



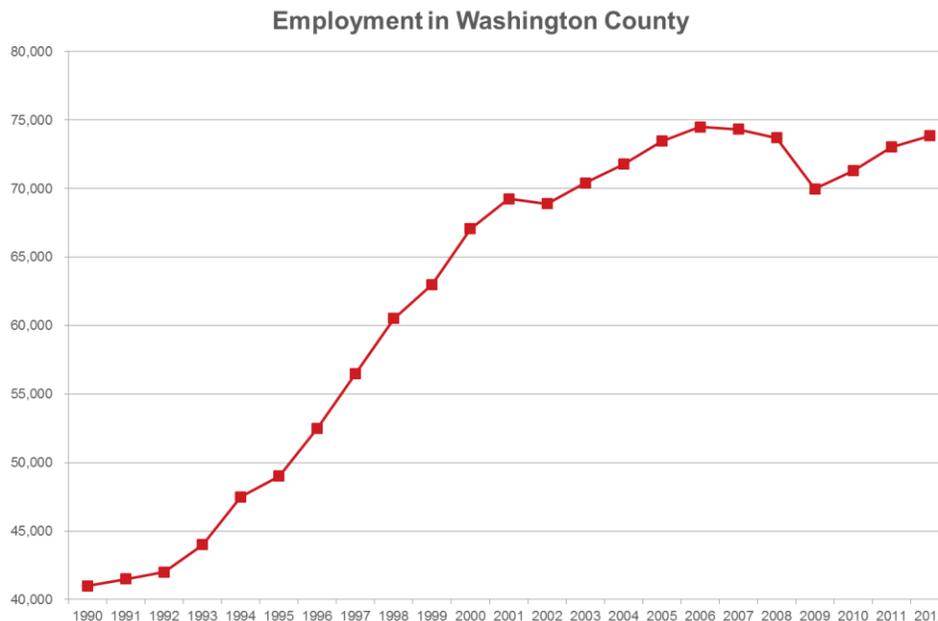
## ECONOMIC OVERVIEW

# Washington County

Washington County is a competitive, job-creating economy. In summary,

- The county has experienced steady and strong growth in the number of jobs and weathered the recession well.
- The county competes very well within the region and the Twin Cities economy.
- Washington County is especially competitive in comparison to neighboring counties in Wisconsin.
- Washington County is a service-based economy. Wages at jobs in Washington County are low, but incomes are high; these trends make affordable housing a critical issue.

**Washington County is a job-creating economy.**



- Employment grew at a rate of 80 percent from 1990-2012 (32,000 new jobs).
- The number of jobs in 2012 nearly rebounded to pre-recession levels (74,000 total jobs).

**Washington County is very competitive with respect to employment.**

- Washington County has significantly more jobs than its neighboring counties in Wisconsin.
- Washington County’s employment growth rate was on par with neighboring counties in Wisconsin.
- Washington County consistently outperforms national and industry expectations with respect to job growth. Businesses in Washington County added 24,000 more jobs than would have been expected given trends (competitive share).

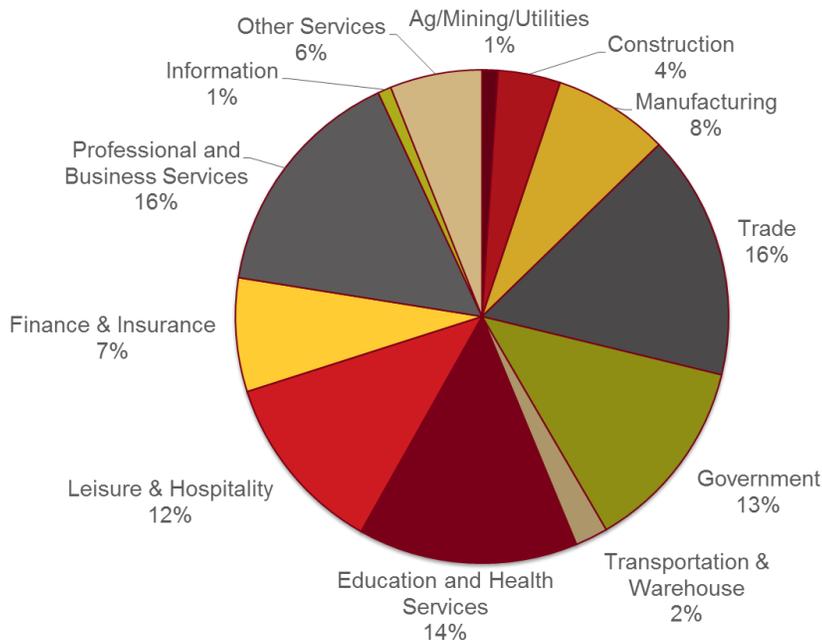
<b>SHIFT-SHARE COMPARISON</b>					
	Employment Change 1990-2012	National Growth	Industrial Mix	Competitive Share	Competitive Share Percent
Washington	32,150	8,692	-792	24,314	77%
Hennepin	109,400	155,357	23,762	-69,666	-64%
Pierce	1,320	1,614	215	-509	-39%
St. Croix	13,690	3,488	-843	11,041	81%

\*See end of document for an explanation of shift-share analysis.\*

**Washington County is a service-based economy.**

- The majority of Washington County’s jobs (56 percent) are in the service sector.
- Professional and business services account for the highest percent of service jobs.

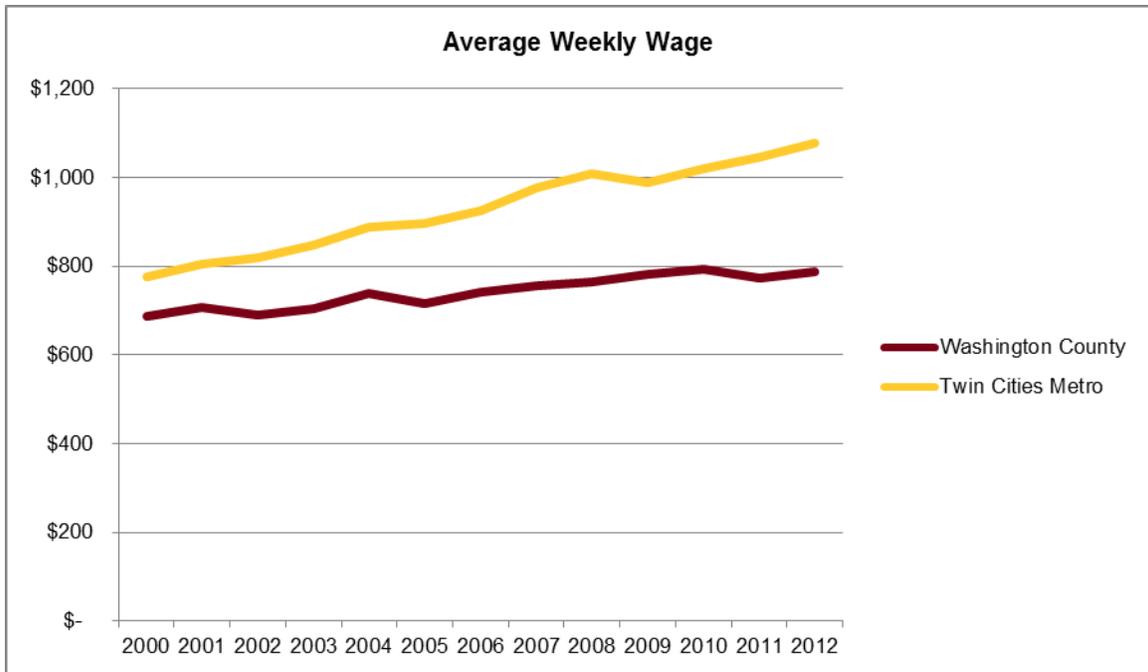
**Employment by Industry  
Washington County 2011**



Source: IMPLAN

**Washington County is a low-wage, but high income county.**

- Jobs in Washington County pay relatively low wages.
- Residents of Washington County have relatively high incomes, primarily from sources outside of the county.
- The combination of high incomes and low wages results in a difficult housing market for low-income earners.



**Washington County added service jobs at rates higher than expected.**

- Washington County’s growth in service sector jobs outpaced national and industry averages.
- Washington County was particularly competitive in financial activities and health and education.
- Washington County was less competitive in professional and business services, particularly as compared to St. Croix, Wisconsin.

SHIFT-SHARE COMPARISON: PERCENT COMPETITIVE SHARE					
	Health & Education	Leisure & Hospitality	Professional & Business Services	Financial Activities	Other Services
Washington	93.4%	61.7%	37.5%	147.0%	43.6%
Hennepin	1.5%	-22.3%	-25.0%	25.1%	-23.1%
Pierce	-29.2%	-30.5%	-31.8%	-13.0%	21.3%
St. Croix	87.7%	54.4%	91.2%	81.1%	56.5%

### Washington County has lost manufacturing jobs, but at lower rates than expected.

- Washington County lost -1,300 manufacturing jobs between 1990 and 2012.
- However, given national and industry trends, the county should have lost more manufacturing jobs than were observed.
- The fabricated metal industry is one manufacturing industry in which Washington County was less competitive than neighboring St. Croix County in Wisconsin.

#### SHIFT-SHARE COMPARISON: PERCENT COMPETITIVE SHARE

	Manufacturing Overall	Food Manufact.	Printing	Fabricated Metal	Machinery
Washington	18.6%	-28.8%	-27.3%	8.5%	13.3%
Hennepin	5.5%	-65.6%	-4.0%	-52.7%	-30.2%
Pierce	38.4%	-30.7%	NA	NA	NA
St. Croix	85.8%	-43.0%	-6.8%	154.0%	9.3%

### UNDERSTANDING SHIFT-SHARE ANALYSIS

Shift-share analysis is a method for measuring the source of job growth (or decline) in a local economy.

- **National Growth:** National growth indicates how many jobs a local economy would have gained (or lost) as a result of the growth (or decline) of employment at the national level. For example, consider a local economy with 100,000 jobs at the beginning of the time period. If during the period under consideration, the number of jobs in the United States grew by a rate of 2 percent, then at the end of the time period under consideration, the local economy would be expected to have 102,000 jobs.
- **Industrial Mix:** Industrial mix indicates how many jobs a particular industry within the local economy would have gained (or lost) if the local industry grew (or declined) at a rate similar to the industry as a whole in the United States. For example, if 1,000 people were employed in the finance industry in the local economy at the beginning of the period, and the finance industry as a whole in the U.S. grew at a rate of 10 percent, then at the end of the time period under consideration, the local finance industry would be expected to have 1,100 jobs.
- **Competitive Share:** Competitive share is the remainder of the number of jobs observed. From our example, the local economy should have grown by 2,100 jobs. If the local economy actually grew by 3,100 jobs, then 1,000 jobs were because the local economy grew faster than expected, given national and industry trends.
- **Percent Competitive Share:** This is the percent of total jobs that are sourced from competitive share. A competitive share of 80 percent would indicate that 80 percent of the jobs during the time period were derived from the competitive share.