

Spokane County Trends Newsletter - Q3 2018:

Indicators in the News:

Welcome to the Spokane County Trends Blog!



Most indicators on the Spokane County Trends website are updated annually, although some indicators can only be updated every two-years and others every five-years. There are even a few indicators receiving updates as frequently as four

times a year.

However, even the most enthusiastic user of the Trends website has had no way to tell for sure when an indicator was updated - until now.

Subscribers to this newsletter received an email a few weeks back introducing them to the new Spokane County Trends Blog. As the email explained, the blog will be used to keep everyone up-to-date as to what indicators were recently updated. Future emails will offer a quick summary with a hyperlink that will take you directly to the blog. The blog will simply be a list newly updated indicators. Indicator titles will be clickable hyperlinks taking you to the specific indicator on the Spokane Trends website.

Subscribers to the newsletter will receive blog updates, so no need to subscribe to both.

In the future, emails about blog updates will be sent from this email address:

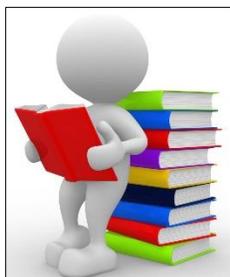
indicatorsmanager@ewu.edu. Make sure to add it to your list of Safe Senders so you don't miss a single update.

As facilitators of the Spokane County Trends website, we hope you enjoy seeing new data and how it compares to previous years or to other closely related indicators as much as we do. We believe keeping you up-to-date through the blog will help you get even more out of the Spokane County Trends website.

Thank you!

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Have You “Checked Out” the Spokane Public Library Business Resource Center?



The technological revolution that brought us personal computers and the internet has opened up access to things unimaginable to most people just a few years ago. However, this access now available in most U.S. homes has put a strain on local libraries to stay relevant.

Simon Jenkins, columnist for [The Guardian](#), sees the library dichotomy as “People like having them around, and are angry if they close. But as for using them, well, there is so little time these days.”

The Spokane Public Library (SPL) has adapted well to the impact of the internet. However, people might not be aware of some of the resources available at the SPL, such as being able to check out items like telescopes and GPS units, musical instruments, DVD's and Blu-ray discs, books on CD, complete professional video production kits, and access to computers, printers (includes 3D printing), genealogy databases, and public meeting rooms.

The [Business Research & Analysis section of the SPL](#) provides free access to tools and resources such as: technology training (such as instructor-led Gale academic courses, various Microsoft software certifications, and Lynda training videos), multiple market and industry reports, full-text business journals, investment research, Washington State legal forms, and offering a variety of technology workshops held at library facilities across Spokane.

Additionally, residents of Spokane County have free access to the [Spokane Business Library](#). All you need is a valid library card from either the Spokane County Library District or the Spokane Public Library.

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Country of Origin for Migrants Living in the U.S.



Quality data can serve as a starting point allowing people to talk about sensitive subjects. Good data can also help us cut through the noise created by highly charged, political hot-button topics, such as immigration and immigration policies in the U.S.

[Pew Research](#) tracks the country of origin for international migrants living in the U.S. going back to 1990. Pew's numbers represent all people born outside of the U.S. who are currently living in the U.S. and includes: naturalized citizens, people on a work visa or through another legal process, and undocumented immigrants.

An *international migrant* is defined by the United Nations Population Division as "someone who has been living for one year or longer in a country other than the one in which he or she was born."

So, where are we? According to Pew, the estimated total number of international migrant living in the U.S. during 2017 was 49,780,000, or about 15.3% of the total U.S. population.

More specifically, the top-10 countries of origin for international migrants living in the U.S. during 2017:

Immigrants In The U.S. - 2017			
Country of Origin	Total Immigrants	Share of U.S. Immigrants	Share of Total U.S. Population
Mexico	12,680,000	25.47%	3.89%
China	2,420,000	4.86%	0.74%
India	2,310,000	4.64%	0.71%

Philippines	2,080,000	4.18%	0.64%
Puerto Rico	1,900,000	3.82%	0.58%
Vietnam	1,410,000	2.83%	0.43%
El Salvador	1,390,000	2.79%	0.43%
Cuba	1,250,000	2.51%	0.38%
South Korea	1,180,000	2.37%	0.36%
Dominican Republic	1,070,000	2.15%	0.33%
Canada	890,000	1.79%	0.27%

While Canada is not the 11th highest country of origin for international migrants living in the U.S. during 2017 (Canada is in 12th place), it was included due to its close proximity.

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Indicators in Action:

Annual Taxable Retail Sales Still

Growing by Scott Richter and Dr. Patrick Jones

The national economy has received quite a bit of media attention over the past year. Defying a few expectations, it has continued to do well. Now the question has become what about the second half of the year? While there are a few different measurements providing insight into the strength of an economy, the Gross Domestic Product (GDP) is perhaps the best known. The [U.S. Department of Commerce Bureau of Economic Analysis](#) defines the GDP as the total “market value of goods and services produced by labor and property”.

Unfortunately, the GDP is not available for individual U.S. counties, although it is for metro areas. But the metro area of Spokane includes two other counties (Pend Oreille and Stevens), so it is not a “clean” measure of economic activity. Total annual taxable retail sales, in contrast, is and serves as a reasonable proxy since consumer spending forms the largest part of any economy. Similar to the GDP measurement, annual taxable retail sales offers

insight into the size, strength, and changes within a local economy.

The major difference between the GDP and taxable retail sales is the GDP considers the total market value of goods produced in an area while annual taxable retail sales only considers retail sales on goods deemed taxable by the state. Since Washington State sales tax is not owed on certain consumer goods such as food, pharmaceuticals, and some services, this measure is a little incomplete compared to the GDP.

Generally speaking, taxable retail sales include, but are not limited to: retail trade (furniture, home and garden centers, vehicles, department stores, restaurants, etc.); agriculture, forestry and fishing; mining; manufacturing; finance and insurance; arts and entertainment; and real estate.

Tonya Wallace, Chief Budget Officer for Spokane County, says Spokane County’s “economy is a significant part of the State’s overall economy – it is the fourth largest county in the state [by population] and the most

economically active Metropolitan Statistical Area in eastern Washington.”

Looking at the [Total Annual Taxable Retail Sales & Annual Growth Rate](#) indicator on the Trends website, we see two positive signs. The first: \$9.81 billion in taxable retail sales during 2017 are the highest on record. The second: 2017 is the seventh consecutive year with an increase from the previous year.

What might be driving these increases? It's not real estate, as taxes paid on these transactions are not included in the taxable retail sales

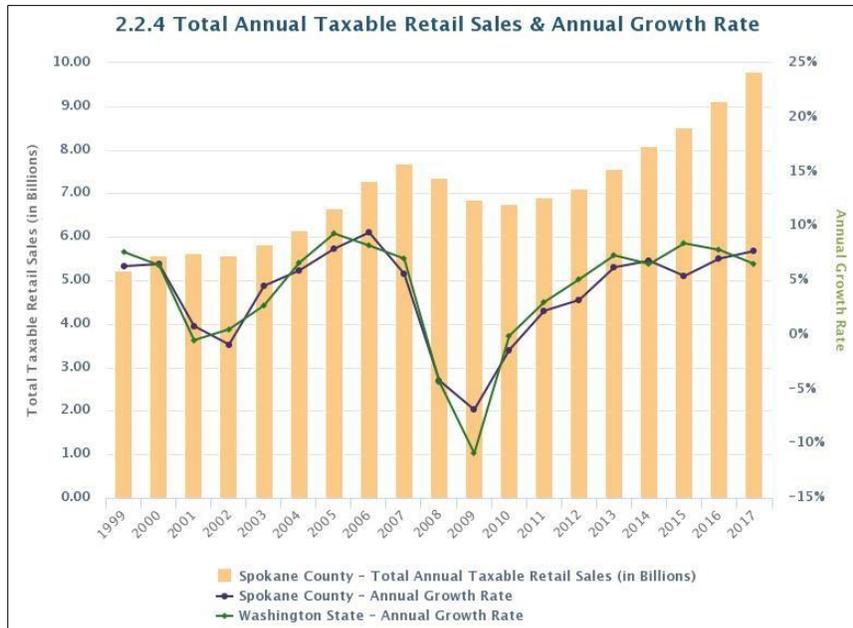
figures. However, taxable retail sales of home improvement products and big ticket items purchased at furniture stores, for example, are significant.

Robin Toth, who heads up business development at Greater Spokane Incorporated, believes the driving forces have been e-commerce, new car purchases, and larger vehicles like RVs.

Wallace said “The sectors with the strongest growth are related to building/construction activity, which would include increases in equipment and furniture sales.”

Toth says people have a little more money in their pockets and are feeling more comfortable making larger purchases than in recent years. Additionally, Toth states that people are feeling

less apprehension to taking out loans to complete these larger purchases. Passing the pre-Great Recession high mark of \$7.68 billion in 2007 for the first time in 2014, this indicator has been moving in a



positive trajectory. Taxable retail sales in Spokane County increased to \$9.81 billion in 2017 from \$9.11 billion in 2016, an annual growth rate of 7.7%, higher than the Washington average. This bodes well for 2018, as the early evidence shows: the increase in the first quarter over first quarter of 2017 was 10%, as the [Total Annual Taxable Retail Sales](#) indicator depicts. But before we bring out the champagne, we will let the trend line speak for itself a year from now, so stay tuned.

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[County Labor Force Back to Pre-Great Recession Numbers](#) by Scott Richter and Dr. Patrick Jones

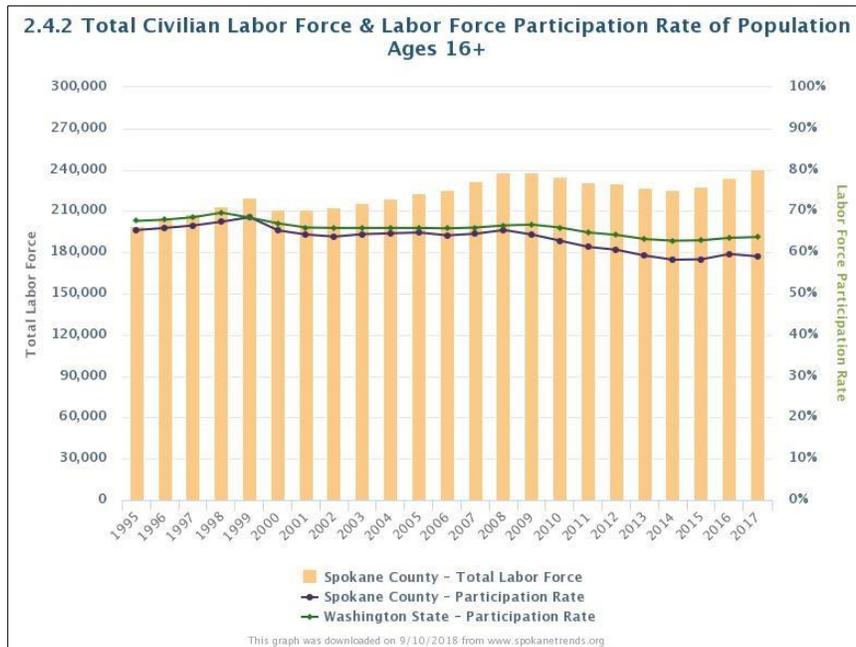
The size of the Civilian Labor Force and Participation Rate are two key measures of the labor market. For government, they speak to their success in encouraging entry into the labor

market, and for local recruitment efforts, depth of the labor pool that can be promoted outside businesses. For the private sector, the measures signify the ability of an area to support a growing economic base through wages and salaries. For both government and the private sector, they can provide a deeper look into the standard employment rate of an area and the overall workforce capacity of a local economy.

The Civilian Labor Force Participation Rate is calculated by dividing the total number of employed people by the total number of people in the Civilian Labor Force. The Civilian Labor Force includes all people ages 16 and older who are eligible to work legally in the U.S. regardless of actual their employment status. To be included, people must be either employed or unemployed but actively seeking work. People not included are: the unemployed not actively seeking work; members of the Armed Services; and those living in mental hospitals, nursing homes, and prisons.

Considering what the Civilian Labor Force means to business expansion and relocation, let's consider Amazon's search for their second headquarters, or what they call HQ2. [Amazon stipulates](#) HQ2 will "create 50,000 high-paying jobs" with construction and operations creating "tens of thousands of additional jobs".

While it's probably true most places in the U.S. would love to land Amazon's HQ2, the reality is few places in the U.S., including Spokane County, can meet the projected labor needs or have the current infrastructure Amazon wants, like a mass transit system. Yet, the area certainly has enough capacity to support the presence of an Amazon warehouse that will initially employ 1,500. This one event will mark the largest single-firm addition of employees in many years.



Mark Mattke, Chief Executive Officer with the Spokane Workforce Council, said it is important for relocating and expanding businesses to know a prospective area has "ongoing access to a

strong talent pipeline that meets their current needs and will also sustain business growth into the future as retirements and other factors impact their workforce."

Doug Tweedy, Regional Economist with the State of Washington Employment Security Department, said "The Civilian Labor Force is a top consideration when a business is planning to relocate or expand into a new location. Typically when relocation or expansion occurs, a business is moving from an urban center experiencing a labor shortage."

Grant D. Forsyth, Ph.D., Chief Economist with Avista Corp, said the size of the Civilian Labor

Force is crucial to a local economy. “In the long run, Gross Domestic Product growth (regional or national) is the sum of productivity growth and labor force growth”, said Forsyth.

Looking at the [Civilian Labor Force and Participation Rate](#) indicator on the Trends website, we see that at 240,421 during 2017, the Civilian Labor Force in Spokane County was the highest in the series. 2017 also exceeded the previous high mark of 238,310 that occurred in 2008, and but was then followed by six consecutive years of annual decreases.

The participation rate has decreased over the series, with the gap between the county and state widening overall since 2008. During 2008, the participation rate in the county was 65.4% compared to 66.5% in the state. By 2017, both the county and state experienced decreases to 59.0% and 63.7% respectively.

The participation rate has declined over the past two decades for many reasons. The most significant is tied to the retirements of the Baby Boomers, but other factors include disability and poor preparation for the labor market. Still,

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it is unclear why the participation rate in the County has declined faster than that the state overall. The share of the 65+ population, a group that is ostensibly retired, is only slightly higher than that of Washington State.

For sure, labor force growth can be affected by the overall health of the working age population. “We have a well-documented opioid and obesity crisis in the U.S., negatively impacting the ability of people to work”, said Forsythe. In fact, Census data for the interval 2011-2016 reveal that the County’s disability rate was 18%, while the State of Washington average was 15%.

If the long-term decline in the participation rate continues, then our regional economy may not be able to yield a deep enough labor pool to either attract businesses or facilitate growth of already established ones. In some Washington counties, the participation rate has fallen below 50%, making it difficult to grow very fast. Yet, in other counties, particularly in the Columbia Basin, the participation rate is over 70%.

Aquifer Levels Steady While Consumption Increases by Scott Richter & Dr. Patrick Jones

The Spokane Valley - Rathdrum Prairie (SVRP) Aquifer provides water to over 500,000 residents of Kootenai County, Idaho and Spokane County, Washington. As the SVRP Aquifer is the only source of drinking water for at least 50% of local residents, in 1978, it was the second aquifer in the nation to be designated a [“sole source aquifer”](#) by the Environmental Protection Agency (EPA). This designation initiated special management practices such as working to eliminate septic

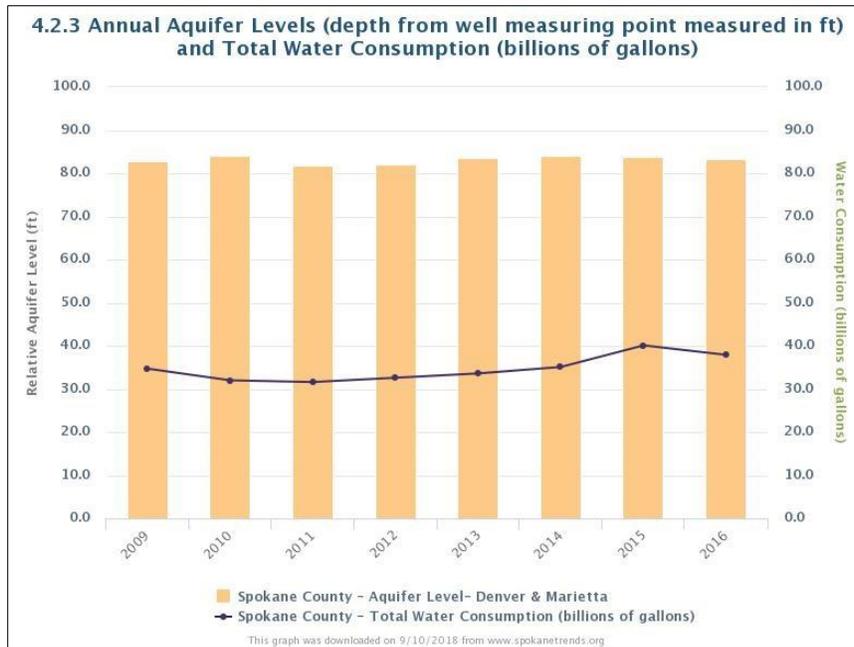
tank systems and pre-treating storm water on the ground above the aquifer.

Although formed naturally over millions of years, the SVRP Aquifer was shaped more recently during the last Glacial Age (approximately 12,000 to 18,000 years ago), due to a pattern of ice dams formed and melted.

As new ice dams would form, some believed to be 2,000 feet or taller, researchers estimate as much as 500 cubic miles of Glacial Lake Missoula water would form behind them. As the backwater pressure increased, the ice dam would eventually break resulting in cataclysmic

flooding. With each flooding event, gravels, cobbles, and rocks were picked up by the flood waters and deposited in places where the flow slowed enough to let some of the heavier sediments drop.

Ultimately, forty or more separate flood events formed the 370 square miles of SVRP Aquifer we depend on today for all of our water needs. Constantly monitoring aquifer water quality, quantity, and consumption will help us prepare to meet both current and future demand for water.



we see that aquifer levels have remained relatively the same while consumption has increased. Aquifer levels represented in this indicator is the actual water depth (as measured in feet) from a well located near the corner of Denver and Marietta streets in the City of Spokane. During 2016, the SVRP aquifer measured 83.4 feet in depth, increasing slightly

from 82.7 feet from 2009, or by less than 1.0%. Total water consumption in Spokane County during 2016 was 37.9 billion gallons, increasing from 34.7 billion gallons

Doug Greenlund, Environmental Analyst with the City of Spokane says “Although our sole source aquifer has an ample supply of water, it is not unlimited. This precious resource needs to be managed in order to provide high quality water into the future.”

The SVRP Aquifer naturally has some of the cleanest water in the world, but pollutants at the surface are a concern. Above the aquifer is a thin layer of topsoil and highly permeable gravel allowing pollutants to easily seep into the aquifer.

Rob Lindsay, Water Programs Manager with Spokane County Environmental Services, says the biggest pollution threat is “untreated stormwater infiltrating the aquifer.”

Looking at the [Aquifer Level and Total Water Consumption](#) indicator on the Trends website,

during 2009, or by 9.2%.

One positive aspect seen in this indicator is that increased water consumption did not lead to a decline of SVRP aquifer levels during the time period offered (2009-2016). However, with a projected additional 72,000 people living in Spokane County [by the year 2025](#), there are simply no guarantees consumption will never exceed production.

The [Ogallala Aquifer](#) is one of the largest aquifers in the world spanning from South Dakota to Texas. It is the main water source for the majority of the Western U.S. Plains where 20% of all agriculture production in the U.S. occurs. Even with a variety of conservation efforts in effect, consumption has consistently exceeded production posing serious questions

about the long-term sustainability of the Ogallala Aquifer.

Most, but not 100% of water consumed in Spokane County is pumped directly out of the SVRP aquifer and groundwater is still by far the primary source of water for Spokane County residents. The City of Spokane, the largest consumer of SVRP Aquifer water, also sells water to nearby cities such as Medical Lake and Airway Heights. Places in the county not drawing water directly or indirectly from the SVRP Aquifer, such as Deer Park, still get their water from groundwater sources.

The relationship between the SVRP Aquifer and the Spokane River are now well established. County water consumption, especially during the dryer summer months, lowers the Spokane River levels as more river water is drawn below ground to replenish lower aquifer levels.

Greenlund says “Outdoor landscape irrigation is the largest use of water. The peak irrigation season occurs when river flows are the lowest.”

Lindsay says “When we think about the aquifer, we need to think about the river too because they are connected.”

As much 50% of water used outside is [wasted from inefficient watering methods](#) so people looking for ways to conserve water might start with making sure outside watering methods are efficient.

Greenlund said homeowners can still have beautiful landscaping with lower water demand. He said [SpokaneScape](#) was created for this very purpose. City of Spokane residents can earn a maximum of \$500 in credits off their water bills for removing lawn turf and replacing it with SpokaneScape landscaping. People who do not live in the city can still reduce their water consumption by integrating SpokaneScape practices and recommendations.

Lindsay said “Reducing water use for irrigation of lawns in the summer will keep more water in the river, thus supporting flows and river habitat.”

making changes in when and how we water our yards seems to be a good place to start - especially now that we in the time of year where water demand is at its highest recharging of the aquifer is at its lowest.

Lindsay says that while we are becoming more efficient regarding our water consumption, we need to continue seeking ways to conserve water because our “community is growing and water use will increase in the future.”

A special thank you to the *Spokane Valley Rathdrum Prairie 2015 Atlas* for providing many of the geological and statistical details presented in this article. The Atlas and other aquifer resources can be accessed from the Spokane County website by [clicking here](#).

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5-Questions with: Shelly O’Quinn - CEO, Innovia Foundation

Q1) Your organization has recently gone through a name change. Has the strategic direction of the foundation changed as well?

A1) The name change to Innovia – or ‘innovative way’ reflects a new emphasis on driving community transformation. Our goal is to serve as a catalyst for change in the region in the following way. First, we aim to better understand the needs of the constituents that nonprofits are serving. Second, we want to build strong relationships between donors and nonprofits, so philanthropy can engage effectively in the



community. Finally, we intend to support nonprofits in outcomes assessment and performance improvement to demonstrate the impact of grant dollars in the community.

Q2) To what degree do socio-economic data inform the funding decisions of Innovia? Can you tell us how?

A2) Innovia Foundation covers a 20-county region with over a million residents located throughout Eastern Washington and Northern Idaho. Economic circumstances across this region vary widely – county-level unemployment ranges between 3% and 11% and the poverty rate falls between 12% and 26%. As a community foundation, we need to communicate with local partners and monitor data on socio-economic

disparities, so we can take an active and informed role in addressing urgent challenges in our region. We have a new research department at Innovia Foundation and leveraging data for strategic grantmaking and needs assessment will be a priority for the foundation going forward.

Q3) You've been at the helm of the foundation for about a year. Do you know whether your staff or members of the funding committees have used Spokane Community Indicators to help decide which proposals to fund?

A3) The foundation was an early supporter and funder of the Spokane Community Indicators project. We appreciate having a comprehensive and central location for county-level indicators across a range of topic areas. We rely on consistent and reliable local data so our grants committee can understand the unique needs in each area. The Spokane Community Indicators and related sites in five additional counties served by Innovia Foundation provide valuable resources for data-driven decision making.

Q4) You are a long-time Spokane resident, parent and non-profit executive. As you peruse the Indicators, are there any trends that jump out at you?

A4) Two trends stand out. The [growth in total population](#) and rise in [residential net migration](#) show that Spokane is an attractive place to live and work. The net influx in residents means that all partners – private and public sectors as well as community groups – must be prepared to meet the challenges of growth. One of these challenges involves education and youth development. It is particularly troubling that a third of county [8th and 10th graders report feeling sad or hopeless](#). Connecting youth to community opportunities and promoting developmental assets is a priority of the foundation and an area where more work is needed.

Q5) Not only a long-term resident, you are a former county commissioner and a Greater Spokane Incorporated (GSI) executive. In the years you spent in those roles, what are your observations about the public sector reaching for data as part of their decision-making process?

A5) Based on my time in these roles, it is clear that data can be used and misused. But this isn't a revelation, I think we all should simultaneously have a skepticism and appreciation for what data can bring to the decision-making process. I was recently introduced to the CART principle – that data should be Credible, Actionable, Responsible, and Transportable. I think these guidelines provide a good framework for assessing the value in data. I am appreciative that the indicator sites provide a trusted clearinghouse for county-level data trends.