

## Benton-Franklin Trends - 2017 Q4 e-Newsletter:

### Welcome!



Thank you for taking the time to check out this quarter's Benton Franklin Trends newsletter. As you will see, the Benton-Franklin Trends website is THE go-to source for information, statistics and measurable data within the two counties.

Every quarter the BF Trends Steering Committee chooses three indicators to revisit and highlight in its newsletter. Those chosen this time are 1) the foreign population, 2) the educational profile of the two counties (specifically, the share with a BA or above) and 3) the lodging tax.

We hope you enjoy and find value in this quarter's news.

As a Trends Steering Committee Member and [Environmental Sustainability Indicator](#) Lead, I am proud to have participated in this project, and am looking forward to environmental sustainability being elevated here in the future.

With our area's dependence on an abundance of water for agricultural needs, transportation and recreation, along with the growth and availability of high tech, state of the art science and technology research, we should have what it takes to be a contender as a [top green city in America](#), after all, Portland is #9 and Seattle #11.

Just look at Governor Jay Inslee's recent launching of the [Washington Maritime Blue 2050 Initiative](#), the first initiative of its kind in the United States. This program aims to increase technology, reduce pollution and update workforce training. I remain hopeful that environmental sustainability will continue to grow in Benton and Franklin Counties.

To check out a few good resources on sustainability in our area, subscribe to PNNL's newsletter [Currents](#) and visit [www.gogreentricties.org](http://www.gogreentricties.org). Oh, and be sure to follow their [Facebook page](#). Another resource that is reemerging is the Alliance for a Livable Sustainable Community.



**Gail Everett**

City of Richland Communications and Marketing Specialist

BF Trends Steering Committee – Environmental Sustainability

## Indicators in the News

### **Yakima Valley Trends, EWU's 10<sup>th</sup> Indicators Project, Just Launched**

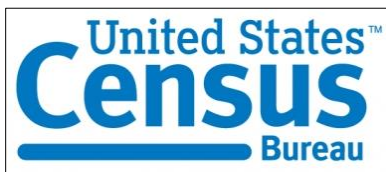


On Monday, November 13, Eastern Washington University's Institute for Public Policy and Economic Analysis launched their 10<sup>th</sup> indicators site: Yakima Valley Trends.

While the data offered on Yakima Valley Trends is basically the same as found on the Benton-Franklin Trends site, Yakima Valley boasts of a completely new web design and format. The basic indicator and website functions of the new format will be almost identical to the old design.

Keep watching in the early part of 2018 as we will be working hard to port the new web design over to all the other [Trends sites](#) Eastern Washington University manages.

### **U.S. Census Now Offers Statistical Significance Test** by Emily Wavra



The American Community Survey (ACS), from the U.S. Census, provides estimates for the nation, all 50 states individually, various counties and states across the nation. These estimates include various measures of well-being, income, population, diversity, housing, age and more. These estimates are used to keep track of important trends throughout each county.

Each year as every ACS-sourced indicator on the Benton-Franklin Trends site receives an update, the numbers may show a significant change, a small change, or anything in-between. All ACS indicators are estimates based on a national survey. In prior years there was no way to tell the importance of that change, since the Institute does not have access to the source data.

For the 2016 annual ACS updates, the "More Information" section now includes the results of a statistical significance test, making it easier to determine how significant the change in data is.

First, we collect the estimates and Margin of Error (MOE) for the base year (the first year recorded for the trend), then we add the most recent estimates and MOE. An algorithm [provided by the ACS](#) determines whether the change is statistically significant or not. We simply enter the estimates and MOE's. If the estimate is found to be "*statistically significant*", it means the most recent estimate is different from that of the base year. This is important because this will show that the trend is changing.

An example of an ACS indicator is the Median Age of the Population, this indicator shows a trend of the median age of the population throughout the combined counties, the state and the nation. For each location, a significance test is performed and we can track the movement of the median age for the nation, the state and the county. If the test results come back as "*not statistically significant*", it means the median age has not really changed over time. On the other hand, if the test results are "*statistically significant*", it means over time the trend has seen change due to real factors. For example, if the

median age of the population has gotten older this could be due to medical advances and a better standard of living.

Most every ACS-sourced indicator allow statistical significance tests but not all. One example, some indicators use a combination of more than one ACS table and the test cannot be carried out. If test results are offered, the test was able to be performed. If no results are offered, the test was unable to be performed.

With the addition of the statistical significance test results, we can now draw more accurate conclusions than previously available about the estimates offered for each ACS indicator. Knowing if changes are actually significant will help the community better understand what's truly going on around in our two counties.

### **Year in Review and Thank You!**



As 2017 comes to a close, we would like to take a little time to reflect back on the past year. The Trends site had three new indicators added (each hyperlinked to individual indicators):

- [Total Miles of Class 1 Shared Use Pathways & Miles of Pathways per 100,000 Residents](#)
- [Share of Employment by Age Group](#)
- [Share of Renewable Energy Production \(Excluding Hydroelectric\)](#)

As mentioned in the Yakima Valley Trends article, a completely new website format has been developed and will be ported over to the Benton-Franklin Trends website sometime in early 2018.

The programming team has been working on both "Search" and "Compare" features. The search function will allow a search of the indicators site using keywords with relevant results and links to applicable indicators. The compare feature will allow a side-by-side view of any indicator on any one of the indicator sites EWU manages, to any indicator.

And finally, the Benton-Franklin Trends project would like to thank all of the sponsors making this site possible. If you see anyone you know who works for any of these organizations, be sure to tell them "Thanks!":

- Columbia Basin College
- KADLEC
- Tri-City Herald
- Washington State University - Tri-Cities
- Benton-Franklin Council of Governments
- Benton-Franklin Health District
- Home Builders Association of Tri-Cities
- Jacobs
- Moon Security

- Pacific Northwest National Laboratory
- Pasco Chamber of Commerce
- Three Rivers Community Foundation
- Tri-Cities Ports:
  - Port of Benton
  - Port of Pasco
  - Port of Kennewick
- Visit Tri-Cities

## Indicators in Action

### **Large Share of the Population are**

**Foreign-Born** by Bryan Lockwald and Dr. Patrick Jones

The foreign-born population has received a lot of attention in the press over the last few years. But what might have been lost in the discussion is that these are still people, regardless of their citizenship status, be they DACA recipients, documented field workers, or naturalized citizens or undocumented residents. Benton and Franklin counties have undoubtedly all of these categories represented in their immigrant population.

One method of getting a sense of the size of this population is through the Census question of whether someone is foreign born. The data Census compiles are estimates from the American Community Survey (ACS).

A quick glance at the [Share of the Foreign-Born Population](#) indicator shows that the shares of foreign born are tallied by citizenship. A majority of people represented in this indicator for the two counties are not U.S. citizens. The most recent estimate puts the count at 28,081, or approximately 9.9% of the population of Benton-Franklin Counties during 2016. This represents a much higher share than either the U.S. or Washington averages.

Naturalized citizens during 2016 represented an estimated 11,077 people in the two counties, or approximately 3.9% of the combined counties population. This share is lower than the U.S. or Washington State benchmarks. The ACS captures: non-U.S. citizens, legal permanent residents, temporary migrants, humanitarian migrants, and unauthorized migrants. In short, this indicator estimates the foreign-born population regardless of U.S. immigration status.

Why is there such a divergence between the shares of naturalized and non-US citizens among the foreign born? According to Asja Suljic, regional labor economist with the Employment Security Department of Washington State, a large migration of immigrants into the Benton-Franklin Counties in the 2005-2006 timeframe, many to work in agriculture, agriculture manufacturing and construction. For various reasons, many in this wave of immigrants have not sought out citizenship.

Gene Dire, Executive Vice President for Advocacy Services and Programs at Catholic Charities of Eastern Washington also pointed out that most undocumented and lawful immigrant work visa holders come to the area for agricultural and construction work. He said "Family based immigration is the number one factor for people to lawfully immigrate to the

United States.” Family based lawful immigration accounts for 65% of all immigration followed by employment based immigration at 16% and refugees and asylum seekers is at 12%. The top industries for immigrants documented and undocumented are agriculture, construction, and hospitality.

Dire mentioned there are special challenges for immigrants. The U.S. population carries many misconceptions about our immigrant populations. Number one on this list is the idea that immigrant populations are a threat to native born populations and that immigrant populations participate in

criminal activities at a higher rate than native born populations. He says that the numbers just don't bear this to be true at all. Another misconception is that immigrants don't pay their fair share or contribute to the economy. In fact, Dire says, the opposite is true. Immigrants are a driver of the economy, contributing as workers and business owners who pay taxes. Immigrants also contribute to social security,

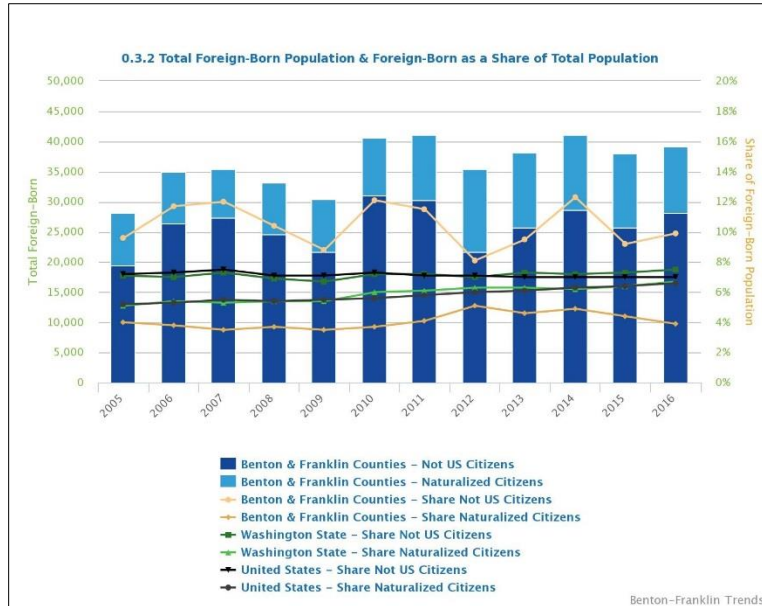
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**Lodging Tax Redistributions on the Rise**  
by Scott Richter, & Dr. Patrick Jones

The Benton-Franklin Fair and Rodeo, Tri-City Water Follies featuring hydroplane races, touring the Hanford Reach National Monument, wine tasting events, the 23 mile Sacagawea

even though they are not able to use Social Security benefits until they are naturalized.

The [Center for Immigration Studies](#) provides a good snapshot of national immigration, much of which also applies at the level of Benton-Franklin Counties. Nationally, the rate of work for immigrants and natives tend to be similar. Many immigrants have low levels of education.



A recent report from the [U.S. Chamber of Commerce](#) titled *Immigration: Myths and Facts*, in the U.S. “immigrant-owned small businesses employed 4.7 million people and had \$776 billion in receipts in 2007.” Additionally, “immigrants made up 28.5% of all

new entrepreneurs in 2014—up from 13.3% in 1996.”

Benton and Franklin Counties show, in total, a substantial share of the population who are immigrants. By most all accounts, the foreign-born population of Benton-Franklin Counties, and quite frankly of the U.S., are positive contributors to both our society and economy.

Heritage Trail, the International Bigfoot Conference, year-round golfing - there are many reasons people travel to the Tri-Cities. This indicator is one measurement of how we can try to measure tourism, which as this story shows, is alive and well in Benton and Franklin Counties.

According to the [Municipal Research and Services Center](#) for Washington State, lodging taxes are charged to consumers who stay in lodging accommodations “for periods of less than 30 consecutive days for hotels, motels, rooming houses, private campgrounds, RV parks, and similar facilities”. Although lodging taxes are collected for consumers staying in overnight lodging accommodations for any purpose, revenues that are redistributed to levying counties and cities “must be used for activities, operations and expenditures designed to increase tourism.” Generally speaking, these activities include marketing and operations for tourism (such as festivals and special events) and operations and capital expenditures of tourism-related facilities.

The [Washington State Department of Revenue](#)

explains that consumers are not charged both full sales and lodging taxes on a qualifying overnight stay, but the lodging tax “is credited against the state retail sales tax of 6.5 percent, so that the hotel-motel tax is not an additional tax for the customer but represents sharing of the state retail sales tax receipts on lodging with cities and counties.” Currently in Washington State, 281 cities and all 39 counties have imposed the lodging tax with approximately \$103 million collected in 2016, which represented about 0.6% of all the state taxes collected that same year.

Note that these sums refer to the “state share” of the lodging tax. Communities may opt to add a supplemental lodging charge, and Spokane does. But, to facilitate ease of comparison with the State average, only the base charge, or state share, is included in the indicator.

An examination of [Total and per Capita State-Shared Hotel & Motel Lodging Tax Redistributions](#) leads to a few positive observations. First, the per capita amounts for the combined counties have basically kept pace with the state benchmark. Second, each of the last three most recent years (2014-2016) were the highest number of annual dollars of the

state-shared lodging tax redistributions to the combined counties on record at the time of release.

More specifically during 2016 in the combined counties, there was \$1.330 million in hotel and motel lodging tax

redistributed, increasing from \$704,000, or by 89%, since the beginning of the series in 2004. During 2016 in Benton County, there was \$1.056 million redistributed, increasing from \$569,678, or by 85% since 2004. Franklin County received \$272,992 in lodging tax redistributions, increasing from \$134,322, or by 103% since 2004.

It is also important to note, although there are both local and state lodging taxes collected, this indicator only measures redistributions of the state share of the lodging tax. Additionally, King





County has been removed from the state benchmark.

Visit Tri Cities, the organization charged with creating tourist room nights in the two counties, receives a good chunk of the tax distributions. According to Kim Shugart, Senior Vice President of Visit Tri-Cities, “In 2017, hotel-motel taxes contributed 23.8% of our total budgeted revenue. Hotel Industry self-assessments make up 56.9% of our revenues, and member dues from private investors make up the remaining 19.3%.”

Shugart says their funding comes from a “well-rounded combination of self-imposed assessments from the private sector (hotels), member investors (local companies that support tourism), and the three cities through hotel-motel tax”, which includes receiving half of the 2% additional tax imposed to people purchasing overnight lodging in the cities of Kennewick, Pasco, and Richland.

Shugart explained that part of the growth seen in this indicator are the results many organizations using lodging tax redistributions to market the Tri-Cities. Shugart says Visit-Tri Cities contracts with individual cities in Benton and Franklin Counties and produces and distributes a visitor information guide for the Tri-Cities (60,000 copies), produces informational digital media campaigns, and hosts a visitor website ([visittri-cities.com](http://visittri-cities.com)) which will receive 300,000 visits this year. Currently the list of brochures produced by Visit Tri-Cities includes the Shop& Dine Guide, the Wine & Art brochure, and the Golf & Wine brochure.”

So, in a sense, this indicator is somewhat circular because an increase (or decrease) in overnight stays result in more (or less) lodging taxes available for redistribution back to the local level with the legal stipulation these funds must be spent on tourism promotion. Seeing the upward trend of this indicator provides insight tourism is doing well in Benton and Franklin Counties.

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## **Educational Attainment Behind**

**Benchmarks** By Bryan Lockwald, Scott Richter, & Dr. Patrick Jones

According data released by the United States [Census Bureau](http://www.census.gov) in 2016, nearly one third of the adult population in the United States have earned a bachelor’s degree or higher. This marks the first time that the number of people with a BA degree or higher have reached these heights. This indicator helps to paint a picture of the income earning capacity of a population groups by its educational attainment.

The [Bureau of Labor Statistics](http://www.bls.gov) (BLS) points out that it is important to know what field a degree is attained in to understand the link between the earnings distribution and wage premiums.

A wage premium is the ratio of wages paid to high-skilled workers relative to wages paid to low-skilled workers. For most occupations, a wage premium develops that makes it highly advantageous to pursue a master’s degree. Yet in some occupations, those with a master’s degree earn the same as and sometimes less than those with a bachelor’s degree. For instance in 2016, an education administrator with a bachelor’s degree had a median annual wage of \$52,000 and an education administrator with a master’s degree earned a median wage of \$75,000 making the wage premium for this occupation \$23,000.

The level of educational attainment for the civilian population age 25 and older can also impact employment status. Employment status

of the civilian population 25 years and over by educational attainment is tracked by the [Bureau of Labor and Statistics](#) monthly. As of November of 2017, comparison of those participating in the civilian labor force showed nationally that individuals with a high school diploma was 57.5% while those with a Bachelor's degree and higher was 73.5%. National unemployment rates were 4.3% and 2.1% respectively.

Looking at the [Share of the Population Aged 25 and Older with a Bachelor's Degree or Graduate / Professional Degree as their Highest Level of Educational Attainment](#)

indicator on the Trends site, we see that the combined counties is below both the state and U.S.

benchmarks for both bachelor's degrees and for

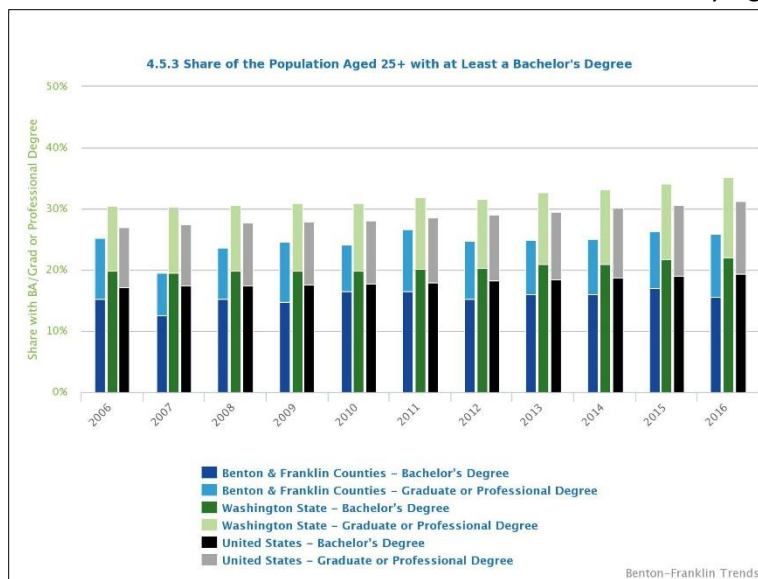
graduate/professional degrees. More specifically during 2016, an estimated 15.5% of the population ages 25 and older claimed their highest educational attainment as a bachelor's degree, while an estimated 10.3% had attained a graduate or professional degree. The changes in these shares since 2006 have been statistically insignificant.

For purposes of comparison, during 2016 in:

- Washington State, the share of the population ages 25 and older whose highest educational attainment was a bachelor's degree was an estimated 22.0%, with 13.2% having earned a graduate or professional degree - each increasing from an estimated 19.8% and

10.7% respectively since 2006. These are statistically significant increases for the state.

- The U.S. the estimated share of the population ages 25 and older whose highest educational attainment was a bachelor's degree was and estimated 19.3%, with 11.3% having earned a graduate or professional degree - each increasing from an estimated 17.1% and 9.9% respectively since 2006. These are also statistically significant increases for the nation.



Looking at individual counties during 2016, we see that the estimated share of Benton County residents ages 25 and older holding a bachelor's degree as the highest level of educational attainment was

18.2%, and 11.6% for a graduate or professional degree. These estimated shares have increased from 17.1% and decreased from 11.9%, respectively, since 2006. The changes, however, are not statistically significant.

The estimated share of Franklin County residents ages 25 and older holding a bachelor's degree as the highest level of educational attainment was 9.0%, and 7.2% for a graduate or professional degree. They represent a decrease from 10.2% and an increase from 4.9%, respectively, since 2006. Yet, due to the small sample size, one cannot conclude that the 2016 rates are statistically different from those a decade earlier.



Ajsa Suljic, Regional Economist with the Washington State Employment Security Department, said migration into the area in 2005-2006 of migrant workers and manufacturing workers who both settled into the area for the long term, especially within Franklin County, is the prime driver for these numbers. This migration of people into the area increased the share of the population with low educational attainment, as well as the quickly growing population of younger people, also with a generally lower educational attainment.

Suljic predicts an uptick of population with bachelor's degrees and graduate / professional degrees in the Tri-Cities in the future for two reasons. First, the population increase in the area has produced an expansion of the population currently attending local high school by as much as 1,900 students per year. More students traditionally seek higher education within the area in which they attended high school. Columbia Basin College and Washington State University Tri-Cities will both see an increase in students attending their

schools seeking higher education as they graduate from local schools.

Second, Suljic says, employers in the region are experiencing an increased need for workers with a higher level of educational attainment. As current high school student's graduate and eventually complete degrees at local community and state colleges, they will be looking for jobs in in the local economy.

This analysis shows how economic trends are almost never standalone pieces of information. The number of people in Benton-Franklin with a BA or higher degree is tied to a migration of people into the area in the years 2005-2006 as seen in trend [0.1.1](#). The migration of people into the area is tied to the agriculture and manufacturing industries, which can be seen in trend [3.1.5](#), which tracks wages in the top-4 employing sectors. In this way we can piece together a comprehensive picture of the Benton-Franklin area and provide stake holders from policy makers to business leaders the information they need to make solid decisions for the future.

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## 5-Questions with Carl Adrian: President and CEO of Tri-City Development Council (TRIDEC)



**1) TRIDEC has been at the center of economic development in the Tri Cities for over 50 years. Over time, your organization's priorities have undoubtedly shifted. Can you tell us what the TRIDEC's current ones are?** *TRIDEC was formed in 1963 to encourage more activities (new missions, new research projects, etc.) at the Hanford Site. At the same time, the founders recognized that a healthy economy needed more than Hanford so economic diversification was equally important. Third the founders recognized that each of the cities in the Tri-Cities were economically dependent on each other, so the organization must impartially represent the region. Today TRIDEC's priorities and programs reflect these same founding principles. Economic diversification is a top priority. The Pacific Northwest National Laboratory is important to the economy of the region and diversification.*

*Correspondingly, funding for important programs at PNNL is also a priority. Finally, we continue to be focused on new, but different missions at Hanford and of course environmental remediation of the site.*

**2) Your web site offers lots of data about the Tri Cities, including the Benton Franklin Trends. In your efforts to recruit companies, what matters most to the prospective companies?**

*Certainly location, distance to raw materials and markets are always important. The cost of doing business including taxes and other inputs such as energy are also factors. As unemployment rates decline, labor availability and costs are becoming increasingly important. Finally, quality of life factors including housing, culture, recreation and most recently, environmental sustainability, have moved up in importance.*

**3) Which of the indicators of the Trends have been helpful to your recruitment or retention strategies?** *We use a great many of the indicators in business recruitment and retention, but the type of company or project usually dictates which are most important. The economic vitality of the region is always of interest to new and existing companies. General demographic indicators, agricultural production, housing and several of the education indicators such as standardized test scores and degrees awarded are also useful. As I mentioned earlier, environmental sustainability is beginning to become more important, especially to certain companies.*

**4) You're a long-time resident of the Tri Cities. As you look at the various descriptions of life that are captured in the Trends, are there any that stand out?** *My position at TRIDEC causes me to be most interested in indicators that track the changes in the economic vitality of the region and the growth that has and is occurring. I think those are the factors that a great many business people are most interested in because it is a leading indicator of whether their investment in the community is or will increase in value.*

**5) "Data-driven decision-making" is a popular term at the moment. In your decades of experience here, have you sensed a greater adoption of data to inform decisions – in the private or public sectors?** *Economic development is a team sport which almost always involves the public and private sectors. However, in the end it boils down to where the private sector makes the decision to invest and create jobs. The site selection process has evolved over the years from what I would characterize as educated intuition and mostly "subjective" factors to a much more data intense process based on "objective" factors. As more and more companies hire consultants to research communities for new locations there is an increasing reliance on data in order to validate recommendations on finalist communities. Subjective factors are still part of the site location equation, but they now enter much later in the process.*

