiring and customized business training.
- Explore the use of Interactive Television (ITV) for regional business training.
- Establish linkage with Washington Manufacturing Association for “lean manufacturing” services.
- A need exists to better identify new and emerging technologies and occupational needs of industry partners.
- Statewide cluster emphasis and resources are not necessarily consistent with the demand in rural areas.
- The WDC must have a clear understanding of each EDC’s targeted industries, to ensure the WDC implements appropriate training programs.

2. Next Steps

- EDCs would like to be kept informed of partnerships between business and high school vocational education departments.
- Findings from the EDC summit will be integrated into the WDC future planning.

C. Education Summit

1a. Key Findings - K-12

- The work world needs to interact with elementary school students at a very young age (particularly 4th and 5th grade) to increase children’s knowledge of career options.
- People need to have a vision to have success. Students need community leaders with culturally diverse backgrounds to create trust in the cultural group and to model success.
- The K-12 system is focusing on the new standards of competencies testing and, as a result, must let go of some other things. About 38% of 10th graders are now able to pass the WASL on the first try. Under current regulations every student must pass before they can graduate.
- If students don’t get a diploma there is no place for them in today’s workforce.

- As the WASL process unfolds, more competent learners are coming from elementary schools, which may push change in the level of competency at the high school level.
- We need a way to work with students who are capable and motivated but do not pass the WASL.

1b. Key Findings - Community Colleges

- Most students leaving high school now are not ready for college level courses. They still lack many of the basic skills.
- Community colleges now must provide a large proportion of pre-college level classes. More developmental classes will result in less money available for college level academic, vocational and technical training. Only 5% of incoming students are prepared for college level math classes and 20% of the student body is in literacy programs.
- Population entering community colleges is becoming increasingly diversified (language, culture, home schooled, etc.).
- First time college students are frequently afraid of failure and need personal contact in the college to successfully get started. This is particularly evident in disadvantaged students.
- Need ongoing research to update labor market information about existing, expanding, emerging and declining businesses. Labor market information should be used to identify needs then to be pro-active to look for funding to meet that need.
- For a community college to add a job specific curriculum, the college must successfully place twelve students per year in that field of work.
- It is difficult to manage long-term training with only occasional grant funding. Colleges need stable funding streams to adequately prepare for ongoing training programs
- Colleges need a way to share information between the workforce system and colleges to make sure services are coordinated.
- Colleges in collaboration with the workforce system need a seamless system for life long learning.
- High schools and community colleges can share facilities in order to provide more technical programs. For example: a college is using a welding classroom at a local high school and is able to offer a welding class without the capital required to add the space and equipment to the college facility.

2. Next Steps

- Explore new and better ways to project the future labor market needs.
- Work to better coordinate training and education services and information between the workforce system and colleges.
- Continue the conversation between education and the workforce system focusing on current and future issues identification.

- Encourage exposure to career information for younger children.

D. Work Session Results

Pacific Mountain held its annual Work Session in February 2009. As a result of that work session, a committee structure, assignments and work plans were developed. The work plans for each committee is listed below.

- Provide training programs at times and locations accessible to working people, and provide support services to assist in overcoming barriers to training.
- Increase basic skills and ESL instruction that is integrated with occupational skills training.
- Create and offer financial incentives to employers and low-income workers to increase training.
- Provide financial assistance that enables working adults and ESL, Adult Basic Skills students to take advantage of education and training opportunities.

Objectives and Strategies

Objective: Remove barriers for populations with unique obstacles to employment, and increase the number of employers who hire individuals with disabilities, women, and people of color in high-wage, high-demand occupations.

Strategies

- Implement the Ticket to Work Program.
- Educate employers, especially employers from high-wage, high-demand industries, about the benefits of hiring individuals from target populations.
- Continue developing accountability and program improvement mechanisms for increasing employment and earnings for target populations.

Objective: Improve WorkSource services to business customers

Strategy

- Respond to the needs of business customers and implement coordinated strategies among WorkSource partners.

Objective: Make workforce development services from multiple providers a straightforward and effective experience for job seekers and youth.

Strategies

- Improve customer service by collecting and using customer feedback, providing electronic services, and sharing information on customer service best practices.
- Include all WorkSource partners in customer service training, including training in serving target populations.
- Enhance the statewide information system (SKIES) for case management that is

shared by WorkSource partners.

- Maintain and continue to develop systems to track and report core WorkSource services.
- Improve communication and collaboration among workforce development youth partners.
- Find financial resources to sustain the WorkSource delivery system infrastructure.

Objective: Provide services that meet the unique needs of individuals from target populations, and reach out to these populations to increase their use of WorkSource services.

Strategies

- Provide individuals with disabilities with equal opportunities to benefit from WorkSource services.
- Continue outreach and capacity building activities with partners including tribes and community based organizations to ensure involvement of targeted populations within the WorkSource system.
- Encourage diversity among the membership of local WDCs and WorkSource staff to reflect the diversity of our communities.

Recommendations

Policy Initiatives for the Pacific Mountain Workforce Development Council for the calendar years of 2009 through 2011 are as follows.

1. It is the policy of the WDC to continue to lead an effort to reinvent workforce education and training to meet 21st Century needs:

- 1.1 Analyze current training models and recommend redesign when required.
- 1.2 Implement a work readiness credential
- 1.3 Identify industry sector initiatives to reaffirm a demand-driven workforce system. These sectors and industries include manufacturing (including marine manufacturing), power generation and distribution, warehousing, healthcare, tourism, and transportation.

Possible Action Items to reach objectives:

- Analyze the presence of industry clusters in our local economies in order to build a proactive economic development strategy
- Provide rapid, collaborative customized training to growing businesses
- Identify marketing needs and opportunities
- Influence state direction by communicating the message of the Policy Initiative
- Extend to business access to K-20 network on a cost recovery basis

2. It is the policy of the WDC to expand and diversify the resources of the workforce system to meet increased demand for services:

2.1 Create a “WorkSource” system that does not distinguish between programs

Possible Action Item for this objective:

- Establish “first responder” teams in each county to assist new and expanding businesses.

3. It is the policy of the WDC to seek partnerships to solve community workforce needs.

3.1 Maximize existing relationships and identify new partnering opportunities.

Possible Action Item for this objective:

- Map the use of existing resources.

4. It is the policy of the WDC to expand the design of our workforce programs to meet the needs of families.

4.1 Develop integrated services priorities

- Consider the need of families when developing service priorities.
- Prioritize workforce services to out-of-school youth

4.2 Promote diverse educational pathways

Possible Action items for this objective:

- Examine the value of linking federal and state resources to establish a family approach to services.
- Leverage WDC membership to develop a coalition of proponents to expand services in dropout prevention/intervention strategies.

The Pacific Mountain Workforce Development Council actively pursues resources and creates coalitions to continue its role as a demand-driven, strong advocate and partner of strategies that support regional economic development. According to the Washington State Department of Community, Trade & Economic Development, sixty to eighty percent of all new jobs are created by existing businesses. Local companies are valuable resources that communities cannot afford to ignore or lose. The jobs they generate add employment and create new businesses and tax revenues to boost local economies.

One of the means for local area's to develop and implement their Economic Development Strategies is to rely on the expertise, funding and investment opportunities and network relationships that various organizations within our Work Development Area can provide. The following are a list of some of the resources our region utilizes to stimulate economic growth and enhance employment opportunities.

Performance Expectations and Plan Modification

The Pacific Mountain Workforce Development Council meets each year to develop their annual work plan. At their next work session they will review the existing goals and objectives to determine if the goals have been achieved or if additional work needs to be done. They may also add additional goals and objectives as necessary to comply or achieve outcomes associated with the American Recovery and Reinvestment Act (ARRA) and establish performance measures and timeframes for new and existing goals.

Signature Page for the 2009-2011 Local PMWDC Strategic Plan

This Local Strategic Plan represents the Pacific Mountain Workforce Development Council's efforts to maximize the efficient use of resources available under Title I-B of the Workforce Investment Act (WIA) of 1998 and the Wagner-Peyser Act, as amended by Title III of WIA.

This Local Strategic Plan is submitted for the period of July 1, 2009 through June 30, 2011 in accordance with the provisions of the Workforce Investment Act Title I-B and the Wagner-Peyser Act, as amended by Title III of WIA. We further certify that we will operate the Workforce Investment Act Title I-B programs and services in accordance with this Plan and applicable federal and state laws and regulations.

DATED THIS _____ day of _____, 2009

PACIFIC MOUNTAIN WORKFORCE
DEVELOPMENT COUNCIL

BOARD OF COUNTY COMMISSIONERS
Thurston County, Washington

Nancie Payne, Chair

Chair

Date

Vice-Chair

Commissioner

ATTEST BY:

Clerk of the Board of County Commissioners