

BFT NL 2016 #3

Welcome!



We're well on our way with the fourth edition of our newsletter sharing this great community resource. The Pasco Chamber is proud to be a partner of Benton Franklin Community Trends providing information about our community. The chamber has been involved in many facets of the region for over 100 years, and during that time agriculture has been a constant driver in our economy.

The Pasco Chamber strives to be the champion of agriculture for the area, therefore the comprehensive data in the agriculture segment on the website provides us with key indicators and trends so we can continue growth in this ever-changing industry. Intertwine the agriculture data with the 9 other indicators provides a treasure trove of information for those seeking more information within Benton and Franklin Counties.

Benton Franklin Trends provides us with the tools and information to educate leaders and decision makers to make our community better. We invite you to continue to use this resource for the best available data to measure progress and focus our community on key issues.

Colin Hastings - Executive Director Pasco Chamber of Commerce

Indicators in Action:

1) Spokane Community Indicators Turns 10



You might say Eastern Washington University's Community Indicators Initiative is always trending. Co-developed with several local organizations and now managed by the university's Institute for Public Policy and Economic Analysis, the initiative serves a variety of public and private interests that rely on the data from a variety of federal and state sources.

Last month, the community indicators initiative turned 10 years old. For Patrick Jones, the executive director of the Institute who has subsequently helped create several more trends website, the anniversary is a proud milestone. "I enjoy them all, in part because all the communities in which we work have committed, talented people whom I've gotten to know," says Jones. "But Spokane was the first."

The vision for each project is first to inform, and second to help "move the needle" to create a healthy, vibrant community. The local data, chosen by community representatives, are available for several areas

including: culture and recreation, demographics, economic vitality, education, the environment, health, housing and transportation and public safety.

Similar projects managed by the Institute include [trends websites](#) in Kootenai County, Walla Walla County, Benton-Franklin Counties, Grant County, Northeast Washington Trends (Ferry, Pend Oreille, and Stevens Counties) and Chelan-Douglas Counties. On November 9th, the Institute launched its latest indicators project -- for Skagit County, Washington.

“The Spokane project is the one that has gone the farthest from measurement to moving the needle, via Priority Spokane,” adds Jones. “I’m very proud of how Priority Spokane has catalyzed a huge jump in the high school graduation rate, by our funding and by our collaboration with Spokane Schools and committed community based organizations. I’m hoping that our other communities will use their indicators project to move the needle in the areas of their greatest concerns.”

“We have been involved with Dr. Jones and EWU’s Community Indicators program for over a decade,” says Mark Hurtubise, President and CEO, Inland Northwest Community Foundation. “To have an outstanding third party, like EWU, objectively inform us as to the health of a region and whether our collaborative grant-making initiatives are effective is indispensable to our efforts with other regional leaders to improve our communities.”

“Since we work for a public institution in the state of Washington, I would very much like to see us bring the tool of community indicators to other counties and regions in the state,” says Jones. “While every project is a bit different, the Institute has the capacity to undertake more projects.”

Presidential Election Voter Turnout Peaks Again in 2016, but Lowest Since 1996



One thing most politicians agree on is the importance of expressing our most fundamental American freedoms - the freedom of voting. Presidential elections historically produce the highest voter turnout even though many important initiatives on the local, county, and state occur during mid-term and off-term election cycles.

What was the voter turnout like in Benton and Franklin Counties?

For the 2016 Presidential election, the 244 voting precincts in Benton County had 107,775 registered voters with 84,663, or 78.56% of registered voters casting a ballot and the 104 voting precincts in Franklin County had 34,087 registered voters with 25,075, or 73.56% of registered voters casting a ballot.

This data received its most recent and final update by the [Washington State Secretary of State](#) on November 30, 2016. This newly updated data can also be viewed as an on the trends site by [clicking here](#).

Electricity Production by Facility Type in Benton and Franklin Counties



Washington State is known for its electricity production, whether hydroelectric, nuclear, or perhaps even wind. According to the U.S. Energy Information Administration *Average Retail Price of Electricity to Residential Sector*, August 2016 report, residential electricity prices in the state were second lowest in the nation at \$0.0957 per kilowatt hour (Louisiana was \$0.0943). While the most recent data for total energy production rankings for the 50-States from all electricity production sources, [Washington ranked #32](#) (interestingly, Louisiana ranked #1). The most recent data available for renewable and alternative fuels, Washington State ranked #1 in 2010, which includes hydroelectric, perhaps giving the state its edge.

The [Washington State Profile and Energy Estimates website](#), hosted by the U.S. Energy Information Administration, has a fully interactive map showing all electricity producing facilities, what they use to produce electricity (coal, hydroelectric, steam, wind, etc.) and their total electricity production.

In addition to information of electricity production facilities in Benton and Franklin Counties, the website also offers U.S. rankings for all 50-States in energy consumption, including leading producers by type, per capita electricity consumption, and carbon dioxide emissions.

With electricity produced all across the state, where and how much electricity is produced in Benton and Franklin Counties? [Indicator 5.3.2](#) on the trends sites shows electricity production by type for both the combined counties and each county individually benchmarked with the state.

Featured Indicators:

Net Firms Created Decreasing, but Following State Trend By Brian Kennedy and Dr. Patrick Jones

Determining the entry and exit of firms in a local economy is essential to help understand and further develop that economy. The growth of firms inevitably leads to growth of employment, resulting in higher incomes and consumer spending. A strong growth rate of firms can have major impacts on the health and revitalization of a regional economy.

Tracking firm entries and exits separately, however, is difficult with existing data. Consequently, Benton-Franklin Trends uses net firms as an indicator for firm growth. This

approach takes the total number of firms in the current year and subtracts the total number of firms in the prior year. The metric doesn't give us any knowledge as to the status of these firms, such as if they have been open for 10 years or are a brand new start up, but it does give us an idea as to how many firms were added or lost over time.

Starting from 2006 Benton-Franklin counties together have shown a steady growth of firms, with the exception of 2011 where there was a very slight drop in net firms. As the graph illustrates, the annual growth rate outpaced the state by about an average of 2% from 2006-2010. However, the trends for the area and the state took a dramatic shift in 2014 and 2015, resulting in a loss of just over 600 net firms.

Looking for the culprit of the direct cause of the decline in firms by breaking it down into the individual counties doesn't help shed any light either. While Benton County was responsible for a drop of 343 net firms, Franklin County also dropped 273 net firms. Further, the trend of annual percentage change has been nearly identical for the past ten years for both counties

So if neither of the counties is directly responsible for the recent decline what could be happening with net firms in the last few years? Looking statewide, the data also shows that this fall in net firms is not a phenomenon unique to the Benton-Franklin area. To uncover possible reasons for this this reversal requires a deeper look in the source data, the [Quarterly Census of Employment and Wages](#). This allows

us to look at individual sectors within each county to determine if a particular sector is responsible for the decline or if it's just an overall downturn across the

economy. After some discussion with [Ajsa Suljic](#), the Washington State Regional Labor Economist for Benton and Franklin Counties, the Institute learned that data within various sectors have been reassigned for in recent years. Suljic informed the Institute that firms providing non-medical, home-based services of the elderly and persons with disabilities have been moved into a new sector within the Healthcare and Social Assistance. This adjustment can be

seen in the growth of this sector's employment share found in indicator [3.3.4 Share of Employment in the Largest Sectors](#).

Suljic also let the Institute know that was some internal accounting changes within the DSHS that resulted in the removal of many of the [Community Options Program Entry System \(COPES\)](#) accounts from their records. COPES is a state program that provides comprehensive care management for elderly adults to stay in their homes. However, many closed accounts were still being reported as operational firms. These accounts were then cleaned up started in the end of 2014 and continuing through 2015. Looking statewide, the numbers in the social assistance sector show a jump of firms in 2013, resulting from the reassignment of homecare

for the elderly into this sector, then quite dramatic drops in 2014 and 2015 as the COPES outdated accounts were removed from the data. This shuffling within the



sectors is clearly evident in downturn of 2014 & 2015 depicted on the graph.

However, it is important the note that this loss of net firms is not a phenomenon unique to the Benton-Franklin locale. This data issue has issue has impacted all counties across the State, which too has shown a fall in net firms in the recent two years. It may not account for all of

the net firm losses, but it does mask what the data trends initially tell us at first glance.

Locally, there are a few key sectors to be optimistic about by this metric. During the recent two year overall downturn of firm growth, there has been an increase of 40 net firms in the professional and technical services sector, 32 net firms added to the administrative and waste services, 52 net firms added to retail trade, and 88 net firms added to the construction sector. With the exception of retail trade, all of these sectors have an average annual wage higher than the overall average annual wage depicted [here](#). These gains aren't

something that should necessarily be overlooked despite being hidden behind the overall downward trend observable on surface in recent years

In summary, measuring the economic strength of the region can often be a difficult task. In a functioning economy there are many moving parts and taking a snapshot of one particular piece might not show the whole picture. Net firms is just one part of that and to really understand economic growth Suljic advises to look toward employment and [job growth](#) as well to help get an idea of the economy as a whole.

Number of Patents in 2015, Second Highest in Series By Scott Richter and Dr. Patrick Jones

Plato said, "A need or problem encourages creative efforts to meet the need or solve the problem." Mark Twain named "Accident" as the greatest of all inventors. Either way, our everyday lives are surrounded by inventions with many new applications for patents submitted each year.

The one thing all patents have in common is innovation. Patenting the innovation provides legal protections to the patent owner so there is incentive to turn the original innovation into a new product with the potential to create jobs in a variety of sectors.

The [U.S. Patent and Trademark Office](#) opened for business in 1790 and issued 3 utility patents that year, increasing to 298,407 patents issued in 2015 out of 589,410 utility patent

applications. But, what is occurring in Benton & Franklin Counties?

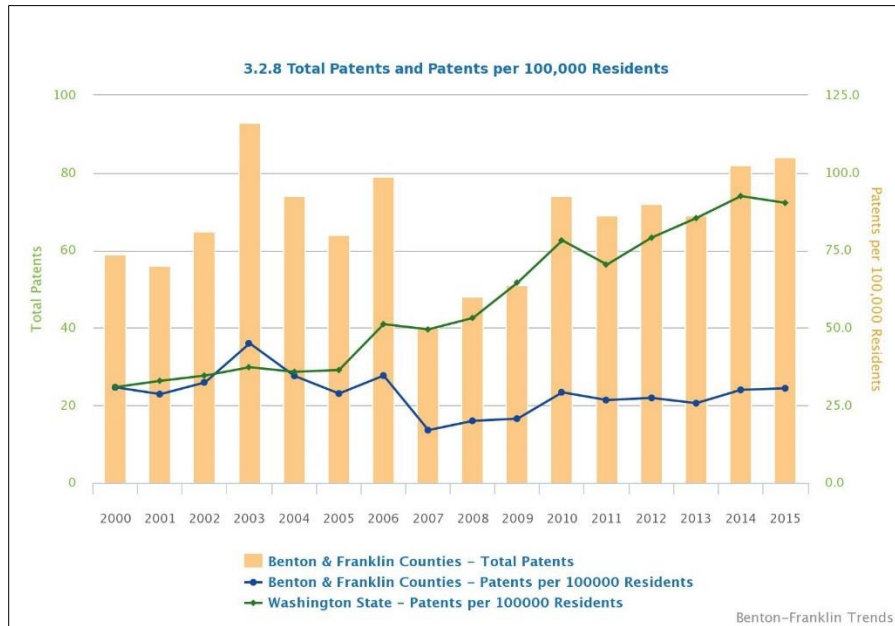
Examining the [number of annual patents issued](#) indicator, there was a high of 93 patents issued in the combined counties during 2003 and a low of 40 during 2007 with the rate per 100,000 residents 30.8 in 2000 and 30.5 in 2015 there are a few things really standing out. First, with a few years past since the Great Recession, we can see obvious dips the trend line of many indicators heavily affected by the recession, and now we are also able to see more and more the recovery in many indicators, as well. Second, although patent numbers have increased back up to pre-recession numbers, the per capita number of patents issued in the combined counties have not kept pace with the state since the recession.

Although the majority of patents issued to people and businesses in the combined counties originate in Benton County, Franklin County produces around 8-12 patents on a high

year and approximately 2-4 on a low year (roughly between 6.0 and 23.0 in per capita figures). The physical location of the Pacific Northwest National Laboratory (PNNL) in Benton County most likely explains the difference in patent production between the two counties.

Excluding the years perhaps affected most by the Great Recession (2007, 2008, & 2009), Benton County produced between 53 and 85 patents annually

with the rate per 100,000 residents ranging from 25.7 to 45.0. Peter C. Christensen, Manager, Technology Commercialization with PNNL says “PNNL files approximately 50-60 US non-provisional patents per year [so] it appears that PNNL accounts for a little more than half of the patents filed by Benton/Franklin county inventors.”



When asked why this indicator has remained generally flat over the last 15 or so years, Christensen explains “the primary factor driving our patent filing rate is our patenting budget, and this budget has been flat for at least the past five years. Since patenting costs have greatly increased over the past few years, we have to be very strategic in our decision on

which inventions to patent.”

The “flat” budget perhaps directly results in the “flat” trend line for this indicator, but it also highlights that the patent process is

expensive. Christensen concludes saying “Some very good (and patentable) ideas that are based on outstanding scientific and technical work are not patented if there is not a strong potential licensing opportunity to justify the high cost of patenting.”

Overall Apartment Vacancy Rate Increasing Slightly By Dr. Patrick Jones

If you’re looking for an apartment in the Tri Cities, the most recent data on the Trends site shows you have a decent chance, with one qualification. For the past several years, the overall vacancy rate for apartments of all sizes

has been hovered in the 5-8 % range, as [Trend 7.2.1](#) makes clear. Most analysts put a rental market in equilibrium, where supply matches demand, at about a 5% vacancy rate.

The indicator is based on annual survey of all housing units by the American Community Survey (ACS) from the U.S. Census. In the Tri Cities, about 950 units were sampled in 2015,

with the majority consisting of single family units. This reflects the breakdown of housing stock in the metro area, with about two third of households estimated to live in single family homes and one third in multi-family. So the sample size for multi-family units in the area is close to 325, a reasonably large random sample for an estimate. Note that margins of error accompany all the data points in this trend; they usually run 1.5-3 percentage points.

The ACS's estimates for all of Washington's multi-family housing stock shows a considerably lower (and declining) rate for the entire length of this trend. So an argument can be made that the Tri Cities offers a much better opportunity for those households that rent than other parts of the state.

If the two counties are considered separately, however, a wide divergence appears. The vacancy rate in Benton County has been above the two county average over all years shown. This implies, and the graph makes clear (click on the radio button), that the vacancy rates in Franklin County have been lower, actually much lower, with the exception of the last year.

Why might this be the case? On the demand side, population in the two counties grew nearly 10% between 2010 and 2015; yet, Franklin County experience growth over 15%. As the "Download Data" page reveals in [Trend 0.2.1](#),

household formation in the two counties grew nearly as fast, at 9%, over the same interval. Similarly, household formation in Franklin grew faster, at nearly 13%. According to the ACS survey, supply of multi-family housing grew substantially in the past three years, 17% for the metro area and 25% for Franklin County. Typically, growth in supply will dampen rents and increase the vacancy rates. But since the data don't permit a view of the housing supply status before 2013, perhaps the recent growth in Franklin County represents a catch up.



Ben Murphy, senior advisor at SVN|Retter Company, commented that the overall track of the vacancy rate conforms to what his company has observed over the

past several years. In the multi-family arena, at SVN|Retter manages buildings largely in the 2-8 units range. (These categories constitute the bulk of the units in the market.) "Back in 2009-2012, the good apartments all had waiting lists and vacancy rates were 1% or less. In 2011-2012 many new apartments were started at the same time which helped raise the vacancy rate to a healthier 6-7% in 2013-2014," Murphy stated.

It appears likely that both population and household formation growth will continue to be robust in the Tri Cities. Will the apartment vacancy rate slip below 5% sometime soon?

Murphy reports that there are several large developments underway: Badger Canyon Apartments (Richland), Columbia Point Apartments (Richland), and the Lofts in (north Richland), for a total of about 800 units. Note that absence of any large developments on the east side of the Columbia. With an estimated vacancy rate over 7% in 2015 in Franklin County, perhaps builders there are in a holding pattern.

Looking further into the future, some are concerned about buildable land. Jonathan Jones, director of building sciences of the Home Builders Association of Tri Cities, points to the

declining availability of buildable raw land in the area. “A builder used to be able to purchase a decent lot for \$35,000. Now the minimum is \$50,000 and that doesn’t buy you much.” He attributes the squeeze on land to the Growth Management Act boundaries and said that supply of single family residences has reached all-time lows. (In fact, [Trend 7.3.4](#) confirms this.) So land supply will be an important factor on future housing supply of all forms in the Tri Cities to keep an eye on.

For now, based on the most recent data, the apartment market overall in the Tri Cities seems to be in balance.

5-Questions with: LoAnn Ayers - President & Chief Executive Officer, United Way of Benton & Franklin Counties



1. You’ve been in the saddle as CEO of United Way for the two counties for nearly half-year. Can you give us some early observations?

This is an amazing community. I’ve met with more than 30 non-profits and dozens of businesses, service clubs and faith-based groups. I continue to be impressed by the deep commitment to others, practical “can-do spirit” and rich volunteerism across our community. Sadly, we have too many folks impacted by behavioral health issues, hunger, crime, and poverty. And, yes, we have significant and growing challenges impacting health, safety and income security. But, we have smart, generous

individuals and businesses who daily roll up their sleeves and do good for others. Wow, what a great time to be part of a United Way that’s integral to the fabric of improving lives in our community.

2. Your organization has recently worked with a budget of nearly \$4 million, the vast majority of which goes to area non-profits. To what degree do data guide those allocations?

Data founds decision making—it guides the tough choices about how we can best invest donor time and money where they can get the biggest impact. As one example, *Attendance Matters* is a community-wide effort focusing on keeping kids learning by getting them to school. School districts share detailed attendance data for over 12,000 middle-schoolers so we can assess the impact of our strategies focused at these grade levels. Data shows that we’ve gained attendance—going from 12 days of absence to 11. The data also shows us where and with whom we’ve made gains and where we still need lots of work.

3. Benton Franklin Trends contains over 160 indicators. Of those, which ones are the most relevant to United Way?

This is a tough question because there is so much rich data that helps to shape our strategic and tactical plans. Here's a "best of" list:

Demographics and growth rates, income (per capita and distribution), employment, poverty, education (nearly all), health (particularly food in security, mental health, teen birth rates, suicide, substance use, access to care), housing (availability and homelessness), public safety (abuse/neglect, sexual assault, drug crimes, youth rates), transportation (public transit)

4. You are a long-time resident of the Tri Cities. Are there indicators, beyond those critical to United Way's mission, you find important?

Having committed much of my career to education and to small business success, I'm interested in indicators that reflect quality of life and quality of workforce. This includes: Higher education, Economic vitality and Culture, Recreation & Tourism.

5. How might measurement of the community like one finds in the Trends fit into the strategic plans of United Way of Benton & Franklin Counties?

Our United Way fights for positive, long-term change to improve lives in our community. For our community to break the cycle of intergenerational poverty, to name a chief challenge, that's a big, audacious goal that's only possible with focused strategic planes implemented with the support and commitment of generous Tri-Citizens. Data provides a barometer against we can assess community needs and how we measure progress toward meeting those needs.